



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Agenda - Final

Community Redevelopment Agency

The City of Pensacola Community Redevelopment Agency was created by the City Council and is a dependent special district in accordance with the Florida State Statutes Chapter 189 (Resolution No. 55-80 adopted on September 25, 1980; and amended Resolution No. 22-10 adopted on August 19, 2010.)

Monday, May 8, 2023

3:30 PM

Council Chambers, 1st Floor

Immediately following City Council Agenda Conference starting at 3:30 P.M.

The meeting can be watched via live stream at cityofpensacola.com/video.

CALL MEETING TO ORDER

Members: Teniade Broughton-Chairperson, Jennifer Brahier-Vice Chairperson, Charles Bare, Casey Jones, Jared Moore, Allison Patton, Delarian Wiggins

BOARD MEMBER DISCLOSURE

Board Members disclose ownership or control of interest directly or indirectly of property in the Community Redevelopment Area

CHAIRMAN'S REPORT

APPROVAL OF MINUTES

1. [23-00358](#) CRA Meeting Minutes - 04/10/2023

Attachments: [CRA Meeting Minutes - 04/10/2023](#)

PRESENTATIONS

2. [23-00336](#) COMMUNITY POLICING UPDATE

Recommendation: That the Community Redevelopment Agency (CRA) receive an update regarding community policing activities within the Urban Core Community Redevelopment Area.

Sponsors: Teniade Broughton

ACTION ITEMS

3. [23-00286](#) FY 2022 COMMUNITY REDEVELOPMENT AGENCY
COMPREHENSIVE FINANCIAL REPORT

Recommendation: That Community Redevelopment Agency (CRA) accept the Community Redevelopment Agency Annual Comprehensive Financial Report for the year ended September 30, 2022 as prepared by the Financial Services Department and the Independent Auditors issued.

Sponsors: Teniade Broughton

Attachments: [FY 22 Community Redevelopment Agency Comprehensive Financial Report](#)
[FY 22 Audit SAS 114 Letter - City of Pensacola - CRA](#)

4. [2023 -03 CRA](#) RESOLUTION NO. 2023-03 CRA - APPROVING MASTER
REDEVELOPMENT AGREEMENT FOR SPRING STREETSCAPE
IMPROVEMENTS FROM GARDEN TO ROMANA

Recommendation: That the Community Redevelopment Agency (CRA) adopt Resolution No. 2023-03 CRA authorizing a Master Redevelopment Agreement with the City, 200 West Garden LLC and 97 Spring Condos LLC for the development of streetscape improvements on Spring Street from Garden to Romana Street. Further, that the CRA authorize the CRA Chairperson to execute and take all actions necessary to carry out the agreement.

**A RESOLUTION OF THE PENSACOLA COMMUNITY
REDEVELOPMENT AGENCY RELATING TO COMMUNITY
REDEVELOPMENT WITHIN THE URBAN CORE COMMUNITY
REDEVELOPMENT AREA; PROVIDING FINDINGS; APPROVING
AND AUTHORIZING EXECUTION OF A MASTER REDEVELOPMENT
AGREEMENT BETWEEN THE AGENCY, THE CITY OF PENSACOLA,
FLORIDA, 200 WEST GARDEN LLC AND 97 SPRING CONDOS LLC,
PROVIDING FOR THE REDEVELOPMENT OF CERTAIN PROPERTY
LOCATED IN THE REDEVELOPMENT AREA CONSISTING OF
RIGHT OF WAY, STREETSCAPE IMPROVEMENTS; AND
PROVIDING AN EFFECTIVE DATE.**

Sponsors: Teniade Broughton

Attachments: [Resolution No. 2023-03 CRA](#)
[Master Redevelopment Agreement](#)

5. [23-00334](#) INTERLOCAL AGREEMENT WITH THE CITY OF PENSACOLA FOR FUNDING OF STREETScape IMPROVEMENTS TO SPRING STREET PURSUANT TO A MASTER REDEVELOPMENT AGREEMENT

Recommendation: That the Community Redevelopment Agency (CRA) approve an interlocal agreement with the City of Pensacola (City) to permit the City to issue to the CRA a loan of up to \$1,482,278 plus \$139,329.48 in capitalized interest for a total value of \$1,621,597.48 to fund streetscape improvements along Spring Street from Garden to Romana Streets pursuant to the Master Redevelopment Agreement between the CRA, the City and 200 West Garden LLC and 27 Spring Condos, LLC. Provided, however, that the CRA may pre-pay the balance of the loan in whole or in part at any time, without penalty. Finally, that the CRA authorize the CRA Chairperson to execute the agreement.

Sponsors: Teniade Broughton

Attachments: [Interlocal Agreement](#)

6. [23-00335](#) AMENDMENT NO. 1 TO INTERLOCAL AGREEMENT WITH THE PENSACOLA DOWNTOWN IMPROVEMENT BOARD FOR IMPLEMENTATION OF CERTAIN URBAN CORE REDEVELOPMENT PLAN ACTIVITIES

Recommendation: That the Community Redevelopment Agency approve Amendment No. 1 to the Interlocal Agreement with the Pensacola Downtown Improvement Board for implementation of certain Urban Core Redevelopment Plan activities to expand the use of the CRA's \$100,000 retainage as enumerated in the attached. Further, that the CRA authorize the use of the remaining retainage, in the amount of \$264,602.57, for the purposes authorized in Amendment No. 1. Finally, that the CRA authorize the CRA Chairperson to execute the amendment.

Sponsors: Teniade Broughton

Attachments: [Amendment No. 1 - DIB Interlocal Agreement](#)
[DIB Interlocal Agreement](#)

DISCUSSION ITEMS

OPEN FORUM

ADJOURNMENT

The City of Pensacola adheres to the Americans with Disabilities Act and will make reasonable accommodations for access to City services, programs and activities. Please call 436-5640 (or TDD 435-1666) for further information. Request must be made at least 48 hours in advance of the event in order to allow the City time to provide the requested services.

If any person decides to appeal any decision made with respect to any matter considered at such meeting, he will need a record of the proceedings, and that for such purpose he may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 23-00358

Community Redevelopment Agency

5/8/2023

SUBJECT:

CRA Meeting Minutes - 04/10/2023



City of Pensacola

Community Redevelopment Agency

Meeting Minutes

April 10, 2023,

3:59 P.M.

Council Chambers, 1st Floor.

The Community Redevelopment Agency (CRA) Board meeting was called to order by Chairperson Broughton at 3:59 P.M. (Immediately following the 3:30 P.M. City Council Agenda Conference).

CALL MEETING TO ORDER

CRA MEMBERS PRESENT: Teniade Broughton, Jennifer Brahier, Charles Bare, Casey Jones, Jared Moore, Delarian Wiggins

CRA MEMBERS ABSENT: Allison Patton

Public participation was available as follows:

Members of the public may attend the meeting in person.

The meeting can also be watched live stream at:

<https://www.cityofpensacola.com/428/Live-Meeting-Video>

BOARD MEMBER DISCLOSURE

BOARD MEMBERS DISCLOSE OWNERSHIP OR CONTROL OF INTEREST DIRECTLY OR INDIRECTLY OF PROPERTY IN THE COMMUNITY REDEVELOPMENT AREA

CRA Member Wiggins disclosed ownership or control of interest directly or indirectly of property in the Community Redevelopment Area.

CHAIRMAN'S REPORT

None.

APPROVAL OF MINUTES

1. [23-00307 CRA MEETING MINUTES - 03/06/2023](#)

A motion was made by CRA Member Jared Moore, seconded by CRA Member Jennifer Brahier.

The motion carried by the following vote:

Yes: 6 Teniade Broughton, Casey Jones, Delarian Wiggins, Jared Moore, Jennifer Brahier, Charles Bare

No: 0 None

PRESENTATIONS

None.

ACTION ITEMS

2. [23-00161 AMENDMENT NO. 4 TO CONTRACT WITH SCAPE LANDSCAPE ARCHITECTURE, DPC FOR DESIGN ASSISTANCE SERVICE](#)

Recommendation: That the Community Redevelopment Agency (CRA) approve Amendment No. 4 to the contract with SCAPE Landscape Architecture, DPC for design assistance services for the Hashtag Waterfront Connector Project. Further, that the CRA authorize the CRA Chairperson to take all actions necessary to execute the contract amendment.

A motion was made by CRA Member Jared Moore, seconded by CRA Member Casey Jones.

Assistant CRA Manager Victoria D'Angelo provided an overview of the item. Mayor Reeves spoke to the item and staff responded accordingly to questions.

The motion carried by the following vote:

Yes: 6 Teniade Broughton, Casey Jones, Delarian Wiggins, Jared Moore, Jennifer Brahier, Charles Bare

No: 0 None

3. 23-00195 REQUEST TO TEMPORARILY SUSPEND AND RE-NEGOTIATE AN AGREEMENT WITH THE CRA RELATED TO 100 W INTENDENCIA ST.

Recommendation: That the Community Redevelopment Agency (CRA) consider suspending the deed restrictions set forth in the special warranty deed for the property addressed as 100 West Intendencia Street (formally 120 W. Government Street) for a period of sixty (60) days, beginning on April 11, 2023, to permit a prospective buyer to acquire the property and to re-negotiate an agreement with the CRA for the redevelopment of the subject property.

A motion was made by CRA Member Jared Moore, seconded by CRA Member Casey Jones.

Assistant CRA Manager Victoria D'Angelo gave a brief overview of the item. Kylie Shoemaker, Sales Associate for Beck Partners, and Mayor Reeves spoke to the item. Staff answered questions accordingly.

The motion carried by the following vote:

Yes: 6	Teniade Broughton, Casey Jones, Delarian Wiggins, Jared Moore, Jennifer Brahier, Charles Bare
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No: 0	None
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DISCUSSION ITEMS

None.

OPEN FORUM

None.

ADJOURNMENT
4:18 P.M.

APPROVED _____



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 23-00336

Community Redevelopment Agency

5/8/2023

PRESENTATION ITEM

FROM: Teniade Broughton, Chairperson

SUBJECT:

COMMUNITY POLICING UPDATE

REQUEST:

That the Community Redevelopment Agency (CRA) receive an update regarding community policing activities within the Urban Core Community Redevelopment Area.

SUMMARY:

The CRA and the City of Pensacola annually enter into an Interlocal Agreement to provide community policing activities within the entirety of the Urban Core Community Redevelopment Area from 17th Avenue to A Street. The community policing officers will provide an update.

PRIOR ACTION:

August 15, 2022 - CRA approved an Interlocal Agreement between the City and the CRA for community policing within the Urban Core Redevelopment Area for Fiscal Year 2023.

STAFF CONTACT:

David Forte, Deputy City Administrator
Sherry Morris, Development Services Director
Victoria D'Angelo, CRA Division Manager
Eric Randall, Police Chief

ATTACHMENTS:

None

PRESENTATION: Yes



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 23-00286

Community Redevelopment Agency

5/8/2023

ACTION ITEM

SPONSOR: Teniade Broughton, Chairperson

SUBJECT:

FY 2022 COMMUNITY REDEVELOPMENT AGENCY COMPREHENSIVE FINANCIAL REPORT

RECOMMENDATION:

That Community Redevelopment Agency (CRA) accept the Community Redevelopment Agency Annual Comprehensive Financial Report for the year ended September 30, 2022 as prepared by the Financial Services Department and the Independent Auditors issued.

SUMMARY:

At the end of each fiscal year, the City's Financial Services Department prepares an Annual Comprehensive Financial Report as required by Section 11.45 of the Florida Statutes.

PRIOR ACTION:

None.

FUNDING:

Budget: \$ 15,000

Actual: \$ 15,000

FINANCIAL IMPACT:

None.

LEGAL REVIEW ONLY BY CITY ATTORNEY: Choose an item.

[Click here to enter a date.](#)

STAFF CONTACT:

David Forte, Deputy City Administrator
Sherry Morris, Development Services Director

Victoria D'Angelo, CRA Division Manager
Amy Lovoy, Finance Director

ATTACHMENTS:

- 1) FY 22 Annual Comprehensive Financial Report
- 2) Audit SAS Letter

PRESENTATION: Yes

FISCAL YEAR 2022

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY

(A Component Unit of the City of Pensacola, Florida)

AUDITED FINANCIAL STATEMENTS

For the Year Ending September 30, 2022



City of Pensacola, Florida
Grover C. Robinson, IV, Mayor

**CITY OF PENSACOLA
COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)**

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**CITY OF PENSACOLA
COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)**

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022



**Prepared by:
Financial Services Department**

**Amy Lovoy
Finance Director**

**ACCOUNTING STAFF
Lakia McNeal, CPA
Alicia Faller**

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)

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CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

Board Members
Community Redevelopment Agency
City of Pensacola, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Pensacola Community Redevelopment Agency (the "Agency"), a component unit of the City of Pensacola, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relation to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report

that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

The budgetary comparison schedule for the debt service fund is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 23, 2023, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Agency's internal control over financial reporting and compliance.

Warren Averett, LLC

Pensacola, Florida

March 23, 2023

MANAGEMENT’S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

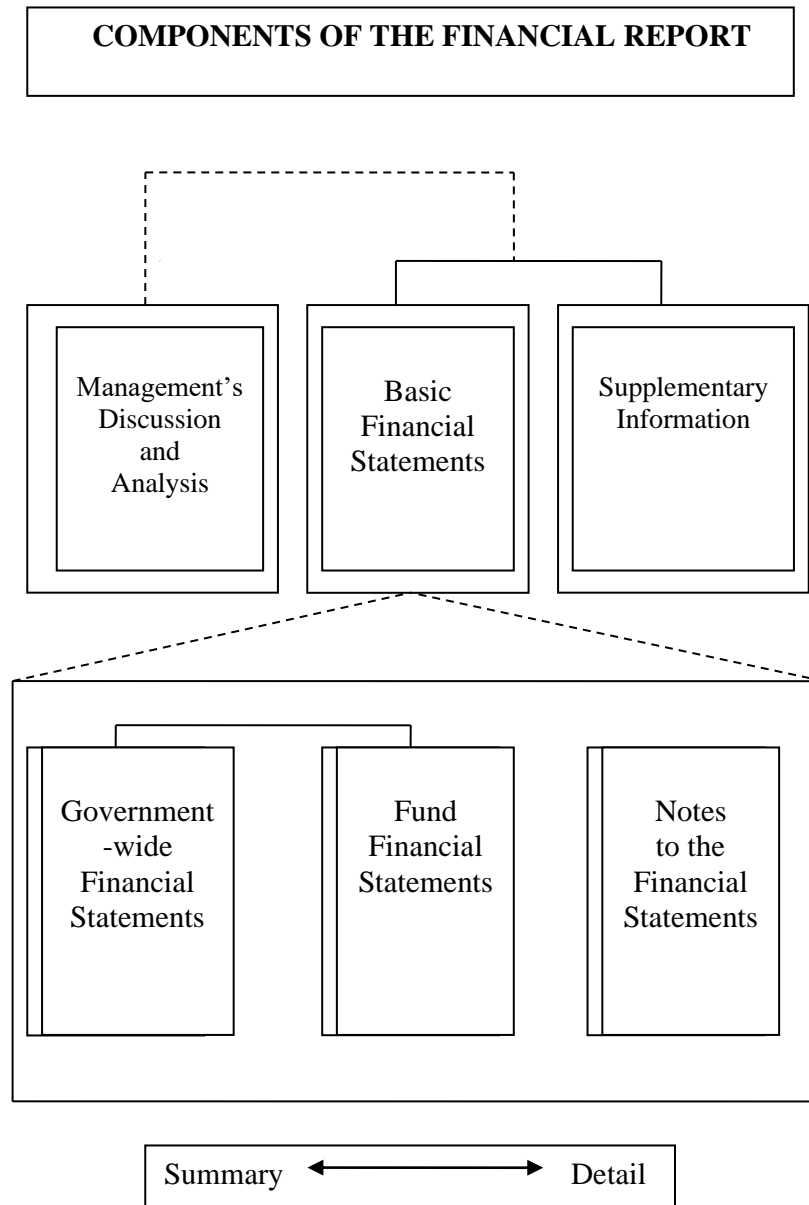
The Management's Discussion and Analysis ("MD&A") of the City of Pensacola Community Redevelopment Agency (the "Agency") is designed to provide the reader a narrative overview of the Agency's financial activity for the fiscal year ended September 30, 2022. Specifically, this information is designed to assist the reader in focusing on significant financial issues, provide an overview of the Agency's financial activity and identify any changes in the Agency's financial position. This MD&A should be read in conjunction with the financial statements and notes.

Financial Highlights

- As shown on the Statement of Net Position, the Agency's liabilities and deferred inflows of resources exceeded its assets (net position) as of September 30, 2022, by \$62,305,698. The negative net position is a result of the various interlocal agreements whereby the Agency has pledged Tax Increment Revenues to repay long-term obligations which do not result in an asset for the Agency. These obligations included notes payable of \$66,760,248 and due to other governments of \$6,500,00. The Agency projects sufficient future Tax Increment Revenues to repay such obligations in full before the sunset of the Community Redevelopment Areas. Until then these obligations will continue to negatively impact unrestricted net position for future periods until all obligations have been paid in full.
- As shown on the Statement of Activities, the Agency's negative net position of \$62,305,698 improved by \$4,652,502 (6.9%) over the fiscal year 2021 negative net position of \$66,958,200. The primary reason for the increase in net position was related to a \$3,248,068 reduction in long term obligations as a result of annual payments and an increase of \$1,067,268 in community redevelopment project funding as a result of unspent project funds.
- As shown on the Balance Sheet, the Agency's assets exceeded its liabilities (fund balance) as of September 30, 2022 by \$12,352,202. Of the \$12,352,202 in fund balance, \$136 is related to prepaid insurance cost and therefore is considered non-spendable, \$8,242,502 is restricted to be spent on community redevelopment projects due to enabling legislation and \$4,109,564 is committed to be spent on community redevelopment projects due to Agency action. For an explanation on the fund balance restrictions, refer to the Fund Balance section of Notes.
- As shown on the Statement of Revenues, Expenditures, and Changes in Fund Balances, the Agency's fund balance of \$12,352,202 increased by \$1,410,822 (12.9%) over the fiscal year 2021 fund balance of \$10,941,380. Total revenues increased by \$1,615,918 over the prior fiscal year. Tax Increment Revenues increased by \$1,020,389 due to increased property values. Agency fund expenditures and other financing uses increased over the prior fiscal year by \$1,619,704 mainly due to increases in principal and interest payments on long-term obligations. For a detailed explanation of these fluxes by fund refer to the Government-Wide Financial Analysis section of Management's Discussion and Analysis.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. These statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements. Following is a chart that illustrates the components of the report.



Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all the Agency's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. This statement combines and consolidates governmental funds current financial resources (short-term spendable resources) with capital assets and long term obligations. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The *statement of activities* presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal years (e.g., revenue in connection with receivables which are not considered available to liquidate liabilities of the current period).

Both the government-wide financial statements distinguish functions of the Agency that are principally supported by tax increment revenues (intergovernmental revenues). The governmental activities of the Agency include general government and community development. The Agency has no business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate legal compliance with finance-related legal requirements. The Agency utilizes four special revenue funds and one debt service fund. Monies from each of the special revenue funds are transferred as needed, based upon the bond covenants, to the debt service fund.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This allows readers to better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund

statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Governmental fund information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the Community Redevelopment Agency Fund, Urban Core Redevelopment Trust Fund, Eastside Tax Increment Financing District Fund, Westside Tax Increment Financing District Fund and CRA Debt Service Fund, all of which are considered to be major funds.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to gain a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found after the financial statements of this report.

Other information

This report additionally includes Required Supplementary Information (RSI) containing budgetary comparisons schedules of the Agency's Community Redevelopment Agency Fund, Urban Core Redevelopment Trust Fund, Eastside Tax Increment Financing District Fund and Westside Tax Increment Financing District Fund. It is useful to compare the information and amounts presented for governmental funds with its corresponding budget to ensure compliance with the budget and provide an analysis of significant budgetary variances. Other Supplementary Information (OSI) contains budgetary comparisons schedules of the Agency's debt service funds.

Government-Wide Financial Analysis

The Agency adopted the government-wide financial statement presentation. This reporting structure and measurement focus using accrual accounting for all of the government's activities was mandated by the Government Accounting Standards Board (GASB) in Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

The following pages include a summary version of the Statement of Net Position and Statement of Changes in Net Position as reported in the basic financial statements section for the fiscal years ended September 30, 2022 and 2021. Over time, the Agency's net position and changes thereof may serve as a useful indicator of the Agency's financial position.

Any debt issued to finance capital at the request of the Agency, for use in accordance with the redevelopment plan, is issued by the City of Pensacola, Florida ("City"). Capital assets acquired with debt proceeds are contributed to the City. Therefore, any outstanding debt issued to finance such capital will have a negative effect on the Agency's net position until such debt is paid off.

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola)
Summary Statement of Net Position
As of September 30,

	Governmental Activities	
	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 12,769,281	\$ 11,056,027
Total assets	<u>12,769,281</u>	<u>11,056,027</u>
Current and other liabilities	4,740,837	4,425,705
Noncurrent liabilities	<u>70,012,180</u>	<u>73,260,248</u>
Total liabilities	<u>74,753,017</u>	<u>77,685,953</u>
Total deferred inflows of resources	<u>321,962</u>	<u>328,274</u>
Net position:		
Restricted	12,352,202	10,941,380
Unrestricted	<u>(74,657,900)</u>	<u>(77,899,580)</u>
Total net position	<u>\$ (62,305,698)</u>	<u>\$ (66,958,200)</u>

The Agency's total net position increased by \$4.65 million. The increase in assets is a result of increased cash and investments while the decrease in liabilities is a result of decreases in debt service obligations and due to other governments.

Restricted net position are resources subject to external restriction on how they may be used. Such restrictions could include reserves for debt service or community redevelopment projects. Any residual resources flow to unrestricted net position. Unrestricted net position for governmental activities is negative as a result of the various interlocal agreements whereby the Agency has pledged Tax Increment Revenues to repay long-term obligations which do not result in an asset for the Agency. The Agency projects sufficient future Tax Increment Revenues to repay such obligations in full before the sunset of the Community Redevelopment Areas. These obligations will continue to negatively impact unrestricted net position for future periods until all obligations have been paid in full. These obligations include the Agency's long-term contribution to the Emerald Coast Utilities Authority and the Agency's various Notes Payable. Detailed information on these obligations can be found in Notes to the Financial Statements; Note III.D and Note IV.B.

The Statement of Activities as presented on the following page shows changes in the Agency's net position for fiscal years ended September 30, 2022 and 2021. All changes in the net position are reported as soon as the underlying event giving rise to change occurs, regardless of the timing of the related cash flows. Revenues and expenses are reported in this statement, for some items that will result in cash flows in future fiscal periods.

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola)
Summary Statement of Changes in Net Position
Year Ended September 30,

	Governmental Activities	
	2022	2021
Revenues:		
Program revenues:		
Charges for services	\$ 15,829	\$ 9,262
General revenues:		
Tax increment revenues	9,580,913	8,560,524
Investment earnings	44,115	55,229
Other	25,000	
Total revenues	<u>9,665,857</u>	<u>8,625,015</u>
Expenses:		
General government	2,810,491	1,755,782
Interest on long-term debt	2,202,864	2,264,221
Total expenses	<u>5,013,355</u>	<u>4,020,003</u>
Change in Net Position	<u>4,652,502</u>	<u>4,605,012</u>
Net position at beginning of year	<u>(66,958,200)</u>	<u>(71,563,212)</u>
Net position at end of year	<u>\$ (62,305,698)</u>	<u>\$ (66,958,200)</u>

The Agency's change in net position of \$4,652,502 improved by \$47,490 over the prior fiscal year. The primary reason for the increase in net position was related to a revenue increase of \$1,040,842 and expense increase of \$993,352 over the prior fiscal year. Tax Increment Revenues increased by \$1,020,389 due to increased property values. Expenditures increased by \$1,054,709 related to the ongoing Agency's projects.

Financial Analysis of the Agency's Funds

The Agency uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds. The focus of the Agency's governmental funds is to provide information on near-term inflows, outflows and balances of expendable resources. Such information is useful in assessing the Agency's financing requirements. In particular, the ability for the Agency to meet current operating needs. As of September 30, 2022, the Agency's governmental funds reported combined fund balances of \$12,352,202, an increase of \$1,410,822 (12.9%) over the prior fiscal year total of \$10,941,380.

Below is a comparative chart of revenues verses expenditures for the Agency's funds; Community Redevelopment Agency Fund (CRA Fund), Urban Core Redevelopment Trust Fund

(Urban Core Fund), Eastside Tax Increment Financing District Fund (Eastside Fund), Westside Tax Increment Financing District Fund (Westside Fund) and CRA Debt Service Fund.

	CRA Fund	Urban Core Fund	Eastside Fund	Westside Fund	CRA Debt Service Fund
Fiscal Year 2022					
Revenues and other sources	\$ 4,054,169	\$ 8,083,603	\$ 297,742	\$ 1,208,895	\$ 4,473,098
Expenditures and other outlays	(3,622,597)	(8,083,603)	(227,200)	(643,741)	(4,129,544)
Increase (decrease) in fund balance	\$ 431,572	\$ 0	\$ 70,542	\$ 565,154	\$ 343,554
Fiscal Year 2021					
Revenues and other sources	\$ 3,434,917	\$ 7,508,831	\$ 241,469	\$ 818,284	\$ 4,498,088
Expenditures and other outlays	(2,918,586)	(7,508,831)	(163,702)	(356,237)	(4,139,625)
Increase (decrease) in fund balance	\$ 516,331	\$ 0	\$ 77,767	\$ 462,047	\$ 358,463

The Community Redevelopment Agency Fund was created to account for the development projects in the Urban Core Community Redevelopment Area as well as administrative cost associated with running the program. The Community Redevelopment Agency had a total fund balance at fiscal year-end of \$6,250,988, an increase of \$431,572. All funds are restricted to be spent on CRA operations, community development projects in the Urban Core CRA district and repayment of debt. The increase in revenues of \$619,252 is due to increase in tax increment revenues. The expenditures increased by \$704,011 from the prior year. The majority of the increase can be explained by the increase of expenditures related to community redevelopment projects. In addition, the personnel service increased \$185,560 due to one additional position added in fiscal year 2022 and an increase in salaries.

The Urban Core Redevelopment Trust Fund was created to account for the tax increment receipts collected in the Urban Core Community Redevelopment Area. The receipts collected throughout the year are transferred to the Community Redevelopment Agency Fund and the CRA Debt Service Fund in order to pay for CRA operations, debt service and community development projects in the Urban Core CRA district. The Urban Core Redevelopment Trust Fund had a total fund balance at year-end of \$0.

The Eastside Tax Increment Financing District Fund was created to account for the tax increment receipts and development projects in the Urban Infill and Redevelopment Area as well as administrative cost associated with running the program. The Eastside Tax Increment Financing District Fund had a total fund balance at fiscal year-end of \$822,812, an increase of \$70,542. All funds are restricted to be spent on operations, community development projects and repayment of debt in the Eastside CRA district. The increase in revenues over the prior fiscal year is due to increased property values. Expenditures increased \$53,370 related to community development projects.

The Westside Tax Increment Financing District Fund was created to account for the tax increment receipts and development projects in the Urban Infill and Redevelopment Area as well as administrative cost associated with running the program. The Westside Tax Increment Financing District Fund had a total fund balance at fiscal year-end of \$1,449,783 an increase of \$565,154. All funds are restricted to be spent on operations, community development projects and repayment of debt in the Westside CRA district. The increase in revenues over the prior

fiscal year is due to increased property values. The increase in expenditures is related to an increase in façade grants and street projects.

The CRA Debt Service Fund had a total fund balance at fiscal year-end of \$3,828,619 which is restricted for debt service payments on the Eastside Redevelopment Revenue Bond, Series 2017, Westside Redevelopment Revenue Bond, Series 2017, Urban Core Redevelopment Revenue Bond, Series 2017 and Urban Core Redevelopment Refunding and Improvement Revenue Bond, Series 2019. The fund balance increase of \$343,554 is related to an increase in the debt service reserves on the Urban Core Redevelopment Refunding and Improvement Revenue Bond, Series 2019. The increase in revenues and expenditures is related to the increase in debt services payments.

Agency Budgetary Highlights

Agency bylaws state that unless expressly provided otherwise by law or action of the Agency, ordinances, policies and rules of procedure for the City of Pensacola shall apply to the Agency. As part of the City's budget procedures, budget is controlled within each fund are at the line item. As long as the total appropriations of the fund are not changed, amounts may be transferred between line items within a fund, provided no transfer shall be made contrary to Florida Statute. In order to be compliant with Florida Statutes, any budget transfer that changes the total appropriations of the fund requires Agency and City action through a budget resolution or amendment.

The final appropriations in the Community Redevelopment Agency Fund as compared with the original budget increased by \$4,817,840 in fiscal year 2022. The primary reason for the increase relates to carryforwards from the prior fiscal year budget to cover open encumbrances and projects.

The final appropriations in the Eastside Tax Increment Financing District Fund as compared with the original budget increased by \$752,269 in fiscal year 2022. The primary reason for the increase relates to carryforwards from the prior fiscal year budget to cover open encumbrances and projects.

The final appropriations in the Westside Tax Increment Financing District Fund as compared with the original budget increased by \$884,629 in fiscal year 2022. The primary reason for the increase relates to carryforwards from the prior fiscal year budget to cover open encumbrances and projects.

Long-term Debt

As of September 30, 2022, the Agency had total bonded debt of \$66,760,248 million a reduction of \$1,892,571 from the prior fiscal year. The decrease in long-term debt is a result of scheduled principal payments. Total bonded debt includes:

	Governmental Funds	
	2022	2021
Eastside Redevelopment Revenue Bond, Series 2017	\$ 1,043,000	\$ 1,096,000
Westside Redevelopment Revenue Bond, Series 2017	3,258,000	3,423,000
Urban Core Redevelopment Revenue Bond, Series 2017	7,310,000	7,465,000
Urban Core Redevelopment Revenue Bond, Series 2019	55,149,248	56,668,819
Total	\$ 66,760,248	\$ 68,652,819

As of September 30, 2022, the only bonded debt the Agency had outstanding were bank issued. Therefore, there will not be any ratings on these issues unless the City specifically request a review by one of the rating agencies. Additional detail about long-term debt can be found in the Notes to the Financial Statements; Note III, Long-term liabilities.

Economic Factors and Next Year's Budgets and Rates

The Agency primarily relies on TIF revenues to assist with the operations of the Agency. Based on estimated property valuations, the Agency's budget for fiscal year 2023 versus the fiscal year 2022 beginning budget includes an increase in Tax Increment Financing ("TIF") revenues of 13% in the Urban Core Tax Increment Financing District, 28% in the Eastside Tax Increment Financing District and a 33% increase in the Westside Tax Increment Financing District. Focus will continue to be placed on redevelopment programs and projects which include affordable housing, complete streets, and parks and public space projects and residential and commercial property improvement programs. For fiscal year 2023, the following table shows the composition of the total budgeted expenditures:

	Urban Core	Eastside	Westside	Total
Core operations	\$ 2,383,100	\$ 115,200	\$ 145,200	\$ 2,643,500
Development programs and projects	1,380,700	172,100	1,177,500	2,730,300
Debt service payments and reserves	5,353,700	89,800	279,500	5,723,000
Total Expenditures	\$ 9,117,500	\$ 377,100	\$ 1,602,200	\$ 11,096,800

Request for Information

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest in the Agency's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, PO Box 12910, Pensacola, Florida 32521. The City of Pensacola's website address is www.cityofpensacola.com.

FINANCIAL STATEMENT

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 4,649,587
Investments	3,257,913
Prepays and deposits	136
Accrued Interest	9
Lease Receivable	11,462
Restricted assets	
Restricted cash and cash equivalents	2,851,888
Investments	1,998,286
Total assets	<u>12,769,281</u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 15,745
Contracts payable	258,597
Contracts payable - retainage	2,997
Due to other governments	27,065
Compensated absences payable	
Deposits	101,000
Payable from restricted assets	
Due to other governments	1,300,000
Notes payable	1,948,068
Accrued interest payable	1,087,365
Total current liabilities	<u>4,740,837</u>
Noncurrent liabilities	
Due to other governments	5,200,000
Notes payable	64,812,180
Total noncurrent liabilities	<u>70,012,180</u>
Total liabilities	<u>74,753,017</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred gain on early retirement	310,287
Related to leases	11,675
Total deferred inflows of resources	<u>321,962</u>
NET POSITION	
Restricted for	
Debt service	3,828,619
Community redevelopment	8,523,583
Unrestricted (deficit)	(74,657,900)
Total net position (deficit)	<u><u>\$ (62,305,698)</u></u>

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

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Function/Programs	Expenses	Program Revenues Charges for Services	Net (Expenses) Revenue and Changes in Net Position
Governmental activities:			
General government	\$ 2,810,491	\$ 15,829	\$ (2,794,662)
Interest on long-term debt	2,202,864		(2,202,864)
Total governmental activities	<u>5,013,355</u>	<u>15,829</u>	<u>(4,997,526)</u>
General revenues:			
Tax increment revenues			9,580,913
Interest earnings			44,115
Insurance recoveries			25,000
Total general revenues			<u>9,650,028</u>
Change in net position			<u>4,652,502</u>
Net position at beginning of year			<u>(66,958,200)</u>
Net position September 30, 2022			<u>\$ (62,305,698)</u>

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

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	<u>Community Redevelopment Agency</u>	<u>Urban Core Redevelopment Trust</u>	<u>Eastside Tax Increment Financing District</u>
ASSETS			
Cash and cash equivalents	\$ 3,272,757	\$	\$ 498,196
Investments	2,293,185		349,080
Prepays and deposits	136		
Accrued Interest	9		
Lease Receivable	11,462		
Restricted assets			
Cash and cash equivalents	600,671		
Investments	420,884		
Total assets	<u><u>\$ 6,599,104</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 847,276</u></u>
LIABILITIES			
Accounts payable	\$ 10,654	\$	\$ 5,008
Contracts payable	198,253		18,344
Contracts payable - retainage	2,997		
Due to other funds	23,537		1,112
Deposits	101,000		
Total liabilities	<u>336,441</u>	<u>0</u>	<u>24,464</u>
DEFERRED INFLOWS OF RESOURCES			
Related to leases	11,675		
Total deferred inflows of resources	<u>11,675</u>	<u>0</u>	<u>0</u>
FUND BALANCE			
Non-spendable	136		
Restricted	2,141,288		822,812
Committed	4,109,564		
Total fund balances	<u>6,250,988</u>	<u>0</u>	<u>822,812</u>
Total liabilities and fund balances	<u><u>\$ 6,599,104</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 847,276</u></u>

(continued)

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

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	<u>Westside Tax Increment Financing District</u>	<u>CRA Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 878,634	\$	\$ 4,649,587
Investments	615,648		3,257,913
Prepays and deposits			136
Accrued Interest			9
Lease Receivable			11,462
Restricted assets			
Cash and cash equivalents		2,251,217	2,851,888
Investments		1,577,402	1,998,286
Total assets	<u>\$ 1,494,282</u>	<u>\$ 3,828,619</u>	<u>\$ 12,769,281</u>
LIABILITIES			
Accounts payable	\$ 83	\$	\$ 15,745
Contracts payable	42,000		258,597
Contracts payable - retainage			2,997
Due to other funds	2,416		27,065
Deposits			101,000
Total liabilities	<u>44,499</u>	<u>0</u>	<u>405,404</u>
DEFERRED INFLOWS OF RESOURCES			
Related to leases			11,675
Total deferred inflows of resources	<u>0</u>	<u>0</u>	<u>11,675</u>
FUND BALANCE			
Non-spendable			136
Restricted	1,449,783	3,828,619	8,242,502
Committed			4,109,564
Total fund balances	<u>1,449,783</u>	<u>3,828,619</u>	<u>12,352,202</u>
Total liabilities and fund balances	<u>\$ 1,494,282</u>	<u>\$ 3,828,619</u>	<u>\$ 12,769,281</u>

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

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

Ending fund balance - governmental funds	\$	12,352,202
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Amounts reported in the governmental activities in the Statement of Net Position are different because:

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Notes payable	(66,760,248)		
Deferred gain on refunding	(310,287)		
Due to other governments	(6,500,000)		
Accrued interest payable	(1,087,365)		
			(74,657,900)
Net Position (deficit)		\$	(62,305,698)

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

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Community Redevelopment Agency	Urban Core Redevelopment Trust	Eastside Tax Increment Financing District
Revenues:			
Tax increment revenues	\$	\$ 8,083,603	\$ 294,629
Charges for services	15,829		
Interest earnings	22,974		3,113
Other	25,000		
Total revenues	<u>63,803</u>	<u>8,083,603</u>	<u>297,742</u>
Expenditures:			
Current -			
General government	3,622,597		122,754
Debt service -			
Principal retirement			
Interest			15,000
Total expenditures	<u>3,622,597</u>	<u>0</u>	<u>137,754</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,558,794)</u>	<u>8,083,603</u>	<u>159,988</u>
Other financing sources (uses):			
Transfers in	3,990,366		
Transfers (out)		(8,083,603)	(89,446)
Total other financing sources (uses)	<u>3,990,366</u>	<u>(8,083,603)</u>	<u>(89,446)</u>
Net Change in fund balances	<u>431,572</u>	<u>0</u>	<u>70,542</u>
Fund balances at beginning of year	<u>5,819,416</u>	<u>0</u>	<u>752,270</u>
Fund balances at end of year	<u>\$ 6,250,988</u>	<u>\$ 0</u>	<u>\$ 822,812</u>

(continued)

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

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Westside Tax Increment Financing District	CRA Debt Service Fund	Total Governmental Funds
Revenues:			
Tax increment revenues	\$ 1,202,681	\$	\$ 9,580,913
Charges for services			15,829
Interest earnings	6,214	11,814	44,115
Other			25,000
Total revenues	<u>1,208,895</u>	<u>11,814</u>	<u>9,665,857</u>
Expenditures:			
Current -			
General government	365,140		4,110,491
Debt service -			
Principal retirement		1,892,571	1,892,571
Interest		2,236,973	2,251,973
Total expenditures	<u>365,140</u>	<u>4,129,544</u>	<u>8,255,035</u>
Excess (deficiency) of revenues over (under) expenditures	<u>843,755</u>	<u>(4,117,730)</u>	<u>1,410,822</u>
Other financing sources (uses):			
Transfers in		4,461,284	8,451,650
Transfers (out)	(278,601)		(8,451,650)
Total other financing sources (uses)	<u>(278,601)</u>	<u>4,461,284</u>	<u>0</u>
Net Change in fund balances	<u>565,154</u>	<u>343,554</u>	<u>1,410,822</u>
Fund balances at beginning of year	<u>884,629</u>	<u>3,485,065</u>	<u>10,941,380</u>
Fund balances at end of year	<u>\$ 1,449,783</u>	<u>\$ 3,828,619</u>	<u>\$ 12,352,202</u>

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

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Net change in fund balances - total governmental funds	\$ 1,410,822
Amounts reported for governmental activities in the statement of activities are different because:	
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	1,892,571
Repayment of long-term amounts due to other governments are expenditures in the governmental funds, but the repayment reduces the liability in the statement of net position.	1,300,000
Accrued interest expense, reported in the statement of activities, does not require the use of current financial resources in governmental funds.	<u>49,109</u>
Change in net position of governmental activities	\$ <u><u>4,652,502</u></u>

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

NOTES TO FINANCIAL STATEMENT

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of the City of Pensacola Community Redevelopment Agency (Agency) is presented to assist the reader in interpreting the basic financial statements. The policies are considered essential and should, therefore, be read in conjunction with the basic financial statements.

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. Statements and Interpretations of the GASB have been applied in the preparation of these financial statements.

A. Reporting Entity

Community Redevelopment Agencies (CRA) are a common governmental tool for redevelopment in the State of Florida and operate on a budget generated by an increase in property taxes within a defined area. Once a CRA is established, an amount equal to a percentage of the increase in property taxes goes to the CRA. This tax increment is used to finance the redevelopment projects and administration of the Agency outlined in the Community Redevelopment Plan. The principal purpose of the Agency, as defined by Florida Statute, is to eliminate and prevent blight, rehabilitate and conserve the redevelopment areas, preserve or enhance the tax base, create affordable housing, reduce crime and to prepare and administer the City's adopted community redevelopment plans.

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 No. 54-80 created the Pensacola Inner City Community Redevelopment Area (reaffirmed by Resolution No. 65-81) and based on this determination, the City Council declared itself the Community Redevelopment Agency (Agency) pursuant to the provisions of Chapter 163, Part III, Florida Statutes (the "Redevelopment Act"). This action, adopted by Resolution No. 55-80, reaffirmed by Resolution No. 65-81 and amended by Resolution 22-10, also outlined the rights, powers, duties, privileges and immunities invested in the Agency. The Agency exists until dissolved by action of the City Council. The City Council selects a chair and a vice-chair from the seven-members of the Agency and approves the annual operating budget. The Agency is considered a blended component unit since the Agency and City has the same governing body and management of the primary government has operational responsibility for the Agency. The Agency is reported as a special revenue fund within the City of Pensacola's Comprehensive Annual Financial Report. Florida Statute Section 163.387(8) requires an independent audit of the fund each fiscal year, and submission of a report of such audit.

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Pensacola Inner City Community Redevelopment Area is a 1,237-block, 4,611-acre area that encompasses the area bounded by 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. Within the Pensacola Inner City Community Redevelopment Area, there exists three Redevelopment Areas. The Urban Core Community Redevelopment Area; the Westside Community Redevelopment Area; and the Urban Infill and Redevelopment Area which is also referred to herein as the Eastside Neighborhood Redevelopment Area.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) are designed to provide readers with a broad overview of the Agency's finances in a manner similar to a private-sector business.

The statement of net position presents financial information on all the Agency's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. This statement combines and consolidates governmental funds current financial resources (short-term spendable resources) and long term obligations. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The statement of activities presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal years (e.g., earned but unused vacation leave and revenue in connection with receivables which are not considered available to liquidate liabilities of the current period).

Individual fund financial statements are provided for governmental funds which are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting, Measurement Focus and Financial Presentation

The basis of accounting refers to when revenues, expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Amounts reported as program revenues include 1) charges to customers for goods, services, or privileges provided, and fines and forfeitures, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Those revenues not clearly defined as program revenues are categorized as general revenue. General revenues include resources such as tax increment revenues, investment earnings, and sale of assets. As a general rule, the effect of interfund activity is eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Tax increment revenues, charges for services and investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and therefore have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received.

The Agency reports the following major governmental funds:

Community Redevelopment Agency - to administer the programs and projects identified in Urban Core Community Redevelopment Area.

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
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NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Urban Core Redevelopment Trust - to account for the tax increment development receipts derived from the Urban Core Community Redevelopment Area of which the balance of the fund is transferred to the Community Redevelopment Agency fund and/or the CRA Debt Service fund.

Eastside Tax Increment Financing District - to administer and account for the tax increment revenues associated with programs and projects identified in Eastside Community Redevelopment Area.

Westside Tax Increment Financing District – to administer and account for the tax increment revenues associated with programs and projects identified in Westside Community Redevelopment Area.

CRA Debt Service Fund - to provide monies for payment of the Redevelopment Revenue Bond(s) financed with tax increment financing revenues derived from the Urban Core, Eastside and Westside Tax Increment Financing Districts.

When both restricted and unrestricted resources are available for use, it is the Agency uses restricted resources first, and then use unrestricted resources.

D. Assets, Liabilities, and Net Position or Equity

1. Cash and Cash Equivalents

The Agency has defined *cash and cash equivalents* as cash held at a depository and cash on hand for operating purposes and those investments which are short term and highly liquid. Cash equivalents normally consist of treasury bills, certificates of deposit and money market funds.

All monies, which are not legally restricted to separate administration, are pooled together for investment purposes while each individual fund and/or account is maintained on a daily transaction basis. Investment earnings are distributed in accordance with the participating funds' relative equity.

2. Investments

Investments are held by the City on behalf of the Agency. All investments held by the City of Pensacola are reported at fair value.

3. Accounts Receivables

All receivables are shown net of allowance for doubtful accounts.

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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Prepaid Insurance

The Agency accounts for property insurance premiums using the consumption method. Property insurance premiums for both governmental and enterprise funds are paid quarterly, with a term year beginning May 1st resulting in a prepaid insurance premium for the month of October.

5. Restricted Assets

Certain assets are restricted by specific provisions of bond resolutions or agreements with outside parties. Assets such as these are restricted since their use is limited.

6. Capital Assets

The Agency does not have title to any capital assets as any improvements made with its funding sources are contributed to the City of Pensacola, Florida.

7. Leases

The Agency is a lessor for noncancellable lease of land. The Agency recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of the lease, the Agency initially measures the lease receivable at the present value of the payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow is recognized as revenue over the term of the lease.

The Agency uses its incremental borrowing rate as the discount rate for the leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is comprised of the following:

- Fixed payments (including in-substance fixed payments), plus variable payments from the lessee. For land and building leases that include variable payments, those payments include common area maintenance.
- Residual value guarantee payments that are fixed in substance.
- Any lease incentives.

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NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Variable payments that depend on an index or a rate such as the Consumer Price Index or a market rate interest rate are initially measured using the index or market rate at the commencement of the lease.

The Agency monitors changes in circumstances that would require a remeasurement of the lease receivable and a deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Agency has no items that would qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency has two items that qualify for reporting in this category, a deferred gain on refunding reported in the government-wide statement of net position. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is deferred recognition of revenue associated with long-term receivables for the leases of land and buildings. The amount is deferred and amortized over the life of the lease.

9. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as prepaid issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed when paid. Bonds payable are reported net of the applicable bond premium or discount. Bond refunding gains and losses are deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, using the effective interest method. Bond refunding gains are presented as deferred inflows of resources while losses are presented as deferred outflows of resources.

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SEPTEMBER 30, 2022

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs (whether or not withheld from the actual debt proceeds received), during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

10. Fund Balance

GASB Statement No. 54, Fund Balance Reporting Governmental Fund Type Definitions, establishes accounting and financial reporting requirements for governmental funds and criteria for classifying fund balances. Accordingly, the governmental fund financial statements report fund equity classifications that comprise a hierarchy based primarily on the extent to which the Agency is legally bound to honor the specific purposes for which amounts in fund balance may be spent. Amounts which are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation are classified as fund balances. Fund balances for governmental funds are displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used. In accordance with Governmental Accounting and Financial Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Agency classifies fund balance as follows.

Non-Spendable Fund Balance – Amounts that are not in a spendable form or are required to be maintained intact (such as prepaids).

Restricted Fund Balance – Amounts that can be spent only for the specific purposes stipulated by external resource providers or enabling legislation. Restrictions may be changed or lifted only with the consent of the resource providers. Pursuant to Chapter 163, Part III, Florida Statutes, intergovernmental revenues derived from the Tax Increment Revenues fall into this category as well as interest earned on those revenues.

Committed Fund Balance – Amounts that can be used only for the specific purposes determined by a formal action of the Agency's highest level of decision-making authority. Commitments may be changed or lifted only by the Agency taking the same formal action that imposed the constraint originally. A Resolution adopted by the Agency establishes a fund balance commitment.

Assigned Fund Balance – Amounts the Agency intends to use for a specific purpose. Assignments of fund balances are made by management based upon the direction of the Board.

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NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unassigned Fund Balance – The residual classification includes amounts that are not contained in the other classifications. Unassigned amounts are the portion of fund balance which is not obligated or specifically designated and is available for any purpose.

For classification of fund balance 1) when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first 2) when expenditures are incurred for purposes for which amounts in any of unrestricted fund balance classifications can be used, committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts.

11. Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets is intended to reflect the portion of net position, which is associated with non-liquid, capital assets less outstanding capital asset related debt. Since The Agency does not have title to any capital assets the Agency has no items that would qualify for reporting in this category.

Restricted Net Position are liquid assets (generated from revenues and net bond proceeds) which are not accessible for general use because of third-party (statutory, bond covenant or granting agency) limitations.

Unrestricted Net Position represents unrestricted assets.

12. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results may differ from those estimates.

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NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. New Accounting Pronouncements

GASB Statement No. 87

In June 2017, the GASB issued Statement NO. 87, "Leases." This Statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. As a result of this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. As such, implementation of the Statement occurred in the Agency's fiscal year ending September 30, 2022.

NOTE II. – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

General Budget Policies

In accordance with the City Charter, the Mayor prepares and submits the annual budget and capital program to City Council. In order to be compliant with Florida Statutes, the Agency is required to take action on all budget resolutions and budget amendments of the Agency. Once the budget has been adopted by the Agency, it is then adopted by City Council. Budget amendments are administered in accordance with Chapter 166.241, Florida Statutes, and the procedure established in the Financial Planning and Administration Policy adopted by City Council Resolution. The Agency follows that policy for budget amendments.

Through an Interlocal Agreement, the Agency's activities and administrative services are provided by City of Pensacola. Therefore, budget amendments for the Agency follow the budget policies outlined in the City's Financial Planning and Administration Policy allowing the Mayor (or designee) to authorize budget amendments if the total appropriations of the fund are not changed. Specifically, the Mayor (or designee) shall have the authority to transfer appropriations between expenditure categories and between departments or programmatic activities except that amounts appropriated for capital outlay cannot be transferred to any other expenditure category provided no transfer shall be made from the appropriations that are contrary to Florida Law. Further, management has established budgetary control within each fund at the line-item level.

Authorized staff within the Agency and Financial Services Department may request budget amendments between line items or between departments within a fund subject to final determination by the Finance Director as the Mayor's designee.

Additionally, in accordance with Chapter 166.241, Florida Statutes, appropriations within a fund may only be decreased or increased by resolution with City Council approval. Prior to City Council's adoption of any Agency supplemental budget resolutions a supplemental budget resolution will be approved and confirmed by the Agency. Expenditures for each fund may not legally exceed the total fund appropriation.

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NOTE II. – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

A legally adopted budget is employed as a control device for the Agency Funds and is budgeted on a limited non-GAAP basis for management control purposes.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. The budget for the subsequent year provides a re-appropriation of funds to complete transactions for outstanding encumbrances.

NOTE III. - DETAIL NOTES ON ALL FUNDS

A. Deposits and Investments

The Agency's investments of \$5,256,199 are in a money market account and certificates of deposits with maturities that range from October 2022 to July 2023 and have a weighted average maturity of one year. These investments are not subject to level disclosure in the fair value hierarchy.

B. Tax Increment Revenues

The Agency's primary source of revenue is tax increment revenues derived from each of the redevelopment areas. This revenue is calculated by taking ninety-five percent of the difference between the amount of ad valorem real property taxes levied by the taxing authority, excluding school districts, water management districts and other taxing entities enumerated in Section 163.387(l)(c), Florida Statutes, each year within each redevelopment area and the amount which would have been produced by the same levy on the assessed value of taxable real property in such redevelopment area in the base year which is the year in which the Redevelopment Trust Fund was established (the "Tax Increment" or "Tax Increment Revenues"). Each taxing authority is required to fund this amount annually, by December 31st, without regard to tax collections or other obligations.

The base year for calculation of the Tax Increment for the Urban Core Community Redevelopment Area is 1983 and the Tax Increment Revenues total \$87,926,570 for the City and Escambia County and \$49,010,270 for the DIB. The sunset date for the Tax Increment Revenues being paid into the Urban Core Community Redevelopment Trust Fund is December 31, 2043 (Fiscal Year 2044).

The base year for calculation of the Tax Increment for the Westside Community Redevelopment Area is 2013 and the Tax Increment Revenues total \$121,903,783. The sunset date for the Tax Increment Revenues being paid into the Westside Community Redevelopment Trust Fund is December 31, 2037 (Fiscal Year 2038).

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NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

The base year for calculation of the Tax Increment for the Eastside Neighborhood Redevelopment Area is 2005 and the Tax Increment Revenues total \$19,243,104. The sunset date for the Tax Increment Revenues being paid into the Eastside Neighborhood Redevelopment Trust Fund is December 31, 2045 (Fiscal Year 2046).

C. Accounts Receivable

1. Lease Receivables

The Agency leases building space to third party. As of September 30, 2022, The Agency's leases receivables were valued at \$11,462 and the deferred inflow of resources associated with the leases that will be recognized as revenue over the term of the leases were \$11,645. The lease term is from September 2022 through September 2025 with an option for renewal for a term of 3 years and annual payments of 4,000 plus interest rate of 3%. Revenue recognized in fiscal year 2022 related to the lease was \$121.

<u>Fiscal Year</u>	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 3,707	\$ 302
2024	3,819	181
2025	3,936	64
	<u>\$ 11,462</u>	<u>\$ 547</u>

D. Interfund Transfers

During the course of operations, transactions occur between individual funds based to revenues received and then transferred to other funds pursuant to debt covenants or operational needs. For the year ended September 30, 2022, interfund transfers are as follows:

Governmental activities:	<u>Transfer In</u>	<u>Transfer Out</u>
Community Redevelopment Agency	\$ 3,990,366	
Urban Core Redevelopment Trust		\$ 8,083,603
Eastside Tax Increment Financing District		89,446
Westside Tax Increment Financing District		278,601
CRA Debt Service	<u>4,461,284</u>	
Total	<u>\$ 8,451,650</u>	<u>\$ 8,451,650</u>

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NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

Funds from the Urban Core Redevelopment Trust fund is first transferred to the CRA Debt Service fund is to pay debt service on the Urban Core Redevelopment Revenue Bond, Series 2017 and the Urban Core Redevelopment Refunding and Improvement Revenue Bond, Series 2019. Any remaining funds are transferred to the Community Redevelopment Agency fund to pay for operational and capital requirements. Funds from the Eastside Tax Increment Financing District fund is transferred to the CRA Debt Service fund is to pay debt service on the Eastside Redevelopment Revenue Bond, Series 2017. Funds from the Westside Tax Increment Financing District fund is transferred to the CRA Debt Service fund is to pay debt service on Westside Redevelopment Revenue Bond, Series 2017.

E. Long-term Liabilities

1. Changes in Long-Term Liabilities

Following is a summary of changes in the long-term liabilities for the Agency's year ended September 30, 2022:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Due to other governments	\$ 7,800,000	\$	\$ (1,300,000)	\$ 6,500,000	\$ 1,300,000
Notes payable	<u>68,652,819</u>		<u>(1,892,571)</u>	<u>66,760,248</u>	<u>1,948,068</u>
Governmental activity long-term liabilities	<u>\$ 76,452,819</u>	<u>\$ -</u>	<u>\$ (3,192,571)</u>	<u>\$ 73,260,248</u>	<u>\$ 3,248,068</u>

Due to other governments includes an Interlocal agreement between the City of Pensacola and the Agency which committed the Agency to contribute Tax Increment Revenues derived from the Urban Core Community Redevelopment Area to the Main Street Wastewater Treatment Plant Replacement Project (the Project). The Agency committed \$19.5 million towards the project, payable to Emerald Coast Utilities Authority (ECUA) in annual installments of \$1.3 million. The annual \$1.3 million payment is included in general government expenditures since the payment is not considered debt service. For accounting purposes, this is a voluntary non-exchange transaction. In December 2012, ECUA provided documentation which showed all eligibility criteria had been met as of September 30, 2012. Therefore, the long-term liability and expenditure was recorded in the Agency's government-wide financial statements. Since the long-term liability is not due and payable in the current period it is not recorded in the fund financial statements.

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NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

Notes payable include Interlocal agreements between the City of Pensacola and the Agency which committed the Agency to contribute Tax Increment Revenues derived from the Urban Core Community Redevelopment Area to pay debt service on the Urban Core Redevelopment Revenue Bond, Series 2017 and the Urban Core Redevelopment Refunding and Improvement Revenue Bond, Series 2019; Tax Increment Revenues derived from the Eastside Neighborhood Redevelopment Area to pay debt service on the Eastside Redevelopment Revenue Bond, Series 2017; and Tax Increment Revenues derived from the Westside Community Redevelopment Area to pay debt service on the Westside Redevelopment Revenue Bond, Series 2017. The Agency's outstanding notes payable do not contain any significant events of default with finance-related consequences, termination events with finance related consequences, or subjective acceleration clauses.

2. Individual Notes Payable

Below are the Agency's obligation towards the City's individual long-term notes payable which were outstanding on September 30, 2022:

Governmental activities:

\$1,307,000 Eastside Redevelopment Revenue Bond, Series 2017 was issued for the purpose of financing certain community redevelopment capital improvements in the Eastside Neighborhood Redevelopment Area included in the Eastside Neighborhood Plan and the costs of issuance on the borrowing. The bond has a fixed interest rate of 3.33% commencing April 1, 2018, to and including April 1, 2037, payable each April 1 and October 1 of each year. Principal payments commenced on April 1, 2018, payable April 1 of each year. Debt service payments are secured with Tax Increment Financing (TIF) revenues derived from the Eastside Redevelopment Area and in the event that these revenues are insufficient, the Local Business Tax. Final maturity of principal occurs on April 1, 2037.

1,043,000

\$4,082,000 Westside Redevelopment Revenue Bond, Series 2017 was issued for the purpose of financing certain community redevelopment capital improvements in the Westside Neighborhood Redevelopment Area included in the Westside Neighborhood Plan and the costs of issuance on the borrowing. The bond has a fixed interest rate of 3.33% commencing April 1, 2018, to and including April 1, 2037, payable each April 1 and October 1 of each year. Principal payments commenced on April 1, 2018, payable April 1 of each year. Debt service payments are secured with Tax Increment Financing (TIF) revenues derived from the Westside Redevelopment Area and in the event that these revenues are insufficient, the Local Business Tax. Final maturity of principal occurs on April 1, 2037.

3,258,000

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NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

\$8,000,000 Urban Core Redevelopment Revenue Bond, Series 2017 was issued for the purpose of financing certain community redevelopment capital improvements in the Urban Core Redevelopment Area included in the Urban Core Community Redevelopment Plan and the costs of issuance on the borrowing. The bond has a fixed interest rate of 3.60% commencing April 1, 2018, to and including April 1, 2040, payable each April 1 and October 1 of each year. Principal payments commenced on April 1, 2018, payable April 1 of each year. Debt service payments are secured with Tax Increment Financing (TIF) revenues derived from the Urban Core Redevelopment Area and in the event that these revenues are insufficient, a covenant to budget and appropriate non-ad valorem revenues of the City. Final maturity of principal occurs on April 1, 2040.

7,310,000

\$58,140,000 Urban Core Redevelopment Refunding and Improvement Revenue Bond, Series 2019 was issued for the purpose of refunding the outstanding principal balance of the Redevelopment Revenue Bonds, Series 2009B, as well as financing certain community redevelopment capital improvements in the Urban Core Redevelopment Area included in the Urban Core Community Redevelopment Plan and the costs of issuance on the borrowing. The bond has a fixed interest rate of 3.40% commencing October 1, 2019, to and including December 31, 2043, payable each April 1 and October 1 of each year. Principal payments commenced on April 1, 2021, payable April 1 of each year. Debt service payments are secured with Tax Increment Financing (TIF) revenues derived from the Urban Core Redevelopment Area and in the event that these revenues are insufficient, a covenant to budget and appropriate non-ad valorem revenues of the City. Final maturity of principal occurs on December 31, 2043.

55,149,248

Total Governmental Activities

\$ 66,760,248

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NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

3. Summary of Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the Agency's long-term notes are as follows:

Governmental Long-Term Debt

Fiscal Year Ending September 30,	Principal	Interest	Total Principal and Interest
2023	\$ 1,948,068	\$ 2,174,732	\$ 4,122,800
2024	2,007,612	2,110,609	4,118,221
2025	2,062,981	2,044,467	4,107,448
2026	2,120,901	1,976,447	4,097,348
2027	2,187,210	1,906,401	4,093,611
2028-2032	14,188,993	8,291,945	22,480,938
2033-2037	16,600,520	5,874,977	22,475,497
2038-2042	17,614,410	3,163,718	20,778,128
2043-2044	8,029,553	377,555	8,407,108
Total	<u>66,760,248</u>	<u>27,920,851</u>	<u>94,681,099</u>
Less: Current	<u>1,948,068</u>	<u>-</u>	<u>1,948,068</u>
Total government debt	<u><u>\$ 64,812,180</u></u>	<u><u>\$ 27,920,851</u></u>	<u><u>\$ 92,733,031</u></u>

4. Revenues Pledged for Debt Repayment

The Agency has pledged future Tax Increment Revenues derived from the Urban Core Redevelopment Area to repay \$8,000,000 in Bond issued in 2017 and a \$56,140,000 Bond issued in 2019. Proceeds from the 2019 bond provided financing to refund \$38,925,000 in outstanding 2009 bonds which financed the construction of a Community Maritime Park. Proceeds of the 2017 bond and remaining proceeds from the 2019 bond provided financing for certain community redevelopment capital improvements in the Urban Core Community Redevelopment Area included in the Urban Core Community Redevelopment Area Plan. The bonds are secured by Tax Increment Revenues derived from the Urban Core Redevelopment Area and in the event that these revenues are insufficient and the City has advanced (an "Advance") non-ad valorem revenues budgeted and appropriated for the payment thereof the Agency shall repay the amount of such Advance to the City plus interest and are payable through 2043. Principal and interest paid for the current year on the 2017 bond was \$314,751 and the 2019 bonds was \$3,446,311 and Tax Increment Revenues for the current year were \$8,083,603.

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NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

The Agency has pledged future Tax Increment Revenues derived from the Eastside Redevelopment Area to repay a \$1,307,000 Bond issued in 2017. Proceeds of the bond provided financing for certain community redevelopment capital improvements in the Eastside Neighborhood Redevelopment Area included in the Eastside Neighborhood Plan. The bond is secured by Tax Increment Revenues derived from the Eastside Redevelopment Area and in the event that these revenues are insufficient, the Local Business Tax and are payable through 2037. Principal and interest paid for the current year were \$89,496 and Tax Increment Revenues for the current year were \$294,629.

The Agency has pledged future Tax Increment Revenues derived from the Westside Redevelopment Area to repay a \$4,082,000 Bond issued in 2017. Proceeds of the bond will provide financing for certain community redevelopment capital improvements in the Westside Neighborhood Redevelopment Area included in the Westside Neighborhood Plan. The bond is secured by Tax Increment Revenues derived from the Westside Redevelopment Area and in the event that these revenues are insufficient, the Local Business Tax, and are payable through 2037. Principal and interest paid for the current year were \$278,986 and Tax Increment Revenues for the current year were \$1,202,681.

F. Net Position Deficit

The Agency has a negative net position on the Government-wide Financial Statements of \$62,305,698 as of September 30, 2022. This amount is the result of the various interlocal agreements whereby the Agency has pledged Tax Increment Revenues to repay long-term obligations which do not result in an asset for the Agency.

These obligations included notes payable of \$66,760,248 and due to other governments of \$6,500,000. Based on current projects, the Agency projects sufficient future Tax Increment Revenues to repay such obligations in full before the sunset of the Community Redevelopment Areas. Detailed information on these obligations can be found in Note III.D and Note IV.B of this report.

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
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NOTE IV. – OTHER INFORMATION

A. Related Party Commitments

1. *Interlocal Agreement – Downtown Improvement Board.* On September 11, 2020, the Agency and the Pensacola Downtown Improvement Board (DIB) entered into an Interlocal Agreement whereby the Agency agreed to contribute to the DIB an annual amount equal to the funds paid into the Urban Core Redevelopment Trust Fund by the DIB during the most recent tax year, less \$100,000. The primary purpose of the contribution is for economic development, marketing, public realm enhancement and beautification, community policing innovations and to support multi-modal enhancements of Downtown Pensacola, provided such functions are reasonably consistent and compatible with the long-term goals and objectives outlined in the Urban Core Redevelopment Plan. The annual installments to the DIB are paid from Tax Increment Revenues derived from the Urban Core Redevelopment Area. Payments for the year ended September 30, 2022 totaled \$357,534.
2. *Interlocal Agreement - Main Street Wastewater Treatment Plant.* On June 26, 2009, the City and the Agency entered into an Interlocal Agreement whereby the Agency agreed to pay the Emerald Coast Utilities Authority \$19.5 million towards the relocation of the Main Street Wastewater Treatment Plant. The obligation was recorded in fiscal year 2012 upon project completion. Annual installments to the Authority of \$1.3 million began in fiscal year 2013 and will extend through fiscal year 2027. The annual installments to the Authority will be paid from Tax Increment Revenues derived from the Urban Core Redevelopment Area and any shortfall paid by the City will be reimbursed by the Agency when funds are available. Payments for the year ended September 30, 2022 totaled \$1,300,000.
3. *Interlocal Agreement – Westside Redevelopment Revenue Bond, Series 2017.* On August 15, 2017, the City and the Agency entered into an Interlocal Agreement whereby the Agency agreed that to the extent that Tax Increment Revenues derived from the Westside Community Redevelopment Area are insufficient to fully pay the principal of and interest on the 2017 Westside Bond, and the City has advanced Local Business Tax for the payment thereof in accordance with the terms of Resolution No. 17-38 (the “Westside Bond Resolution”) adopted by the City on August 10, 2017 (an "Advance"), the Agency shall repay the amount of such Advance to the City plus interest. The obligation of the Agency to pay the City the amount of any Advance and interest thereon shall be junior and subordinate in all respects to the Agency's obligation to make payments sufficient to pay the 2017 Westside Bond and any Additional Obligations issued in accordance with the Westside Bond Resolution.

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE IV. – OTHER INFORMATION (Continued)

4. *Interlocal Agreement – Eastside Redevelopment Revenue Bond, Series 2017.* On August 15, 2017, the City and the Agency entered into an Interlocal Agreement whereby the Agency agreed that to the extent that Tax Increment Revenues derived from the Eastside Neighborhood Redevelopment Area are insufficient to fully pay the principal of and interest on the 2017 Eastside Bond, and the City has advanced Local Business Tax for the payment thereof in accordance with the terms of Resolution No. 17-43 (the “Eastside Bond Resolution”) adopted by the City on August 10, 2017 (an "Advance"), the Agency shall repay the amount of such Advance to the City plus interest. The obligation of the Agency to pay the City the amount of any Advance and interest thereon shall be junior and subordinate in all respects to the Agency's obligation to make payments sufficient to pay the 2017 Eastside Bond and any Additional Obligations issued in accordance with the Eastside Bond Resolution.
5. *Interlocal Agreement – Eastside Redevelopment Loan.* On September 30, 2016, as amended on August 10, 2017, the City and the Agency entered into an Interlocal Agreement which established the terms and conditions by which the City would provide a loan to the Agency in the principal amount of \$500,000 to finance a portion of the cost associated with the design, construction and acquisition of the General Daniel “Chappie” James, Jr. Museum and Youth Flight Academy. The loan was made from the City’s Insurance Retention Fund to the Agency’s Eastside TIF District and has a thirty (30) year term with interest only being paid until the twenty (20) year Eastside Redevelopment Revenue Bond, Series 2017 has matured. Principal payments begin December 31, 2037 and end on December 31, 2045. Since the principal repayment on the loan does not start until December 31, 2037, the full interfund balance was reduced and a transfer between the Eastside TIF District Fund and the City was recorded. At the point of repayment, the full long term liability will be recorded and the transfer reversed.
6. *Interlocal Agreement – Urban Core Redevelopment Revenue Bond, Series 2017.* On November 15, 2017, the City and the Agency entered into an Interlocal Agreement whereby the Agency agreed that to the extent that Tax Increment Revenues derived from the Urban Core Community Redevelopment Area are insufficient to fully pay the principal of and interest on the 2017 Urban Core Bond, and the City has advanced (an "Advance") non-ad valorem revenues budgeted and appropriated for the payment thereof in accordance with the terms of Resolution No. 33-09 adopted on October 8, 2009 (the "Original Bond Resolution" and as amended and supplemented, the "Bond Resolution"), and the 2017 Urban Core Bond Resolution, the Agency shall repay the amount of such Advance to the City plus interest. The obligation of the Agency to pay the City the amount of any Advance and interest thereon shall be junior and subordinate in all respects to the Agency’s obligation to make payments sufficient to pay the 2017 Urban Core Bond, the 2019 Urban Core Bond and any Additional Obligations issued in accordance with the Bond Resolution.

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE IV. – OTHER INFORMATION (Continued)

7. *Interlocal Agreement – Urban Core Redevelopment Refunding and Improvement Revenue Bond, Series 2019.* On July 25, 2019, the City and the Agency entered into an Interlocal Agreement whereby the Agency agreed that to the extent that Tax Increment Revenues derived from the Urban Core Community Redevelopment Area are insufficient to fully pay the principal of and interest on the 2019 Urban Core Bond, and the City has advanced (an "Advance") non-ad valorem revenues budgeted and appropriated for the payment thereof in accordance with the terms of the Original Bond Resolution and Resolution No. 2019-31 adopted by the City on July 25, 2019, the Agency shall repay the amount of such Advance to the City plus interest. The obligation of the Agency to pay the City the amount of any Advance and interest thereon shall be junior and subordinate in all respects to the Agency's obligation to make payments sufficient to pay the 2017 Urban Core Bond, the 2019 Urban Core Bond and any Additional Obligations issued in accordance with the Bond Resolution.
8. *Interlocal Agreement – Administrative Services.* On September 22, 2017, as amended on August 13, 2019, the City and the Agency entered into an Interlocal Agreement whereby the City agreed to provide administrative services to the Agency through December 31, 2045. Administrative services include personnel, financial, legal, engineering, planning, purchasing, construction, insurance, title and construction services. All personnel assigned by the City are employees of the City and are not officers, employees or agents of the Agency. As such, the Agency has no pension obligation, other post-employment obligations or other liabilities related to personnel. In consideration of the services, the Agency reimburse the City based on the actual cost of services. Payments for the year ended September 30, 2022 totaled \$692,142.
9. *Interlocal Agreement – Urban Core Maintenance Services.* On September 22, 2017, the City and the Agency entered into an Interlocal Agreement whereby the City agreed to provide landscape, park and public space enhancements and accessibility improvement maintenance services on the Agency's behalf through December 31, 2043. These services include the cost to maintain any improvements to various public facilities within the Urban Core Community Redevelopment Area which, pursuant to the Urban Core Community Redevelopment Plan, the Agency has made. In consideration of the services, the Agency will reimburse the City based on the actual cost of services. Payments for the year ended September 30, 2022 totaled \$350,966.

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE IV. – OTHER INFORMATION (Continued)

10. *Interlocal Agreement – Eastside Maintenance Services.* On November 15, 2017, the City and the Agency entered into an Interlocal Agreement whereby the City agreed to provide landscape, park, property management, leasing, accessibility improvement, public space enhancement, and facilities maintenance services on the Agency's behalf through December 31, 2045. These services include the cost to maintain any improvements to various public facilities within the Eastside Community Redevelopment Area which, pursuant to the Eastside Community Redevelopment Plan, the Agency has made. In consideration of the services, the Agency will reimburse the City based on the actual cost of services. Payments for the year ended September 30, 2022 totaled \$17,149.
11. *Interlocal Agreement – Community Policing Innovations.* On September 26, 2019, the City and the Agency entered into an Interlocal Agreement whereby the City agreed to provide additional policing services within the Urban Core Community Redevelopment Area through September 30, 2020. These services aim to reduce crime by reducing opportunities for, and increasing perceived risk of engaging in, criminal activity through visible presence of police. In consideration of the services, the Agency will reimburse the City based on the actual cost of services. Payments for the year ended September 30, 2022 totaled \$92,138.
12. *CRA Interlocal Agreement – Community Maritime Park Stadium Improvements.* On July 23, 2021, the City and the Agency entered into an Interlocal Agreement whereby the Agency agreed to contribute up to \$2,000,000 to fund certain improvements at the Vince Whibbs Sr. Community Maritime Park Blue Wahoos Stadium. Such improvements include, but are not limited to, the conversion of the Blue Wahoos Stadium baseball field from natural grass to synthetic turf and any irrigation changes need to accommodate the conversion, the conversion of the Blue Wahoos Stadium lights to LED, the removal of existing bullpens and construction of new bullpens, the construction of new batting cages, the purchase of additional training tables, dishwashers and surveillance equipment, internet and phone upgrades, replacement of HWC chairs, painting, repairs to seats, flooring, electrical outlets and elevators all in furtherance of maximizing the use and impact of the Vince Whibbs Sr. Community Maritime Park improvements paid for with tax increment revenues derived from the Urban Core Community Redevelopment Area. As of September 30, 2022, \$1,689,068 has been paid towards improvements.

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE IV. – OTHER INFORMATION (Continued)

B. Risk Management

The Agency is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions and natural disasters. As part of the Interlocal Agreement for administrative services, the City manages the Agency's insurance needs. The City is self-insured with respect to general, auto liability and workers' compensation claims but does carry public official's liability insurance as well as property insurance. The coverage limits and deductibles are as follows:

Primary Coverage	Coverage	Deductible
Public officials	2,000,000	50,000
Property	200,000,000	100,000/3% named wind storm

C. Litigation

The Agency is contingently liable with respect to other lawsuits and other claims incidental to the ordinary course of its operations. Although the outcome of these lawsuits is not presently determinable, in the opinion of management, based on the advice of counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the Agency.

D. Contractual, Construction, and Equipment Commitments

The Agency has outstanding commitments for contractual services and for the construction and acquisition of property, plant and equipment at year end. The commitments represent the difference between the contract prices of the various projects and the amounts paid on each contract. Outstanding commitments by fund on September 30, 2022 were:

Community Redevelopment Agency	\$ <u>261,595</u>
Total	\$ <u><u>261,595</u></u>

NOTE V. – SUBSEQUENT EVENTS

No other significant events occurred subsequent to the balance sheet date, as of the date of this report that would have a material impact on the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive/(Negative)
Revenues:				
Tax increment revenues	\$	\$	\$	\$
Intergovernmental revenues				
Charges for services	16,000	16,000	15,829	171
Investment earnings	0	0	22,974	22,974
Other	0	0	25,000	
Total revenues	<u>16,000</u>	<u>16,000</u>	<u>63,803</u>	<u>23,145</u>
Expenditures:				
Current -				
General government	4,000,300	8,818,140	3,622,597	5,195,543
Debt service -				
Principal retirement				
Interest				
Total expenditures	<u>4,000,300</u>	<u>8,818,140</u>	<u>3,622,597</u>	<u>5,195,543</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,984,300)</u>	<u>(8,802,140)</u>	<u>(3,558,794)</u>	<u>5,218,688</u>
Other financing sources (uses):				
Transfers in	3,984,300	3,984,300	3,990,366	6,066
Transfers (out)				
Total other financing sources (uses)	<u>3,984,300</u>	<u>3,984,300</u>	<u>3,990,366</u>	<u>6,066</u>
Net change in fund balances	<u>\$ 0</u>	<u>\$ (4,817,840)</u>	<u>431,572</u>	<u>\$ 5,224,754</u>
Fund balances at beginning of year			<u>5,819,416</u>	
Fund balances at end of year			<u>\$ 6,250,988</u>	

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
URBAN CORE REDEVELOPMENT TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive/(Negative)
Revenues:				
Tax increment revenues	\$ 8,083,800	\$ 8,083,800	\$ 8,083,603	\$ (197)
Intergovernmental revenues				
Charges for services				
Investment earnings				
Other				
Total revenues	<u>8,083,800</u>	<u>8,083,800</u>	<u>8,083,603</u>	<u>(197)</u>
Expenditures:				
Current -				
General government				
Debt service -				
Principal retirement				
Interest				
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,083,800</u>	<u>8,083,800</u>	<u>8,083,603</u>	<u>(197)</u>
Other financing sources (uses):				
Transfers in				
Transfers (out)	<u>(8,083,800)</u>	<u>(8,083,800)</u>	<u>(8,083,603)</u>	<u>197</u>
Total other financing sources (uses)	<u>(8,083,800)</u>	<u>(8,083,800)</u>	<u>(8,083,603)</u>	<u>197</u>
Net change in fund balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>	<u>\$ 0</u>
Fund balances at beginning of year			<u>0</u>	
Fund balances at end of year			<u>\$ 0</u>	

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EASTSIDE TAX INCREMENT FINANCING DISTRICT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive/(Negative)
Revenues:				
Tax increment revenues	\$ 294,700	\$ 294,700	\$ 294,629	\$ (71)
Intergovernmental revenues				
Charges for services				
Investment earnings	0	0	3,113	3,113
Other				
Total revenues	<u>294,700</u>	<u>294,700</u>	<u>297,742</u>	<u>3,042</u>
Expenditures:				
Current -				
General government	190,200	942,469	122,754	819,715
Debt service -				
Principal retirement				
Interest	15,000	15,000	15,000	0
Total expenditures	<u>205,200</u>	<u>957,469</u>	<u>137,754</u>	<u>819,715</u>
Excess (deficiency) of revenues over (under) expenditures	<u>89,500</u>	<u>(662,769)</u>	<u>159,988</u>	<u>822,757</u>
Other financing sources (uses):				
Transfers in				
Transfers (out)	(89,500)	(89,500)	(89,446)	54
Total other financing sources (uses)	<u>(89,500)</u>	<u>(89,500)</u>	<u>(89,446)</u>	<u>54</u>
Net change in fund balances	<u>\$ 0</u>	<u>\$ (752,269)</u>	<u>70,542</u>	<u>\$ 822,811</u>
Fund balances at beginning of year			<u>752,270</u>	
Fund balances at end of year			<u>\$ 822,812</u>	

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
WESTSIDE TAX INCREMENT FINANCING DISTRICT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive/(Negative)
Revenues:				
Tax increment revenues	\$ 1,202,300	\$ 1,202,300	\$ 1,202,681	\$ 381
Intergovernmental revenues				
Charges for services				
Investment earnings	0	0	6,214	6,214
Other				
Total revenues	<u>1,202,300</u>	<u>1,202,300</u>	<u>1,208,895</u>	<u>6,595</u>
Expenditures:				
Current -				
General government	923,300	1,807,929	369,140	1,438,789
Debt service -				
Principal retirement				
Interest				
Total expenditures	<u>923,300</u>	<u>1,807,929</u>	<u>369,140</u>	<u>1,438,789</u>
Excess (deficiency) of revenues over (under) expenditures	<u>279,000</u>	<u>(605,629)</u>	<u>839,755</u>	<u>1,445,384</u>
Other financing sources (uses):				
Transfers in				
Transfers (out)	(279,000)	(279,000)	(278,601)	399
Total other financing sources (uses)	<u>(279,000)</u>	<u>(279,000)</u>	<u>(278,601)</u>	<u>399</u>
Net change in fund balances	<u>\$ 0</u>	<u>\$ (884,629)</u>	<u>561,154</u>	<u>\$ 1,445,783</u>
Fund balances at beginning of year			<u>884,629</u>	
Fund balances at end of year			<u>\$ 1,445,783</u>	

SUPPLEMENTARY INFORMATION

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive/(Negative)
Revenues:				
Tax increment revenues	\$	\$	\$	\$
Intergovernmental revenues				0
Charges for services				
Investment earnings	0	0	11,814	(11,814)
Other				
Total revenues	<u>0</u>	<u>0</u>	<u>11,814</u>	<u>(11,814)</u>
Expenditures:				
Current -				
General government				
Debt service -				
Principal retirement	2,230,900	2,230,900	1,892,571	338,329
Interest	<u>2,237,100</u>	<u>2,237,100</u>	<u>2,236,973</u>	<u>127</u>
Total expenditures	<u>4,468,000</u>	<u>4,468,000</u>	<u>4,129,544</u>	<u>338,456</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,468,000)</u>	<u>(4,468,000)</u>	<u>(4,117,730)</u>	<u>326,642</u>
Other financing sources (uses):				
Transfers in	4,468,000	4,468,000	4,461,284	6,716
Transfers (out)				
Total other financing sources (uses)	<u>4,468,000</u>	<u>4,468,000</u>	<u>4,461,284</u>	<u>6,716</u>
Net change in fund balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>343,554</u>	<u>\$ 333,358</u>
Fund balances at beginning of year			<u>3,485,065</u>	
Fund balances at end of year			<u>\$ 3,828,619</u>	

COMPLIANCE SECTION

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

Board Members
Community Redevelopment Agency
City of Pensacola, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the City of Pensacola Community Redevelopment Agency (the "Agency"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated March 23, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Warren Averett, LLC".

Pensacola, Florida
March 23, 2023

**INDEPENDENT ACCOUNTANTS' REPORT ON EXAMINATION OF
COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL**

Board Members
Community Redevelopment Agency
City of Pensacola, Florida

We have examined the City of Pensacola Community Redevelopment Agency (the "Agency") compliance with the following requirements for the year ended September 30, 2022:

- (1) Florida Statute 218.415 in regards to investments
- (2) Florida Statutes 163.387(6) and (7) in regards to community redevelopment agencies

Management is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

In our opinion, the Agency has complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

This report is intended solely for the information and use of the Agency and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Warren Averett, LLC

Pensacola, Florida
March 23, 2023

MANAGEMENT LETTER

Board Members
Community Redevelopment Agency
City of Pensacola, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Pensacola Community Redevelopment Agency (the "Agency"), as of and for the year ended September 30, 2022, and have issued our report thereon dated March 23, 2023.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550 *Rules of the Florida Auditor General*.

Other Reports Requirements

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 23, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No findings were reported in the City of Pensacola's audit in the prior year.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report the results of our determination as to whether or not the Agency has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Agency did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the Agency's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the CRA reported:

- a. The total number of CRA employees compensated in the last pay period of the CRA's fiscal year was 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year was 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued regardless of contingency was \$0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency was \$0.
- e. The CRA has the projects noted below, which are ongoing in 2023.
 - Devillers Streetscape reconstruction \$511,844 budget. No expenditures incurred during year.
 - Hollice Williams Skate Park \$300,000 budget. \$59,948 in expenditures incurred during fiscal year ending September 30, 2022.
 - Chappie James Streetscape \$442,731 budget. \$63,986 in expenditures incurred during fiscal year ending September 30, 2022.
 - A Street Revitalization \$2,059,493 budget. \$140,846 in expenditures incurred during fiscal year ending September 30, 2022.
 - Lee Street \$1,489,763 budget. No expenditures incurred during year.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the CRA amends a final adopted budget under Section 189.016(6), Florida Statutes, as included in the Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget to Actual reported on pages 41 through 45.

The specific information reported in the previous paragraph has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Additional Matters

Section 10.554 (1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Warren Averett, LLC

Pensacola, Florida

March 23, 2023



Community Redevelopment Agency City of Pensacola

AUDIT RESULTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022



This Year's Audit Results

Matter	Conclusion
Opinions on Financial Statements	<ul style="list-style-type: none"> Fairly stated in all material respects. Considered a “clean” or “unmodified” report. Issued on March 23, 2023
Reporting on Required Supplementary Information	<ul style="list-style-type: none"> We have applied certain limited procedures which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide assurance on this information. <ul style="list-style-type: none"> MDA & Budgetary Comparison Schedules
Reporting on Supplementary Information	<ul style="list-style-type: none"> The following information was subjected to the procedures applied in the audit of the basic financial statements and is fairly stated in all material respects in relation to the Agency’s financial statements. <ul style="list-style-type: none"> Budgetary Comparison Schedule – Debt Service fund

This Year's Audit Results

Matter	Conclusion
Reporting under Government Auditing Standards	<ul style="list-style-type: none">▪ No instances of noncompliance or other matters identified and reported▪ No material weaknesses were identified
Reporting on an Examination of Compliance Requirements in Accordance with Ch. 10.550, <i>Rules of the Auditor General</i>	<ul style="list-style-type: none">▪ Agency complied, in all material respects, with<ul style="list-style-type: none">(1) Florida Statute 218.415 in regards to investments(2) Florida Statutes 163.387(6) and (7) in regards to community redevelopment agencies

This Year's Audit Results

Matter	Conclusion
Adjustments detected by the audit process	<ul style="list-style-type: none"> None.
Other matters	<ul style="list-style-type: none"> No instances of fraud or illegal acts were noted. No material uncertainties were noted. No significant changes to our planned scope or approach were required during year end fieldwork.
Financial statement disclosures	<ul style="list-style-type: none"> The disclosures are neutral, consistent and clear.
Disagreements with management	<ul style="list-style-type: none"> None.
Management consultations with other accountants	<ul style="list-style-type: none"> Management has informed us that they have not consulted with other accountants.
Difficulties encountered performing the audit	<ul style="list-style-type: none"> None.
Management representations	<ul style="list-style-type: none"> Management has provided us with certain representations that are included in the management representation letter.

Other Audit Matters

Other Matters

As discussed in the financial statements, in 2022 the Agency adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Significant or Unusual Transactions

We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note 1 to the financial statements.



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 2023 -03 CRA

Community Redevelopment Agency

5/8/2023

ACTION ITEM

SPONSOR: Teniade Broughton, Chairperson

SUBJECT:

RESOLUTION NO. 2023-03 CRA - APPROVING MASTER REDEVELOPMENT AGREEMENT FOR SPRING STREETSCAPE IMPROVEMENTS FROM GARDEN TO ROMANA

RECOMMENDATION:

That the Community Redevelopment Agency (CRA) adopt Resolution No. 2023-03 CRA authorizing a Master Redevelopment Agreement with the City, 200 West Garden LLC and 97 Spring Condos LLC for the development of streetscape improvements on Spring Street from Garden to Romana Street. Further, that the CRA authorize the CRA Chairperson to execute and take all actions necessary to carry out the agreement.

A RESOLUTION OF THE PENSACOLA COMMUNITY REDEVELOPMENT AGENCY RELATING TO COMMUNITY REDEVELOPMENT WITHIN THE URBAN CORE COMMUNITY REDEVELOPMENT AREA; PROVIDING FINDINGS; APPROVING AND AUTHORIZING EXECUTION OF A MASTER REDEVELOPMENT AGREEMENT BETWEEN THE AGENCY, THE CITY OF PENSACOLA, FLORIDA, 200 WEST GARDEN LLC AND 97 SPRING CONDOS LLC, PROVIDING FOR THE REDEVELOPMENT OF CERTAIN PROPERTY LOCATED IN THE REDEVELOPMENT AREA CONSISTING OF RIGHT OF WAY, STREETSCAPE IMPROVEMENTS; AND PROVIDING AN EFFECTIVE DATE.

SUMMARY:

On February 6, 2023, Bearing Point Properties presented their proposed plans for a mixed-use development including 328 residential rental units, 54 for-sale condominium units, a large-scale grocery retail space, 2 pocket parks, and a multi-level structured parking facility including approximately 175 ungated parking spaces. The proposed project is a master-planned redevelopment located at the intersection of Garden and Spring Streets, which is slated for redevelopment by developers, 200 West Garden, LLC and 97 Spring Condos LLC (collectively, the "Developer").

As a component of the redevelopment project, the developers have requested to partner with the CRA to undertake streetscape improvements along Spring Street from Garden Street to Romana

Street. The Developer is requesting a redevelopment incentive of up to \$1,482,278 towards the full cost of the streetscape improvements, estimated to be \$2,371,645 pursuant to a Master Redevelopment Agreement (MRA). The proposed MRA requires the Developer to construct the full mixed use redevelopment project, except for the 54-condominium units to receive the redevelopment incentive. Pursuant to the MRA, the CRA would escrow the redevelopment incentive with a mutually-acceptable escrow agent upon completion of the streetscape improvements and completion and opening of the parking garage and grocery retail space to the public. The escrow agent would be instructed to release the redevelopment incentive to the Developer upon substantial completion of the 328 residential rental units. The Developer must complete the remaining 328 residential units within thirty-six (36) months of the escrow of the redevelopment incentive or it will be subject to repayment. The project encompassed by the MRA is estimated to have a total taxable value of \$45,000,000.

In the event that available CRA budgets are insufficient to cover the full cost of the redevelopment incentive at the time that payment is due to the Developer, the City will issue a loan to the CRA for the balance necessary to provide for the payment. The loan will be repaid to the City over a maximum of a three-year period along with 4.5 % interest.

Upon completion, and prior to acceptance of the streetscape improvements, the Developer will issue to the City a warranty bond that will serve as a guarantee for the streetscape improvements for a period of 18 months.

Implementation of this project will further the goals and objectives set forth in the Urban Core Redevelopment Plan, which expressly contemplates and encourages redevelopment and enhancement of public rights-of-way and pedestrian walkways and provides private sector participation in remediating and preventing blighted conditions.

Resolution No. 2023-03 CRA and the proposed Master Redevelopment Agreement, including preliminary plans are attached.

PRIOR ACTION:

February 9, 2023 - Bearing Point Properties presented to the CRA proposed plans for a mixed-use development at Spring and Garden Streets.

FUNDING:

Budget: \$ 1,621,597.48

Actual:	\$ 1,482,278.00	Redevelopment Incentive
	<u>\$ 139,319.48</u>	(Estimated Interest)
	\$ 1,621,597.48	

FINANCIAL IMPACT:

The CRA will provide a redevelopment incentive in an amount not to exceed \$1,482,278, which will be paid with Urban Core Redevelopment District Trust Fund Revenues. In the event that the budget

to cover the full amount of the redevelopment incentive is not available at the time of payment, the City will issue a loan to the CRA for the balance due plus 4.5% interest.

LEGAL REVIEW ONLY BY CITY ATTORNEY: Yes

5/1/2023

STAFF CONTACT:

David Forte, Deputy City Administrator
Sherry Morris, Development Services Director
Victoria D'Angelo, CRA Division Manager
Amy Lovoy, Chief Financial Officer

ATTACHMENTS:

- 1) Resolution No. 2023-03 CRA
- 2) Master Redevelopment Agreement

PRESENTATION: No

**RESOLUTION
NO. 2023-035 CRA**

A RESOLUTION OF THE PENSACOLA COMMUNITY REDEVELOPMENT AGENCY RELATING TO COMMUNITY REDEVELOPMENT WITHIN THE URBAN CORE COMMUNITY REDEVELOPMENT AREA; PROVIDING FINDINGS; APPROVING AND AUTHORIZING EXECUTION OF A MASTER REDEVELOPMENT AGREEMENT BETWEEN THE AGENCY, THE CITY OF PENSACOLA, FLORIDA, 200 WEST GARDEN LLC AND 97 SPRING CONDOS LLC, PROVIDING FOR THE REDEVELOPMENT OF CERTAIN PROPERTY LOCATED IN THE REDEVELOPMENT AREA CONSISTING OF RIGHT OF WAY, STREETSCAPE IMPROVEMENTS; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE GOVERNING BOARD OF THE COMMUNITY REDEVELOPMENT AGENCY AS FOLLOWS:

SECTION 1. AUTHORITY. This Resolution is adopted pursuant to and under the authority of the Community Redevelopment Act of 1969 codified in Part III, Chapter 163, Florida Statutes, and other applicable provisions of law.

SECTION 2. FINDINGS. It is hereby ascertained, determined and declared that:

(A) Pursuant to Resolution No. 54-80 adopted by the City Council of the City of Pensacola, Florida (the "City Council") on September 25, 1980, and as confirmed and ratified pursuant to Resolution 65-81 adopted by the City Council on September 22, 1981, the City Council found and determined that an area designated therein as the "Pensacola Inner City" is a blighted area as therein described, that a combination of rehabilitation, conservation and redevelopment of the Pensacola Inner City is necessary, that there exists a need for a community redevelopment agency to function in the City to carry out community redevelopment purposes pursuant to Part III, Chapter 163, Florida Statutes (the "Act"), and that the Pensacola Inner City is appropriate for community redevelopment projects and is thereby designated a community redevelopment area.

(B) Pursuant to Resolution No. 55-80 adopted by the City Council on September 25, 1980, and as readopted and reaffirmed pursuant to Resolution 65-81 adopted by the City Council on September 22, 1981, the City Council declared itself to be the "Community Redevelopment Agency" (THE "agency") in the City and vested all rights, powers, duties, privileges and immunities vested in a community redevelopment agency pursuant to the Act in the City Council.

(C) Pursuant to Resolution 65-81 adopted by the City Council on September 22, 1981, the City Council designated the boundaries and found and determined that an area designated therein as the "Urban Core Community Redevelopment Area" (the "Redevelopment Area") is a blighted area as therein described and that the rehabilitation, conservation and redevelopment is necessary and in the public interest.

(D) Pursuant to Ordinance No. 13-84 enacted by the City Council on March 8, 1984, the Urban Core Community Redevelopment Trust Fund was established into which an amount equal to the tax increment paid by each taxing authority each year is deposited in accordance with section 163.387, Florida Statutes, for the purpose of financing community redevelopment in the Redevelopment Area (the "Tax Increment").

(E) On January 14, 2010, the City Council adopted Resolution No. 02-10 approving an "Urban Core Community Redevelopment Plan 2010" for the Redevelopment Area (as may be further amended from time to time, the "Redevelopment Plan").

(F) 200 West Garden LLC and 97 Spring Condos LLC (collectively, the "Developer") own certain parcels of real property located at the corner of Garden and Spring Streets, as further described in the form of Master Redevelopment Agreement attached hereto as Appendix A (the "Master Redevelopment Agreement") which parcels are within the boundaries of Redevelopment Area (the "Developer Parcels").

(G) The Developer is undertaking redevelopment of the Developer Parcels with various uses which include approximately 328 residential rental units, a large-scale grocery retail space, two pocket parks, and a multi-level structured parking facility including approximately 175 ungated parking spaces (collectively, the "Developer Facilities"), all of which are generally contemplated by and are objectives of the Redevelopment Plan.

(H) The Developer desires to redevelop and improve the Spring Street right of way from Garden Street to Romana Street, which is a City right of way (the "Public Right of Way"), in conjunction with development and redevelopment of the Developer Parcels which are adjacent or in close proximity to the Public Right of Way.

(I) The Developer has proposed to the City and the Agency that it will undertake all of the design, site work, construction and landscaping to modify the Public Right of Way and adjoining areas with streetscape improvements so that it is more walkable and pedestrian friendly and to include certain aesthetic enhancements (collectively, the "Project") as further described in the Master Redevelopment Agreement.

(J) The total estimated cost of the Project is \$2,371,645.00 a breakdown of which is included in the Project Cost Estimate included in the Master Redevelopment Agreement.

(K) The Developer has represented to the City and the Agency that it is willing to pay a substantial portion of the costs of the Project but will require financial assistance from the City and the Agency to undertake and complete the Project as herein set forth.

(L) The financial assistance to be provided by the City and Agency includes a grant in an amount not to exceed \$1,482,278.00, all or a portion of which will be funded with Tax Increment generated within the Urban Core Community Redevelopment Area (the "Redevelopment Incentive").

(M) The financial assistance to be provided by the City and the Agency as an inducement for installation and construction of the Project will result in creation of a vibrant, attractive and pedestrian friendly destination for residents and visitors of the Redevelopment Area.

(N) The Developer has proposed that it will install and construct the Project in conjunction with redevelopment of the Developer Parcels.

(O) The Developer Facilities are reasonably expected to generate substantial ad

valorem and sales tax revenues through the term of the Redevelopment Plan and beyond.

(P) The Project is expected to act as a catalyst for additional high quality redevelopment in the Redevelopment Area, thus significantly benefiting the City's economy and its citizens and significantly advancing the community redevelopment objectives set forth in the Act and the Redevelopment Plan.

(Q) The construction phase of the Developer Facilities and the Project is expected to create local jobs stemming from construction related activities, and upon completion, the Project is expected to create local jobs related to operation of the residential and commercial uses.

(R) Construction and operation of the Developer Facilities and Project is further expected to stimulate economic development in the City and the Redevelopment Area and to materially benefit the City and residents of the Redevelopment Area, the taxing authorities which contribute Tax Increment and their respective residents for many reasons, including but not limited to the increased direct and indirect funds that will be received from ad valorem tax revenue, sales tax revenue, utility revenue, and other revenues.

(S) The Agency therefore has an interest in the diverse economic benefits which would be created through construction of the Project and redevelopment of the Developer Parcels.

(T) The Agency desires to facilitate the successful construction of the Project in order to realize the public and community redevelopment benefits identified herein.

(U) Provision of the Project is a valid and important public purpose in light of the need to redevelop the land within the Redevelopment Area, and the City and the Agency are authorized by the Act to expend Tax Increment proceeds in furtherance of the community redevelopment objectives of remedying blight and preserving and enhancing the tax base.

(V) The Agency hereby determines that the economic incentives and contributions contemplated herein are an advantageous means of inducing construction of the Project and which will serve a valid and paramount public purpose in that: (1) construction of the Project will directly promote redevelopment in the Redevelopment Area, as well as the overall economy of the City; (2) the Project will further the development of residential and commercial activities in the Redevelopment Area, thereby achieving essential objectives of the Redevelopment Plan and providing a more balanced and stable area economy and increased opportunities for gainful employment; (3) construction of the Project will stimulate and promote redevelopment in the Redevelopment Area as a whole; and (4) all economic incentives will be used for the public purposes described herein.

(W) The Agency now desires to approve and authorize execution of the Master Redevelopment Agreement in order to provide for installation and construction of the Project in furtherance of meeting the redevelopment goals and objectives set forth in the Redevelopment Plan.

(X) The Agency hereby determines that it is necessary and in the best interests of the health, safety and welfare of the City and its inhabitants that the City make a grant to the Developer in the form of the Redevelopment Incentive to facilitate installation and construction of the Project, and that the Project shall constitute and serve the purposes of "community redevelopment" within the meaning and in accordance with the Act.

(Y) The Master Redevelopment Agreement has been prepared and reviewed by the Agency, the City and the Developer, and all are desirous of entering into the agreement to effectuate redevelopment of the Project Site upon the terms and conditions as set forth therein.

SECTION 3. APPROVAL OF MASTER REDEVELOPMENT AGREEMENT.

(A) The Master Redevelopment Agreement, in substantially the form attached hereto as Appendix A, is hereby approved

(B) The Chairperson of the Agency is authorized and directed to execute and deliver, and the City Clerk is authorized to attest, the Master Redevelopment Agreement, with such omissions, insertions, and variations as may be necessary and/or desirable and approved in consultation with the City Attorney prior to the delivery thereof, with such necessity and/or desirability and approval to be evidenced by the execution and delivery thereof, and to execute and deliver any and all papers and instruments to do and cause to be done all acts and things necessary or proper for carrying out the actions contemplated by this Resolution and the Master Redevelopment Agreement between the parties authorized hereunder.

SECTION 4. RATIFICATION AND CONFIRMATION. Based upon the findings herein, the Redevelopment Plan, and the public purpose advanced by redevelopment of the Redevelopment Area, all prior actions by the Agency associated with advancing redevelopment of the Project Site are in the public interest, serve public purposes and provide for accomplishing community redevelopment consistent with the Redevelopment Plan. The findings herein and all prior actions and plans of the Agency associated with redevelopment of the Project Site are hereby ratified and confirmed.

SECTION 5. SEVERABILITY. If any one or more of the provisions of this Resolution should be held contrary to any express provision of law or shall for any reason whatsoever be held invalid by a court of competent jurisdiction, then such provisions shall be null and void and shall be deemed separate from the remaining provisions of this Resolution.

SECTION 6. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 7. This resolution shall become effective immediately upon adoption.

Adopted:_____

Approved:_____
Chairperson, CRA

Attest:

City Clerk

APPENDIX A
FORM OF MASTER REDEVELOPMENT AGREEMENT

**MASTER REDEVELOPMENT AGREEMENT
(SPRING STREETSCAPE PROJECT – GARDEN TO ROMANA)**

By and Among

**THE CITY OF PENSACOLA, FLORIDA,
THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PENSACOLA,
200 WEST GARDEN, LLC,
and
97 SPRING CONDOS LLC**

Dated as of _____, 2023

**MASTER REDEVELOPMENT AGREEMENT
(SPRING STREETSCAPE PROJECT – GARDEN TO ROMANA)**

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**MASTER REDEVELOPMENT AGREEMENT
(SPRING STREETSCAPE PROJECT – GARDEN TO ROMANA)**

THIS MASTER REDEVELOPMENT AGREEMENT (SPRING STREETSCAPE PROJECT – GARDEN TO ROMANA) ("Agreement") is made and entered into this ____ day of _____, 2023 by and among the **CITY OF PENSACOLA, FLORIDA**, a municipal corporation (the "City"), the **COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PENSACOLA**, a public body corporate and politic of the State of Florida created pursuant to Part III, Chapter 163, Florida Statutes, (the "Agency"), **200 WEST GARDEN, LLC**, a Louisiana limited liability company ("200 West"), and **97 SPRING CONDOS LLC**, a Louisiana limited liability company ("97 Spring" and, together with 200 West, the "Developer").

W I T N E S S E T H:

WHEREAS, pursuant to Resolution No. 54-80 adopted by the City Council on September 25, 1980, and as confirmed and ratified pursuant to Resolution 65-81 adopted by the City Council on September 22, 1981, the City Council found and determined that an area designated therein as the "Pensacola Inner City" is a blighted area as therein described, that a combination of rehabilitation, conservation and redevelopment of the Pensacola Inner City is necessary, that there exists a need for a community redevelopment agency to function in the City to carry out community redevelopment purposes pursuant to Part III, Chapter 163, Florida Statutes (the "Act"), and that the Pensacola Inner City is appropriate for community redevelopment projects and is thereby designated a community redevelopment area; and

WHEREAS, pursuant to Resolution No. 55-80 adopted by the City Council on September 25, 1980, and as readopted and reaffirmed pursuant to Resolution 65-81 adopted by the City Council on September 22, 1981, the City Council declared itself to be the "Community Redevelopment Agency" in the City and vested all rights, powers, duties, privileges and immunities vested in a community redevelopment agency pursuant to Part III, Chapter 163, Florida Statutes, in the City Council; and

WHEREAS, pursuant to Resolution 65-81 adopted by the City Council on September 22, 1981, the City Council designated the boundaries and found and determined that an area designated therein as the "Urban Core Community Redevelopment Area" (the "Redevelopment Area") is a blighted area as therein described and that the rehabilitation, conservation and redevelopment is necessary and in the public interest; and

WHEREAS, pursuant to Ordinance No. 13-84 enacted by the City Council on March 8, 1984, the Urban Core Community Redevelopment Trust Fund was established into which the tax increment paid by each taxing authority each year is deposited in accordance with section 163.387, Florida Statutes, for the purpose of financing community redevelopment in the Redevelopment Area (the "Tax Increment"); and

WHEREAS, on January 14, 2010, the City Council adopted Resolution No. 02-10 approving an "Urban Core Community Redevelopment Plan 2010" for the Redevelopment Area (as may be further amended from time to time, the "Redevelopment Plan"); and

WHEREAS, the Developer owns certain parcels of real property located in the City as further described in Appendix A attached hereto (the "Developer Parcels") which parcels are within the boundaries of the Redevelopment Area; and

WHEREAS, the Developer is undertaking redevelopment of the Developer Parcels with various uses which may include residential rental units, grocery retail space and a structured parking facility (collectively, and as more specifically described below, the "Developer Facilities"), all of which are generally contemplated by and are objectives of the Redevelopment Plan; and

WHEREAS, the Developer desires to redevelop and improve the Spring Street right of way between Garden Street and Romana Street, which is a City right of way (the "Public Right of Way"), in conjunction with development and redevelopment of the Developer Parcels which are adjacent or in close proximity to the Public Right of Way; and

WHEREAS, the Developer has proposed to the City and the Agency that it will undertake all of the design, site work, construction and landscaping to modify the Public Right of Way and adjoining areas with Streetscape Improvements (as defined below) so that it is more walkable and pedestrian friendly and to include certain aesthetic enhancements (collectively, the "Project") as further described in the Conceptual Project Plan attached hereto as Appendix B; and

WHEREAS, the total estimated cost of the Project is \$2,371,645 (the "Project Cost Estimate"), a breakdown of which is included in the Project Cost Estimate attached hereto as Appendix C; and

WHEREAS, the Developer has represented to the City and the Agency that it is willing to pay a substantial portion of the costs of the Project but will require financial assistance from the City and the Agency to undertake and complete the Project as herein set forth; and

WHEREAS, the financial assistance to be provided by the City and Agency includes a grant of no more than \$1,482,278 (the "Redevelopment Incentive"); and

WHEREAS, the amount of the Redevelopment Incentive is reasonably estimated to be equal to or less than the Tax Increment generated by the Developer Parcels once improved with the Developer Facilities over the duration of the Redevelopment Plan; and

WHEREAS, the financial assistance to be provided by the City and the Agency as an inducement for installation and construction of the Project will result in creation of a vibrant, attractive and pedestrian friendly destination for residents and visitors of the Redevelopment Area; and

WHEREAS, the Developer has proposed that it will install and construct the Project in conjunction with redevelopment of the Developer Facilities; and

WHEREAS, the City has determined that the Project is consistent with the City's comprehensive plan; and

WHEREAS, the Developer Facilities are reasonably expected to generate substantial ad valorem and sales tax revenues through the term of the Redevelopment Plan and beyond; and

WHEREAS, the Project is expected to act as a catalyst for additional high quality redevelopment in the Redevelopment Area, thus significantly benefiting the City's economy and its citizens and significantly advancing the community redevelopment objectives set forth in the Act and the Redevelopment Plan; and

WHEREAS, the construction phase of the Developer Facilities and the Project is expected to create local jobs stemming from construction related activities, and upon completion, the Developer Facilities and the Project are expected to create local jobs related to operation of the residential and commercial uses; and

WHEREAS, construction and operation of the Developer Facilities and Project is further expected to stimulate economic development in the City and to materially benefit the City, the taxing authorities which contribute the Tax Increment and their respective residents for many reasons, including but not limited to the increased direct and indirect funds that will be received from ad valorem tax revenue, sales tax revenue, utility revenue, and other revenues; and

WHEREAS, the City and Agency therefore have an interest in the diverse economic benefits which would be created through construction of the Project and redevelopment of the Developer Parcels; and

WHEREAS, the City and Agency desire to facilitate the successful construction of the Project in order to realize the public and community redevelopment benefits identified herein; and

WHEREAS, provision of the Project is a valid and important public purpose in light of the need to redevelop the land within the Redevelopment Area, and the City and the Agency are authorized by the Act to expend Tax Increment proceeds in furtherance of the community redevelopment objectives of remedying blight and preserving and enhancing the tax base; and

WHEREAS, the City and Agency hereby determine that the economic incentives and contributions contemplated herein are an advantageous means of inducing construction of the Project and which will serve a valid and paramount public purpose in that: (1) construction of the Project will directly promote redevelopment in the Redevelopment Area, as well as the overall economy of the City; (2) the Project will further the development of residential and commercial activities in the Redevelopment Area, thereby achieving essential objectives of the Redevelopment Plan and providing a more balanced and stable area economy and increased

opportunities for gainful employment; (3) construction of the Project will stimulate and promote redevelopment in the Redevelopment Area as a whole; and (4) all economic incentives will be used for the public purposes described herein; and

WHEREAS, the parties now desire to enter into this Agreement in order to provide for installation and construction of the Project in furtherance of meeting the redevelopment goals and objectives set forth in the Redevelopment Plan; and

WHEREAS, the City has determined that it is necessary and in the best interests of the health, safety and welfare of the City and its inhabitants that the City make a grant to the Developer in the form of the Redevelopment Incentive to facilitate installation and construction of the Project, and that the Project shall constitute and serve the purposes of "community redevelopment" within the meaning and in accordance with the Act; and

WHEREAS, the parties acknowledge that redevelopment activities in the Redevelopment Area must be coordinated to insure their compliance and consistency with the Act and the Redevelopment Plan, and the parties mutually agree to cooperate to achieve such coordination, and

WHEREAS, this Agreement has been prepared and reviewed by the City, the Agency and the Developer, and all are desirous of entering into this Agreement to effectuate redevelopment of the Project Site upon the terms and conditions as set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

ARTICLE 1 **DEFINITIONS**

Section 1.1 Definitions. Capitalized terms used herein shall have the meanings set forth in the Recitals above and as follows:

"Act" means Part III, Chapter 163, Florida Statutes known and referred to as the Community Redevelopment Act of 1969, as amended from time to time, and other applicable provisions of law.

"Agency" means the Community Redevelopment Agency of the City of Pensacola, Florida, created pursuant to Resolution No. 55-80 adopted by the City Council on September 25, 1980, as confirmed and ratified by Resolution No. 65-81 adopted by the City Council on September 22, 1981.

"Agreement" means this Master Redevelopment Agreement, including all Appendices and all amendments, modifications, addenda, supplements and revisions to this Agreement or

to any of the Appendices.

"Approval Delay" means any delay in achieving a construction or development milestone which is caused by the failure of any applicable governmental authority to timely issue a Building Permit which is required for the construction of the Project.

"Building Permit" means the permit, certificate, license or other approval by the City or other applicable governmental authority required to be obtained, issued, granted, or received as the final such permit, certificate, license or approval prior to commencement of construction, or equipping of any existing structure located on the Project Site.

"City" means the City of Pensacola, Florida, a Florida municipal corporation and its successors or assigns.

"Commencement Date" means the date when the Developer begins the installation and construction of the Project and/or Developer Facilities, occurring not later than December 31, 2024 (unless extended by consent and agreement of the parties or by Force Majeure or Approval Delay), as evidenced by a written Notice of Commencement provided to the CRA Manager.

"Completion Date" means the date when construction of the Project is completed as provided in Section 2.6 hereof.

"Conceptual Project Plan" means the site plan and narrative description of the conceptual plan for redevelopment of the Project Site prepared by the Developer and included herein as Appendix B.

"Construction Period" means the period of time beginning on the Commencement Date and ending on the Completion Date.

"Contract Documents" means the Design Documents, and the general contractor agreement executed by and between Developer and a general contractor for the completion of the Project.

"Design Documents" means the Interim Design Documents and the Final Design Documents for the Project.

"Developer" means, collectively, 200 West and 97 Spring, which is a wholly-owned subsidiary of 200 West, and their successors and assigns.

"Developer Facilities" means the proposed facilities to be constructed by the Developer on the Developer Parcels, which facilities shall include approximately 328 residential rental units, grocery retail space, two pocket parks, and a multi-level structured parking facility including approximately 175 ungated parking spaces for use by invitees of the grocery retail space, with an estimated total taxable assessed value of \$45,000,000, subject to appraisal and assessment by the applicable governmental authority. The Developer Facilities may be modified

by Developer in accordance with this Agreement.

"Developer Parcels" means the approximately 4.78 acre tax parcel owned by 200 West and the approximately 0.70 acre tax parcel owned by 97 Spring, each as described and shown in Appendix A.

"Effective Date" means _____, 2023, the effective date of this Agreement.

"Event of Termination" has the meaning ascribed to it in Article 7.

"Final Design Documents" means complete design documents which have been permitted by all applicable regulatory agencies, including a final narrative description and graphic depiction of the Project, including the final site plan, site elevation, design concept and any recommended Streetscape Improvements on or adjacent to the Project Site as prepared by or for the Developer.

"Force Majeure" means failure as a result of acts of God, (including fire, flood, earthquake, storm, hurricane or other natural disaster), epidemics, pandemics and related closures, war, invasion, act of foreign enemies, hostilities, civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, or terrorist activities or any other cause which is out of the control of the affected party.

"Interim Design Documents" means 30%, 60% and 90% complete design documents, including interim narrative description and graphic depictions of the Project, including the site plan, site elevation, design concept and any recommended Streetscape Improvements on or adjacent to the Project Site, as prepared by or for Developer.

"Payment Bond" means a payment bond provided by the Developer prior to commencing construction of the Streetscape Improvements, as further described in Section 3.3J hereof., together with the "Performance Bond" referred to as the "Performance and Payment Bonds."

"Performance Bond" means a performance bond provided by the Developer prior to commencing construction of the Streetscape Improvements, as further described in Section 3.3J hereof., together with the "Payment Bond" referred to as the "Performance and Payment Bonds".

"Preconstruction Period" means the period of time commencing upon the Effective Date of this Agreement and ending upon the Commencement Date, which shall not exceed December 31, 2024 (unless extended by consent and agreement of the parties, which consent and agreement by the parties shall not be unreasonably withheld, conditioned or delayed, or by Force Majeure or Approval Delay).

"Project" means installation and construction of Streetscape Improvements to the Public Right of Way and the Developer Parcels as depicted within Appendix B, Conceptual Project Plan, as may be modified in accordance with this Agreement.

"Project Cost Estimate" means the estimate of all Project Costs included herein as Appendix C.

"Project Costs" means all costs, both direct and indirect, incurred by the Developer in designing, permitting, installing and constructing the Project.

"Project Schedule" means the schedule and sequence of events prepared by the Developer defined within Appendix D for the anticipated commencement, progression, and completion of the design, construction, rehabilitation, equipping and furnishing of the Project in connection with the redevelopment of the Developer Facilities and the Project, including revisions, amendments and changes thereto made from time to time as provided herein.

"Project Site" means the site of the Streetscape Improvements within the Public Right of Way and the Developer Parcels as depicted in Appendix B.

"Public Right of Way" means the portion of Spring Street between Garden Street and Romana Street, which is a City right of way.

"Streetscape Improvements" means pedestrian, walkway and street improvements to be installed and constructed within the Project Site, which may include but are not limited to asphalt roadway, roadway striping, stormwater infrastructure, curbs, sidewalks, lighting, signage, benches, bollards, sculptures, waste receptacles, fountains, street access points, including but not limited delivery access areas to the Developer Facilities (the "Delivery Area"), and utility relocations, if any, together with associated landscaping and park improvements, as further described in Appendix B, Conceptual Project Plan.

"Termination Date" means the date on which this Agreement is terminated and is no longer of any force and effect as provided herein in Article 6. However, where the context of the terms of this Agreement demand, certain terms and obligations shall survive termination.

"Warranty Bond" means a warranty bond provided by the Developer prior to receiving payment of the Redevelopment Incentive, as further described in Section 2.6.G.4 hereof.

Section 1.2 Use of Words and Phrases. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the singular shall include the plural as well as the singular number and the word "person" shall include corporations and associations, including public bodies, as well as natural persons. "Herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Agreement and not solely to the particular portion thereof in which any such word is used.

Section 1.3 Florida Statutes. All references herein to "Florida Statutes" are to Florida Statutes (2022), as amended from time to time, unless specifically indicated otherwise.

ARTICLE 2
PURPOSE: FINDINGS: INTENT

Section 2.1 **Purpose.** The purpose of this Agreement is to outline the details of the transaction, and the commitments and responsibilities of each of the parties from conceptual planning through final Project completion, and to provide acceptable releases to each of the parties should the Project fail to proceed or be terminated pursuant to the provisions of this Agreement, at any point in time.

Section 2.2 **Findings.**

A. The City and the Agency do hereby find that the Project will advance the community redevelopment goals and objectives set forth in the Redevelopment Plan which expressly contemplates and encourages redevelopment and enhancement of public rights of way and pedestrian walkways in the Redevelopment Area and provides for private sector participation in remediating the blighted conditions therein.

B. The City and the Agency do hereby find that the Developer has represented to City and the Agency that the Developer needs financial assistance from the City and the Agency in order for the Project to proceed.

C. The City and the Agency do hereby find that there is, in fact, a need for financial assistance by the City and the Agency for the Project to proceed.

D. The City and the Agency do hereby find that the City has an interest in the diverse economic benefits resulting from the construction and operation of the Developer Facilities and the Project, and that the Project is consistent with and furthers the objectives of the Redevelopment Plan and is in the best interest of the citizens of the City.

E. The parties hereto recognize and acknowledge and do mutually find that but for the financial assistance provided for herein, the Developer would not undertake construction of the Project and redevelopment of the Project Site, and such assistance is a critical and important inducement without which such construction and redevelopment would not be undertaken.

Section 2.3 **Intent.** It is the intent of the parties hereto to efficiently, effectively and economically cause the successful construction of the Project in order to improve the Public Right of Way, specifically, and the conditions in the Redevelopment Area, in general, as well as implement the Redevelopment Plan and otherwise further the purposes of the Act. It is further the intent of the parties that the Developer shall permit, design, engineer, construct, equip, and otherwise complete the Project by the Completion Date defined in Section 2.6F. The parties mutually recognize and acknowledge that the Developer will require the City's and the Agency's financial assistance, the extent of which is set forth in Section 2.4.

Section 2.4 **Project Funding & Cost Overruns.**

A. The cost of the Project is estimated to be \$2,371,645 as further described in the Project Cost Estimate. The Developer shall be responsible for funding and financing installation and construction of the Project and payment of the Project Costs. Subject to the Developer installing and construction the Project in accordance with this Agreement, the City shall be responsible for contributing the Redevelopment Incentive as described below.

B. Section 163.387 of the Act authorizes "area reinvestment agreements" between a community redevelopment agency and private parties pursuant to which the increment computed for a specific area is reinvested in services or public or private projects, or both, including debt service, supporting one or more projects consistent with the community redevelopment plan that is identified in the agreement to be constructed within that area. It is the express intent of the parties hereto that this Agreement shall constitute and be construed as an area reinvestment agreement within the meaning of the Act.

C. The City hereby agrees to pay the Redevelopment Incentive to the Developer in accordance with the terms set forth herein, to induce the Developer to install and construct the Project.

D. The City shall contribute the Redevelopment Incentive in a total amount not to exceed 62.5% of the Project Costs, as evidenced by the Developer's contract with its general contractor or \$1,482,278, whichever is less, in accordance with the following terms:

1. Prior to commencement of construction, the Developer shall deliver to the City the Performance and Payment Bond described in Section 3.3.J hereof.

2. Upon substantial completion of the Project, the Developer shall request a final inspection from the City. The City shall inspect the Project for compliance with the approved Design Documents and this Agreement. Any material changes to the Project that occur during construction shall be subject to review and approval by the City.

3. The Agency shall deposit the Redevelopment Incentive with a mutually agreed escrow agent following the submittal of a reimbursement request to the CRA Manager for payment of the Redevelopment Incentive upon: i) the City's acceptance of the Project in accordance with Section 2.6.D below, ii) completion of the multi-level structured parking facility and opening of the approximately 175 ungated parking spaces for use by invitees of the grocery retail space, and iii) completion and opening of the grocery retail space to the public. Completion and opening of the parking facility and grocery retail space shall be evidenced by final inspection from the City. The Developer shall provide all supporting documentation showing proof of payment by the Developer for the Project Costs as part of its reimbursement request, including, but not limited to, receipts and canceled checks or other documentation reasonably acceptable to the City's Finance Director. The Redevelopment Incentive shall be released to the Developer upon substantial completion of the 328 residential rental units in accordance with this Agreement. To release the funds, the Agency will provide the escrow agent a copy of the

certificate of occupancy and direct the escrow agent to release the amount of the Redevelopment Incentive to the Developer within ten (10) calendar days of receipt of a complete reimbursement request from Developer.

4. The Developer shall achieve substantial completion of the 328 residential rental units in accordance with this Agreement within thirty-six (36) months of substantial completion of the Project. A certificate of occupancy issued by the City shall evidence substantial completion of the residential rental units. Should the Developer fail to achieve substantial completion of the residential rental units as required in this part, then the Redevelopment Incentive shall be withdrawn from the escrow account described in Section 2.4.D.3 and returned to the Agency pursuant to Section 6.2.C below.

5. Prior to deposit of the Redevelopment Incentive with the escrow agent, the Developer shall deliver or cause to be delivered to the City the Warranty Bond described in Section 2.6.g hereof.

6. Notwithstanding anything contained in this Section 2.4 to the contrary, the Developer shall be entitled to payment of the Redevelopment Incentive upon substantial completion of the Project but before substantial completion of the 328 residential rental units if, at its option, the Developer obtains a standby letter of credit with a reputable financial institution as the issuer, mutually agreed to by the Developer and the City in the sum of the Redevelopment Incentive payable to the City of Pensacola, on demand in Pensacola, Florida, to secure the Developer's obligation to construct the 328 residential rental units pursuant to this Agreement. Such standby letter of credit shall name the City of Pensacola as the beneficiary with payment in the event the Developer does not meet its obligations as described above. Upon substantial completion of the 328 residential rental units, the City shall promptly cancel and return the letter of credit. Should the Developer fail to meet its obligation to construct the 328 residential rental units pursuant to this Agreement, the City shall be entitled to present the letter of credit for payment.

E. The City intends to finance the Redevelopment Incentive with proceeds derived from the Tax Increment generated within the Urban Core Community Redevelopment Area.

F. Except for the contribution of the Redevelopment Incentive described above, all other Project Costs associated with the design, installation and construction of the Project shall be the responsibility of the Developer.

G. Cost overruns above the Project Cost Estimate, if any, which result from changes to the Project deemed necessary by the Agency for consistency with the Redevelopment Plan, Conceptual Project Plan, or this Agreement shall be paid by the Developer. Cost overruns above the Project Cost Estimate, if any, which result from changes to the Project which are necessary to comply with the City's land development code provisions or requirements of other applicable regulatory boards or agencies, including but not limited to the provisions of this Agreement, shall be paid by the Developer. Notwithstanding the foregoing, the City and the Agency acknowledge and agree that any cost overruns required by the City or the Agency as provided herein, or which

are incurred by the Developer after the Project has been permitted as a result of changes requested by the City or Agency, may be included in total Project Costs, and the Redevelopment Incentive increased by 62.5% of the resulting cost overruns, upon approval by the Agency and City. Cost overruns resulting from errors or omissions of the Developer or its general contractor in the Contract Documents shall be the sole responsibility of the Developer.

Section 2.5 Maintenance and Ownership of the Improvements Comprising Project. The City is and shall continue to be the owner of the Public Right of Way and shall be the owner of the Streetscape Improvements constructed within the Public Right of Way upon completion of the Project; provided, however, that (i) the Developer shall be responsible for maintenance and repair of the Delivery Area, private stormwater lines located within the Developer Parcels and the Public Right-of-Way which solely serve the Developer Facilities and feed into the public stormwater infrastructure located within the Public Right of Way, and the Streetscape Improvements constructed hereunder, with the exception of the asphalt roadway, roadway striping, signage, curbs, public sidewalks (subject to acceptance by the City for maintenance), lighting, street access points, and public stormwater infrastructure located within the Public Right of Way which shall be the responsibility of the City, the areas of such maintenance responsibilities of the City being highlighted in red on Appendix E, attached hereto and incorporated herein, and (ii) the Developer shall provide the Warranty Bond in accordance with Section 2.6.G hereof. Sidewalks eligible for City maintenance shall be limited to non-decorative or minimally decorative public sidewalks that conform to City standards. The City reserves the right to accept or reject, in its reasonable discretion, the extent of which decorative sidewalk design elements are acceptable for City maintenance. Sidewalks with decorative design elements that are not acceptable for City maintenance, as enumerated in this part, shall be the responsibility of the Developer. Except as expressly provided herein, the City and/or Agency shall assume no ownership or maintenance responsibility for any improvements installed or constructed by the Developer on the Developer Parcels or any other privately owned property.

Section 2.6 Project Schedule & Completion Date.

A. The Developer shall submit its Design Documents to the CRA Manager who shall route the Design Documents for comment and approval at 30%, 60%, and 90% completion (the "Approval Schedule"). Final Design Documents shall be submitted to the CRA Manager after permit approvals from all applicable regulatory agencies have been received. Design Documents shall be substantially consistent and compliant with the Conceptual Project Plan unless otherwise approved by the City. Materials used to construct the Project are subject to review and approval by the City.

B. The Developer shall install and construct the Project and the Developer Facilities in accordance with this Agreement. Modifications to the Developer Facilities that do not conform to the description of the Developer Facilities as defined within the Agreement shall be subject to approval by the Agency.

C. The planning, design, development, construction, equipping, and completion of

the Project by the Developer shall be undertaken, diligently continued, and completed in substantial accordance with this Agreement and by the dates set forth in the Project Schedule subject to revision as provided below.

1. Due to changes in circumstances, expectations, or assumptions of the parties not now known to or by the parties, the Project Schedule may be revised by the Developer from time to time by prior written notice of such revision to the City and the Agency, which revision shall be effective upon approval of such written notice by the City and the Agency. Such approval shall not be unreasonably withheld and if not approved or rejected within twenty (20) calendar days of receipt, then such revision shall be deemed approved.

D. Construction of the Project will be considered complete upon:

1. Receipt by the City of an affidavit from the Developer's contractor stating that the Project has been completed, subcontractors have been paid for construction of same and all construction or other liens related to same have been released; and

2. Acceptance of the Project by the City in accordance with City policies and standards for acceptance of public infrastructure by private developers, including but not limited to the provision of sealed as-built plans and a written release of all liens associated with the work. Such acceptance by the City shall not be unreasonably withheld, conditioned or delayed.

E. The Developer will provide periodic construction status updates to the City and the Agency and will notify the City of impending completion.

F. Notwithstanding anything herein or in the Project Schedule to the contrary, the Completion Date of the Project shall be no later than three (3) years after the Commencement Date, subject to Force Majeure and Approval Delays.

G. Correction Period

1. If within eighteen (18) months after the date the City accepts the Project, the City gives the Developer written notice that any portion of the Project was not installed and constructed in accordance with the requirements of the Contract Documents or any Federal, State or Local rules, laws, and ordinances in effect at the time permits were issued for the Contract Documents, then after receipt of such notice of the condition the Developer shall promptly, without cost to the City:

a. Furnish to the City a correction/remediation plan within thirty (30) days of the City furnishing its notice of the condition.

b. Upon the City's acceptance of the Developer's correction/remediation plan, the Developer shall correct the condition as set forth in Developer's correction/remediation plan.

2. The City shall give notice of any such condition within 30 days of the discovery that any portion of the Project was not installed and constructed in accordance with the requirements of the Contract Documents or any Federal, State or Local rules, laws, and ordinances in effect at the time permits were issued for the Contract Documents.

3. If, after receipt of a notice of defect within 30 days and within the correction period, the Developer does not furnish a correction/remediation plan, or in an emergency where delay would cause serious risk of loss or damage, the City may have the defective Project work corrected. The Developer shall pay, or cause to be paid, all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such correction (including but not limited to all costs of corrective work done by third parties). Except in an emergency where delay would cause serious risk of loss or damage, the City shall not undertake any corrective work, review, or studies without first furnishing Developer notice and the opportunity to make corrections or furnish a correction/remediation plan.

4. As a condition precedent to the City's acceptance of the Project and obligation to make final payment, the Developer shall furnish or cause to be furnished a Warranty Bond in the form of EJCDC® C 612, Warranty Bond (2018) with terms reasonably acceptable to the City. The Warranty Bond shall be issued for the sum of the final cost of the Project, as evidenced by an affidavit issued by the Developer's general contractor pursuant to all improvements, as built. The Warranty Bond shall list the City as a party to the bond. The Warranty Bond period will extend to a date eighteen (18) months after completion of the Project and is intended to secure the obligation of the Developer or the Developer and general contractor as joint obligors to correct work as provided in this Section 2.6.G. The Developer shall deliver or cause to be delivered the fully executed Warranty Bond to City prior to or with the final application for payment of the Redevelopment Incentive. Notwithstanding anything contained herein to the contrary, the Developer acknowledges and agrees that it shall be responsible for any damages to the Streetscape Improvements caused by its continued construction of any portion of the Developer Facilities after the acceptance of the Project by the City.

5. The Developer's obligations under this Section 2.6.G are in addition to all other obligations and warranties. The provisions of this Section 2.6.G are not to be construed as a substitute for, or a waiver of, the provisions of any applicable statute of limitation or repose.

ARTICLE 3

REPRESENTATIONS, WARRANTIES, COVENANTS AND OBLIGATIONS OF THE

DEVELOPER

Section 3.1 Representations and Warranties. The Developer represents and warrants to the City and Agency that each of the following statements is presently true and accurate as of the date hereof and can be relied upon by the City and Agency:

A. Each of 200 West and 97 Spring is a duly organized and validly existing limited liability company under the laws of the State of Louisiana, qualified to transact business in the State of Florida, has all requisite power and authority to carry on its business as now conducted, to own or hold properties and to enter into, and perform its obligations hereunder, and each instrument to which it is or will be a party, and is in good standing in the State of Louisiana and the State of Florida.

B. The principal place of business of the Developer is 6859 Jefferson Highway, Suite A, Baton Rouge, LA 70806. The manager(s) or managing member(s) thereof executing this Agreement on behalf of the Developer are authorized to act on behalf of the Developer and execute this Agreement on behalf of the Developer and any such actions by such manager(s) or managing member(s) shall be binding upon and enforceable against the Developer.

C. Each document in connection with the Project to which Developer is or will be a party has been duly authorized by all necessary action on the part of, and has been, or will be duly executed and delivered by, the Developer and neither the execution and delivery thereof, nor compliance with the terms and provisions thereof or hereof (i) requires the approval and consent of any other party, except such as have been duly obtained, (ii) contravenes any existing law, judgment, government rule, regulation or order applicable to or binding on the Developer, or (iii) contravenes or results in any breach of, default under or results in the creation of any lien or encumbrance upon any property of the Developer other than the Developer Parcel under any indenture, mortgage, deed of trust, bank loan or credit agreement, the Developer's partnership or joint venture agreement, or any other agreement or instrument to which the Developer is a party.

D. This Agreement will constitute a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with the terms hereof, except as enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect which effect creditor's rights generally and subject to usual equitable principles in the event that equitable remedies are involved.

E. There are no pending, or to the knowledge of the Developer, threatened actions or proceedings before any court or administrative agency against the Developer, which question this Agreement or the validity of any instrument or document contemplated hereunder or which are likely in any case, or in the aggregate, to materially adversely affect the successful development of the Project, the consummation of the transactions contemplated hereunder or the financial condition of the Developer.

F. The Developer has filed or caused to be filed all federal, state, local and foreign tax returns, if any, required to be filed by the Developer and has paid all taxes shown to be due and payable on such returns or on any assessments levied against the Developer.

Section 3.2 Covenants of the Developer. The Developer covenants with the City and the Agency that the Developer shall timely fulfill or cause to be fulfilled all of the conditions and obligations expressed herein which are within the control of the Developer or which are the responsibility of the Developer to fulfill.

Section 3.3 Obligations of the Developer.

A. The Developer shall permit, design, construct and improve the Project in accordance with the Design Documents and the Developer Facilities in accordance with this Agreement unless otherwise approved by the City and the Agency.

B. Upon execution of this Agreement, the Developer shall commence the process of designing the Project and shall forward the Design Documents to the CRA Manager in accordance with Section 2.6.

C. As provided in Section 7.15 hereof, this Agreement shall not be construed as a development approval or to convey development rights upon the Developer. Prior to commencing construction of the Project, the Developer must submit to the City appropriate development applications for development permits or other entitlements. The City shall accept from the Developer for processing and review all such applications, provided that such applications are submitted in accordance with all City rules, regulations and this Agreement, and all fees are timely and properly paid. All required permits and development approvals must be obtained prior to commencing construction. Nothing in this Agreement shall be construed to waive or modify applicable land development code and requirements of the City.

D. The Developer shall be responsible for engaging the professional services required and for the payment of all costs associated with design and construction of the Project.

E. The Developer shall coordinate with the City's engineer and the CRA Manager, or his or her designee, through the Completion Date to ensure design and construction of the Project in a manner consistent with City standards and the Design Documents. No construction efforts shall commence until the City and Agency have reviewed and accepted the Design Documents in the manner contemplated by Section 2.6 and this Section 3.3 and Developer has received all required Building Permits.

F. All design, engineering and construction by Developer shall be done in accordance with all applicable laws and regulations of the federal, state and local governments, including but not limited to, compliance with all building codes, planning ordinances and regulations and zoning ordinances and regulations of the City.

G. The Developer shall be responsible for and shall initiate, diligently continue and complete the Project as contemplated by this Agreement, including the preparation of the Design Documents, and the construction, and equipping of the Project substantially in accordance with the approved Building Permit(s).

H. The Developer shall ensure that the Project, including each component thereof, adheres to all applicable building, zoning, parking, life safety, growth management, and all other codes and ordinances that may apply to the Project and Project Site.

I. The Developer shall have no authority to borrow money secured by the Project (except and only to the extent any portion of the Streetscape Improvements is located on a Developer Parcel) or incur any debt or liability on behalf of the City or the Agency.

J. The Developer shall contract with a licensed and insured general or roadway contractor for the construction phase and ensure that the contractor chosen by the Developer uses its proper skill and care in constructing the Project. The Developer shall also ensure that such general contractor obtains Performance and Payment Bonds reasonably acceptable to the City and shall submit such bonds to the City prior to commencing construction of the Streetscape Improvements. Because the City is not a party to the construction contract between the Developer and its general contractor, the City shall be protected in the Performance and Payment Bonds between the Developer and its contractor by being named as an additional obligee through the execution of a Dual Obligatee Rider for the protection of the City in the event of a default or non-payment by either Developer or its general contractor. At minimum, the Performance and Payment Bonds shall cover the cost of all improvements within the Public Right of Way, as evidenced by the Developer's contract with its general contractor. As noted above, the Performance and Payment Bonds shall list the City as an additional obligee.

K. The Developer hereby indemnifies the City and Agency against all claims, costs, losses, demands, actions, proceedings, judgments, settlements and liability arising out of any breach or non-observance of the Developer's obligations pursuant to this Agreement.

L. The Developer shall obtain and deliver to the City evidence of commercial general liability insurance in amounts reasonably satisfactory to the City, which insurance the Developer shall maintain at all times during the construction of the Project.

M. **LOSS CONTROL AND SAFETY.** The Developer shall retain control over its employees, agents, servants, and contractors, and subcontractors, as well as control over its invitees, and its activities on and about the Project Site and the manner in which such activities shall be undertaken, and to that end, the Developer shall not be deemed to be an agent of the City. Precaution shall be exercised at all times by the Developer for the protection of all persons, including employees and property. The Developer shall make special effort to detect hazards and shall take prompt action where loss control/safety measures should reasonably be expected.

ARTICLE 4
REPRESENTATIONS, WARRANTIES, COVENANTS
AND OBLIGATIONS OF THE CITY

Section 4.1 Representations and Warranties. The City represents and warrants to Developer that each of the following statements is presently true and accurate as of the date hereof and can be relied upon by Developer:

A. The City is a validly existing municipal corporation of the State of Florida, has all requisite corporate power and authority to carry on its business as now conducted and to perform its obligations under this Agreement and each document contemplated hereunder to which it is or will be a part.

B. This Agreement has been duly authorized by all necessary action on the part of, and has been or will be duly executed and delivered by, the City and neither the execution and delivery thereof, nor compliance with the terms and provisions thereof or hereof (i) requires the approval and consent of any other party, (ii) contravenes any existing law, judgment, governmental rule, regulation or order applicable to or binding on the City or (iii) contravenes or results in any breach of, default under or result in the creation of any lien or encumbrance upon any party or the City, under any indenture, mortgage, deed of trust, bank loan or credit agreement, any special acts, ordinances, resolutions or any other agreement or instrument to which the City is a party, specifically including any covenants of any bonds, notes, or other forms of indebtedness of the City outstanding on the Effective Date.

C. This Agreement will constitute, a legal, valid and binding obligation of the City enforceable against the City in accordance with the terms hereof, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect which affect creditors' rights generally and subject to usual equitable principles in the event that equitable remedies are involved.

D. This Agreement does not violate any laws, ordinances, rules, regulations, orders, contracts or agreements that are or will be applicable thereto.

Section 4.2 Covenants of the City. The City covenants with Developer that:

A. The City shall timely fulfill or cause to be fulfilled all of the conditions and obligations expressed herein which are within the control of the City or which are the responsibility of the City to fulfill.

B. The City shall not violate any laws, ordinances, rules, regulations, orders, contracts or agreements that are or will be applicable thereto, or, to the extent permitted by law, enact or adopt or urge or encourage the enactment or adoption of any laws, ordinances, resolutions, rules, regulations or orders or approve or enter into any contracts or agreements, including issuing any bonds, notes, or other forms of indebtedness, that will result in any

provision of this Agreement to be in violation thereof or which would materially impair the City's ability to perform its obligations under this Agreement.

Section 4.3 Obligations of the City.

A. The City agrees to timely and expeditiously process all applications received by the Developer for construction approvals and permits for the Project, provided that such applications are submitted in accordance with all City rules and regulations and all fees are timely and properly paid. All required permits and construction approvals, whether issued by the City or any other governmental agency, must be obtained prior to commencing construction. Nothing in this Agreement shall be construed to waive or modify applicable land development code provisions and requirements of the City. The Developer shall be solely responsible for obtaining any construction approvals and permits required by any governmental agency other than the City for construction and completion of the Project.

B. The City agrees to cooperate and expeditiously provide information, approvals and answers to the Developer upon written request, and shall not unreasonably withhold, condition or delay any such approvals.

ARTICLE 5
REPRESENTATIONS, WARRANTIES, COVENANTS
AND OBLIGATIONS OF THE AGENCY

Section 5.1 Representations and Warranties. The Agency represents and warrants to Developer that each of the following statements is presently true and accurate as of the date hereof and can be relied upon by Developer:

A. The Agency is a validly existing public body corporate and politic of the State of Florida, has all requisite corporate power and authority to carry on its business as now conducted and to perform its obligations under this Agreement.

B. This Agreement has been duly authorized by all necessary action on the part of, and has been or will be duly executed and delivered by, the Agency and neither the execution and delivery thereof, nor compliance with the terms and provisions thereof or hereof (i) requires the approval and consent of any other party, (ii) contravenes any existing law, judgment, governmental rule, regulation or order applicable to or binding on the Agency or (iii) contravenes or results in any breach of, default under or result in the creation of any lien or encumbrance upon any party or the Agency, under any indenture, mortgage, deed of trust, bank loan or credit agreement, any special acts, ordinances, resolutions or any other agreement or instrument to which the Agency is a party, specifically including any covenants of any bonds, notes, or other forms of indebtedness of the Agency outstanding on the Effective Date.

C. This Agreement will constitute, a legal, valid and binding obligation of the Agency

enforceable against the Agency in accordance with the terms hereof, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect which affect creditors' rights generally and subject to usual equitable principles in the event that equitable remedies are involved.

D. This Agreement does not violate any laws, ordinances, rules, regulations, orders, contracts or agreements that are or will be applicable thereto.

Section 5.2 Covenants of the Agency. The Agency covenants with Developer that:

A. The Agency shall timely fulfill or cause to be fulfilled all of the conditions and obligations expressed herein which are within the control of the Agency or which are the responsibility of the Agency to fulfill.

B. The Agency will not violate any laws, ordinances, rules, regulations, orders, contracts or agreements that are or will be applicable thereto, or, to the extent permitted by law, enact or adopt or urge or encourage the enactment or adoption of any laws, ordinances, resolutions, rules, regulations or orders or approve or enter into any contracts or agreements, including issuing any bonds, notes, or other forms of indebtedness, that will result in any provision of this Agreement to be in violation thereof or which would materially impair the Agency's ability to perform its obligations under this Agreement.

Section 5.3 Obligations of the Agency.

A. The Agency agrees to timely and expeditiously review the Design Documents and to negotiate in good faith any changes or revisions deemed by the Agency as necessary for the Design Documents to be consistent with the Redevelopment Plan.

B. The Agency agrees to cooperate and expeditiously provide information, approvals and answers to the Developer upon written request.

ARTICLE 6
EVENTS OF TERMINATION AND DEFAULT

Section 6.1 Events of Termination During the Preconstruction Period. Upon written notice to the other party during the Preconstruction Period, the respective party shall have the right to terminate this Agreement for any of the following Events of Termination. In any such Event of Termination, each party shall be responsible for its own costs.

A. Should the Developer fail to receive financing commitments, then the Developer may choose to terminate this Agreement.

B. Should the Developer fail to obtain all necessary development approvals and/or

permits during the Preconstruction Period, subject to extension for Force Majeure and/or Approval Delay, then any of the parties hereto may choose to terminate this Agreement.

C. Should the parties fail to reach agreement on the Design Documents or any of its material components after good faith efforts to do so, then either party may terminate this Agreement.

D. Should the parties fail to reach agreement on any substantive modifications to the Developer Facilities, as described in Section 2.6, then either party may terminate this Agreement.

E. Determination by the Developer that the costs for the Project are too high or not economically feasible.

Section 6.2 Events of Default; Notice, Cure and Remedies.

A. Each of the following is hereby declared an "Event of Default" with respect to this Agreement:

1. A default by any party in the due and punctual performance of the covenants, conditions, agreements and provisions contained in this Agreement.

2. Any representation or warranty of any party hereto shall prove to have been untrue in any material respect.

3. Any party admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors, consents to the appointment of a receiver or trustee for itself or shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof.

4. Any party is adjudged insolvent by a court of competent jurisdiction or is adjudged bankrupt on a petition of bankruptcy filed against the party, or an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the party, a receiver or trustee of the party or of the whole or any part of its property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within sixty (60) days from the date of entry thereof.

5. If, under the provisions of any law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the party or of the whole or any substantial part of its property and such custody or control shall not be terminated within ninety (90) consecutive days from the date of assumption of such custody or control.

B. Notice of Default; Right to Cure. Upon an Event of Default by any party to this Agreement, or said party's successors and assigns, with regard to this Agreement or of any of its terms or conditions, the party alleging such default or breach shall give the breaching party not

less than thirty (30) days "Notice of Default" in writing in the manner provided for giving notice as set forth in Section 7.1 of this Agreement. The time of notice shall be measured from the date of certified mailing. The Notice of Default shall specify the nature of the alleged default, and, where appropriate, the manner and period of time in which said default may be satisfactorily cured. During any period for curing the default, the party charged shall not be considered in default for the purposes of termination or institution of legal proceedings. If the default is cured, then no default shall exist, and the noticing party shall take no further action.

C. Remedies. If the default has not been cured after proper notice and the expiration of said period to cure default, the noticing party may elect to terminate this Agreement and, at its option and in addition to any other rights or remedies, may institute legal action to cure, correct or remedy any default, to enforce any covenants or agreements herein, or to enjoin any threatened or attempted violation thereof; to recover damages for any default; or to obtain any remedies consistent with the purpose of this Agreement. Such legal actions must be instituted in the Circuit Court of the County of Escambia, State of Florida. This section shall not be interpreted as a pledge of ad valorem tax or other revenues by the City or the Agency. In the event that the Developer fails to construct the Developer Facilities in accordance with this Agreement, then any Redevelopment Incentive paid by the City or Agency to the Developer shall become due and payable to the Agency within 30 days' notice of default, subject any period to cure default.

D. Waiver. Failure or delay in giving Notice of Default or seeking enforcement of this Agreement, shall not constitute a waiver of any default. Except as otherwise expressly provided in this Agreement, any failure or delay by another party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies or deprive such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

Section 6.3 Termination of Agreement in Full. This Agreement shall terminate upon the later of: i) the issuance of the Warranty Bond defined in Section G.4 above and payment of the Redevelopment Incentive to the Developer or ii) the completion of the Developer Facilities as evidenced by a certificate of occupancy issued by the City; provided, however, obligations as to maintenance, warranty and indemnity imposed by this Agreement will survive and continue beyond the termination of this Agreement as specifically provided herein.

ARTICLE 7

MISCELLANEOUS

Section 7.1 Notices. Unless otherwise specifically provided herein, all notices, demands, requests for approvals or other communications which may be or are required to be given by any party to the others shall be made in writing and shall be deemed given and delivered on the date delivered in person, faxed, or e-mailed, or on the on the date mailed by registered or

certified mail, postage prepaid, return receipt requested, and addressed:

To the City: City of Pensacola
222 W. Main St.
Pensacola, Florida 32502
Attention: City Administrator

With copy to: Office of the City Attorney
City of Pensacola
222 W. Main St.
Pensacola, Florida 32502

To the Agency: Community Redevelopment Agency of the City of Pensacola
222 W. Main St.
Pensacola, Florida 32502
Attention: CRA Manager

To the Developer: 200 West Garden, LLC
c/o John R. Buzzell
6859 Jefferson Highway, Suite A
Baton Rouge, LA 70806

97 Spring Condos, LLC
c/o John R. Buzzell
6859 Jefferson Highway, Suite A
Baton Rouge, LA 70806

With a copy to: Phelps Dunbar, LLP
c/o Randy P. Roussel and Trevor J. Haynes
400 Convention Street, Suite 1100
Baton Rouge, Louisiana 70802

The addresses to which notices are to be sent may be changed from time to time by a written notice of such change from the party changing its address delivered to the other parties. Until such a notice is received, a party may rely upon the last address received for the other party.

Section 7.2 Consents and Approvals.

(A) All consents and approvals which may be given under this Agreement shall, as a condition of their effectiveness, be in writing. The granting by a party of any consent to or approval of any act requiring consent or approval under the terms of this Agreement, or the failure on the part of a party to object to any such action taken without the required consent or approval, shall not be deemed a waiver by the party whose consent was required of its right to require such consent or approval for any other act, except as expressly set forth herein to the

contrary.

(B) Unless expressly provided otherwise, all consents and approvals which may be given by a party under this Agreement shall not (whether or not so indicated elsewhere in this Agreement) be unreasonably withheld, delayed, or conditioned by such party and shall be given or denied within a reasonable time. Upon disapproval of any request for a consent or approval, the disapproving party shall, together with notice of such disapproval, submit to the requesting party a written statement setting forth with specificity its reasons for such disapproval.

Any amendments to this Agreement will require the approval of the Developer, the City Council for the City and the governing body of the Agency.

Section 7.3 Invalid Provisions. If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected thereby if such remainder would then continue to conform to the requirements of applicable laws and if the remainder of this Agreement can substantially be reasonably performed without material hardship, so as to accomplish the intent and the goals of the parties hereto.

Section 7.4 Applicable Law and Construction. The laws of the State of Florida shall govern the validity, performance and enforcement of this Agreement. The submission of this document to the parties for examination thereby does not constitute an offer to buy, or a reservation of or operation for the Project, the Project Site, or any part thereof. This Agreement has been negotiated by the City, Agency and the Developer, and this Agreement, including the appendices, and each of them, the City, the Agency, and the Developer shall be deemed to have participated in the preparation thereof.

Section 7.5 Submission to Jurisdiction.

A. Each party to this Agreement hereby submits to the jurisdiction of the State of Florida, Escambia County and the courts thereof for the purposes of any suit, action or other proceeding arising out of or relating to this Agreement and hereby agrees not to assert by way of a motion as a defense or otherwise that such action is brought in an inconvenient forum or that the venue of such action is improper or that the subject matter thereof may not be enforced in or by such courts.

B. If at any time during the term of this Agreement, the Developer is not a resident of the State of Florida or has no officer, employee, or agent thereof available for service of process who is a resident of the State of Florida, or if any permitted assignee thereof shall be a foreign corporation, partnership or other entity or shall have no officer, employee, agent, or general partner available for service of process in the State of Florida, the Developer for itself and its successors or assigns hereby designates the Secretary of State of the State of Florida as its agent for the service of process in any court action between it and the City or the Agency arising out of or related to this Agreement and such service shall be made as provided by the laws of the State of Florida for service upon a nonresident; provided, however, that at the time

of service on the Secretary of State, a copy of such service shall be mailed by prepaid, registered mail, return receipt requested, to the Developer at the address for notices as provided in Section 7.1 hereof.

Section 7.6 **Complete Agreement.** This Agreement, including the Appendices, and all of the terms and provisions contained herein, constitute the full and complete agreement between the parties hereto, and supersedes and controls over any and all prior agreements, understandings, representations, and statements, whether written or oral, made with regard to the matters addressed by this Agreement. This Agreement can be modified or amended only by a writing signed by all parties hereto.

Section 7.7 **Captions.** The section headings and captions of this Agreement and the table of contents preceding this Agreement are for convenience and reference only and in no way define, limit or describe the scope or intent of this Agreement, or any part thereof, or in any way affect this Agreement, or construe any article or section hereof.

Section 7.8 **Successors, Assigns and Grantees.** The terms herein contained shall bind and inure to the benefit of the City, the Agency, the Developer and its successors and assigns, except as may be otherwise specifically provided herein.

Section 7.9 **Holidays.** It is hereby agreed and declared that whenever a notice or performance under the terms of this Agreement is to be made or given or done on a Saturday or Sunday or on a legal holiday observed in the City of Pensacola, Florida, it shall be postponed to the next following business day not a Saturday, Sunday, or legal holiday.

Section 7.10 **Appendices.** Each Appendix referred to in and attached to this Agreement is an essential part of this Agreement. The Appendices, and any amendments or revisions thereto, even if not physically attached hereto, shall be treated as if they are part of and incorporated within this Agreement.

Section 7.11 **No Brokers.** The City, the Agency and the Developer hereby represent, agree and acknowledge that no real estate broker or other person is entitled to claim or to be paid a commission solely as a result of the execution and delivery of this Agreement.

Section 7.12 **Developer Not Agent of Agency or City.** The Developer and any contractor hired by Developer are not individually or collectively and shall not be deemed to be individually or collectively an agent or contractor of the Agency or the City, and are not subject to nor shall be required to comply with any laws, ordinances, regulations, orders, or policies of or applicable to the Agency or the City applicable or relating to public works projects of the Agency or the City or contractors retained by the Agency or the City for such types of projects. Nothing contained in this Agreement shall be construed or deemed to name, designate, or cause (either directly or indirectly) the Developer, or any contractor thereof, to be an agent for the Agency or the City.

Section 7.13 **Public Purpose.** This Agreement satisfies, fulfills, and is pursuant to

and for a public purpose and municipal purpose and is in the public interest, and is a proper exercise of the City's and Agency's redevelopment powers and authority under the Act.

Section 7.14 Technical Amendments. The Mayor, Chair of the Agency, and his or her respective designee, as to the City and Agency, are authorized to approve such changes and to execute amendments to this Agreement to address technical terms or correct scrivener's errors and to make and incorporate such amendments and corrections to this Agreement, or any Appendix hereto, or any other agreement contemplated hereby. Any such amendments or corrections shall require notice to, and approval of, the Developer.

Section 7.15 Agreement Not a Chapter 86-191 Laws of Florida Development Agreement. The City, Agency, and the Developer acknowledge and agree that it is their mutual intent that this Agreement, including any Appendix, is an agreement contemplated by Part III, Chapter 163, Florida Statutes, and is not a development agreement described in Sections 163.3220-163.3243, Florida Statutes, originally enacted as Chapter 86-191, Laws of Florida, entitled the "Local Government Development Agreement Act." Nothing herein shall be construed as a development approval or to convey development rights upon the Developer.

Section 7.16 Third Parties. This Agreement is solely for the benefit of the Developer, the City, and the Agency, and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation other than the Developer, the City, and the Agency any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement. Nothing contained in this Agreement shall limit or impair the Developer's right to protect its rights from interference by a third party.

Section 7.17 Waiver of Jury Trial. Each party hereto waives all right to trial by jury in any claim, action, proceeding or counterclaim the party may have against the other parties hereto regarding any matters arising out of or in any way connected with this Agreement.

Section 7.18 Compliance with Laws. The Developer will be solely responsible for obtaining all permitting, zoning, building, and other approvals required in conjunction with the proposed Project. The City agrees to cooperate with Developer with respect to obtaining any required approvals; however in entering into this Agreement the City expressly reserves its police power to review and determine all requested zoning and permit approvals in accordance with the City's obligations under federal, state, and local law. The Developer is responsible at all times for complying with all applicable federal, state, and local laws.

Section 7.19 Severability. If any portion of any term or provision of this Agreement, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced

to the fullest extent determined by law.

Section 7.20 **Time of Essence.** Time is of the essence in each and every instance hereunder with respect to the covenants, undertakings, and conditions to be performed hereunder by the parties.

Section 7.21 **Effective Date.** The Effective Date of this Agreement shall be the day and year first above written.

Section 7.22 **Waiver of Consequential Damages.** NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE FOR SPECIAL, PUNITIVE, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL OR INDIRECT DAMAGES OR LOST OPPORTUNITY OR LOST PROFITS, WHETHER BASED IN CONTRACT, TORT, STRICT LIABILITY, OTHER LAW OR OTHERWISE AND NO MULTIPLIER OR SIMILAR CONCEPT SHALL BE APPLIED FOR PURPOSES OF CALCULATING LOSSES.

Section 7.23 **Developers Commitment to Fully Perform.** As a material condition of this Agreement, the Developer commits to construction of the Developer Facilities in accordance with this Agreement both upon, and subsequent to, issuance of the Redevelopment Incentive. Failure to complete the Developer Facilities in accordance with this Agreement may be deemed a default under this Agreement by the Developer, the sole remedy of which shall be the return of the Redevelopment Incentive paid to the Developer, if any, to the City and/or Agency.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the City, the Agency and the Developer, by and through the undersigned, have entered into this Master Redevelopment Agreement as of the day and year first above written.

THE CITY OF PENSACOLA, FLORIDA

[Seal]

By: _____
Mayor

Attest:

City Clerk

IN WITNESS WHEREOF, the City, the Agency and the Developer, by and through the undersigned, have entered into this Master Redevelopment Agreement as of the day and year first above written.

**COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF PENSACOLA**

[Seal]

By: _____
Chair

Attest:

City Clerk

IN WITNESS WHEREOF, the City, the Agency and the Developer, by and through the undersigned, have entered into this Master Redevelopment Agreement as of the day and year first above written.

**200 WEST GARDEN, LLC,
a Louisiana limited liability company**

By: 200 West Garden Development, LLC
Its: Manager

By: _____
Name: _____
Its: Manager

**97 SPRING CONDOS LLC,
a Louisiana limited liability company**

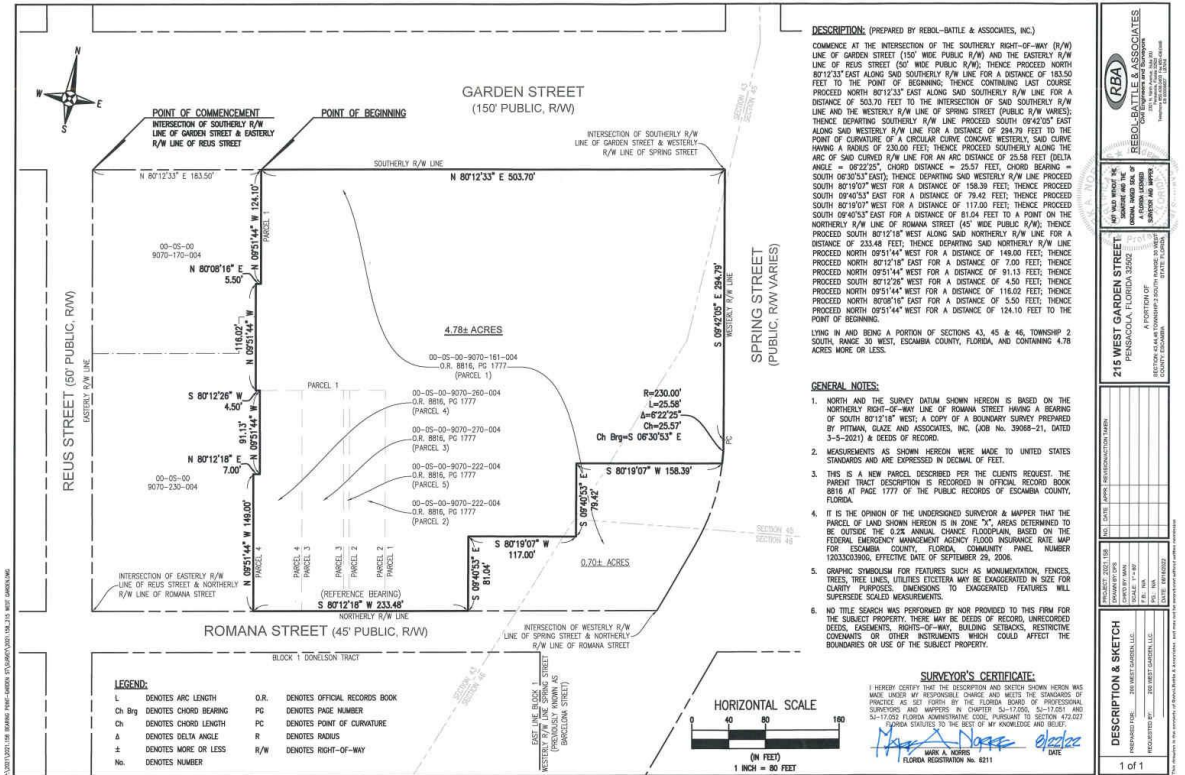
By: 200 West Garden, LLC
Its: Member

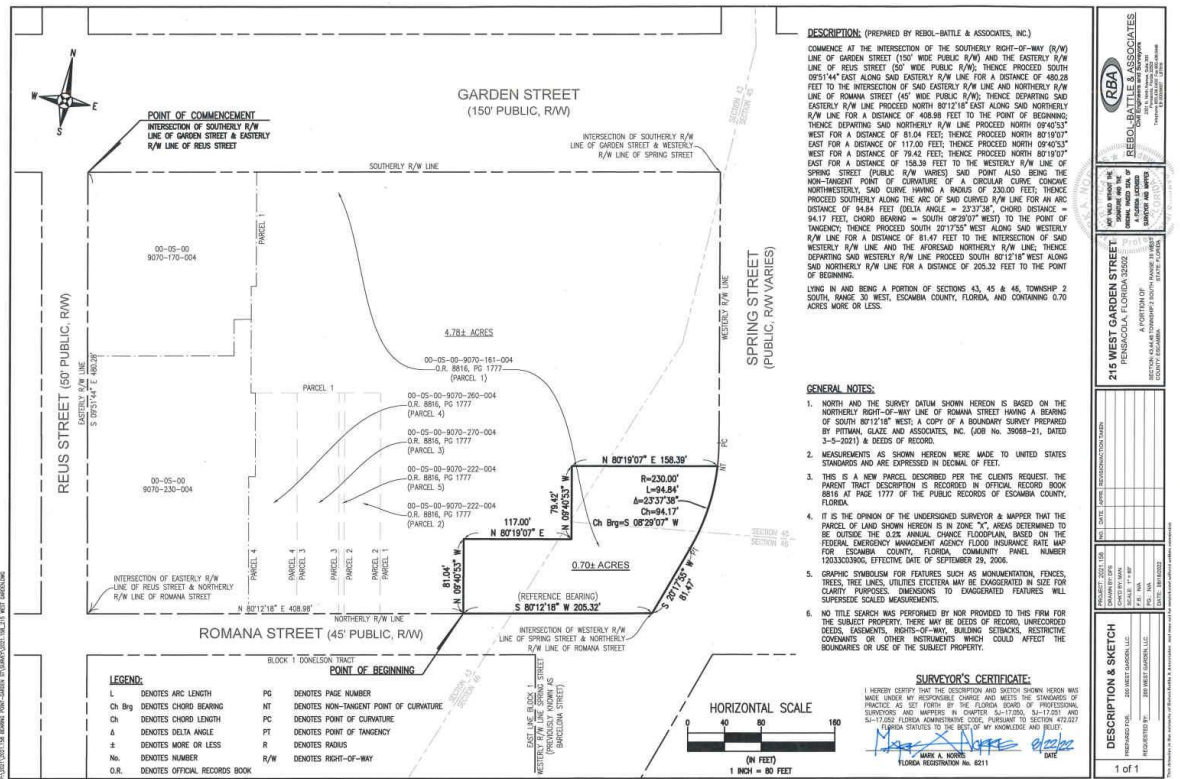
By: 200 West Garden Development, LLC
Its: Manager

By: _____
Name: _____
Its: Manager

APPENDIX A

DEVELOPER PARCELS

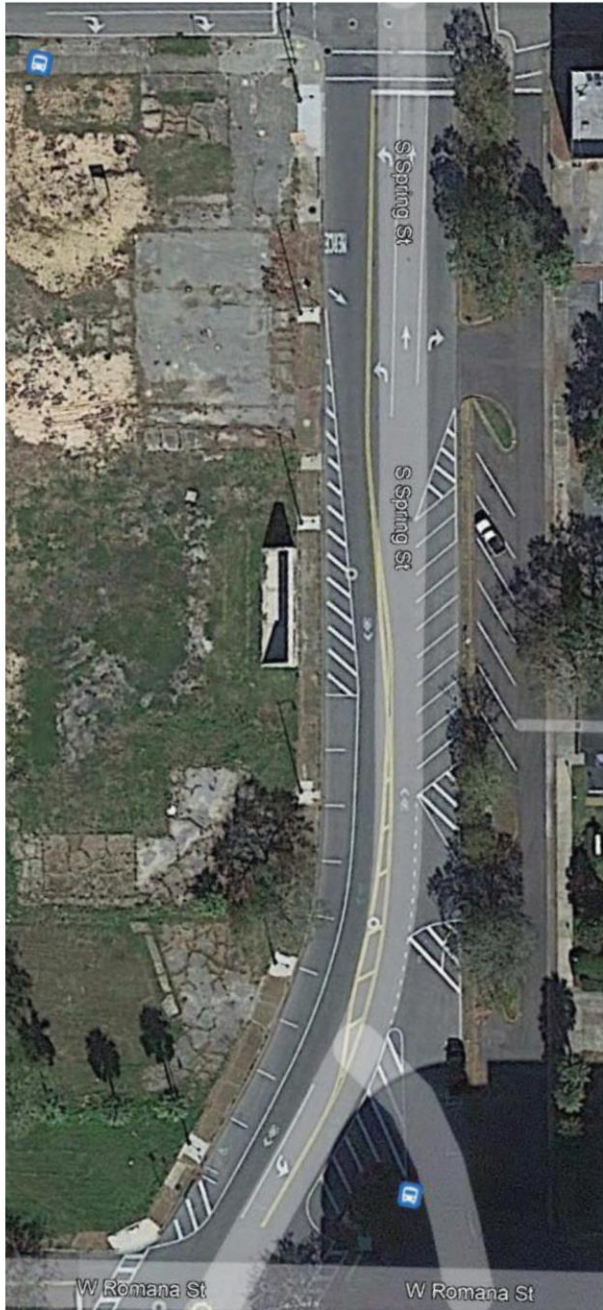




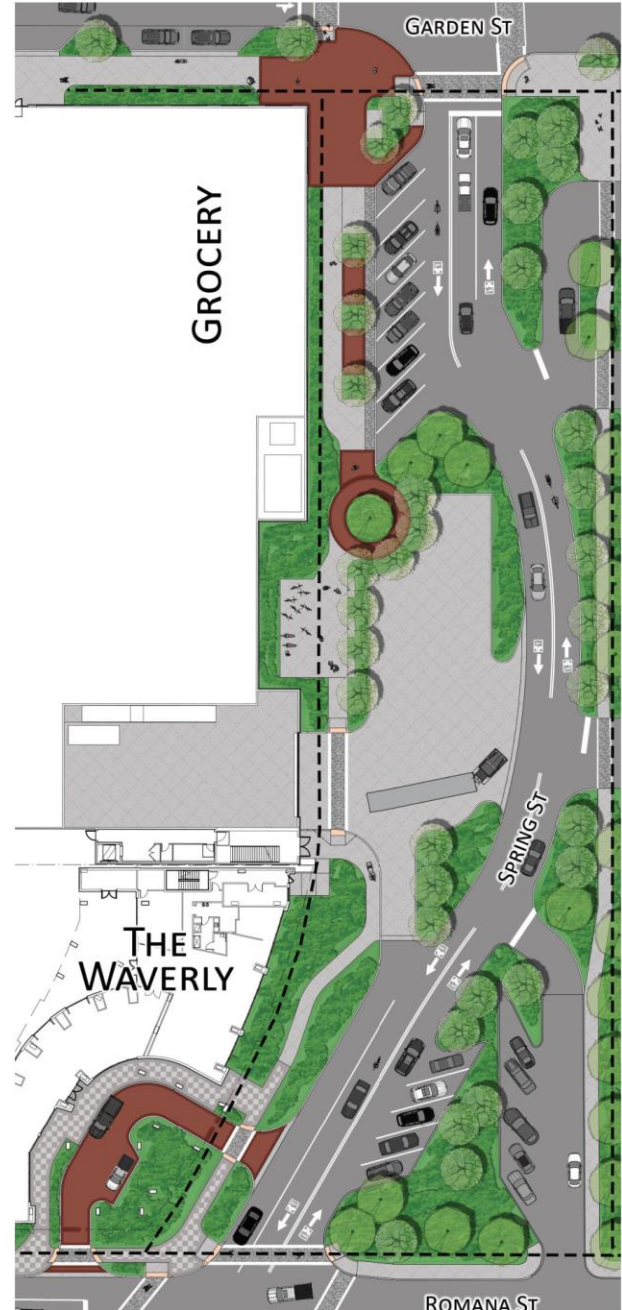
APPENDIX B

CONCEPTUAL PROJECT PLAN

SPRING ST (GARDEN ST - ROMANA ST)
EXISTING CONDITION






PROPOSED CONCEPT



APPENDIX C

PROJECT COST ESTIMATE

5/7/2022

Conceptual Budget

Spring Street Right-of-Way

Garden St to Romana St

Landscape	Description	Unit	Qty		
	Tree - 4" DBH	ea	60	\$	110,000
	Shrubs - 1 Gal	ea	880	\$	13,200
	Shrubs - 3 Gal	ea	1,500	\$	34,000
	Irrigation	lump	1	\$	40,000
				\$	197,200
					Sub-Total
Civil Site	Description	Unit	Qty		
	Curb-D/Curb-Ribbon	ln ft	2,005	\$	40,100
	Concrete 4" - Pedestrian	sq ft	3,518	\$	75,000
	Concrete 6" - Vehicular	sq ft		\$	-
	Asphalt Patchwork	sq yd	100	\$	5,000
	Asphalt w/ Base	sq yd	2,761	\$	140,000
	Subgrade Prep	sq yd	450	\$	15,000
	Cut to Grade/Haul	cu yd	500	\$	10,000
	Select Fill Haul/Place/Compact	cu yd	500	\$	20,000
	Final Grade	lump		\$	15,000
	Stripe Thermo	ln ft	1,100	\$	25,000
				\$	345,100
					Sub-Total
Utilities/ Electrical	Description	Unit	Qty		
	Underground Utility Distribution	lump	1	\$	225,000
	Overhead Utility Demolition	lump	1	\$	25,000
	Sewer Services	lump	1	\$	30,000
	Storm Drainage	lump	1	\$	150,000
	Curb Inlets/Boxes/Manholes	lump	1	\$	15,000
				\$	445,000
					Sub-Total
Landscape Site	Description	Unit	Qty		
	Paver - Pedestrian	sq ft	5,672	\$	75,000
	Paver - Vehicular	sq ft	8,405	\$	390,000
	Signage / Wayfinding	ea	5	\$	20,000
	Landscape Tree Up-Lighting	ea	120	\$	55,000
	Planters	ea	19	\$	10,000
				\$	550,000
					Sub-Total
FFE	Description	Unit	Qty		
	Bench - 1	ea	4	\$	10,000
	Litter Receptacle	ea	4	\$	15,000
	Bollard Decorative	ea	8	\$	15,000
	Bike Racks	ea	2	\$	10,000
				\$	50,000
					Sub-Total
Lighting	Description	Unit	Qty		
	Street Light - City Standard	ea	8	\$	220,000
				\$	220,000
					Sub-Total
General	Description	Quantity			
	Permitting	1		\$	15,000
	Matl Testing (ac)	1		\$	10,000
	Mobilization & Layout (ac)	1		\$	75,000
	Clearing & Demo (ac)	1		\$	80,000
	Traffic Control (ea)	1		\$	50,000
	Erosion Control (sf)	1		\$	25,000
				\$	255,000
					Sub-Total
				\$	2,062,300
					Site Sub-Total
	CONTRACTOR CONTINGENCY	15.00%		\$	309,345
				\$	2,371,645
					PROJECT TOTAL

APPENDIX D

PROJECT SCHEDULE

Component	Date
Projected grocery, parking deck, and Streetscape Improvements / Project construction start	Summer 2023
Projected sitework complete and vertical start	Winter 2024
Projected condominium tower starts	Spring 2024
Projected grocery, parking deck, and Streetscape Improvements / Project delivery	Winter 2025
Projected clubhouse and first multifamily unit delivery	Spring 2025
Projected condominium construction complete	End of Year 2025
Projected final multifamily unit delivery	Winter 2026
Projected multifamily construction complete	Spring 2026

APPENDIX E

MAINTENANCE RESPONSIBILITY





City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 23-00334

Community Redevelopment Agency

5/8/2023

ACTION ITEM

SPONSOR: Teniade Broughton, Chairperson

SUBJECT:

INTERLOCAL AGREEMENT WITH THE CITY OF PENSACOLA FOR FUNDING OF STREETScape IMPROVEMENTS TO SPRING STREET PURSUANT TO A MASTER REDEVELOPMENT AGREEMENT

RECOMMENDATION:

That the Community Redevelopment Agency (CRA) approve an interlocal agreement with the City of Pensacola (City) to permit the City to issue to the CRA a loan of up to \$1,482,278 plus \$139,329.48 in capitalized interest for a total value of \$1,621,597.48 to fund streetscape improvements along Spring Street from Garden to Romana Streets pursuant to the Master Redevelopment Agreement between the CRA, the City and 200 West Garden LLC and 27 Spring Condos, LLC. Provided, however, that the CRA may pre-pay the balance of the loan in whole or in part at any time, without penalty. Finally, that the CRA authorize the CRA Chairperson to execute the agreement.

SUMMARY:

On February 6, 2023, Bearing Point Properties presented their proposed plans for a mixed-use development including 328 residential rental units, 54 for-sale condominium units, a large scale grocery retail space, two pocket parks, and a multi-level structured parking facility including approximately 175 ungated parking spaces. The proposed project is a master-planned redevelopment located at the intersection of Garden and Spring Streets, which is slated for redevelopment by developers, 200 West Garden, LLC and 97 Spring Condos LLC.

As a component of the redevelopment project, the developers have requested to partner with the CRA to undertake streetscape improvements along Spring Street from Garden Street to Romana Street. The Developer is requesting a redevelopment incentive of up to \$1,482,278 towards the full cost of the streetscape improvements, estimated to be \$2,371,645 pursuant to a Master Redevelopment Agreement (MRA). The proposed MRA requires the Developer to construct the full mixed-use redevelopment project, except for the 54-condominium units to receive the redevelopment incentive.

Pursuant to the MRA, the CRA would escrow the redevelopment incentive with a mutually-acceptable escrow agent upon completion of the streetscape improvements and completion and opening of the parking garage and grocery retail space to the public. The escrow agent would be instructed to release the redevelopment incentive to the Developer upon substantial completion of the 328

residential rental units. The Developer must complete the remaining 328 residential units within thirty-six (36) months of the escrow of the redevelopment incentive or it will be subject to repayment. The project encompassed by the MRA is estimated to have a total taxable value of \$45,000,000.

To fund the project, a City loan can be issued to the CRA. The loan would be issued ten days prior to escrow of the redevelopment incentive. Principal and interest, at a rate of 4.5%, would be repaid to the City semi-annually. The CRA may prepay the principal balance of the loan in whole or in part at any time, without penalty. The CRA would escrow the redevelopment incentive to the Developer upon completion of the streetscape improvements and completion and opening of the parking garage and grocery retail space to the public, in accordance with the MRA with the Developer.

An interlocal agreement between the CRA and City is required to provide for the City loan. The repayment schedule, assuming no pre-payment, is attached as Attachment A within the interlocal agreement.

Implementation of this project will further the goals and objectives set forth in the Urban Core Redevelopment Plan, which expressly contemplates and encourages redevelopment and enhancement of public rights-of-way and pedestrian walkways and provides private sector participation in remediating and preventing blighted conditions.

PRIOR ACTION:

February 6, 2023 - Bearing Point Properties presented to the CRA proposed plans for a mixed-use development at Spring and Garden Streets.

FUNDING:

Budget: \$ 1,621,597.48

Actual: \$ 1,482,278.00
\$ 139,319.48
\$ 1,621,597.48

Loan Principal
Loan Interest (4.5%)

FINANCIAL IMPACT:

The City would provide the CRA a loan of up to \$1,482,278 plus \$139,319.48 in capitalized interest for a total loan value of \$1,621,597.48 for a 3-year term.

LEGAL REVIEW ONLY BY CITY ATTORNEY: Yes

4/27/2023

STAFF CONTACT:

David Forte, Deputy City Administrator
Sherry Morris, Development Services Director
Victoria D'Angelo, CRA Division Manager

Amy Lovoy, Chief Financial Officer

ATTACHMENTS:

- 1) Interlocal Agreement

PRESENTATION: No

INTERLOCAL AGREEMENT

between

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PENSACOLA,
FLORIDA

and

THE CITY OF PENSACOLA, FLORIDA

This **INTERLOCAL AGREEMENT** (the "Agreement"), is made and entered into as of this ____ day of _____, 2023, between **THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PENSACOLA, FLORIDA**, a public body corporate and politic of the State of Florida (the "Agency"), and the **CITY OF PENSACOLA, FLORIDA**, a Florida municipal corporation created under the laws of the State of Florida (the "City").

W I T N E S S E T H:

WHEREAS, pursuant to Resolution No. 54-80 adopted by the City Council on September 25, 1980, and as confirmed and ratified pursuant to Resolution 65-81 adopted by the City Council on September 22, 1981, the City Council found and determined that an area designated therein as the "Pensacola Inner City" is a blighted area as therein described, that a combination of rehabilitation, conservation and redevelopment of the Pensacola Inner City is necessary, that there exists a need for a community redevelopment agency to function in the City to carry out community redevelopment purposes pursuant to Part III, Chapter 163, Florida Statutes (the "Act"), and that the Pensacola Inner City is appropriate for community redevelopment projects and is thereby designated a community redevelopment area; and

WHEREAS, pursuant to Resolution No. 55-80 adopted by the City Council on September 25, 1980, and as readopted and reaffirmed pursuant to Resolution 65-81 adopted by the City Council on September 22, 1981, the City Council declared itself to be the "Community Redevelopment Agency" in the City and vested all rights, powers, duties, privileges and immunities vested in a community redevelopment agency pursuant to Part III, Chapter 163, Florida Statutes, in the City Council; and

WHEREAS, pursuant to Resolution 65-81 adopted by the City Council on September 22, 1981, the City Council designated the boundaries and found and determined that an area designated therein as the "Urban Core Community Redevelopment Area" (the "Urban Core Redevelopment Area") is a blighted area as therein described and that the rehabilitation, conservation and redevelopment is necessary and in the public interest; and

WHEREAS, pursuant to Ordinance No. 13-84 enacted by the City Council on March 8, 1984, the Urban Core Community Redevelopment Trust Fund (the "Trust Fund") was established into which the tax increment paid by each taxing authority each year is deposited in accordance with section 163.387, Florida Statutes, for the purpose of financing community redevelopment in the Redevelopment Area (the "Tax Increment"); and (the "Trust Fund"); and

WHEREAS, on January 14, 2010, the City Council adopted Resolution No. 02-10 approving an "Urban Core Community Redevelopment Plan 2010" for the Redevelopment Area (as may be further amended from time to time, the "Redevelopment Plan"); and

WHEREAS, the Agency is responsible for implementation of community redevelopment plans providing for the redevelopment, rehabilitation and improvement of community redevelopment areas in the City; and

WHEREAS, the City and the Agency have determined to redevelop and revitalize the Urban Core Redevelopment Area as a visibly attractive, economically viable, and socially desirable area of the City; and

WHEREAS, in accordance with the intent and purpose of Section 163.01, Florida Statutes, the parties have elected to enter into this Agreement to jointly and collectively provide financing for the construction of the Spring Streetscape Project – Garden to Romana (the "Project") pursuant to a Master Redevelopment Agreement between the Agency, City and Developer ("Master Redevelopment Agreement"); and

WHEREAS, the Mayor of the City of Pensacola (the "Mayor"), City Council and the Agency have determined that this Agreement and the Project and expenditures contemplated hereunder serve public purposes and are appropriate and necessary undertakings in furtherance of redeveloping the Urban Core Redevelopment Area consistent with the Redevelopment Plan.

NOW, THEREFORE, in consideration of the mutual covenants of and benefits derived from this Agreement, the City and the Agency agree as follows:

ARTICLE 1: AUTHORITY AND PURPOSE

1.1. Authority. This Agreement is entered into pursuant to and under the authority of the City Charter; Section 163.01, Florida Statutes; the Community Redevelopment Act of 1969 (the "Act"), codified in Part III, Chapter 163, Florida Statutes; Chapter 166, *Florida Statutes*; City Council Resolution No. 55-80; City Council Ordinance No. 47-00; City Council Resolution 41-05; City Council Ordinance No. 16-05; City Council Ordinance 32-14; City Council Resolution No. 22-10; and other applicable law, as amended and supplemented.

1.2. Recitals. The City and Agency agree that the foregoing recitals are correct, complete and not misleading and are hereby incorporated as if fully set forth herein.

1.3. Purpose. The purpose of this Agreement is to provide for a source of additional funds to finance the construction of the Project.

1.4 Project Description. The Project contemplates the construction of streetscape improvements along Spring Street from Garden Street to Romana Street through a public-private partnership with 200 West Garden LLC and 97 Spring Condos, LLC (the "Developer") intended to facilitate construction of a mixed use development with an estimated total taxable value of not less than \$45,000,000 on the corner of Garden and Spring Streets (the "Development"), in furtherance of redeveloping the Urban Core Redevelopment Area consistent with the Redevelopment Plan. The description of the Project set forth herein shall be liberally construed to effectuate the purposes of this Agreement.

ARTICLE 2: FUNDING AND DISBURSEMENT

2.1. Project Cost. The cost of the Project is estimated to be \$2,371,645, of which the Developer will contribute \$889,367. The balance of funding necessary for the Project will be provided by a loan from the City to the Agency as provided hereunder.

2.2 Funding. The City of Pensacola shall provide a loan of up to \$1,482,278 plus \$139,319.48 in capitalized interest for a total loan value of \$1,621,597.48 for an 3 year term, (the "Loan") to the Agency for purposes of funding a portion of the Project, to be repaid from legally available funds of the Agency which may include but are not limited to tax increment revenues on deposit in the Trust Fund.

2.3. Disbursement. The principal amount of the loan shall be disbursed no less than seven (7) days prior to escrow or payment of the Redevelopment Incentive, as defined within the Master Redevelopment Agreement, pursuant to authorization by the City's Chief Financial Officer.

ARTICLE 3: REIMBURSEMENT

3.1. Loan Repayment. The Agency hereby covenants to fund, reimburse and repay the Loan from tax increment revenues on deposit in the Trust Fund (or any other funds of the Agency which are legally available for such purpose) in accordance with this Article 3. Such covenant to repay the Loan is cumulative and shall continue until the Loan, including all principal due thereupon, has been paid in full. To the extent that revenues on deposit in the Trust Fund are insufficient to make a payment to the City on any Loan payment date, the obligation to make such payment shall continue until tax increment revenues or other legally available funds of the Agency, in amounts sufficient to pay any then outstanding Loan payments, shall have actually been paid.

3.2 Repayment Schedule. Attachment A, incorporated herein by reference, sets forth an estimated repayment schedule for the Loan which contemplates disbursement of the full amount of the Loan by October 1, 2027, and repayment commencing on October 1, 2030 with semi-annual payments due on October 1st and April 1st of each year to include all principal and interest accrued to that date thereafter, with the balance to be repaid by October 1, 2033, unless tax increment revenues generated by the Development, in an amount sufficient to repay all or a portion of the Loan, are generated earlier. Early repayment may be made upon adoption of the Agency's annual budget authorizing such repayment. When the full principal amount of the Loan is fully disbursed to the Agency, the City's Chief Financial Officer shall prepare a final Loan repayment schedule reflecting the total amount drawn and the actual debt service payments. Such final Loan repayment schedule will be appended hereto as Attachment B and incorporated herein by reference.

3.3. Prepayment. The Agency may repay the principal balance of the Loan in whole or in part at any time, without penalty.

3.4. Subordination. The Agency's obligation to fund, reimburse and repay the Loan shall be subordinate to any other debt issuance secured by tax increment revenues on deposit in the Trust Fund.

ARTICLE 4: TERM

4.1. Term. This Agreement shall become effective upon execution by the Parties and filing thereof in the public records of Escambia County, Florida, pursuant to Section 163.01(11), *Florida Statutes* and continue in full force and effect until the loan authorized by this Agreement, including principal and accumulated interest, has been fully repaid and amortized.

ARTICLE 5: MISCELLANEOUS

5.1. Amendments. This Agreement may be amended by the mutual written agreement of all parties at any time and from time to time, which amendments shall become effective upon filing thereof in the public records of Escambia County, Florida, pursuant to Section 163.01(11), *Florida Statutes*.

5.2. Assignment. No party to this Agreement may, directly or indirectly, assign or transfer any or all of their duties, rights, responsibilities, or obligations under this Agreement to any other party or person not a party to this Agreement, without the express prior approval of the other party to this Agreement.

5.3. Severability. The provisions of this Agreement are severable, and it is the intention of the parties hereto to confer the whole or any part of the powers herein provided for and if any of the provisions of this Agreement or any other powers granted by this Agreement shall be held unconstitutional, invalid or void by any court of competent

jurisdiction, the decision of said court shall not affect or impair any of the remaining provisions of this Agreement. It is hereby declared to be the intent of the parties hereto that this Agreement would have been adopted, agreed to, and executed had such unconstitutional, invalid or void provision or power not been included therein.

5.4. Controlling Law; Venue. Any and all provisions of this Agreement and any proceeding seeking to enforce and challenge any provision of this Agreement shall be governed by the laws of the State of Florida. Venue for any proceeding pertaining to this Agreement shall be Escambia County, Florida.

5.5. Members Not Liable.

(1) All covenants, stipulations, obligations and agreements contained in this Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the City and the Agency, respectively, to the full extent authorized by the Act and provided by the Constitution and laws of the State of Florida.

(2) No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future individual member of a governing body or agent or employee of the Agency or the City in his or her individual capacity, and neither the members of the governing body of the Agency or the City or any official executing this Agreement shall individually be liable personally or shall be subject to any accountability by reason of the execution by the City or the Agency of this Agreement or any act pertaining hereto or contemplated hereby.

5.6. Third Party Beneficiaries. Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto, any right, remedy, or claim, legal or equitable, under or by reason of this Agreement or any provision hereof.

5.7. Notices.

(1) Any notice, demand, direction, request or other instrument authorized or required by this Agreement to be given or filed with a party hereto shall be deemed sufficiently given or filed for all purposes of this Agreement if and when sent by registered mail, return receipt requested, transmitted by a facsimile machine with confirmation of delivery, or by personal hand delivery:

To the CRA:	Community Redevelopment Agency of The City of Pensacola, Florida 222 W. Main St. Pensacola, Florida 32502 Attention: CRA Manager
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To the City: City of Pensacola
222 W. Main St.
Attention: Chief Financial Officer

(2) The addresses to which any notice, demand, direction or other instrument authorized to be given or filed may be changed from time to time by a written notice to that effect delivered to all the parties, which change shall be effective immediately or such other time as provided in the notice.

Until notice of a change of address is received, a party may rely upon the last address received. Notice shall be deemed given, if notice is by mail on the date mailed to the address set forth above or as changed pursuant to this Article.

5.8. Execution of Agreement. This Agreement shall be executed in the manner normally used by the parties hereto. If any officer whose signature appears on this Agreement ceases to hold office before all officers shall have executed this Agreement or prior to the filing and recording of this Agreement as provided in this Article, his or her signature shall nevertheless be valid and sufficient for all purposes. This Agreement shall bear the signature of, or may be signed by, such individuals as at the actual time of execution of this Agreement thereby shall be the proper and duly empowered officer to sign this Agreement and this Agreement shall be deemed to have been duly and properly executed even though on the Effective Date any such individual may not hold such office.

5.9. Limited Obligation. Neither the full faith and credit of the City, the Agency or of the State of Florida or any political subdivision thereof is pledged to meet the funding obligations hereunder, and no party shall ever have the right to compel any exercise of any ad valorem taxing power of the City, the Agency or of the State of Florida or any political subdivision thereof, directly or indirectly to enforce any payment or funding of money provided for hereunder. This Agreement shall not constitute a lien upon any property of the City or the Agency except in the manner and to the express extent described herein.

5.10. City and Agency Not Liable. Nothing contained in this Agreement shall be construed or deemed, nor is intended, or impose any obligation upon the City or the Agency except to the extent expressly assumed by the City or the Agency, respectively.

5.11. Filing with County Clerk of the Court. The City is hereby authorized and directed after approval of this Agreement by the Agency and the City and the execution hereof to submit this Agreement to the Clerk of the Court of Escambia County, Florida, for filing in the public records of Escambia County, Florida, as provided by Section 163.01(11), Florida Statutes.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto, by and through the undersigned, have entered into this Interlocal Agreement as of the day and year first above written.

COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF PENSACOLA,
FLORIDA

Attest:

Teniade Broughton, Chairperson

Ericka L. Burnett, City Clerk

CITY OF PENSACOLA, FLORIDA

Legal in Form and Valid as Drawn:

D.C. Reeves, Mayor

_____, City Attorney

Attest:

Approved as to Content:

Ericka L. Burnett, City Clerk

Amy Lovoy
Chief Financial Officer

Approved as to Content:

Victoria D'Angelo
CRA Division Manager

ATTACHMENT A

ESTIMATED LOAN REPAYMENT SCHEDULE

Month	Beginning Balance	Interest	Principal	Total Payment	Ending Balance
10/1/2030	\$1,621,597.48	\$6,080.99	\$42,156.55	\$48,237.54	\$1,579,440.93
11/1/2030	\$1,579,440.93	\$5,922.90	\$42,314.64	\$48,237.54	\$1,537,126.30
12/1/2030	\$1,537,126.30	\$5,764.22	\$42,473.32	\$48,237.54	\$1,494,652.98
1/1/2031	\$1,494,652.98	\$5,604.95	\$42,632.59	\$48,237.54	\$1,452,020.40
2/1/2031	\$1,452,020.40	\$5,445.08	\$42,792.46	\$48,237.54	\$1,409,227.93
3/1/2031	\$1,409,227.93	\$5,284.60	\$42,952.94	\$48,237.54	\$1,366,275.00
4/1/2031	\$1,366,275.00	\$5,123.53	\$43,114.01	\$48,237.54	\$1,323,160.99
5/1/2031	\$1,323,160.99	\$4,961.85	\$43,275.69	\$48,237.54	\$1,279,885.31
6/1/2031	\$1,279,885.31	\$4,799.57	\$43,437.97	\$48,237.54	\$1,236,447.34
7/1/2031	\$1,236,447.34	\$4,636.68	\$43,600.86	\$48,237.54	\$1,192,846.48
8/1/2031	\$1,192,846.48	\$4,473.17	\$43,764.37	\$48,237.54	\$1,149,082.12
9/1/2031	\$1,149,082.12	\$4,309.06	\$43,928.48	\$48,237.54	\$1,105,153.64
10/1/2031	\$1,105,153.64	\$4,144.33	\$44,093.21	\$48,237.54	\$1,061,060.43
11/1/2031	\$1,061,060.43	\$3,978.98	\$44,258.56	\$48,237.54	\$1,016,801.87
12/1/2031	\$1,016,801.87	\$3,813.01	\$44,424.53	\$48,237.54	\$972,377.34
1/1/2032	\$972,377.34	\$3,646.42	\$44,591.12	\$48,237.54	\$927,786.21
2/1/2032	\$927,786.21	\$3,479.20	\$44,758.34	\$48,237.54	\$883,027.87
3/1/2032	\$883,027.87	\$3,311.35	\$44,926.19	\$48,237.54	\$838,101.69
4/1/2032	\$838,101.69	\$3,142.88	\$45,094.66	\$48,237.54	\$793,007.03
5/1/2032	\$793,007.03	\$2,973.78	\$45,263.76	\$48,237.54	\$747,743.27
6/1/2032	\$747,743.27	\$2,804.04	\$45,433.50	\$48,237.54	\$702,309.77
7/1/2032	\$702,309.77	\$2,633.66	\$45,603.88	\$48,237.54	\$656,705.90
8/1/2032	\$656,705.90	\$2,462.65	\$45,774.89	\$48,237.54	\$610,931.00
9/1/2032	\$610,931.00	\$2,290.99	\$45,946.55	\$48,237.54	\$564,984.46
10/1/2032	\$564,984.46	\$2,118.69	\$46,118.85	\$48,237.54	\$518,865.61
11/1/2032	\$518,865.61	\$1,945.75	\$46,291.79	\$48,237.54	\$472,573.82
12/1/2032	\$472,573.82	\$1,772.15	\$46,465.39	\$48,237.54	\$426,108.43
1/1/2033	\$426,108.43	\$1,597.91	\$46,639.63	\$48,237.54	\$379,468.80
2/1/2033	\$379,468.80	\$1,423.01	\$46,814.53	\$48,237.54	\$332,654.27
3/1/2033	\$332,654.27	\$1,247.45	\$46,990.09	\$48,237.54	\$285,664.19
4/1/2033	\$285,664.19	\$1,071.24	\$47,166.30	\$48,237.54	\$238,497.89
5/1/2033	\$238,497.89	\$894.37	\$47,343.17	\$48,237.54	\$191,154.72
6/1/2033	\$191,154.72	\$716.83	\$47,520.71	\$48,237.54	\$143,634.01
7/1/2033	\$143,634.01	\$538.63	\$47,698.91	\$48,237.54	\$95,935.10
8/1/2033	\$95,935.10	\$359.76	\$47,877.78	\$48,237.54	\$48,057.32
9/1/2033	\$48,057.32	\$180.21	\$48,057.33	\$48,237.54	\$0.00

ATTACHMENT B
FINAL LOAN REPAYMENT SCHEDULE
[TO COME]



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 23-00335

Community Redevelopment Agency

5/8/2023

ACTION ITEM

SPONSOR: Teniade Broughton, Chairperson

SUBJECT:

AMENDMENT NO. 1 TO INTERLOCAL AGREEMENT WITH THE PENSACOLA DOWNTOWN IMPROVEMENT BOARD FOR IMPLEMENTATION OF CERTAIN URBAN CORE REDEVELOPMENT PLAN ACTIVITIES

RECOMMENDATION:

That the Community Redevelopment Agency approve Amendment No. 1 to the Interlocal Agreement with the Pensacola Downtown Improvement Board for implementation of certain Urban Core Redevelopment Plan activities to expand the use of the CRA's \$100,000 retainage as enumerated in the attached. Further, that the CRA authorize the use of the remaining retainage, in the amount of \$264,602.57, for the purposes authorized in Amendment No. 1. Finally, that the CRA authorize the CRA Chairperson to execute the amendment.

SUMMARY:

On September 8, 2020 the CRA approved an interlocal agreement with the Pensacola Downtown Improvement Board for implementation of certain Urban Core Redevelopment Plan activities. The agreement allocates for payment to the DIB funding in an amount equal to the tax increment revenues derived from the Pensacola Downtown Improvement Taxing District ad valorem tax levy within the DIB area, less \$100,000, which is retained by the CRA for implementation of affordable housing initiatives. The funding paid to the DIB may be utilized for economic development, marketing, public realm enhancement and beautification, community policing innovations and to support multi-modal enhancement of Downtown Pensacola, as authorized by the Urban Core Redevelopment Plan. A proposed work plan is provided to the CRA annually for approval along with a report of accomplishments and activities.

Amendment No. 1 proposes to expand the authorized use of the \$100,000 retainage to include downtown beautification and public safety initiatives, in addition to, affordable housing.

PRIOR ACTION:

September 8, 2020 - The CRA approved an interlocal agreement with the DIB for implementation of certain Urban Core Redevelopment Plan activities.

FUNDING:

Budget: \$ 264,602.57

Actual: \$ 264,602.57

FINANCIAL IMPACT:

Amendment No. 1 will expand the allowable use of the \$100,000 retainage.

LEGAL REVIEW ONLY BY CITY ATTORNEY: Yes

4/28/2023

STAFF CONTACT:

David Forte, Deputy City Administrator
Sherry Morris, Development Services Director
Victoria D'Angelo, CRA Division Manager
Amy Lovoy, Chief Financial Officer

ATTACHMENTS:

- 1) Amendment No. 1 - DIB Interlocal Agreement
- 2) DIB Interlocal Agreement

PRESENTATION: Yes

AMENDMENT NO. 1 TO INTERLOCAL AGREEMENT
BETWEEN THE COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF PENSACOLA, FLORIDA AND
THE PENSACOLA DOWNTOWN IMPROVEMENT BOARD
FOR IMPLEMENTATION OF CERTAIN URBAN CORE COMMUNITY
REDEVELOPMENT PLAN ACTIVITIES BY THE PENSACOLA DOWNTOWN
IMPROVEMENT BOARD

THIS AMENDMENT NO. 1 TO INTERLOCAL AGREEMENT ("Amendment No. 1") is made and entered into this ___ day of _____, 2023, by and between the Community Redevelopment Agency of the City of Pensacola, a public body corporate and politic of the State of Florida ("CRA") and the Pensacola Downtown Improvement Board, a public body corporate and politic of the State of Florida ("DIB"), together referred to as "the Parties".

WHEREAS, on September 11, 2020, the CRA and the DIB entered into an Interlocal Agreement for implementation of certain Urban Core Redevelopment Plan Activities by the DIB ("Interlocal Agreement"); and

WHEREAS, the Interlocal Agreement established the CRA would annually allocate for payment to the DIB, legally available funds in an amount equal to the tax increment revenues derived from the Pensacola Downtown Improvement Tax District ad valorem tax levy, less \$100,000 which would be retained by the CRA for implementation of affordable housing initiatives, as defined in Section 1 of the Interlocal Agreement; and

WHEREAS, the CRA and DIB agree to expand the use of the \$100,000 retainage to include downtown beautification and public safety, in addition to, affordable housing initiatives; and

WHEREAS, provided the above recitals, both the CRA and DIB desire to continue the implementation of the redevelopment plan activities embodied in the Interlocal Agreement; and

WHEREAS, the CRA and DIB now desire to amend the Interlocal Agreement upon the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the recitals above and mutual covenants and agreements herein contained, it is agreed by the CRA and DIB that the Interlocal Agreement shall be amended as follows:

1. The Parties agree that the recitals above are true and correct and are hereby incorporated into this Amendment.
2. Section 1 of the Interlocal Agreement is amended as follows:

1. Description.

Subject to and conditioned upon first satisfying all funding requirements for such Fiscal Year with respect to debt obligations of the CRA or the City secured by or payable from Tax Increment Revenues, the CRA will annually allocate for payment to the DIB, legally available funds in an amount equal to the tax increment revenues derived from the Pensacola Downtown Improvement Taxing District ad valorem tax levy within the DIB Area during the most recent tax year, less \$100,000, which shall be retained by the CRA for implementation of affordable housing, downtown beautification, and public safety initiatives. The use of such funds shall be allocated for economic development, marketing, public realm enhancement and beautification, community policing innovations and to support multi-modal enhancement of Downtown Pensacola, pursuant to the Urban Core Plan, as amended, an annual work plan, as described in Section 2 herein, and any applicable state law. Funded projects shall be consistent and compatible with the long-term goals and objectives of the CRA, and the development and implementation of such projects shall be closely coordinated with the CRA, its' staff and City of Pensacola officials.

3. The remaining provisions of the Interlocal Agreement shall remain in full force and effect.
4. This Amendment No. 1 to the Interlocal Agreement shall be recorded by the CRA upon full execution.

IN WITNESS WHEREOF, the Parties hereto have executed this instrument of amendment on the date first written above.

COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF
PENSACOLA

ATTEST:

CRA Chairperson

City Clerk

Witnesses:

PENSACOLA DOWNTOWN
IMPROVEMENT BOARD

ATTEST:

Witnesses:

Approved as to substance:

Legal in form and valid as drawn:

Title

City Attorney

INTERLOCAL AGREEMENT

Implementation of Certain Urban Core Community Redevelopment Plan Activities by
the Pensacola Downtown Improvement Board

This **INTERLOCAL AGREEMENT** ("Agreement"), is made and entered into as of this 11 day of September 2020, between **THE COMMUNITY REDEVELOPMENT CRA OF THE CITY OF PENSACOLA, FLORIDA**, a public body corporate and politic of the State of Florida ("CRA"), and the **PENSACOLA DOWNTOWN IMPROVEMENT BOARD**, a public body corporate and politic of the State of Florida ("DIB"), together referred to as "the Parties".

WITNESSETH:

WHEREAS, in April 1972, the Florida Legislature under Chapter 72-655, as amended, established the DIB to correct commercial blight, preserve property values, encourage economic development, attract commercial and residential re-investment, and beautify downtown Pensacola; and

WHEREAS, on September 28, 1972, the City Council adopted Ordinance No. 47-72, following a public hearing on August 24, 1972, approving and establishing a taxing district in the Downtown Pensacola area commonly known as the "Pensacola Downtown Improvement District" or "DIB Area"; and

WHEREAS, the City Council of the City of Pensacola ("City Council"), adopted Resolution No. 54-80 on September 25, 1980, describing the Urban Core Community Redevelopment Area ("Urban Core Community Redevelopment Area" or "Urban Core Area"), an area containing the DIB Area, and finding such to be a "blighted area" as defined in Section 163.340, Florida Statutes, and in need of redevelopment, rehabilitation, conservation and improvement, which finding and determination was reaffirmed in Resolution No. 65-81, adopted by the City Council on October 22, 1981; and

WHEREAS, on March 8, 1984, the City Council adopted Ordinance No. 13-84, which created and established the Redevelopment Trust Fund ("Urban Core Trust Fund") to fund redevelopment activities within the Urban Core Community Redevelopment Area, such contributions including property tax revenues derived from within the DIB area; and

WHEREAS, on March 27, 1984, the City Council adopted Resolution No. 15-84 which approved a community redevelopment plan for the Urban Core Community Redevelopment Area; and

WHEREAS, on April 6, 1989, the City Council adopted Resolution No. 19-89, which approved a revised redevelopment plan for the Urban Core Community Redevelopment Area which plan has been subsequently amended; and

WHEREAS, on January 14, 2010, the City Council adopted Resolution No. 02-10, which repealed the Community Redevelopment Plan dating from 1989 as amended and adopted the Urban Core Community Redevelopment Plan dated 2010 ("Urban Core Community Redevelopment Plan" or "Urban Core Plan"); and

WHEREAS, the Parties have a mutual interest in removing and preventing blight, and revitalizing and preserving the Pensacola Downtown Improvement District, such area located within the Urban Core Area, as a visibly attractive, economically viable, and socially desirable area of the City of Pensacola; and

WHEREAS, in accordance with the intent and purpose of Section 163.01, Florida Statutes, the Parties have elected to enter into an interlocal agreement, setting forth the terms, conditions and responsibilities of a coordinated and collective effort, to pursue implementation of the Urban Core Plan, as outlined herein; and

NOW, THEREFORE, in consideration of the mutual covenants of and benefits derived from this Agreement, the Parties agree as follows:

1. Description.

Subject to and conditioned upon first satisfying all funding requirements for such Fiscal Year with respect to debt obligations of the CRA or the City secured by or payable from Tax Increment Revenues, the CRA will annually allocate for payment to the DIB, legally available funds in an amount equal to the tax increment revenues derived from the Pensacola Downtown Improvement Taxing District ad valorem tax levy within the DIB Area during the most recent tax year, less \$100,000, which shall be retained by the CRA for implementation of affordable housing initiatives. The use of such funds shall be allocated for economic development, marketing, public realm enhancement and beautification, community policing innovations and to support multi-modal enhancement of Downtown Pensacola, pursuant to the Urban Core Plan, as amended, an annual work plan, as described in Section 2 herein, and any applicable state law. Funded projects shall be consistent and compatible with the long-term goals and objectives of the CRA, and the development and implementation of such projects shall be closely coordinated with the CRA, its' staff and City of Pensacola officials.

2. Annual Work Plan & Reporting

2.1 Tentative Work Plan. No later than September 15 of each year, the DIB shall submit to the CRA Administrator, a tentative work plan for the fiscal year beginning October 1st of the following calendar year (i.e. a tentative work plan submitted on September 15, 2020 shall reflect the plan of work for the 2022 fiscal year, beginning on October 1, 2021). Such projects contained within the tentative work plan shall be presented to the City of Pensacola Urban Core Redevelopment Board (UCRB) during its October meeting for input.

2.2 Proposed Work Plan. Following the meeting of the UCRB, the DIB shall prepare a proposed work plan for the subject fiscal year. Authorized representatives of the DIB and CRA shall meet to review the proposed work plan during its development, and the DIB shall submit a final proposal to the CRA Administrator no later than June 15. The DIB shall present such proposal to the CRA during its July meeting, each year, for approval and incorporation into the City budget.

2.3 Report of Accomplishments and Activities. The DIB shall provide an annual report of its accomplishments and activities to the CRA during its July meeting each year. The DIB shall also provide regular project briefings to CRA staff and City of Pensacola officials throughout the year to ensure officials remain up-to-date on projects and activities undertaken pursuant to this Agreement.

Temporary modification of timelines and deadlines described in this Section may be authorized by the CRA Administrator due to changes in budget schedules, board meetings, or similar causes. However, permanent modifications shall require amendment of this Agreement pursuant to Section 9 herein.

3. Representations and Warranties of the CRA.

The CRA represents and warrants to the DIB that each of the following statements is presently true and accurate and can be relied upon by the DIB:

3.1 The CRA is an existing body politic and corporate of the State of Florida, has all requisite corporate power and authority to carry on its business as now conducted and to perform its obligations under this Agreement and each document contemplated hereunder to which it is or will be a party.

3.2 This Agreement and each document contemplated hereby to which the CRA is or will be a party has been duly authorized by all necessary action on the part of, and has been or will be duly executed and delivered by, the CRA and neither the execution and delivery thereof, nor compliance with the terms and provisions thereof or hereof: (a) requires the approval and consent of any other party, except such as have been or will be duly obtained, (b) contravenes any existing law, judgment, governmental rule, regulation or order applicable to or binding on the CRA or (c) contravenes or results in any breach of, default under or result in the creation of any lien or encumbrance upon any party or the CRA, under any indenture, mortgage, deed of trust, bank loan or credit agreement, the CRA's special acts, applicable ordinances, resolutions or any other agreement or instrument to which the CRA is a party, specifically including any covenants of any bonds, notes, or other forms of indebtedness of the CRA outstanding on the Effective Date.

3.3 This Agreement and each document contemplated hereby to which the CRA is or will be a party constitutes, or when entered into will constitute, a legal, valid and binding obligation of the CRA enforceable against it in accordance with the terms

thereof, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect which affect creditors' rights generally and subject to usual equitable principles in the event that equitable remedies are involved.

3.4 There are no pending or, to the knowledge of the CRA, threatened actions or proceedings before any court or administrative agency against the CRA, which question the existence of the CRA, the determination of slum and blight in the Community Redevelopment Area, the adoption or implementation of the Plan, the validity of this Agreement or any instrument or document contemplated hereunder, or which are likely in any case or in the aggregate to materially adversely affect the successful redevelopment of the Community Redevelopment Area, the consummation of the transactions contemplated hereunder or the financial condition of the CRA.

3.5 This Agreement does not violate any laws, ordinances, rules, regulations, orders, contracts, or agreements that are or will be applicable to the CRA.

4. Representations and Warranties of the DIB.

The DIB represents and warrants to the CRA that each of the following statements is presently true and accurate and can be relied upon by the CRA:

4.1 The DIB is an existing body politic and corporate of the State of Florida, has all requisite corporate power and authority to carry on its business as now conducted and to perform its obligations under this Agreement and each document contemplated hereunder to which it is or will be a party.

4.2 This Agreement and each document to which it is or will be a party has been duly authorized by all necessary action on the part thereof, and has been or will be duly executed and delivered by it and neither the execution and delivery thereof, nor compliance with the terms and provisions thereof or hereof: (a) requires the approval and consent of any other party, except such as been duly obtained, (b) contravenes any existing law, judgment, governmental rule, regulation or order applicable to or binding on it, or (c) contravenes or results in any breach of, default under or result in the creation of any lien or encumbrance upon it, under any indenture, mortgage, deed or trust, bank loan or credit agreement, charter, applicable ordinances, resolutions or any other agreement or instrument, specifically including any covenants of any bonds, notes, or other forms of indebtedness outstanding on the Effective Date.

4.3 This Agreement and each document contemplated hereby constitutes, or when entered in will constitute, a legal, valid and binding obligation enforceable against the DIB in accordance with the terms thereof, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect which affect creditors' rights generally and subject to usual equitable principles in the event that equitable remedies are involved.

4.4 There are no pending or, to the knowledge of the DIB, threatened actions or proceedings before any court or administrative agency against it, which question its existence, the validity of this Agreement or any instrument or document contemplated hereunder, or which are likely in any case or in the aggregate to materially adversely affect the consummation of the transactions contemplated hereunder.

4.5 This Agreement does not violate any laws, ordinance, rules, regulations, orders, contract, or agreements that are or will be applicable to the DIB.

5. Term.

This Agreement shall become effective and commence immediately upon filing with the Clerk of the Court of Escambia County, Florida, as provided in Section 163.01(11), Florida Statutes and shall remain in force for a period of five (5) years, with an option for one (1) five-year extension upon mutual consent of the Parties, unless otherwise terminated pursuant to Section 6 or 5.1. The CRA shall be responsible for filing this Agreement with the Clerk of the Court as aforementioned in this Section.

Upon termination of this Agreement, the DIB shall transfer to the CRA copies of any documents, data, and information requested by the CRA relating to the services accomplished herein.

If at the time of termination, unsatisfied financial commitments for services or goods pertaining to projects approved by the CRA under this Agreement remain, the DIB shall be authorized to provide payment from the funding committed under this Agreement, and appropriated to the DIB budget, as of the date of termination. In such case, the Parties' respective obligations shall be suspended; however, the CRA shall cooperate with the DIB and make such funds available from the Trust Fund to satisfy any obligations reasonably undertaken by the DIB in pursuit of the objectives of this Agreement.

5.1. Termination for Convenience. The Parties may terminate this Agreement without cause upon ninety (90) days prior written notice.

6. Event of Default.

An "event of default" under this Agreement shall mean a material failure to comply with any of the provisions of this Agreement. Upon an event of default and written notice thereof by the non-breaching party, the breaching party shall proceed diligently and in good faith to take all reasonable actions to cure such breach and shall continue to take all such actions until such breach is cured. If the event of default shall continue uncured for ninety (90) days, the non-breaching party may terminate this agreement and proceed at law or in equity to enforce their rights under this Agreement. No delay or omission of the non-breaching party to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein.

7. Obligations, Rights and Remedies Not Exclusive.

The rights and remedies specified herein to which either the CRA or the DIB are entitled are not exclusive and are not intended to be to the exclusion of any other remedies or means of redress to which any party hereto may otherwise lawfully be entitled.

8. Non-Action or Failure to Observe Provisions of this Agreement.

The failure of any party hereto to promptly insist upon strict performance of any term, covenant, condition or provision of this Agreement, or any exhibit hereto or any other agreement contemplated hereby shall not be deemed a waiver of any available right or remedy, and shall not be deemed a waiver of a subsequent default or nonperformance of such term, covenant, condition or provision.

9. Amendments.

This Agreement may be amended by the mutual written agreement of the Parties at any time and from time to time, which amendments shall become effective upon filing thereof in the public records of Escambia County, Florida, pursuant to Section 163.01(11), Florida Statutes.

10. This Agreement Constitutes a Contract.

The Parties hereto acknowledge that they will rely on the pledges, covenants and obligations created herein for the benefit of the parties hereto, and this Agreement shall be deemed to be and constitute a contract amongst said parties as of it becoming effective as provided in Section 5.

11. Assignment.

No party to this Agreement may, directly or indirectly, assign or transfer any or all of their duties, rights, responsibilities, or obligations under this Agreement to any other party or person not a party to this Agreement, without the consent of both Parties.

12. Severability.

The provisions of this Agreement are severable, and it is the intention of the parties hereto to confer the whole or any part of the powers herein provided for and if any of the provisions of this Agreement or any other powers granted by this Agreement shall be held unconstitutional, invalid or void by any court of competent jurisdiction, the decision of said court shall not affect or impair any of the remaining provisions of this Agreement. It is hereby declared to be the intent of the parties hereto that this

Agreement would have been adopted, agreed to, and executed had such unconstitutional, invalid or void provision or power not been included therein.

13. Controlling Law; Venue.

Any and all provisions of this Agreement and any proceeding seeking to enforce and challenge any provision of this Agreement shall be governed by the laws of the State of Florida. Venue for any proceeding pertaining to this Agreement shall be Escambia County, Florida.

14. Members Not Liable.

All covenants, stipulations, obligations and agreements contained in this Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the DIB and the CRA, respectively, to the full extent authorized by the Act and provided by the Constitution and laws of the State of Florida.

No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future individual member of a governing body or agent or employee of the CRA, the City of Pensacola or the DIB in its, his or their individual capacity, and neither the members of the governing body of the CRA, or the DIB or any official executing this Agreement shall individually be liable personally or shall be subject to any accountability by reason of the execution by the DIB or the CRA of this Agreement or any act pertaining hereto or contemplated hereby.

15. Third Party Beneficiaries.

Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto, any right, remedy, or claim, legal or equitable, under or by reason of this Agreement or any provision hereof.

16. Notices.

Any notice, demand, direction, request or other instrument authorized or required by this Agreement to be given or filed with a party hereto shall be deemed sufficiently given or filed for all purposes of this Agreement if and when sent by registered mail, return receipt requested, transmitted by a facsimile machine with confirmation of delivery, or by personal hand delivery:

To the CRA
City of Pensacola
Community Redevelopment Agency
222 West Main Street
Pensacola, Florida 32502

To the DIB
Pensacola
Downtown Improvement Board
226 South Palafox Street, Suite 106
Pensacola, Florida 32502

Attention: CRA Administrator

Attention: DIB Executive Director

The addresses to which any notice, demand, direction or other instrument authorized to be given or filed may be changed from time to time by a written notice to that effect delivered to all the parties, which change shall be effective immediately or such other time as provided in the notice.

Until notice of a change of address is received, a party may rely upon the last address received. Notice shall be deemed given, if notice is by mail on the date mailed to the address set forth above or as changed pursuant to this Section.

17. Execution of Agreement.

This Agreement shall be executed in the manner normally used by the Parties hereto. If any officer whose signature appears on this Agreement ceases to hold office before all officers shall have executed this Agreement or prior to the filing and recording of this Agreement as provided in Section 5 hereof, his or her signature shall nevertheless be valid and sufficient for all purposes. This Agreement shall bear the signature of, or may be signed by, such individuals as at the actual time of execution of this Agreement thereby shall be the proper and duly empowered officer to sign this Agreement and this Agreement shall be deemed to have been duly and properly executed even though on the Effective Date any such individual may not hold such office.

18. Filing with County Clerk of the Court.

The City Clerk is hereby authorized and directed after approval of this Agreement by the CRA and the DIB and the execution hereof by the duly qualified and authorized officers of each of the Parties hereto as provided in Section 17 hereof, to submit this Agreement to the Clerk of the Court of Escambia County, Florida, for filing in the public records of Escambia County Florida, as provided by Section 163.01(11), Florida Statutes.

19. DIB and CRA Not Liable.

Nothing contained in this Agreement shall be construed or deemed, nor is intended, to impose any obligation upon the DIB or the CRA except to the extent expressly assumed by the DIB or the CRA, respectively.

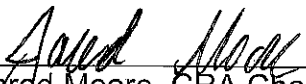
20.

IN WITNESS WHEREOF, the Parties hereto, by and through the undersigned, have entered into this Interlocal Agreement as of the day and year first above written.

COMMUNITY REDEVELOPMENT

PENSACOLA DOWNTOWN

AGENCY OF THE CITY OF
PENSACOLA, FLORIDA

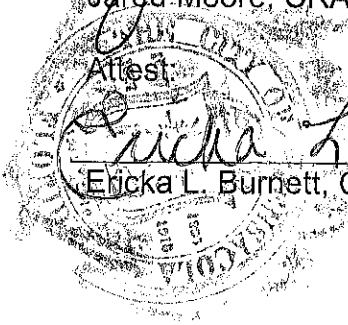


Jared Moore, CRA Chairperson

Attest:



Ericka L. Burnett, City Clerk



Approved as to Content:




M. Helen Gibson, CRA Administrator

Legal in Form and Valid as Drawn:



Susan Woolf, City Attorney

IMPROVEMENT BOARD



Michael Carro, DIB Chairperson

Attest:

Ericka L. Burnett, City Clerk

Approved as to Content:



Lissa Dees, DIB Executive Director