



Fiscal Year
2016

October 1, 2015 -
September 30, 2016

City of Pensacola Community Redevelopment Agency Annual Report



PENSACOLA
THE UPSIDE of FLORIDA



Prepared by: M. Helen Gibson, AICP
Community Redevelopment Agency,
Pensacola, FL

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**City of Pensacola
Community Redevelopment Agency
Annual Report
Fiscal Year 2016**

Required Report and Records

Pursuant to Chapter 163 of the Florida Statutes, the Community Redevelopment Agency (CRA) of the City of Pensacola must file with the governing body on or before March 31st of each year, a report of its activity for the preceding fiscal year, October 1 through September 30. This report shall include a complete financial statement setting forth its assets, liabilities, income, and operating expenses as of the end of such fiscal year. Once completed, a notice will be published in a newspaper of general circulation which states that the FY 2016 CRA Annual Report has been filed and is available for review in the City Clerk's office. The notice of publication will be placed in the Pensacola News Journal newspaper as a legal notice. In addition, the report will be available for review on the City's website (www.cityofpensacola.com).

CRA Background

On September 25, 1980, the City Council made the determination that a blighted area existed in the city, and that there was a need for a redevelopment agency to implement the revitalization of this blighted area. Therefore, Resolution 54-80 created the Pensacola Inner City Community Redevelopment Area and Resolution 65-81 reaffirmed it. The Pensacola Inner City Community Redevelopment Area is a 1,237-block, 4,611-acre area that encompasses the entire city from 17th Avenue on the east, Pensacola Bay on the south, Bayou Chico and the city limit line on the west and the city limit line on the north. It accounts for about 31.8% of the city's total land area including the downtown urban core.

Within the Pensacola Inner City Community Redevelopment Area, there exists three redevelopment areas. The Urban Core Community Redevelopment Area created and funded by Ordinance 13-84; the Westside Community Redevelopment Area created by Resolution 04-07 and funded by Ordinance 01-08; and the Urban Infill and Redevelopment Area created by Resolution 41-05 and funded by Ordinance 16-05 (henceforth referred to as the Eastside Community Redevelopment Area). Community redevelopment projects to preserve and enhance the tax base within these redevelopment areas are financed primarily from Tax Increment Financing (TIF) revenues allocated to and deposited in the Redevelopment Trust Fund established for each in accordance with §163.387, Florida Statutes.

The City Council declared itself the Community Redevelopment Agency (CRA) pursuant to the provisions of Chapter 163, Part III, Florida Statutes. This action, adopted by Resolution No. 55-80 and amended by Resolution 22-10, also outlines the rights, powers, duties, privileges and

immunities invested in the City Council acting as the CRA. Although the City Council members and the CRA members are the same, the CRA is a legal entity, separate, distinct and independent from the City Council. Pensacola's redevelopment efforts are guided by the CRA which is comprised of the seven City Council members and a citizenry determined to revitalize the historic waterfront and inner city neighborhoods. The CRA has direct oversight of redevelopment activities in all three redevelopment areas. The CRA, as an agency, exists for up to the maximum number of years allowable under statute.

Staffing and Administrative Procedures

In Fiscal Year 2016, the CRA moved to hire two permanent full time staff positions, the CRA Administrator and Assistant CRA Administrator, to expand the productivity of the agency. The CRA and City of Pensacola annually approve an interlocal agreement which provides operational support for the implementation of the CRA's three redevelopment plans, and includes items such as budget, finance, audit, legal and other ancillary operations. A second interlocal agreement between the City and the CRA governs the maintenance of landscaping and other public assets constructed in the redevelopment areas by the CRA.

The CRA seeks to further implement the redevelopment plans through the resources and expertise of various partners. Through interlocal agreements, the Downtown Improvement Board (DIB) assists in the implementation of housing and parking strategies and other mutual undertakings that are consistent with the goals and objectives of the Urban Core Redevelopment Plan.

The Community Redevelopment Agency Bylaws establish the CRA's board composition, purpose and powers, meeting and notice requirements and administrative procedures. The Bylaws were amended by the Board during FY 2015 to adopt the City of Pensacola's policies and procedures for expenditure of funds. The CRA Board meets on a monthly basis. Typically, meetings are held immediately following the City Council's Agenda Conference on the first or second Monday of the month.

On March 14, 2013, City Council established, by Ordinance 09-13, a neighborhood board known as the Eastside Redevelopment Board, pursuant to Florida Statute 163.2517 (2)(a)(b) to facilitate a neighborhood participation process and provide for the ongoing involvement of stakeholders in the Eastside Urban Infill and Redevelopment Area.

On September 11, 2014, City Council established, by Ordinance 33-14, a neighborhood board known as the Westside Redevelopment Board, pursuant to Florida Statute 163.2517 (2)(a)(b) to facilitate a neighborhood participation process and provide for the ongoing involvement of stakeholder groups in the Westside Community Redevelopment Area.

Community Redevelopment Plan Implementation

Pursuant to the Community Redevelopment Act (Florida Statutes §163.387(1)(a)), no TIF revenues may be expended unless those funds are expended in accordance with an adopted community redevelopment plan for the specific redevelopment area. Each redevelopment area has its own community redevelopment plan which has been adopted and amended from time to time by the City Council. The purpose of the plans are to identify policies and actions to remedy the conditions of slum and blight that have been determined to exist within the Community Redevelopment Area, including short-term and long-term capital improvements, economic development and planning projects aimed at stimulating the redevelopment of the districts. The following community redevelopment plans are currently in effect:

- 2005 Eastside Urban Infill and Redevelopment Area Plan (Eastside Redevelopment Plan)
- 2007 Westside Community Redevelopment Area Plan (Westside Redevelopment Plan)
- 2010 Urban Core Community Redevelopment Plan.

Projects Funded 2015-2016

Eastside/Urban Infill & Redevelopment Area

Historic General Daniel “Chappie” James Museum & Flight Academy

In 2016, final design was completed on the Historic General Daniel “Chappie” James Museum and Flight Academy and construction began. Donated to the City of Pensacola by the family of General Daniel “Chappie” James, Jr., America’s first African American four-star general, this National Register of Historic Places landmark will accommodate a museum and youth flight academy, and serve as a model stormwater treatment site.

The redevelopment of the historic birth site of General “Chappie” James is a priority of the Eastside Redevelopment Plan which was included as an amendment to the Plan in 2014. This project contributes to the Plan’s goals to support the adaptive reuse of neighborhood historic structures, and will achieve multiple public purposes of blight removal, historic preservation, stormwater mitigation, economic stimulation, cultural tourism and neighborhood revitalization.

The project is undertaken in partnership with two local non-profit organizations, the Chappie James Museum Inc. and the Chappie James Jr. Flight Academy. These organizations will



establish and operate a museum commemorating General James' life, and set up a permanent on-site aviation base of operations for training and tutoring community youth.

Due to the significant cost of undertaking capital improvement projects in comparison to annual Eastside Redevelopment Area TIF generation, additional financing was required to provide sufficient revenue to complete the building improvements. A loan from the City of Pensacola was issued in support of this project to be repaid with TIF funds generated in future fiscal years. The project is expected to be completed in July of 2017, with repayment scheduled to follow.

Redevelopment Design Guidelines

An identified project of the Eastside Redevelopment Plan is the preparation of urban design guidelines to aid development, rehabilitation and improvement of area properties to insure compatibility with the architectural character of the area. Since the Westside Redevelopment Plan also calls for the preparation of design guidelines, a single consultant solicitation is proposed for both areas in order to achieve a level of cost efficiency.

Westside Community Redevelopment Area

Westside Redevelopment Plan

Geographically, the Westside Redevelopment Area is the largest of the three redevelopment areas. Costs associated with implementation of the Westside Redevelopment Plan projects will be significant over the coming years and will warrant some accumulation of the TIF, as well as pursuit of creative financing options, and outside grants to provide sufficient funds to carry out plan projects to address the needs of this area.

West Moreno Area Revitalization/Baptist Hospital Expansion

Partnership with Baptist Hospital, a world-class anchor institution in the Westside area and Pensacola's only inner-city hospital, is called for by the Westside Redevelopment Plan to catalyze revitalization in the area. In FY 2016, TIF funds were allocated towards Phase II of the Reconnaissance and Strategic Assessment of the West Moreno neighborhood surrounding Baptist Hospital. The goal of the effort is to leverage the hospital's planned expansion as an impetus to create a mixed use neighborhood core and central gathering place that will serve the neighborhood residents, as well as Baptist employees, patients and visitors. An additional goal of the study is to address severe flooding and stormwater drainage issues in the area. Finalization of the assessment is anticipated during FY 2017 with implementation to follow during future years.

Redevelopment Design Guidelines

An identified project of the Westside Redevelopment Plan is the preparation of urban design guidelines to help assure development, rehabilitation and improvement of area properties is compatible with the area's architectural character. It is expected that this project will be carried out in Fiscal Year 2017.

Neighborhood Corridor Enhancements

In FY 2016, the Florida Department of Transportation (FDOT) completed a Corridor Management Plan for West Cervantes as a follow up to a traffic safety study completed in 2015. Developed with considerable community involvement, the plan recommends a complete reconstruction of the corridor to include, lighting, landscaping, enhanced crosswalks, medians, bike lanes and stormwater enhancements. The plan has been submitted to the Florida/Alabama Transportation Planning Organizing for inclusion in the list of projects for possible future funding by FDOT.



Urban Core Community Redevelopment Area

Leverage

Private sector investment continues to reinvigorate the Urban Core CRA. Projects designed and permitted in 2015 have materialized in brick and mortar in Fiscal Year 2016. Fiscal Year 2016 saw significant private and public investment adding to the strength of the Urban Core. This included the construction of a new 30,000 square foot facility valued at approximately \$4 million by the Institute for Human and Machine Cognition (IHMC). The urban housing and hotel, currently under construction, will further bolster downtown shopping and dining destinations, banks and offices. These developments will soon be joined by other renovation and new construction projects planned or under way.



During Fiscal Year 2016, the CRA moved forward to the market available CRA-owned properties for redevelopment. A Request for Proposals (RFP) issued for disposition of the CRA-owned commercial building at 16 South Palafox Street resulted in the sale of the property and approximately \$460,000 in net proceeds to the CRA.

A contract was executed with commercial real estate firm, NAI Halford, to actively market CRA-owned properties. These include the Hawkshaw site located at Ninth Avenue and Romana Streets, and other sites. To ensure the redevelopment proceeds in a manner which responds to the scale and character of the adjacent historic district and Aragon neighborhood, urban design guidelines were prepared for the Hawkshaw site during 2016. The established guidelines set a clear framework for developers by defining land

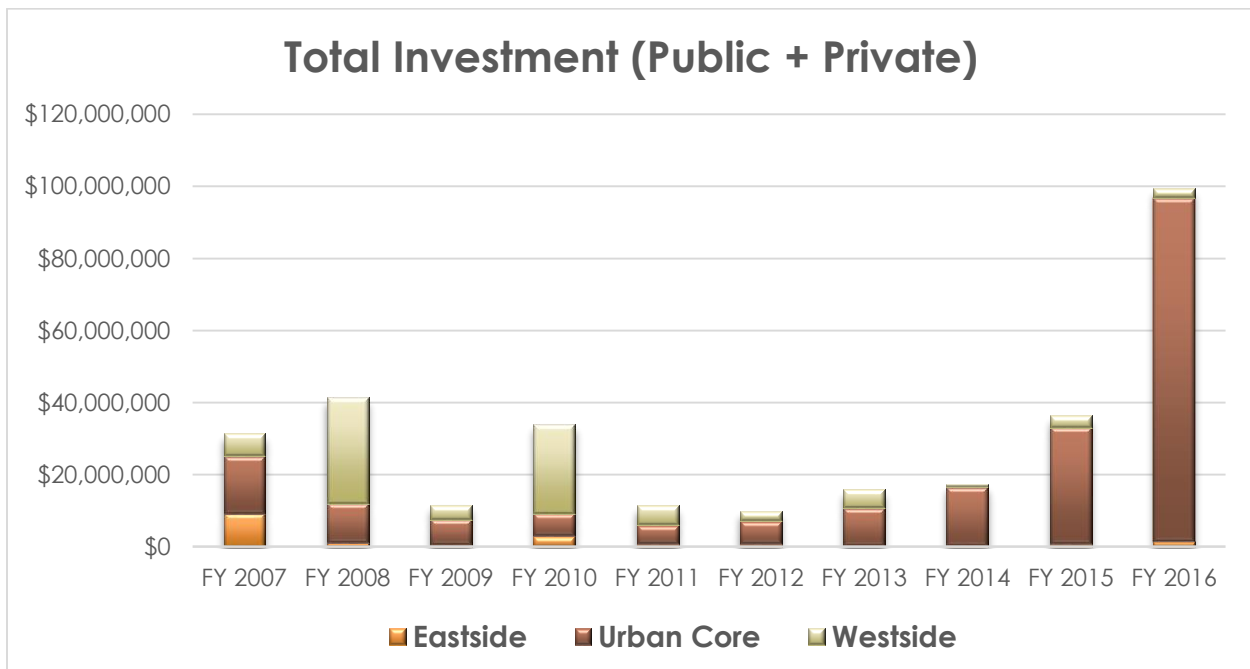
development standards and provide options which allows the developer room for flexibility and creativity.

In Fiscal Year 2016 a majority of TIF revenues generated in the Urban Core continued to be dedicated to debt service payments on prior years' projects such as development of the Community Maritime Park, and relocation of the former Main Street Sewage Treatment Plant. Remaining FY 2016 TIF revenues were committed to administration, professional services and maintenance of CRA constructed landscape and infrastructure assets.

Investment in the Community Redevelopment Areas

Public/Private permit values in the Community Redevelopment Areas for Fiscal Years 2007 through 2016 are as follows:

Fiscal Year	Eastside	Urban Core	Westside	CRA Combined
FY 2007	\$9,192,865	\$16,010,601	\$6,209,179	\$31,412,646
FY 2008	\$1,121,480	\$10,776,000	\$29,510,750	\$41,408,230
FY 2009	\$348,352	\$7,118,193	\$4,015,692	\$11,482,238
FY 2010	\$2,926,774	\$6,152,973	\$24,906,368	\$33,986,115
FY 2011	\$855,410	\$5,128,743	\$5,314,168	\$11,298,321
FY 2012	\$837,076	\$6,189,363	\$2,779,775	\$9,806,214
FY 2013	\$67,723	\$10,582,974	\$5,234,819	\$15,885,516
FY 2014	\$279,945	\$16,306,712	\$772,416	\$17,359,072
FY 2015	\$839,814	\$32,106,048	\$3,408,778	\$36,354,639
FY 2016	\$1,436,051	\$95,373,612	\$2,711,437	\$99,521,100



The permitted value of investment in the three redevelopment areas in Fiscal Year 2016 is \$99,521,100. For Fiscal Year 2016, \$290,139 in public investment leveraged \$99,230,961 in private investment at a ratio of approximately 342 to 1.

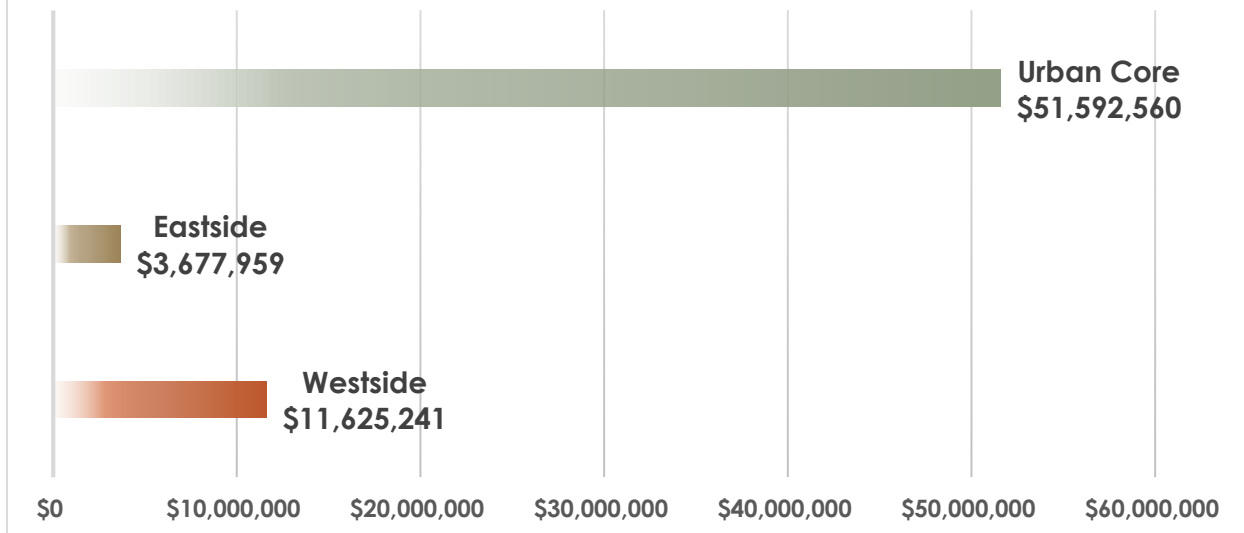
Tax Base Growth

The continuing goal of the CRA is to remove and prevent blight, support the growth of property values and improve the physical quality of life for the businesses and residents of the redevelopment areas, consistent with the adopted Community Redevelopment Plans. After previous consecutive years of declining values, the Urban Core tax base grew to its 2016 value of \$849,285,988, an increase of 6% over 2015. The Eastside Area grew to \$49,920,089, an increase of 8% from the previous year, and the tax base of the Westside Area was \$271,294,241, a 4% increase compared to 2015.

CRA District Assessed Values (2007-2016)

Fiscal Year	Westside	Eastside	Urban Core
2007	\$275,609,740	\$53,998,860	\$731,842,900
2008	\$262,519,210	\$51,194,260	\$723,823,520
2009	\$255,784,519	\$48,832,032	\$706,423,913
2010	\$246,150,499	\$47,704,828	\$674,859,510
2011	\$239,215,337	\$44,687,869	\$664,449,542
2012	\$239,310,904	\$44,933,109	\$663,058,724
2013	\$231,221,235	\$42,355,935	\$716,623,880
2014	\$230,640,737	\$42,140,461	\$669,127,240
2015	\$259,669,000	\$46,242,130	\$797,693,428
2016	\$271,294,241	\$49,920,089	\$849,285,988

Change In Assessed Values 2015 - 2016





CRA District Assessed Values (2015-2016)

	Market Values		Difference	
	2015	2016	\$	%
Eastside	\$46,242,130	\$49,920,089	\$3,677,959	8%

	Market Values		Difference	
	2015	2016	\$	%
Westside	\$259,669,000	\$271,294,241	\$11,625,241	4%

Eastside CRA

Westside CRA

Urban Core CRA

	Market Values		Difference	
	2015	2016	\$	%
Urban Core	\$797,693,428	\$849,285,988	\$51,592,560	6%

0 0.35 0.7 Miles


Date: 2/22/2017



This map was prepared by the GIS section of the City of Pensacola and is provided for information purposes only and is not to be used for development of an action plan or any type of engineering services based on information displayed herein. It is maintained for the function of a map only. It is not intended for conveyance nor for a survey. The data is not guaranteed accurate or suitable for any use other than that for which it was generated.

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Legend

 Pensacola Inner City CRA

PENSACOLA

Highlights of Activity – FY 2016



- ✓ Construction of the Bear Levin Studer Family YMCA (Downtown) at Tarragona and Intendencia Streets (52,852 SF / \$6,990,206 value)
- ✓ Completion of a three story retail/office/residential building at One-51 Main Street at Community Maritime Park out parcel (25,419 SF / \$4,724,366 value)
- ✓ Construction of the new 30,000 square foot Institute for Human and Machine Cognition (IHMC) facility on E. Romana St (332,280 SF / \$4,025,549 value)
- ✓ Construction of the new Kesco Kitchen Supply on W. Main Street (18,718 SF / \$1,800,000 value)
- ✓ Construction of the new Bodacious Brew Drive Thru at 16 W. Main Street (965 SF / \$123,887)
- ✓ Completion of the new Centennial Bank building at 201 E. Garden St (5366 SF / \$729,883)
- ✓ Completion of the new Dollar General off E. Cervantes Street (75,000 SF/\$720,975)

Future Development Projects and Other Agency Initiatives- FY 2016 - Forward

- ✓ Construction of a five story condominium project on South Palafox Street (37,653 SF / \$6,728,419 value)
- ✓ Redevelopment of the former Blount building at the corner of Palafox and Garden Streets by One Palafox Place (\$1,138,444 value)
- ✓ Construction of the new Downtown Holiday Inn at East Main and South Jefferson Streets (65,316 SF / \$8,892,120 value)

CRA FINANCIAL INFORMATION FY 2016

The Comprehensive Annual Financial Report (CAFR) is the City's official financial document and should be read in conjunction with this document. An electronic copy of the CAFR can be accessed on the City's web site (www.cityofpensacola.com), under Government, Department Listing, Financial Services, Annual Financial Reports.

CITY OF PENSACOLA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Community Redevelopment Agency	Urban Core Redevelopment Trust	Eastside Tax Increment Financing District	Westside Tax Increment Financing District	CRA Debt Service	Total Governmental Funds
Revenues:						
Taxes	\$	\$	\$	\$	\$	\$ 0
Intergovernmental		2,764,842	54,718	55,981	909,273	3,784,814
Charges for services	103,872					103,872
Interest income	3,532	3,613	3,522	499	1,862,763	1,873,929
Other						0
Total revenues	<u>107,404</u>	<u>2,768,455</u>	<u>58,240</u>	<u>56,480</u>	<u>2,772,036</u>	<u>5,762,615</u>
Expenditures:						
Current -						
General government	1,887,982		772	25,731		1,914,485
Capital outlay			13,679			13,679
Debt service -						
Principal retirement					605,000	605,000
Interest					2,996,481	2,996,481
Issuance Cost						0
Total expenditures	<u>1,887,982</u>	<u>0</u>	<u>14,451</u>	<u>25,731</u>	<u>3,601,481</u>	<u>5,529,645</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,780,578)</u>	<u>2,768,455</u>	<u>43,789</u>	<u>30,749</u>	<u>(829,445)</u>	<u>232,970</u>
Other financing sources (uses):						
Transfers in	3,862,004	1,662,929	35,474	36,293	583,128	6,179,828
Transfers (out)	(1,894,745)	(4,431,384)				(6,326,129)
Bonds issued						0
Total other financing sources (uses)	<u>1,967,259</u>	<u>(2,768,455)</u>	<u>35,474</u>	<u>36,293</u>	<u>583,128</u>	<u>(146,301)</u>
Net Change in fund balances	<u>186,681</u>	<u>0</u>	<u>79,263</u>	<u>67,042</u>	<u>(246,317)</u>	<u>86,669</u>
Fund balances at beginning of year	<u>41,662,627</u>	<u>0</u>	<u>559,269</u>	<u>65,743</u>	<u>4,159,540</u>	<u>46,447,179</u>
Fund balances at end of year	<u>\$ 41,849,308</u>	<u>\$ 0</u>	<u>\$ 638,532</u>	<u>\$ 132,785</u>	<u>\$ 3,913,223</u>	<u>\$ 46,533,848</u>

The accompanying notes are an integral part of these financial statements.

CRA FINANCIAL INFORMATION FY 2016

CITY OF PENSACOLA, FLORIDA BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2016

	Community Redevelopment Agency	Urban Core Redevelopment Trust	Eastside Tax Increment Financing District	Westside Tax Increment Financing District	CRA Debt Service	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 123,378	\$	\$	\$	\$	\$ 123,378
Investments	286,793					286,793
Accounts receivable	10,129					10,129
Prepays and deposits	743					743
Restricted assets						
Cash and cash equivalents	298,004		342,466	41,195	1,314,201	1,995,866
Investments	692,716		796,066	95,757	3,054,881	4,639,420
Advances to other funds	648,704					648,704
Notes receivable	39,813,626					39,813,626
Total assets	\$ 41,874,093	\$ 0	\$ 1,138,532	\$ 136,952	\$ 4,369,082	\$ 47,518,659
LIABILITIES						
Accounts payable	\$ 14,446	\$	\$	\$	\$	\$ 14,446
Contracts payable				4,167		4,167
Advances from other funds			500,000			500,000
Unearned revenue					455,859	455,859
Deposits	1,000					1,000
Total liabilities	15,446	0	500,000	4,167	455,859	975,472
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	9,339					9,339
Total deferred inflows of resources	9,339	0	0	0	-	9,339
FUND BALANCE (DEFICITS)						
Non-spendable	743					743
Restricted						
Maritime Park	39,813,626					39,813,626
Community Development Projects	2,034,939		1,029,555	132,785		3,197,279
Debt Service Payments					3,913,223	3,913,223
Committed						
Other committed						-
Assigned						-
Unassigned			(391,023)			(391,023)
Total fund balances	41,849,308	0	638,532	132,785	3,913,223	46,533,848
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 41,874,093	\$ 0	\$ 1,138,532	\$ 136,952	\$ 4,369,082	

The accompanying notes are an integral part of these financial statements.

**CITY OF PENSACOLA, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY**

**ELECTED OFFICIALS
FY 2016 CRA BOARD MEMBERS**

Larry B Johnson

Andy Terhaar, Vice Chair

Sherri F. Myers

Gerald Wingate

Brian Spencer

P.C. Wu

Jewel Cannada-Wynn, Chair



Jewel Cannada-Wynn, Chair

**APPOINTED OFFICIALS
FY 2016 EASTSIDE REDEVELOPMENT BOARD MEMBERS**

William O. Brown

Jeannie Rhoden

Aretta Anderson

**APPOINTED OFFICIALS
FY 2016 WESTSIDE REDEVELOPMENT BOARD MEMBERS**

Dianne Robinson

Jewel Cannada-Wynn

James L. Gulley

C. Marcel Davis

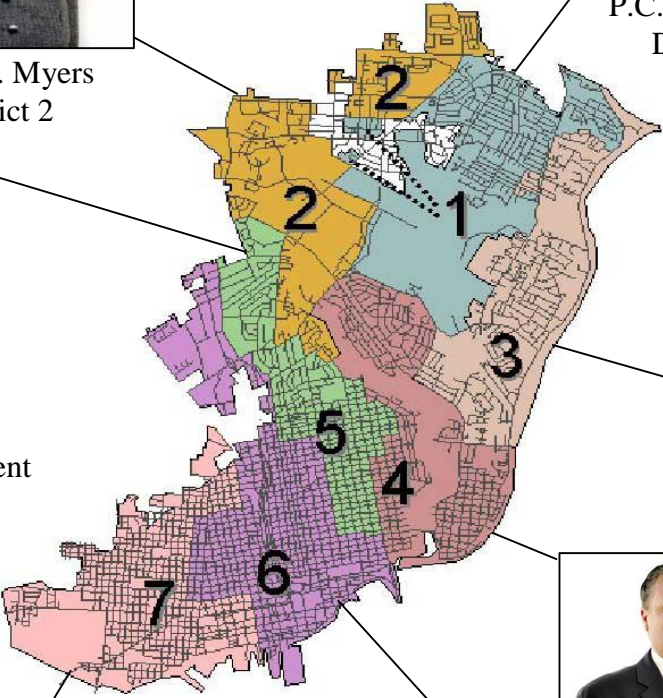
Anny Shepard

CITY OF PENSACOLA, FLORIDA

LISTING OF ELECTED AND APPOINTED OFFICIALS

ELECTED OFFICIALS

FY 2016 MAYOR AND CITY COUNCIL



Ashton J. Hayward, III
Mayor

P.C. Wu, Ph. D.
District 1

Andy Terhaar
District 3

Larry B. Johnson
District 4

Brian Spencer
Council President
District 6

Jewel Cannada-Wynn
District 7

Gerald Wingate
Council Vice President
District 5

Sherri F. Myers
District 2