

From: Adam Cobb I

Subject: RE: [EXTERNAL] Escambia Children's Trust Supplemental Request for Exemption

Date: December 5, 2025 at 3:44:42 PM CST

To: Megan Fry

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Megan,

Following up to our conversation earlier today. A few things in response to some points raised by ECT in its most recent letter dated November 26, 2025:

1. By Section 163.387(2)(a), Florida Statutes, the Florida legislature mandated that each taxing authority shall, by January 1 of each year, appropriate tax increment revenues to the redevelopment trust fund. Absent from 163.387 is any condition placed upon the taxing authority's obligation to annually so deliver tax increment revenue to the redevelopment trust fund or any obligation of any person or entity to make demand upon the taxing authority for delivery of such tax increment payment.
2. ECT takes the position that it is not required to deliver tax increment revenue, claiming that 162.387(2)(a) is unconstitutional. In support of that position, ECT cites to *State ex re. City of Gainesville v. St. Johns River Water Mgmt. Dist.*, 408 So.2d 1067 (Fla. Dist. Ct. App. 1982), which held that a tax increment appropriation may not be required of a special taxing district created for a purpose unrelated to and not shown to substantially benefit from community redevelopment. Unfortunately, ECT's position ignores the subsequent actions taken by the Florida Legislature and Judiciary, overruling and eliminating the cited holding from the *Gainesville* case.

Two years after the *Gainesville* case, the Legislature enacted 163.353 Florida Statutes, which provided general authority for taxing districts to appropriate tax increment to redevelopment trust funds. In other words, the Legislature determined that community redevelopment was an acceptable purpose for the levy or appropriation of taxes by any taxing authority. In 1986, the Florida Supreme Court issued its ruling in *State v. City of Daytona Beach*, 484 So.2d 1214 (Fla. 1986), which built on 163.353 and explicitly confirmed the constitutionality of 163.387(2)(a). I've attached copies of 163.353 and *City of Daytona Beach* for your convenience.

In stark contrast to the position currently taken by ECT, the established law in Florida for the past 40 years has been that 162.387(2)(a) is constitutional. ECT is bound to its terms and is required by the Florida Legislature to deliver the tax increment revenues to the redevelopment trust fund.

3. In response to your request, attached please find the City's calculations of the tax increment revenue due to the CRA, updated to include (a) tax year 2025, and (b) the related late fees and interest, good through December. Note the attached does not

include the statutory late fees of 5%. Adding those late fees in for tax years 2021-2024 results in an updated total amount due of **\$3,101,680.07**, good through December. An additional statutory late fee of \$26,629.55 will accrue on January 1, 2026, per 163.387(2)(b).

Given the prior discussions and understandings between our clients, I'm surprised at ECT's change in position following delivery of the draft exemption Interlocal Agreement (attached again for your convenience). However, I remain optimistic that our clients will be able to work together to address and resolve this matter. To that end, please do let me know when you and Lindsey have time to meet with myself and City Administration over the coming weeks. Once we have that information, we can work to get a meeting on the books.

As always, I appreciate your time and professionalism.

Adam C. Cobb
City Attorney