



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, March 7, 2022

3:30 PM

Hagler-Mason Conference Room, 2nd Floor

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

Members of the public may attend the meeting in person. City Council encourages those not fully vaccinated to wear face coverings that cover their nose and mouth.

Members of the public may also attend and participate via live stream or phone.
Live meeting video: cityofpensacola.com/428/Live-Meeting-Video. Public input form here: www.cityofpensacola.com/CRAInput.

CALL MEETING TO ORDER

Members: Teniade Broughton, Chairperson, Casey Jones, Vice Chairperson, Jennifer Brahier, Ann Hill, Jared Moore, Sherri Myers, 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. [22-00254](#) CRA MEETING MINUTES - 02/07/2022

Sponsors: Teniade Broughton

Attachments: [Draft CRA Meeting Minutes 02/07/22](#)

PRESENTATIONS

ACTION ITEMS

2. [22-00093](#) FY 2021 COMMUNITY REDEVELOPMENT AGENCY (CRA) AUDITED FINANCIAL STATEMENTS

Sponsors: Teniade Broughton

Attachments: [FY21 Audited Financial Statements.pdf](#)
 [SAS 114 Auditor Report.pdf](#)

3. [22-00232](#) FIFTH AMENDMENT TO THE DECLARATION OF CONDITIONS, COVENANTS, AND RESTRICTIONS FOR THE HAWKSHAW REDEVELOPMENT PROJECT AT 9TH AND ROMANA.

Sponsors: Teniade Broughton

Attachments: [Fifth Amendment to Declaration](#)
 [2022 02 08 Letter to Gibson re Financial Commitment](#)
 [2022 02 08 Letter to Gibson re Change in Development Team](#)

4. [22-00213](#) APPROVAL OF RESIDENTIAL PROPERTY IMPROVEMENT PROGRAM POLICY

Sponsors: Teniade Broughton

Attachments: [Residential Property Improvement Program Policy](#)
 [Residential Property Improvement Program Guidelines](#)

DISCUSSION ITEMS

5. [22-00215](#) “A” STREETSCAPE REVITALIZATION STREET TREES

Sponsors: Teniade Broughton

Attachments: [A Streetscape Street Trees PPT](#)
 [A Street - Landscape Plan](#)

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 #: 22-00254

Community Redevelopment Agency

3/7/2022

SUBJECT:

CRA MEETING MINUTES - 02/07/2022



City of Pensacola

COMMUNITY REDEVELOPMENT AGENCY

DRAFT

Meeting Minutes

February 7, 2022,6:28 P.M. Hagler/Mason Conference Rm, 2nd Fl

The Community Redevelopment Agency (CRA) Board meeting was called to order by Chairperson Broughton at 6:28 P. M. (Immediately following the 3:30 P.M. City Council Agenda Conference.)

CALL MEETING TO ORDER

CRA MEMBERS PRESENT: Tenaide Broughton, Ann Hill, Casey Jones, Jared Moore, Sherri Myers, Delarian Wiggins (via Teams)

CRA MEMBERS ABSENT: Jennifer Brahier

Public participation was available as follows:

Members of the public may attend the meeting in person. City Council encourages those not fully vaccinated to wear face coverings that cover their nose and mouth.

Members of the public also attended the meeting via live stream and/or phone.

To watch the meeting live visit: cityofpensacola.com/428/Live-Meeting-Video.

To provide input:

- For Open Forum, for items not on the agenda: citizens may submit an online form here www.cityofpensacola.com/CRAInput **beginning at 1:00 P.M. until 3:30 P.M. only** to indicate they wish to speak during Open Forum **and include a phone number. Staff will call the person** at the appropriate time so the citizen can directly address the CRA using a telephone held up to a microphone.
- For agenda items: citizens may submit an online form here www.cityofpensacola.com/CRAInput **beginning at 1:00 P.M. until that agenda item has been voted upon** to indicate they wish to speak to a specific item on the agenda **and include a phone number. Staff will call the person** at the appropriate time so the citizen can directly address the CRA using a telephone held up to a microphone. **Any form received after an agenda item has been voted upon will not be considered.**

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

CRA Member Hill and 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. [22-00140 COMMUNITY REDEVELOPMENT AGENCY MEETING MINUTES - 01/18/2022](#)

A motion was made by CRA Member Jared Moore, seconded by CRA Member Ann Hill.

The motion carried by the following vote:

Yes: 6 Tenaide Broughton, Ann Hill, Casey Jones, Jared Moore, Sherri Myers, Delarian Wiggins (via Teams)

No: 0 None

PRESENTATIONS

2. [22-00128 HAWKSHAW REDEVELOPMENT PROJECT UPDATE](#)

Recommendation: That the Community Redevelopment Agency (CRA) receive a presentation to update the status of the Hawkshaw Redevelopment Project at 9th Avenue and Romana Street.

No presentation was provided.

ACTION ITEMS

3. [21-00916 AWARD OF BID # 22-002 GARDEN ST LANDSCAPING FROM A STREET TO ALCANIZ STREET](#)

Recommendation: That the Community Redevelopment Agency (CRA) award bid #22-002 for Garden Street Landscaping from A Street to Alcaniz Street to The Wallace Company, the lowest and most responsive bidder in the amount of \$564,391.80 plus a 10% contingency in the amount of \$56,439.32 for a total

amount of \$620,831.12. Further, that the CRA authorize the Chairperson to take all actions necessary to execute the contract.

A motion was made by CRA Member Jared Moore, seconded by CRA Member Ann Hill.

Assistant CRA Manager D'Angelo provided an overview of the item. Staff responded accordingly to questions.

The motion carried by the following vote:

Yes: 6 Casey Jones, Ann Hill, Delarian Wiggins (via Teams), Jared Moore, Sherri Myers, Teniade Broughton

No: 0 None

4. [22-00026 AREA REINVESTMENT AGREEMENT POLICY FOR AFFORDABLE HOUSING](#)

Recommendation: That the Community Redevelopment Agency (CRA) adopt the Area Reinvestment Agreement Policy for Affordable Housing.

A motion was made by CRA Member Ann Hill, seconded by CRA Member Jared Moore.

CRA Manager Gibson provided an overview of the item. Staff responded accordingly to questions.

The motion carried by the following vote:

Yes: 6 Casey Jones, Ann Hill, Delarian Wiggins (via Teams), Jared Moore, Sherri Myers, Teniade Broughton

No: 0 None

DISCUSSION ITEMS

OPEN FORUM

Public speakers were:

Jerry Holzworth, 729 W. Zarragossa St.

James Gulley, 121 North L St.

ADJOURNMENT

7:15 P. M.

Approved: _____



Memorandum

File #: 22-00093

Community Redevelopment Agency

3/7/2022

ACTION ITEM

SPONSOR: Teniade Broughton, Chairperson

SUBJECT:

FY 2021 COMMUNITY REDEVELOPMENT AGENCY (CRA) AUDITED FINANCIAL STATEMENTS

RECOMMENDATION:

That the Community Redevelopment Agency accept the Financial Statements for the year ended September 30, 2021 as prepared by the City of Pensacola's Financial Services Department and the Independent Auditors Report issued thereupon.

SUMMARY:

Pursuant to Section 8 of Chapter 2019-163, Laws of Florida, effective for audits for fiscal years beginning October 1, 2019, and thereafter, a community redevelopment agency with revenues or a total of expenditures and expenses in excess of \$100,000 must provide for a separate financial audit.

PRIOR ACTION:

None

FUNDING:

Budget: \$ 15,000

Actual: \$ 15,000

FINANCIAL IMPACT:

The cost of an independent audit is included in the Community Redevelopment Agency's budget.

LEGAL REVIEW ONLY BY CITY ATTORNEY: Yes

2/25/2022

STAFF CONTACT:

David Forte, Deputy City Administrator - Community Development

Sherry Morris, Development Services Director
M. Helen Gibson, AICP, CRA Manager
Amy Lovoy, Finance Director

ATTACHMENTS:

- 1) FY21 Audited Financial Statements
- 2) SAS 114 Auditor Report

PRESENTATION: Yes



FISCAL YEAR 2021

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

AUDITED FINANCIAL STATEMENTS
For the Year Ending September 30, 2021



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, 2021



**Prepared by:
Financial Services Department**

**Amy Lovoy
Finance Director**

**ACCOUNTING STAFF
Laura Amentler, CPA
Lakia McNeal, CPA**

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 AUDITOR'S REPORT

INDEPENDENT AUDITORS' REPORT

Board Members
Community Redevelopment Agency
City of Pensacola, Florida

Report on Financial Statements

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"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2021, 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.

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 February 7, 2022, 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
February 7, 2022



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MANAGEMENT’S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

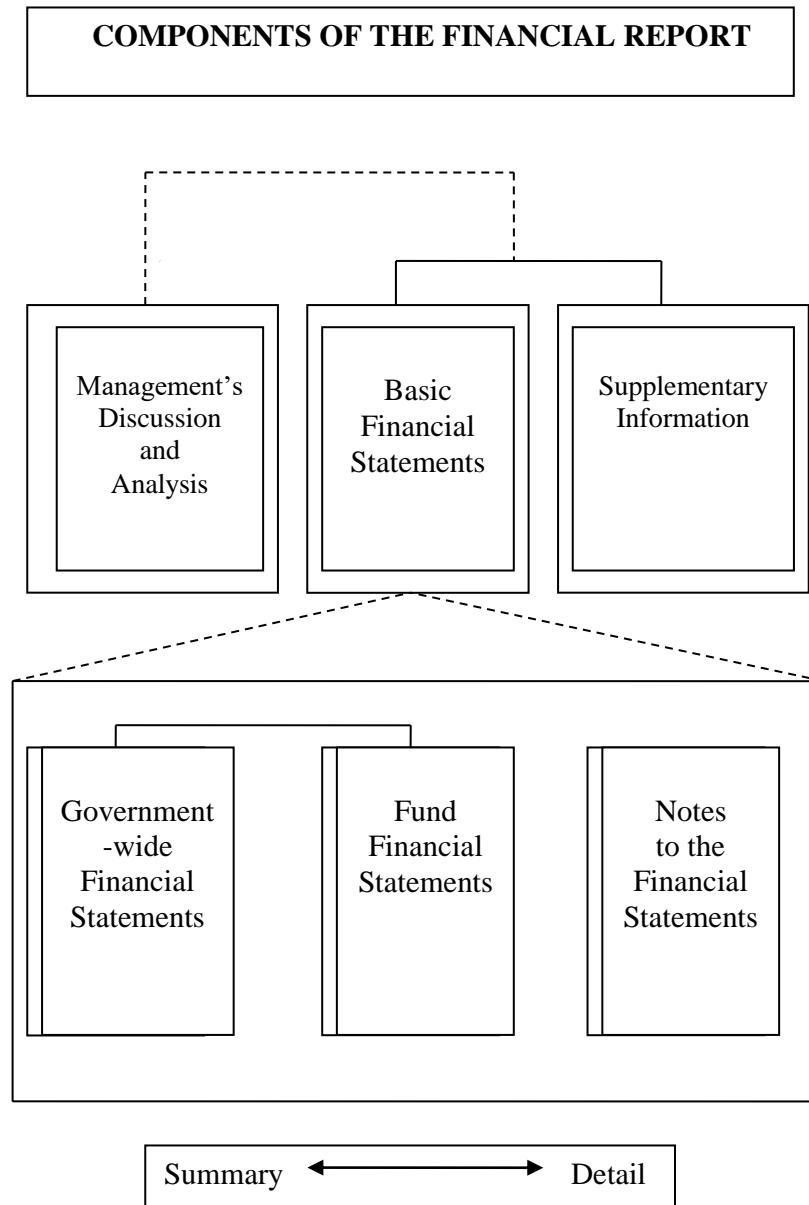
The Management's Discussion and Analysis ("MD&A") of the City of Pensacola Community Redevelopment Agency (the "Agency") is designed to provide the reader a narrative overview of the Agency's financial activity for the fiscal year ended September 30, 2021. Specifically, this information is designed to assist the reader in focusing on significant financial issues, provide and 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, 2021 by \$66,958,200. 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 \$68,652,819 and due to other governments of \$7,800,000. 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 \$66,958,200 improved by \$4,605,012 (6.4%) over the fiscal year 2020 negative net position of \$71,563,212. The primary reason for the increase in net position was related to a \$3,190,404 reduction in long term obligations as a result of annual payments and an increase of \$1,056,145 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, 2021 by \$10,941,380. Of the \$10,941,380 in fund balance, \$136 is related to prepaid insurance cost and therefore is considered non-spendable, \$6,837,732 is restricted to be spent on community redevelopment projects due to enabling legislation and \$4,103,512 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 \$10,941,380 increased by \$1,414,608 (14.8%) over the fiscal year 2020 fund balance of \$9,526,772. Total revenues increased by \$763,298 over the prior fiscal year. Tax Increment Revenues increased by \$878,801 due to increased property values and investment earnings decreased by \$112,214 due to a decrease in interest rates. Agency fund expenditures and other financing uses increased over the prior fiscal year by \$815,582 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, 2021 and 2020. 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>2021</u>	<u>2020</u>
Current and other assets	\$ 11,056,027	\$ 9,611,742
Total assets	<u>11,056,027</u>	<u>9,611,742</u>
Current and other liabilities	4,425,705	4,375,873
Noncurrent liabilities	<u>73,260,248</u>	<u>76,452,819</u>
Total liabilities	<u>77,685,953</u>	<u>80,828,692</u>
Total deferred inflows of resources	<u>328,274</u>	<u>364,250</u>
Net position:		
Restricted	10,941,380	9,526,772
Unrestricted	<u>(77,899,580)</u>	<u>(81,089,984)</u>
Total net position	<u>\$ (66,958,200)</u>	<u>\$ (71,563,212)</u>

The Agency's total net position increased by \$4.61 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, 2021 and 2020. 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	
	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 9,262	\$ 12,551
General revenues:		
Tax increment revenues	8,560,524	7,681,723
Investment earnings	55,229	167,443
Total revenues	<u>8,625,015</u>	<u>7,861,717</u>
Expenses:		
General government	1,755,782	1,730,766
Interest on long-term debt	2,264,221	2,380,750
Total expenses	<u>4,020,003</u>	<u>4,111,516</u>
Change in Net Position	<u>4,605,012</u>	<u>3,750,201</u>
Net position at beginning of year	<u>(71,563,212)</u>	<u>(75,313,413)</u>
Net position at end of year	<u>\$ (66,958,200)</u>	<u>\$ (71,563,212)</u>

The Agency's change in net position of \$4,605,012 improved by \$854,811 over the prior fiscal year. The primary reason for the increase in net position was related to a revenue increase of \$763,298 and expense decrease of \$91,513 over the prior fiscal year. Tax Increment Revenues increased by \$878,801 due to increased property values while investment earnings decreased by \$112,214 due to a decrease in interest rates. Interest on long-term debt decreased by \$116,529 due to decreases in principal balances on long-term obligations.

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, 2021, the Agency's governmental funds reported combined fund balances of \$10,941,380, an increase of \$1,414,608 (14.8%) over the prior fiscal year total of \$9,526,772.

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 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
Fiscal Year 2020					
Revenues and other sources	\$ 3,774,885	\$ 6,837,208	\$ 220,041	\$ 647,466	\$ 3,580,879
Expenditures and other outlays	(2,926,917)	(6,837,208)	(165,744)	(314,659)	(3,349,059)
Increase (decrease) in fund balance	\$ 847,968	\$ 0	\$ 54,297	\$ 332,807	\$ 231,820

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 \$5,819,416, an increase of \$516,331. All funds are restricted to be spent on CRA operations, community development projects in the Urban Core CRA district and repayment of debt. The decrease in revenues over the prior fiscal year is due to tax increment revenues being diverted to the debt service fund to build bond reserves and pay for any increases in debt service payments. Overall expenditures remained relatively consistent between fiscal year 2020 and fiscal year 2021.

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 \$752,270, an increase of \$77,767. 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. Overall expenditures remained relatively consistent between fiscal year 2020 and fiscal year 2021.

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 \$884,629, an increase of \$462,047. 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 \$3,485,065 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 \$358,463 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 on the Urban Core Redevelopment Refunding and Improvement Revenue Bond, Series 2019 as fiscal year 2021 was the first year principal payments were due on the bond.

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 Statue. 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.

Final budgeted revenues as compared with original budget revenues increased by \$52,333. The primary reason for the change relates to an increase in final budgeted investment earnings across all Agency funds in order to the original budget in-line with actual earnings.

The final appropriations in the Community Redevelopment Agency Fund as compared with the original budget increased by \$4,338,231 in fiscal year 2021. 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 \$681,373 in fiscal year 2021. 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 \$427,267 in fiscal year 2021. 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 CRA Debt Service Fund as compared with the original budget increased by \$4,188 in fiscal year 2021. The primary reason for the increase relates to interest earnings.

Long-term Debt

As of September 30, 2021, the Agency had total bonded debt of \$68,652,819 million a reduction of \$1,842,181 from the prior fiscal year. The decrease in long-term debt is a result of scheduled principal payments. Total bonded debt includes:

	Governmental Funds	
	2021	2020
Eastside Redevelopment Revenue Bond, Series 2017	\$ 1,096,000	\$ 1,147,000
Westside Redevelopment Revenue Bond, Series 2017	3,423,000	3,583,000
Urban Core Redevelopment Revenue Bond, Series 2017	7,465,000	7,625,000
Urban Core Redevelopment Revenue Bond, Series 2019	56,668,819	58,140,000
Total	\$ 68,652,819	\$ 70,495,000

As of September 30, 2021, 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 2022 versus the fiscal year 2021 beginning budget includes an increase in Tax Increment Financing ("TIF") revenues of 8% in the Urban Core Tax Increment Financing District, 26% in the Eastside Tax Increment Financing District and a 48% 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 2022, the following table shows the composition of the total budgeted expenditures:

	Urban Core	Eastside	Westside	Total
Core operations	\$ 1,519,400	\$ 110,100	\$ 113,900	\$ 1,743,400
Development programs and projects	1,180,900	95,100	809,400	2,085,400
Debt service payments and reserves	4,099,500	89,500	279,000	4,468,000
Total Expenditures	\$ 6,799,800	\$ 294,700	\$ 1,202,300	\$ 8,296,800

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, 2021

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 3,419,771
Investments	3,149,479
Prepays and deposits	136
Restricted assets	
Restricted cash and cash equivalents	2,335,622
Investments	<u>2,151,019</u>
Total assets	<u>11,056,027</u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 16,849
Contracts payable	70,063
Due to other governments	21,548
Compensated absences payable	5,187
Deposits	1,000
Payable from restricted assets	
Due to other governments	1,300,000
Notes payable	1,892,571
Accrued interest payable	<u>1,118,487</u>
Total current liabilities	<u>4,425,705</u>
Noncurrent liabilities	
Due to other governments	6,500,000
Notes payable	<u>66,760,248</u>
Total noncurrent liabilities	<u>73,260,248</u>
Total liabilities	<u>77,685,953</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred gain on early retirement	<u>328,274</u>
Total deferred outflows of resources	<u>328,274</u>
NET POSITION	
Restricted for	
Debt service	3,485,065
Community redevelopment	7,456,315
Unrestricted (deficit)	<u>(77,899,580)</u>
Total net position (deficit)	<u><u>\$ (66,958,200)</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, 2021

Function/Programs	Expenses	Program Revenues Charges for Services	Net (Expenses) Revenue and Changes in Net Position
Governmental activities:			
General government	\$ 1,755,782	\$ 9,262	\$ (1,746,520)
Interest on long-term debt	2,264,221		(2,264,221)
Total governmental activities	<u>4,020,003</u>	<u>9,262</u>	<u>(4,010,741)</u>
General revenues:			
Tax increment revenues			8,560,524
Investment earnings			<u>55,229</u>
Total general revenues			<u>8,615,753</u>
Change in net position			<u>4,605,012</u>
Net position at beginning of year			<u>(71,563,212)</u>
Net position September 30, 2021			<u><u>\$ (66,958,200)</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)
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	<u>Community Redevelopment Agency</u>	<u>Urban Core Redevelopment Trust</u>	<u>Eastside Tax Increment Financing District</u>
ASSETS			
Cash and cash equivalents	\$ 2,553,792	\$	\$ 393,254
Investments	2,351,945		362,172
Prepays and deposits	136		
Restricted assets			
Cash and cash equivalents	521,393		
Investments	480,183		
Total assets	<u><u>\$ 5,907,449</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 755,426</u></u>
LIABILITIES			
Accounts payable	\$ 12,753	\$	\$ 1,910
Contracts payable	50,063		
Due to other governments	19,030		1,246
Compensated absences payable	5,187		
Deposits	1,000		
Total liabilities	<u><u>88,033</u></u>	<u><u>0</u></u>	<u><u>3,156</u></u>
FUND BALANCE			
Non-spendable	136		
Restricted	1,715,768		752,270
Committed	4,103,512		
Total fund balances	<u><u>5,819,416</u></u>	<u><u>0</u></u>	<u><u>752,270</u></u>
Total liabilities and fund balances	<u><u>\$ 5,907,449</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 755,426</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, 2021

	<u>Westside Tax Increment Financing District</u>	<u>CRA Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 472,725	\$	\$ 3,419,771
Investments	435,362		3,149,479
Prepays and deposits			136
Restricted assets			
Cash and cash equivalents		1,814,229	2,335,622
Investments		1,670,836	2,151,019
Total assets	\$ 908,087	\$ 3,485,065	\$ 11,056,027
LIABILITIES			
Accounts payable	\$ 2,186	\$	\$ 16,849
Contracts payable	20,000		70,063
Due to other governments	1,272		21,548
Compensated absences payable			5,187
Deposits			1,000
Total liabilities	23,458	0	114,647
FUND BALANCE			
Non-spendable			136
Restricted	884,629	3,485,065	6,837,732
Committed			4,103,512
Total fund balances	884,629	3,485,065	10,941,380
Total liabilities and fund balances	\$ 908,087	\$ 3,485,065	\$ 11,056,027

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, 2021

Ending fund balance - governmental funds	\$	10,941,380
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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	(68,652,819)		
Deferred gain on refunding	(328,274)		
Due to other governments	(7,800,000)		
Accrued interest payable	(1,118,487)		
			(77,899,580)
Net Position (deficit)		\$	(66,958,200)

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



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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, 2021

	Community Redevelopment Agency	Urban Core Redevelopment Trust	Eastside Tax Increment Financing District
Revenues:			
Tax increment revenues	\$	\$ 7,508,831	\$ 238,104
Charges for services	9,262		
Investment earnings	42,124		3,365
Total revenues	<u>51,386</u>	<u>7,508,831</u>	<u>241,469</u>
Expenditures:			
Current -			
General government	2,918,586		59,384
Debt service -			
Principal retirement			
Interest			15,000
Total expenditures	<u>2,918,586</u>	<u>0</u>	<u>74,384</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,867,200)</u>	<u>7,508,831</u>	<u>167,085</u>
Other financing sources (uses):			
Transfers in	3,383,531		
Transfers (out)		(7,508,831)	(89,318)
Total other financing sources (uses)	<u>3,383,531</u>	<u>(7,508,831)</u>	<u>(89,318)</u>
Net Change in fund balances	<u>516,331</u>	<u>0</u>	<u>77,767</u>
Fund balances at beginning of year	<u>5,303,085</u>	<u>0</u>	<u>674,503</u>
Fund balances at end of year	<u>\$ 5,819,416</u>	<u>\$ 0</u>	<u>\$ 752,270</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, 2021

	Westside Tax Increment Financing District	CRA Debt Service Fund	Total Governmental Funds
Revenues:			
Tax increment revenues	\$ 813,589	\$	\$ 8,560,524
Charges for services			9,262
Investment earnings	4,695	5,045	55,229
Total revenues	<u>818,284</u>	<u>5,045</u>	<u>8,625,015</u>
Expenditures:			
Current -			
General government	77,812		3,055,782
Debt service -			
Principal retirement		1,842,181	1,842,181
Interest		2,297,444	2,312,444
Total expenditures	<u>77,812</u>	<u>4,139,625</u>	<u>7,210,407</u>
Excess (deficiency) of revenues over (under) expenditures	<u>740,472</u>	<u>(4,134,580)</u>	<u>1,414,608</u>
Other financing sources (uses):			
Transfers in		4,493,043	7,876,574
Transfers (out)	(278,425)		(7,876,574)
Total other financing sources (uses)	<u>(278,425)</u>	<u>4,493,043</u>	<u>0</u>
Net Change in fund balances	<u>462,047</u>	<u>358,463</u>	<u>1,414,608</u>
Fund balances at beginning of year	<u>422,582</u>	<u>3,126,602</u>	<u>9,526,772</u>
Fund balances at end of year	<u>\$ 884,629</u>	<u>\$ 3,485,065</u>	<u>\$ 10,941,380</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, 2021

Net change in fund balances - total governmental funds	\$ 1,414,608
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.	1,842,181
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>48,223</u>
Change in net position of governmental activities	\$ <u><u>4,605,012</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, 2021

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, 2021

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, 2021

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
(A Component Unit of the City of Pensacola, Florida)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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.

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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. 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 an inflow of resources (revenue) until that time. The Agency has one item 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.

CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pensacola, Florida)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

8. 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 insurance 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.

In the fund financial statements 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.

9. 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.

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

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.

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.

10. 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.

11. 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 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.

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.

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NOTE III. - DETAIL NOTES ON ALL FUNDS

A. Deposits and Investments

The Agency's investments of \$5,300,498 are in a money market account and certificates of deposits with maturities that range from October 2020 to September 2021 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(1)(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).

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).

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

C. 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, 2021, interfund transfers are as follows:

Governmental activities:	Transfer In	Transfer Out
Community Redevelopment Agency	\$ 3,383,531	
Urban Core Redevelopment Trust		\$ 7,508,831
Eastside Tax Increment Financing District		89,318
Westside Tax Increment Financing District		278,425
CRA Debt Service	4,493,403	
Total	<u>\$ 7,876,934</u>	<u>\$ 7,876,574</u>

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.

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

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, 2021:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Due to other governments	\$ 9,100,000	\$	\$ (1,300,000)	\$ 7,800,000	\$ 1,300,000
Notes payable	70,495,000		(1,842,181)	68,652,819	1,892,571
Governmental activity long-term liabilities	<u>\$ 79,595,000</u>	<u>\$ -</u>	<u>\$ (3,142,181)</u>	<u>\$ 76,452,819</u>	<u>\$ 3,192,571</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.

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.

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

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, 2021:

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. 1,096,000

\$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. 3,423,000

\$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. 7,465,000

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

\$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.

56,668,819

Total Governmental Activities

\$ 68,652,819

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
2022	\$ 1,892,571	\$ 2,236,974	\$ 4,129,545
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
2027-2031	13,354,089	8,721,082	22,075,171
2032-2036	16,088,299	6,389,345	22,477,644
2037-2041	17,345,689	3,724,304	21,069,993
2042-2044	11,832,609	779,864	12,612,473
Total	<u>68,652,819</u>	<u>30,157,824</u>	<u>98,810,643</u>
Less: Current	<u>1,892,571</u>	<u>-</u>	<u>1,892,571</u>
Total government debt	<u><u>\$ 66,760,248</u></u>	<u><u>\$ 30,157,824</u></u>	<u><u>\$ 96,918,072</u></u>

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

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 \$323,175 and the 2019 bonds was \$3,447,941 and Tax Increment Revenues for the current year were \$7,508,831.

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 \$89,195 and Tax Increment Revenues for the current year were \$238,104.

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 \$279,314 and Tax Increment Revenues for the current year were \$813,589.

F. Net Position Deficit

The Agency has a negative net position on the Government-wide Financial Statements of \$66,958,200 as of September 30, 2021. 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.

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

These obligations included notes payable of \$68,652,819 and due to other governments of \$7,800,000. 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.

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, 2021 totaled \$326,479.
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, 2021 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.

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NOTES TO FINANCIAL STATEMENTS
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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.

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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 personal, 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, 2021 totaled \$537,320.
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 reimburse the City based on the actual cost of services. Payments for the year ended September 30, 2021 totaled \$311,649.

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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 reimburse the City based on the actual cost of services. Payments for the year ended September 30, 2021 totaled \$16,508.
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 reimburse the City based on the actual cost of services. Payments for the year ended September 30, 2021 totaled \$77,850.
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, 2021, no contributions have been made. Work is anticipated to begin in the second quarter of fiscal year 2023.

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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, 2021 were:

Community Redevelopment Agency	\$ <u>70,063</u>
Total	\$ <u><u>70,063</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive/(Negative)
Revenues:				
Tax increment revenues	\$	\$	\$	\$
Intergovernmental revenues				
Charges for services	16,000	9,679	9,262	417
Investment earnings	0	42,124	42,124	0
Total revenues	<u>16,000</u>	<u>51,803</u>	<u>51,386</u>	<u>417</u>
Expenditures:				
Current -				
General government	3,399,600	7,737,831	2,918,586	4,819,245
Debt service -				
Principal retirement				
Interest				
Total expenditures	<u>3,399,600</u>	<u>7,737,831</u>	<u>2,918,586</u>	<u>4,819,245</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,383,600)</u>	<u>(7,686,028)</u>	<u>(2,867,200)</u>	<u>4,819,662</u>
Other financing sources (uses):				
Transfers in	3,383,600	3,383,531	3,383,531	0
Transfers (out)				
Total other financing sources (uses)	<u>3,383,600</u>	<u>3,383,531</u>	<u>3,383,531</u>	<u>0</u>
Net change in fund balances	<u>\$ 0</u>	<u>\$ (4,302,497)</u>	<u>516,331</u>	<u>\$ 4,819,662</u>
Fund balances at beginning of year			<u>5,303,085</u>	
Fund balances at end of year			<u>\$ 5,819,416</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, 2021

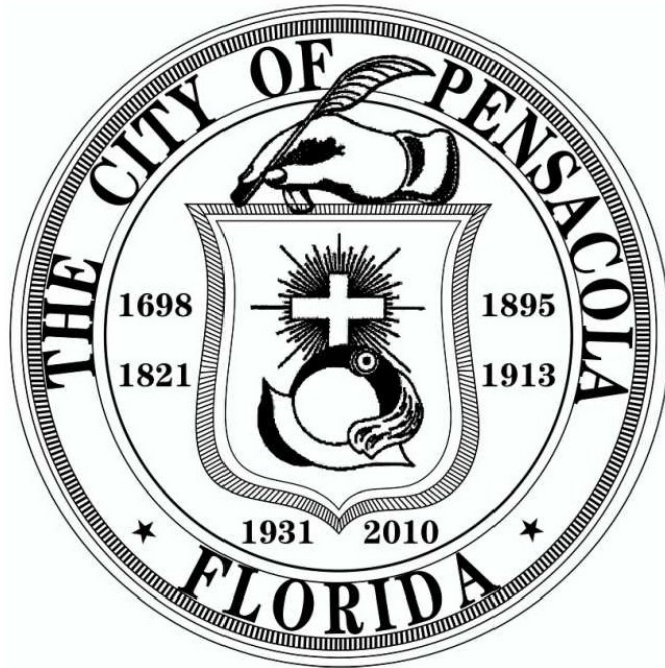
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive/(Negative)
Revenues:				
Tax increment revenues	\$ 7,508,900	\$ 7,508,831	\$ 7,508,831	\$ 0
Intergovernmental revenues				
Charges for services				
Investment earnings				
Total revenues	<u>7,508,900</u>	<u>7,508,831</u>	<u>7,508,831</u>	<u>0</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>7,508,900</u>	<u>7,508,831</u>	<u>7,508,831</u>	<u>0</u>
Other financing sources (uses):				
Transfers in				
Transfers (out)	<u>(7,508,900)</u>	<u>(7,508,831)</u>	<u>(7,508,831)</u>	<u>0</u>
Total other financing sources (uses)	<u>(7,508,900)</u>	<u>(7,508,831)</u>	<u>(7,508,831)</u>	<u>0</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive/(Negative)
Revenues:				
Tax increment revenues	\$ 234,600	\$ 238,105	\$ 238,104	\$ (1)
Intergovernmental revenues				
Charges for services				
Investment earnings	0	3,365	3,365	0
Total revenues	<u>234,600</u>	<u>241,470</u>	<u>241,469</u>	<u>(1)</u>
Expenditures:				
Current -				
General government	130,400	811,655	59,384	752,271
Debt service -				
Principal retirement				
Interest	15,000	15,000	15,000	0
Total expenditures	<u>145,400</u>	<u>826,655</u>	<u>74,384</u>	<u>752,271</u>
Excess (deficiency) of revenues over (under) expenditures	<u>89,200</u>	<u>(585,185)</u>	<u>167,085</u>	<u>752,270</u>
Other financing sources (uses):				
Transfers in				
Transfers (out)	(89,200)	(89,318)	(89,318)	0
Total other financing sources (uses)	<u>(89,200)</u>	<u>(89,318)</u>	<u>(89,318)</u>	<u>0</u>
Net change in fund balances	<u>\$ 0</u>	<u>\$ (674,503)</u>	<u>77,767</u>	<u>\$ 752,270</u>
Fund balances at beginning of year			<u>674,503</u>	
Fund balances at end of year			<u>\$ 752,270</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive/(Negative)
Revenues:				
Tax increment revenues	\$ 813,600	\$ 813,590	\$ 813,589	\$ (1)
Intergovernmental revenues				
Charges for services				
Investment earnings	0	4,695	4,695	0
Total revenues	<u>813,600</u>	<u>818,285</u>	<u>818,284</u>	<u>(1)</u>
Expenditures:				
Current -				
General government	534,200	962,441	77,812	884,629
Debt service -				
Principal retirement				
Interest				
Total expenditures	<u>534,200</u>	<u>962,441</u>	<u>77,812</u>	<u>884,629</u>
Excess (deficiency) of revenues over (under) expenditures	<u>279,400</u>	<u>(144,156)</u>	<u>740,472</u>	<u>884,628</u>
Other financing sources (uses):				
Transfers in				
Transfers (out)	<u>(279,400)</u>	<u>(278,426)</u>	<u>(278,425)</u>	<u>1</u>
Total other financing sources (uses)	<u>(279,400)</u>	<u>(278,426)</u>	<u>(278,425)</u>	<u>1</u>
Net change in fund balances	<u>\$ 0</u>	<u>\$ (422,582)</u>	<u>462,047</u>	<u>\$ 884,629</u>
Fund balances at beginning of year			<u>422,582</u>	
Fund balances at end of year			<u>\$ 884,629</u>	



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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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive/(Negative)
Revenues:				
Tax increment revenues	\$	\$	\$	\$
Intergovernmental revenues				0
Charges for services				
Investment earnings		5,044	5,045	(1)
Total revenues	<u>0</u>	<u>5,044</u>	<u>5,045</u>	<u>(1)</u>
Expenditures:				
Current -				
General government				
Debt service -				
Principal retirement	2,085,000	2,089,188	1,842,181	247,007
Interest	2,408,900	2,408,900	2,297,444	111,456
Total expenditures	<u>4,493,900</u>	<u>4,498,088</u>	<u>4,139,625</u>	<u>358,463</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,493,900)</u>	<u>(4,493,044)</u>	<u>(4,134,580)</u>	<u>358,462</u>
Other financing sources (uses):				
Transfers in	4,493,900	4,493,044	4,493,043	1
Transfers (out)				
Total other financing sources (uses)	<u>4,493,900</u>	<u>4,493,044</u>	<u>4,493,043</u>	<u>1</u>
Net change in fund balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>358,463</u>	<u>\$ 358,463</u>
Fund balances at beginning of year			<u>3,126,602</u>	
Fund balances at end of year			<u>\$ 3,485,065</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, 2021, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated February 7, 2022.

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.

Warren Averett, LLC

Pensacola, Florida
February 7, 2022

**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, 2021:

- (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.

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, 2021.

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
February 7, 2022

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, 2021, and have issued our report thereon dated February 7, 2022.

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 February 7, 2022, 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.

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
February 7, 2022



Community Redevelopment Agency City of Pensacola

AUDIT RESULTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021



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 February 7, 2022
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

- No significant changes in accounting policies noted in the current year.

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.



Memorandum

File #: 22-00232

Community Redevelopment Agency

3/7/2022

ACTION ITEM

SPONSOR: Teniade Broughton, Chairperson

SUBJECT:

FIFTH AMENDMENT TO THE DECLARATION OF CONDITIONS, COVENANTS, AND RESTRICTIONS FOR THE HAWKSHAW REDEVELOPMENT PROJECT AT 9TH AND ROMANA.

RECOMMENDATION:

That the Community Redevelopment Agency (CRA) approve the Fifth Amendment to the Declaration of Conditions, Covenants, and Restrictions for the Hawkshaw Redevelopment Project at 9th Avenue and Romana Street. Further, that the CRA accept the change to the project development team.

SUMMARY:

On October 11, 2021, the Community Redevelopment Agency (CRA) approved the 4th Amendment to the Declaration of Conditions, Covenants and Restrictions for the Hawkshaw Redevelopment Project in accordance with the revised project components and conceptual design plans presented on June 14, 2021.

A 5th Amendment is proposed to the Declaration of Conditions, Covenants and Restrictions to clarify the milestones provisions and order of sequence.

On February 8, 2022, the developer notified CRA staff of a change to the development team, as required by the 4th Amendment. Foy Tatum and Zachary Gibbs are no longer a part of the team.

PRIOR ACTION:

November 6, 2017 - CRA approved the development agreement/contract for sale of the Hawkshaw property to Robert Montgomery, LLC.

February 26, 2018 - The deed for sale of Hawkshaw property to Hawkshaw Developers, LLC was filed in Escambia County Official Records.

June 10, 2019 - The CRA approved extension of the commencement deadline for the Hawkshaw redevelopment project at 9th Avenue and Romana Street to September 30, 2019 and granted extension of the construction commencement deadline.

August 5, 2019 - The CRA approved the revised design plans, revised construction timeline and

changes to the Hawkshaw Redevelopment, LLC. Development Team.

May 10, 2021 - The CRA directed staff to send a letter to the developer requesting a presentation during its June meeting, as well as, written documentation of the developer's diligent and continuous prosecution of construction on the project and previously requested items from the CRA Chairman's letter dated December 17, 2019.

June 14, 2021 - The development team made a presentation to the CRA.

July 12, 2021 - The CRA authorized negotiation of a 4th Amendment to Declaration of Conditions, Covenants and Restrictions for the Hawkshaw Redevelopment Project.

October 11, 2021 - The CRA approved the 4th Amendment to the Declaration of Conditions, Covenants and Restrictions for the Hawkshaw Redevelopment Project including a requirement for monthly project updates.

FUNDING:

Budget: NA

Actual: NA

FINANCIAL IMPACT:

None.

LEGAL REVIEW ONLY BY CITY ATTORNEY: Yes

3/1/2022

STAFF CONTACT:

David Forte, Deputy City Administrator - Community Development

Sherry Morris, Development Services Director

M. Helen Gibson, AICP, CRA Manager

Victoria D'Angelo, Asst. CRA Manager

ATTACHMENTS:

- 1) Fifth Amendment to Declaration
- 2) 2022 02 08 Letter to Gibson re Financial Commitment
- 3) 2022 02 08 Letter to Gibson re Change in Development Team

PRESENTATION: Yes

Prepared by:
Stephen R. Moorhead, Esquire
Moorhead Real Estate Law Group
127 Palafox Place, Suite 200
Pensacola, FL 32502
RE-17-1279

**FIFTH AMENDMENT TO THE DECLARATION OF
CONDITIONS, COVENANTS, AND RESTRICTIONS**

STATE OF FLORIDA
COUNTY OF ESCAMBIA

This Fifth Amendment to the Declaration of Conditions, Covenants, and Restrictions is made this_ day of March, 2022, by Community Redevelopment Agency of the City of Pensacola, a public body, corporate and politic, of the State of Florida (“Declarant”), whose address is 222 West Main Street, Pensacola, FL 32502, and Hawkshaw Development Group, LLC, a Florida limited liability company (“Owner”), whose address is 657 E. Romana St., Pensacola, FL 32502. Defined terms shall have the meaning ascribed to them in the Declaration.

WITNESSETH:

WHEREAS, on February 21, 2018, Declarant executed a Declaration of Conditions, Covenants, and Restrictions, which was recorded in Official Records Book 7860, at Page 540 of the public records of Escambia County, Florida, encumbering the Property therein described (as amended, as set forth below, the “Declaration”);

WHEREAS, the Declaration was amended by First Amendment to Declaration of Conditions, Covenants and Restrictions dated April 18, 2019, and recorded in Official Records Book 8080, at Page 1546; by Second Amendment to Declaration of Conditions, Covenants and Restrictions dated June 28, 2019 and recorded in Official Record Book 8140, at Page 471; by Third Amendment to Declaration of Conditions, Covenants and Restrictions dated August 15, 2019, and recorded in Official Records Book 8151, at Page 1137; and by Fourth Amendment to the Declaration of Conditions, Covenants and Restrictions dated October 13, 2021, and recorded in Official Records Book 8640, at Page 284; all of the public records of Escambia County, Florida;

WHEREAS, the Declarant has the absolute right to amend the Declaration in accordance with Article Six, Section 6.4, by a written instrument executed by Declarant, its successors or assigns and the then-current Owner;

WHEREAS, the Declarant and Owner desire to amend the Declaration to modify the Development Milestones pursuant to which the Project shall be constructed and reflect changes in the development team;

NOW, THEREFORE, Declarant and Owner hereby amend the Declaration as follows, with the intent and purpose that the amendments will encumber the Property and will run with the land and be binding on and inure to the benefit of the Owner.

1. Recitals. The above and foregoing recitals are true and correct and adopted herein.
2. Amendment of Article Three. Article Three shall hereby be deleted in its entirety with the following substituted in its place:

ARTICLE THREE
DEVELOPMENT MILESTONES

301 The Project shall be constructed upon the Property and the Owner shall provide to the Declarant written documentation of completion in accordance with the following:

- (a) Complete Schematic Design Development Package for the Project and General Contractor Candidates selected by December 27, 2021.
- (b) Total Project Cost Estimate based on the schematic design development package by January 18, 2022.
- (c) The Owner shall submit final plans for permitting no later than May 31, 2022.
- (d) No later than thirty (30) days after the permit is issued, Owner shall submit proof of anticipated Project costs as evidenced by a fully executed construction contract between Owner and a qualified general contractor pertaining to construction of the Project.
- (e) No later than thirty (30) days after the date on which anticipated Project costs are due pursuant to Article III, Section 3.01(d), above, Owner shall submit proof of closing on Construction Financing from an institutional lender. "Proof of closing on Construction," as used in this part, means loan documents of a type customarily required by institutional lenders providing construction financing for developments similar to the Project, and includes, but is not limited to, any note, mortgage, guaranty, security agreement, or collateral assignment executed by Owner and any guarantor in favor of the institutional lender providing Construction Financing for this Project. In addition, Owner must submit proof of Owner's ability to pay the cost of the Project in excess of construction financing.
- (f) Vertical construction shall begin within thirty (30) days after the date on which proof of construction financing is due pursuant to Article III, Section 3.01(e), above. Vertical construction includes piling installation.
- (g) The substantial completion of the Project shall be no more than 30

months following commencement of vertical construction. As used in this Article, the term “substantial completion of the Project” shall mean the date that a certificate of occupancy for the Project is issued by the City of Pensacola.

(h) The deadline set forth in paragraphs (a) – (g) above shall be extended day-for-day if Owner is unable to achieve such deadline by reason of delays caused by a Force Majeure Event (hereinafter defined); provided that prior to the applicable deadline, Owner shall give Declarant written notice of the occurrence of the Force Majeure Event, including the full particulars of the Force Majeure Event and the reasons for the Force Majeure Event preventing Owner from, or delaying Owner in, achieving the applicable deadline and provided, further, that Owner shall use its reasonable efforts to mitigate the effect of the Force Majeure Event. “Force Majeure Event” is defined as an event or circumstance which is beyond the control and without the fault or negligence of Owner or Owner’s architects, engineers or contractors and which by the exercise of reasonable diligence the party affected was unable to prevent, which events and circumstances shall include, without limitation, the following: (a) financial upheaval, riot, war, invasion, act of foreign enemies, hostilities (whether war be declared or not) acts of terrorism, civil war, rebellion, revolution, insurrection of military or usurped power, requisition or compulsory acquisition by any governmental or competent authority; (b) abnormal weather conditions, earthquakes, flood, tornado, hurricane, other physical natural disaster or other acts of God; and (c) labor or material shortages at regional or national levels, strikes at a national level or industrial disputes at a national level, or strike or industrial disputes by labor not employed by Owner, its architects, engineers or general contractors and which affect an essential portion of the development or construction of the Project.

302 If Owner fails to meet any of the deadlines required by paragraphs (a) – (g) above, Owner shall pay Declarant liquidated damages in the amount of \$2,500.00 per day for each day elapsing after each missed deadline until the missed deadline is achieved up to a total sum of \$100,000.00 for each deadline missed; this provision is not intended as a penalty but as an incentive to the Owner to prosecute construction in a timely manner. Owner, and all subsequent owners with an ownership interest in the Property or any portion thereof or interest therein at any time that a deadline above is missed, shall be jointly and severally liable to the Declarant for the payment of such liquidated damages.

4. Amendment of Article Four, Section 4.03. Article Four, Section 4.03 shall hereby be deleted in its entirety with the following substituted in its place:

4.03 Owner discloses the following members of the development team: Robert B. Montgomery; Chan Cox; Brian Spencer; Ray Russenberger. Owner shall disclose the legal address of any member of the development team as identified

herein.

5. Ratification. Except as specifically set forth above, the Declaration is hereby ratified and confirmed. All terms and conditions of the Declaration and as previously amended shall continue to be of full force and effect.

[End of text. Signature pages to follow.]

DRAFT

IN WITNESS WHEREOF, Declarant has caused this Amendment to be executed the day and year first above written.

Witnesses:

Print Name: _____

COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF PENSACOLA,
a public body, corporate and politic, of the
State of Florida

Print Name: _____

By: _____
Its: _____

STATE OF FLORIDA
COUNTY OF ESCAMBA

The foregoing instrument was acknowledged before me this ____ day of March 2022, by
_____ as _____ of Community Redevelopment Agency of
the City of Pensacola, a public body, corporate and politic, of the State of Florida.

NOTARY PUBLIC
Print Name: _____

____ Personally Known
OR
____ Produced Identification
Type of Identification Produced _____

IN WITNESS WHEREOF, Owner has caused this Amendment to be executed the day and year first above written.

Witnesses:

HAWKSHAW DEVELOPMENT GROUP,
LLC, a Florida limited liability company

Print Name: _____

Print Name: _____

By: Robert B. Montgomery
Its: Manager

STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this day of March 2022, by Robert B. Montgomery, as Manager of Hawkshaw Development Group, LLC, a Florida limited liability company, on behalf of the company.

NOTARY PUBLIC

Print Name: _____

Personally Known
OR

Produced Identification
Type of Identification Produced _____

JOINDER OF MORTGAGEE

BancorpSouth, as holder of a mortgage encumbering the Property, as described in the Declaration, hereby consents to and joins in this Fifth Amendment to the Declaration of Conditions, Covenants and Restrictions.

Nothing contained herein shall be deemed to or in any way limit or affect the mortgage held by BancorpSouth over the priority of the lien created thereby and the sole purpose of this Joinder is to acknowledge the consent of said mortgagee to the Declaration.

Signed, sealed and delivered in
our presence as witnesses:

BancorpSouth

Print Name _____

By: Norris F. McMahon
Its: Community President

Print Name: _____

STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was sworn to and acknowledged before me this ____ day of March, 2022 by Norris F. McMahon, as Senior Vice President of BancorpSouth on behalf of said bank.

NOTARY PUBLIC

Print Name: _____

Personally Known
OR

Produced Identification
Type of Identification Produced _____



Stephen R. Moorhead
(850) 696-0438
smoorhead@moorheadlaw.com

February 8, 2022

Community Redevelopment Agency
Attn: Ms. Helen Gibson
222 W. Main Street
Third Floor
Pensacola, Florida 32502

Re: Hawkshaw Redevelopment Project
9th Avenue and Romana Street

Dear Ms. Gibson:

We write you as counsel for Hawkshaw Development Group, LLC (“HDG”) and in response to your letter dated January 27, 2022, a copy of which is enclosed for your convenience and review. HDG respectfully disagrees that proof of closing on the construction financing must be submitted this month.

The plain and unambiguous terms of the Fourth Amendment to the Declaration of Conditions, Covenants, and Restrictions (the “Fourth Amendment”) are the primary grounds for disagreement. We believe your conclusion is based on the belief that the *estimate* referenced in paragraph 3.01(b) of the Fourth Amendment is the same as the *determination* referenced in paragraph 3.01(c), but those are two entirely different things. Per Meriam-Webster, *estimate* means “to give or form a general idea about the value, size, or cost of something,”¹ and *determine* means “to officially decide (something) especially because of evidence or facts: to establish (something) exactly or with authority.”² Because a thing cannot simultaneously give a general idea about value and establish value exactly, the words *estimate* and *determine* necessarily denote mutually exclusive and non-overlapping concepts. Moreover, the construction financing cannot occur until pricing is determined which is based on the approved construction plans. As a result, we do not believe that the Fourth Amendment supports the position taken in your letter.

Provided you agree with our position, we request you confirm by retracting the demands made in your prior letter. We look forward to a response as soon as possible. We invite a meeting to discuss this as well as portions of the Fourth Amendment that may benefit from further refinement.

¹ https://www.merriam-webster.com/dictionary/estimate?utm_campaign=sd&utm_medium=serp&utm_source=jsonld.

² <https://www.merriam-webster.com/dictionary/determine>.

Thank you for your anticipated cooperation. Our client is eager to move forward with this project. In our view, this project is of great importance, not only to the parties directly involved, but to the Pensacola community at large.

Sincerely,

A handwritten signature in dark ink, appearing to read 'S. Moorhead', with a stylized, flowing script.

Stephen R. Moorhead

cc: Ms. Teniade Broughton, CRA Chair via email TBroughton@cityofpensacola.com
Mr. Charles Peppler, City Attorney via email CPeppler@cityofpensacola.com
Ms. Heather Lindsay, Asst. City Attorney via email HLindsay@cityofpensacola.com
Mr. Robert Montgomery via email robert@montgomeryrealtors.com
Mr. Brian K. Spencer via email brian@smp-arch.com
Mr. Trip Maygarden via email tmaygarden@moorheadlaw.com



Stephen R. Moorhead
(850) 696-0438
smoorhead@moorheadlaw.com

February 8, 2022

Community Redevelopment Agency
Attn: Ms. Helen Gibson
222 W. Main Street
Third Floor
Pensacola, Florida 32502

Re: Hawkshaw Redevelopment Project 9th Avenue and Romana Street:
NOTICE OF PROPOSED CHANGE IN DEVELOPMENT TEAM

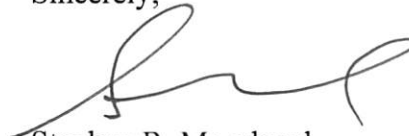
Dear Ms. Gibson:

We write you as counsel for Hawkshaw Development Group, LLC ("HDG"). Please be advised that Zachary Biggs and Foy Tatum have elected to leave the development team described in Section 4.03 of the Fourth Amendment to the Declaration of Conditions, Covenants, and Restrictions (the "Fourth Amendment"). Accordingly, this serves as notice of proposed change in development team as required by Section 4.04 of the Fourth Amendment. No new members are being added at this time, so no new names or addresses are being provided to you now. Moreover, the contemplated change will not result in a change in control over the Project.

To the extent required by the Fourth Amendment, please add this matter to the next regularly scheduled meeting of the Community Redevelopment Agency that is more than twenty-one (21) days after the date hereof. Please advise us of the date, time, and location of the meeting at which this matter will be addressed.

As always, your time and attention to this matter is appreciated.

Sincerely,



Stephen R. Moorhead

cc: Ms. Teniade Broughton, CRA Chair via email TBroughton@cityofpensacola.com
Mr. Charles Peppler, City Attorney via email CPeppler@cityofpensacola.com
Ms. Heather Lindsay, Asst. City Attorney via email HLindsay@cityofpensacola.com
Mr. Robert Montgomery via email robert@montgomeryrealtors.com
Mr. Brian K. Spencer via email brian@smp-arch.com
Mr. Trip Maygarden via email tmaygarden@moorheadlaw.com



Memorandum

File #: 22-00213

Community Redevelopment Agency

3/7/2022

ACTION ITEM

SPONSOR: Teniade Broughton, Chairperson

SUBJECT:

APPROVAL OF RESIDENTIAL PROPERTY IMPROVEMENT PROGRAM POLICY

RECOMMENDATION:

That the Community Redevelopment Agency approve the Residential Property Improvement Program policy.

SUMMARY:

The Community Redevelopment Agency approved the CRA Residential Property Improvement Program (RPIP) for administration within the City's designated redevelopment areas. Implementation of a residential property improvement program is identified as a key redevelopment strategy within each of the City of Pensacola's adopted community redevelopment plans. Since the program was first approved in 2018, staff has been monitoring implementation and is recommending several revisions. These revisions include:

- Permitting expansion of target area boundaries.
- Creating project categories for moderate rehabilitation, major rehabilitation and substantial rehabilitation projects.
- Establishing affordability periods based on project category.
- Increasing funding limits for rental property, particularly for low to moderate income landlords when the property will be used for affordable housing.
- Clarifying program procedures and terms.

PRIOR ACTION:

January 8, 2018 - The CRA approved the Residential Property Improvement Program.

September 10, 2018 - The CRA approved revisions to the Residential Property Improvement Program.

March 3, 2019 - The CRA approved revisions to the Residential Property Improvement Program.

FUNDING:

N/A

FINANCIAL IMPACT:

None

LEGAL REVIEW ONLY BY CITY ATTORNEY: Yes

2/28/2022

STAFF CONTACT:

David Forte, Deputy City Administrator - Community Development
Sherry Morris, AICP, Development Services Director
M. Helen Gibson, AICP, CRA Manager
Victoria D'Angelo, Assistant CRA Manager

ATTACHMENTS:

- 1) Residential Property Improvement Program Policy
- 2) Residential Property Improvement Program Guidelines

PRESENTATION: No



RESIDENTIAL PROPERTY IMPROVEMENT PROGRAM POLICY

Adopted on MONTH DAY YEAR

PROGRAM PURPOSE

The Residential Property Improvement Program ("RPIP") is designed to support the preservation and creation of affordable housing, preservation and enhancement of traditional neighborhood character, blight elimination and prevention and preservation and enhancement of the tax base in accordance with the public purposes authorized under Chapter 163, Part III of the Florida Statutes.

PROGRAM ELIGIBILITY

Program approvals are subject to funding availability and conformance with the terms of the program guidelines and policies.

Income eligibility: Homes assisted through the RPIP shall support households with an annual income that is the sum of the gross income (including assets) of all individuals residing within the house which is less than or equal to 120% of the median income, adjusted for family size, based on the Florida Housing Finance Corporation's (FHFC) annual income limits for Escambia County, Florida.

"Annual income" is defined in Title 24 of the Code of Federal Regulations section 5.609. Source documents including, but not limited to, wage statements, interest statements, and unemployment compensation statements, pension benefits, social security benefits, etc. must be reviewed to determine gross annual income. Eligibility is based on anticipated income during the next 12 months.

Ownership eligibility: The property must be owned by fee simple title or life estate interest and must not have any restrictions or encumbrances that would unduly restrict the good and marketable nature of the ownership interest. Ownership by agreement or contract for deed is not eligible. Referrals to a legal services housing partner can be provided for income eligible households to address title issues and ownership interest, including wills when such resources are available.

Building type and use: The building(s) must be used primarily for residential purposes. Eligible building types include: Buildings that appear from the street to be an individual single family, a duplex or a single family attached home (such as a townhome) and

accessory dwelling units, regardless of number of units. Live-work and mixed use buildings are also eligible in instances where the primary use is residential (ex. home occupations).

Occupancy: A property owner (“owner occupied”) or long-term tenants (12 months or more) whose household income is at or below 120% AMI may occupy the building.

Other eligibility terms: Owner must be current on mortgage payments and property taxes. Code violations must be remedied either prior to or through program participation. No building or land may be used in a manner that does not comply with all the regulations established by the City of Pensacola Land Development Code (LDC) or other local, state or federal laws or guidelines. Repeat participants will be considered on a case-by-case basis conditioned upon need. Additionally, unless the CRA Manager waives in writing this requirement, the owner may not be the contractor on the project.

Eligible improvements and project costs: Eligible improvements shall include exterior repair and enhancements necessary to restore building appearance, integrity and character, fencing, lighting, limited landscape and pavement and other improvements necessary to enhance the street face of the property and to provide for safe and decent living conditions. Priority will be given to exterior features that are visible from the public realm.

Project costs are limited to costs directly associated with the property improvement work in accordance with the rehabilitation specifications. Design and architectural support may be provided for projects requiring such services. Should in-house services not be available, an estimate of these costs will be made during the inspection process and subject to available budget. Administrative expenses associated with program implementation, such as recording fees, title search and design support, shall not constitute “project costs”.

Prioritization: To leverage limited resources, properties will be evaluated on a case-by-case basis for funding under this program. In instances of high program demand and limited funding, program approvals may be prioritized based on the following criteria:

- Household income (lower AMI = higher priority)
- Long term residents (Property owned for 20+ years by owner or family member)
- At-risk residents (example: elderly, disabled, persons at risk of homelessness and low to very low income and single parent families)
- Minority populations
- Extent of damage and degree of threat to the building and its inhabitants
- Architectural character and/or cultural significance of the building
- Proximity to neighborhood reinvestment sites
- First-time applicants

Rental Property: Long term rental property (12 months or more) shall be eligible under this program. Where the household income of the landlord exceeds 120% AMI, he or she shall be responsible to provide a match equal to a percentage of the project costs. Rental property must be occupied by a household at or below 120% AMI at the time of application or within 90 days of project completion. Rents may not increase more than 3% each year and monthly rent amounts may not exceed the affordability rent limits set by the Florida Housing Finance Corporation (FHFC).

Vacant property: Vacant property must be occupied within 90 days of project completion or immediately listed for sale upon project closeout and conveyed in accordance with the terms of the affordability period covenants. In instances where property will be sold immediately upon improvement, requirements shall be the same as rental property.

Target Areas: Target areas within the designated CRA districts may be established by the CRA office and published on the City website. The designation of target areas shall not be arbitrary and shall respond to the changing needs of the redevelopment districts as well as redevelopment or revitalization opportunities. In designating target areas, the CRA office shall consider locations of neighborhoods and/or sub-sections of neighborhoods where remaining conditions of blight are observed, clustering of willing participants have been identified, and low-income areas and areas within proximity to reinvestment sites. Other elements may also be considered, as outlined in the adopted redevelopment plans.

PROJECT SCOPE AND FUNDING

Preliminary Inspection and Scope of Work: Following the initial request for assistance, pre-eligibility screening will be performed. If the application passes the screening process, a preliminary inspection will be scheduled. At the date and time of the preliminary inspection, a program inspector will visit the property to assess its condition and identify improvements needed in coordination with the owner. He/she will also prepare the preliminary scope write-up at this time.

Scope items will be based on conditions observed, improvements desired by the property owner and the cost of the necessary improvements to be made. The items must be sufficient to provide a pleasant property façade, as seen from the street, and support safe and decent living conditions. Improvements shall be limited to the minimum necessary to improve the property façade and address items that present safety hazards, threaten structural integrity or do not appear to meet the minimal standards for decent living conditions and preservation of property worth and value, to the extent feasible, and based on funding availability.

The CRA office shall be authorized to develop program policies and shall have the sole discretion to approve general product specifications and paint colors for the purpose of cost efficiency, longevity, consistency with neighborhood character and to maximize curb

appeal. To meet the CRA's purpose of preserving and enhancing the historic neighborhood character of the redevelopment districts, rehabilitation specifications will address conditions where historic character has been eroded. Whether due to deferred property maintenance, inappropriate property modifications, incompatible construction styles or similar reasons, the program will seek to provide cost-sensitive improvements to better align the building with the historic character of the surrounding area. All scope items shall be subject to approval by the owner and the CRA program manager (as applicable).

Project Funding: A program representative will make a determination whether a property is a candidate for the program based on actual rehabilitation costs. The representative will also determine whether the project constitutes a moderate rehabilitation, substantial rehabilitation or substantial reconstruction project which shall correlate with the affordability period requirements described below. At this time, the CRA will formally determine if sufficient funding is available and a funding commitment can be made. Funding commitments shall be subject to available Community Redevelopment Agency (CRA) budgets for the fiscal year in which the commitment is to be made and for the specific community redevelopment district in which the subject property is located, as applicable to funding source. If funding is approved, the owner and contractor shall enter into a Work Contract.

In instances where sufficient budget is not available, all or part of the project may be referred to another available rehabilitation program, if available, and/or placed on the waitlist for future budget cycles. Eligible clients will be placed on the waitlist in the order in which eligibility is certified, however, when there are multiple pending applications, further prioritization may be applied for selection according to the prioritization criteria.

To maximize CRA affordable housing funding, project elements unrelated the property's appearance from the street may be referred to another rehabilitation program, such as the City of Pensacola's Housing programs. Waitlist times and urgency of improvements will be considered in these determinations. Also, when demand is high, project elements that may be covered under an alternative program, such as the CRA Residential Resiliency Program, may be required to be utilized first prior to receiving funding under this program.

AFFORDABILITY PERIOD COVENANTS

To meet the CRA's goal of increasing and preserving affordable housing within the redevelopment districts, this program will apply restrictive covenants, secured by a lien agreement, for a specified term called the "Affordability Period". Affordability Period requirements shall correspond with the amount of the CRA's investment in the property. The covenants shall not require repayment of the assistance amount if the property is retained for affordable housing or transferred to an eligible relative and the home is not intentionally demolished and/or rebuilt (except in instances of force majeure).

If the property is sold during the Affordability Period, it shall be

- A. Sold to an owner-occupant whose household income is at or below 120% AMI;
or
- B. Sold to a landlord who will rent the home to a household at or below 120% AMI
within 90 days of acquisition; or
- C. Transferred to an eligible relative as follows:
 - i. Transferred to the spouse of the Owner who by virtue of the sale becomes a
co-owner of the property
 - ii. Transferred to the child or children of the Owner
 - iii. Transferred between spouses as part of a marriage dissolution proceeding
 - iv. Transferred by the Owner into an inter vivos trust in which the Owner is the
beneficiary
 - v. Transferred to a legal heir, as defined by the State of Florida

If the property has otherwise been maintained in good and faithful compliance with the program, for a period of five (5) years or more (except in the case of a valid hardship as described below), then the owner may request to remove the covenants subject to the repayment requirements. In such case, the owner shall repay the full amount of the program assistance less a forgiveness benefit described herein. The forgiveness benefit shall be 70% of the actual project costs, up to 70% of the maximum assistance allowance under the moderate rehabilitation category. Forgiveness shall be calculated daily over a five-year period.

House flipping shall not be permitted under this program. A home will be determined to be “flipped” in default of these terms if the home is listed for sale, sold or transferred within the first five (5) years of the affordability period in an effort to release the covenant terms but receive the forgiveness benefit. However, a home will not be determined to be flipped during this period where there is a reasonable hardship or cause for selling or transferring the property, such as financial hardship, death, work transfer or relocation or a similar circumstance or justification that would not reasonably appear to be for the sole purpose of profit-making. In such case, the Owner shall contact the CRA office to obtain such determination. Failure to adhere to these terms may be deemed a default, in which case, the owner who is found to have intentionally “flipped” the home will be responsible for repayment of the program funding in full and no forgiveness will be authorized.

All repayment requirements shall be measured from the date that the default was identified to occur or the request for repayment was made.

RELOCATION OF OWNER OCCUPANTS

On a case-by-case basis, owner-occupants may be eligible to receive assistance for temporary relocation while the project is in progress. Such assistance is reserved only for unique circumstances where the work to be conducted is so substantial that it temporarily renders the home uninhabitable. Assistance provided will be strictly limited to the amount of time necessary to repair the home, either in part or in full, to such a condition that enables re-inhabitation. Availability of funding and the ability of occupants to relocate by their own means will be considered in determining whether assistance can be provided. The Temporary Relocation Flexible Benefits Schedule, as approved by the City Council, will determine the level of relocation assistance benefits awarded. The cost of relocation will be factored into the funding commitment approval but will be considered an administrative cost that will not be counted against the project. Rental property shall not be eligible for relocation assistance.

PROGRAM GUIDELINES

The CRA Office shall maintain program guidelines consistent with this policy.



RESIDENTIAL PROPERTY IMPROVEMENT PROGRAM GUIDELINES

PROGRAM PURPOSE

The Residential Property Improvement Program ("RPIP") is designed to support the preservation and creation of affordable housing, preservation and enhancement of traditional neighborhood character, blight elimination and prevention, and preservation and enhancement of the tax base in accordance with the public purposes authorized under Chapter 163, Part III of the Florida Statutes.

PROPERTY ELIGIBILITY

- Must be located within an eligible target area within a City of Pensacola community redevelopment district, if applicable. Visit www.cityofpensacola.com/CRAPrograms to verify eligible areas.
- Must be used primarily for residential purposes.
- Eligible building types include:
 - Buildings that appear from the street to be an individual single family, a duplex or a single family attached home (such as a townhome) and accessory dwelling units, regardless of number of units.
 - Live-work or mixed-use buildings where the principal use of the building is residential. (ex. home occupation)
- May be occupied by the property owner ("owner-occupied"), long-term rental (12 months or more) or vacant (subject to occupancy terms).

HOUSEHOLD INCOME REQUIREMENTS

Homes assisted through this program support households within an annual income of **120% Area Median Income ("AMI") or less**, adjusted for family size, based on the Florida Housing Finance Corporation's (FHFC) annual income limits for Escambia County, Florida.

Owner Occupied: Households with annual income of 120% AMI or less are eligible.

Rental Property: Long-term rental property (12 months or more) is eligible under this program. Where the household income of the landlord exceeds 120% AMI, he or she shall be responsible to provide a match equal to 30% of the project costs. Rental property must be occupied by a household at or below 120% AMI at the time of application or within 90 days of project completion. Referral to Section 8 can be provided. Rents may not increase more than 3% each year and monthly rent amounts may not exceed the affordability rent limits published annually by the Florida Housing Finance Corporation. The lease must be provided to establish eligibility.

Vacant Property: Vacant property must be occupied within 90 days of project completion or immediately listed for sale upon project closeout and conveyed in accordance with the terms of the affordability period covenants described below.

In instances where property will be sold immediately upon improvement, requirements shall be the same as rental property.

ELIGIBLE IMPROVEMENTS

Eligible improvements include the following:

- Exterior repair and enhancements necessary to restore building appearance, integrity, and character.
- Fencing, lighting and limited landscape and pavement.
- Other improvements necessary to enhance the street face of the property and provide for safe and decent living conditions.

Priority will be given to exterior features that are visible from the public realm.

PROJECT TYPE

Terms for this program are based on the degree of improvement needed, as determined by a program inspector in coordination with the owner, and actual project costs. The project type shall correlate with the affordability period requirements described under “Affordability Period Covenants” below.

- **Moderate Rehabilitation**
Cost Range: Up to \$28,000 Affordability Period: 5 years
Cost Range: \$28,001 - \$40,000 Affordability Period: 10 years
- **Major Rehabilitation**
Cost Range: \$40,001 - \$70,000 Affordability Period: 15 years
- **Substantial Reconstruction**
Cost Range: \$70,001 - \$105,000 Affordability Period: 20 years

* Should an owner wish to remove the affordability period covenants after 5 years of good and faithful compliance with the program, he or she may repay the amount of the program assistance minus a forgiveness benefit of 70% of the actual project costs paid by the program, up to \$28,000. Forgiveness is calculated daily of the 5-year period.

AFFORDABILITY PERIOD COVENANTS

To meet the CRA's goal of increasing and preserving affordable housing within the redevelopment districts, this program will apply covenants, secured by a lien agreement, upon the property during the "affordability period" described under "Rehabilitation Needs" above. The covenants will not require repayment of the assistance amount if the property is retained for affordable housing or transferred to an eligible relative, as defined in the program policy, and the home is not intentionally demolished and/or rebuilt.

If the property is not transferred to an eligible relative during the Affordability Period, and the owner decides to sell the property, the property must either be

- a. Sold to an owner-occupant whose household income is at or below 120% AMI or
- b. Sold to a landlord who will rent the home to a household at or below 120% AMI within 90 days of acquisition.

**City of Pensacola
Community Redevelopment
Agency**
222 W. Main Street, Pensacola FL
32502
www.cityofpensacola.com/cra

Administered By:
Emerald Coast Regional Council
**Garett Griffin, Program
Administrator**
(850) 332-7976, ext. 205

Program subject to funding availability and full terms described in the program policy and affiliated agreements.



Memorandum

File #: 22-00215

Community Redevelopment Agency

3/7/2022

DISCUSSION ITEM

FROM: Teniade Broughton, Chairperson

SUBJECT:

“A” STREETSCAPE REVITALIZATION STREET TREES

SUMMARY:

The “A” Streetscape Revitalization project includes streetscape improvements to “A” Street from Cervantes Street to Main Street. Invitation to Bid No. 22-029 for construction of phase 1 of the project, from Cervantes Street to Garden Street, was advertised on January 28, 2022. This item is to discuss street tree planting within the project area.

PRIOR ACTION:

April 10, 2017 - The CRA approved the Fiscal Year 2017-18 CRA Work Plan which included the A Streetscape Revitalization project.

May 7, 2018 - The CRA approved the Fiscal Year 2018-19 CRA Work Plan which included the A Streetscape Revitalization project.

August 5, 2019 - The CRA approved the Fiscal Year 2020 CRA Work Plan which included the A Streetscape Revitalization project.

August 10, 2020 - The CRA approved the Fiscal Year 2021 CRA Work Plan which included the A Streetscape Revitalization project.

August 9, 2021 - The CRA approved the Fiscal Year 2022 CRA Work Plan which included the A Streetscape Revitalization project.

STAFF CONTACT:

David Forte, Deputy City Administrator - Community Development
Sherry Morris, Development Services Director
M. Helen Gibson, AICP, CRA Manager
Victoria D'Angelo, Asst. CRA Manager

ATTACHMENTS:

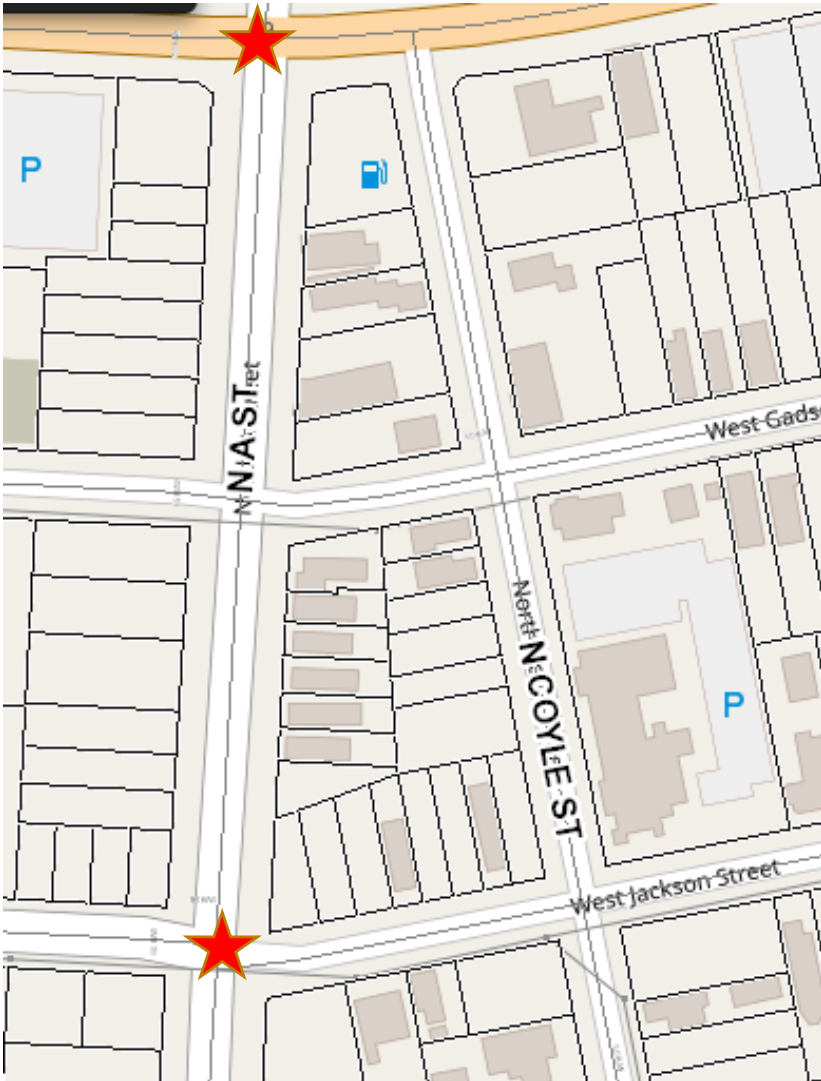
- 1) A Streetscape Street Trees PPT
- 2) A Street Landscape Plan

PRESENTATION: Yes

3/7/2022

A Streetscape Revitalization
Street Trees

Cervantes to Jackson Street



Cervantes to Jackson Street



Cervantes to Jackson Street



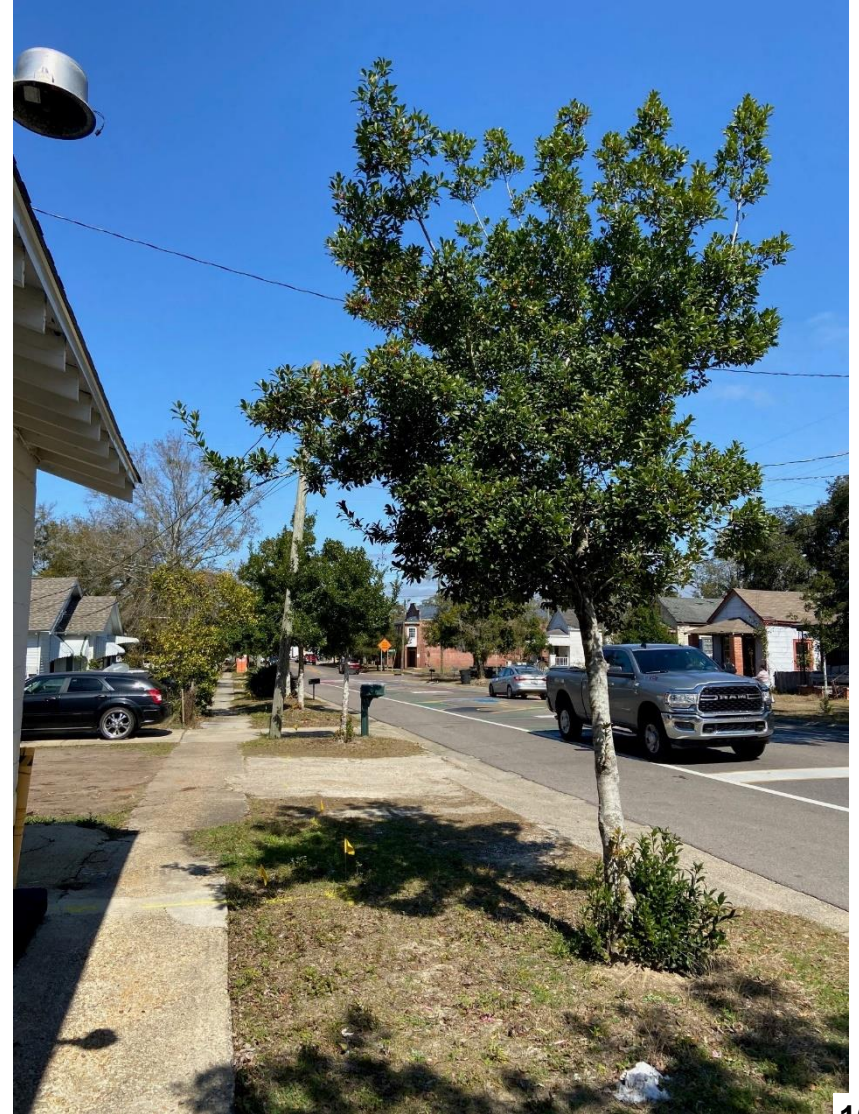
Jackson to La Rua Street



Jackson to La Rua Street



Jackson to La Rua Street



La Rua to Wright Street



La Rua to Wright Street



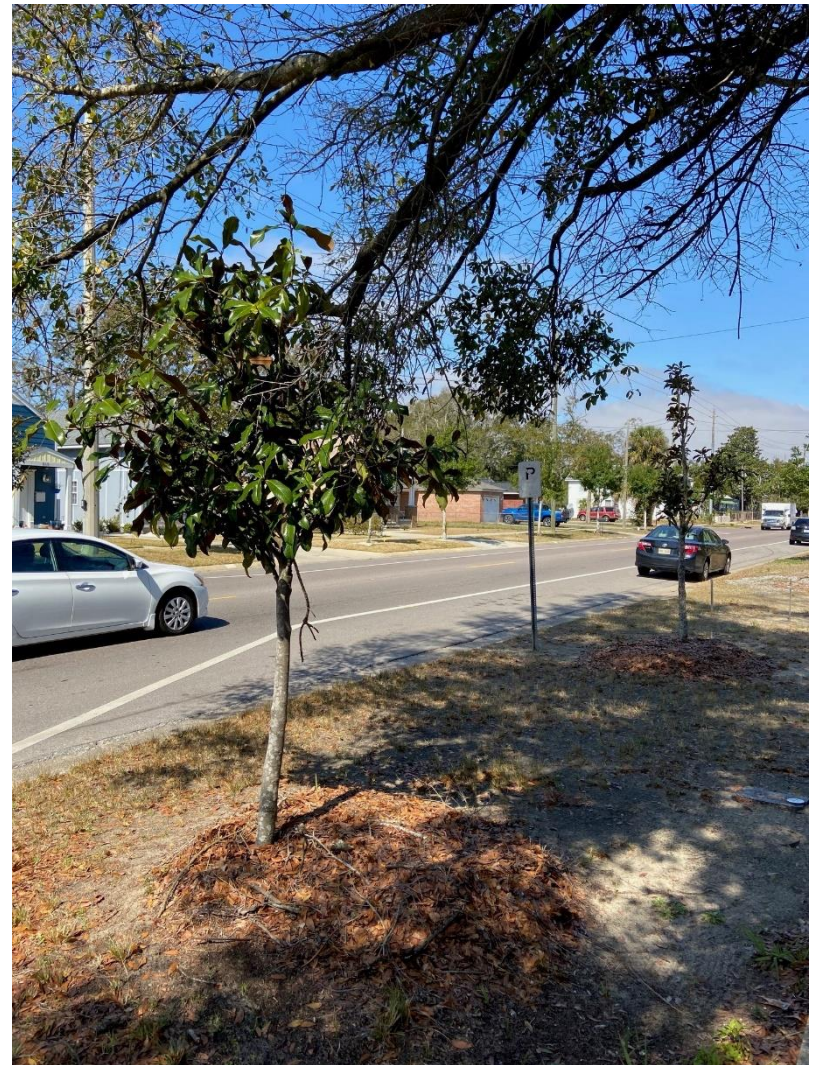
La Rua to Wright Street



Wright to Chase Street



Wright to Chase Street



Wright to Chase Street



Romana to Intendencia Street

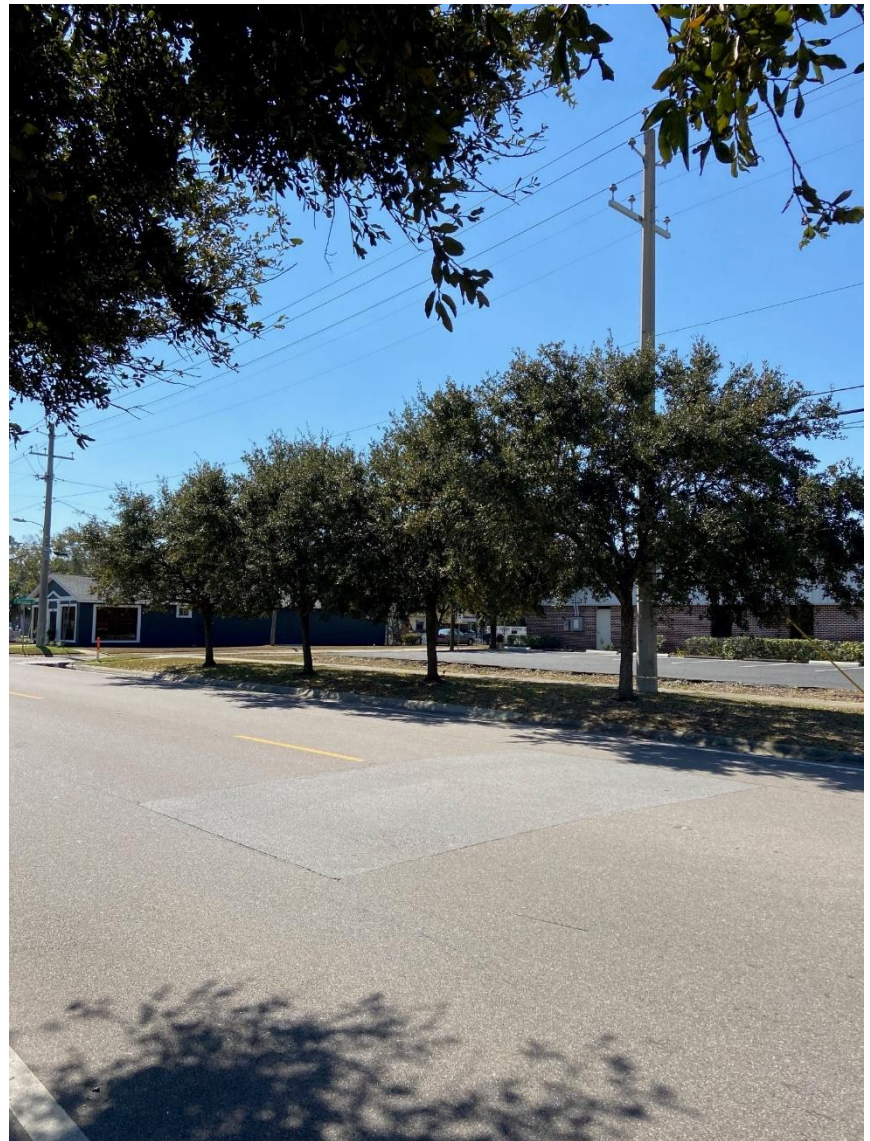


- No removal/replacement
- Healthier canopy

Romana to Intendencia Street



- No removal/replacement
- Healthier canopy



Romana to Intendencia Street



- No removal/replacement
- Healthier canopy



Intendencia to Innerarity Street



- No removal/replacement
- Healthier canopy



Intendencia to Innerarity Street



- No removal/replacement
- Healthier canopy



Phase I - Garden Street to Cervantes Street

Tree Type	Removed	Proposed
Holly	23	5
Crape Myrtle	2	69
Magnolia	7	3
Live Oak		1
Palm	1	
Cedar	1	
Eucalyptus	1	
Tree Cluster	1	
Total	36	78

The google maps link is to the location where our surveyor has 'tree cluster'- <https://www.google.com/maps/@30.4195838,-87.225579,3a,47.4y,241.98h,82.58t/data=!3m6!1e1!3m4!1s23GZKIZ7uEHZzPmKmFHDbQ!2e0!7i16384!8i8192>



FIND OUT MORE +
Please leave your comments

www.cityofpensacola.com/AStreetscape

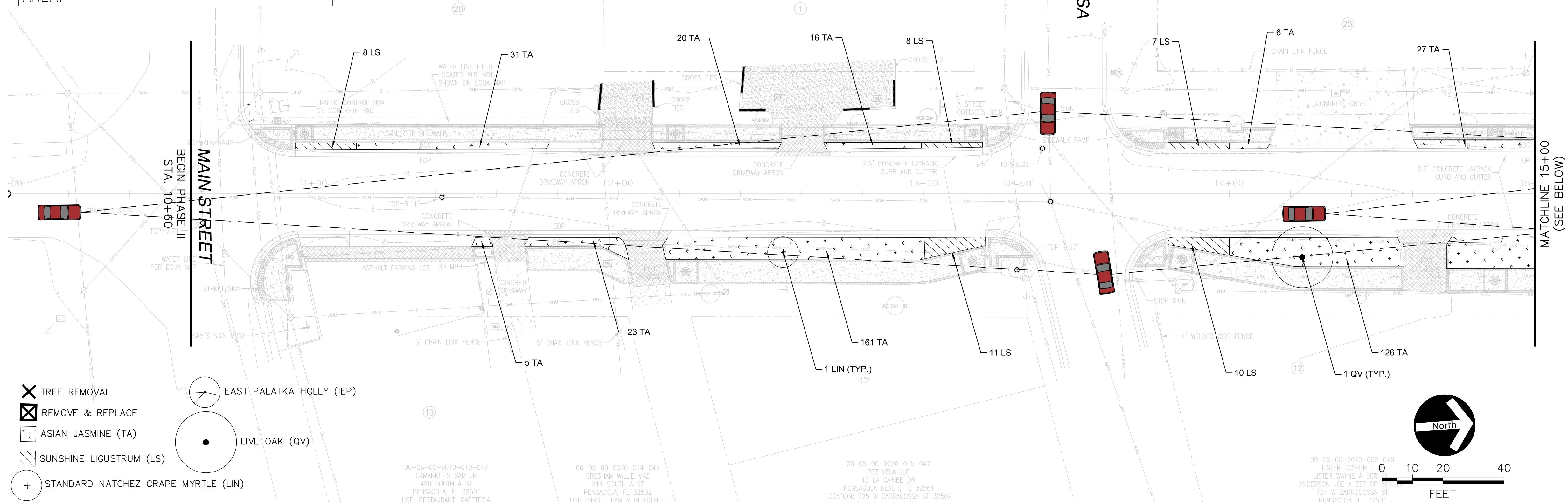
THANK YOU



PRIOR TO INSTALLATION, FINAL LOCATION FOR ALL TREES SHALL BE ADJUSTED IN THE FIELD IN CONJUNCTION WITH THE OWNER'S REPRESENTATIVE TO AVOID CONFLICTS WITH UTILITIES, SIGNAGE, EXISTING TREES THAT REMAIN, AND PAVEMENT.

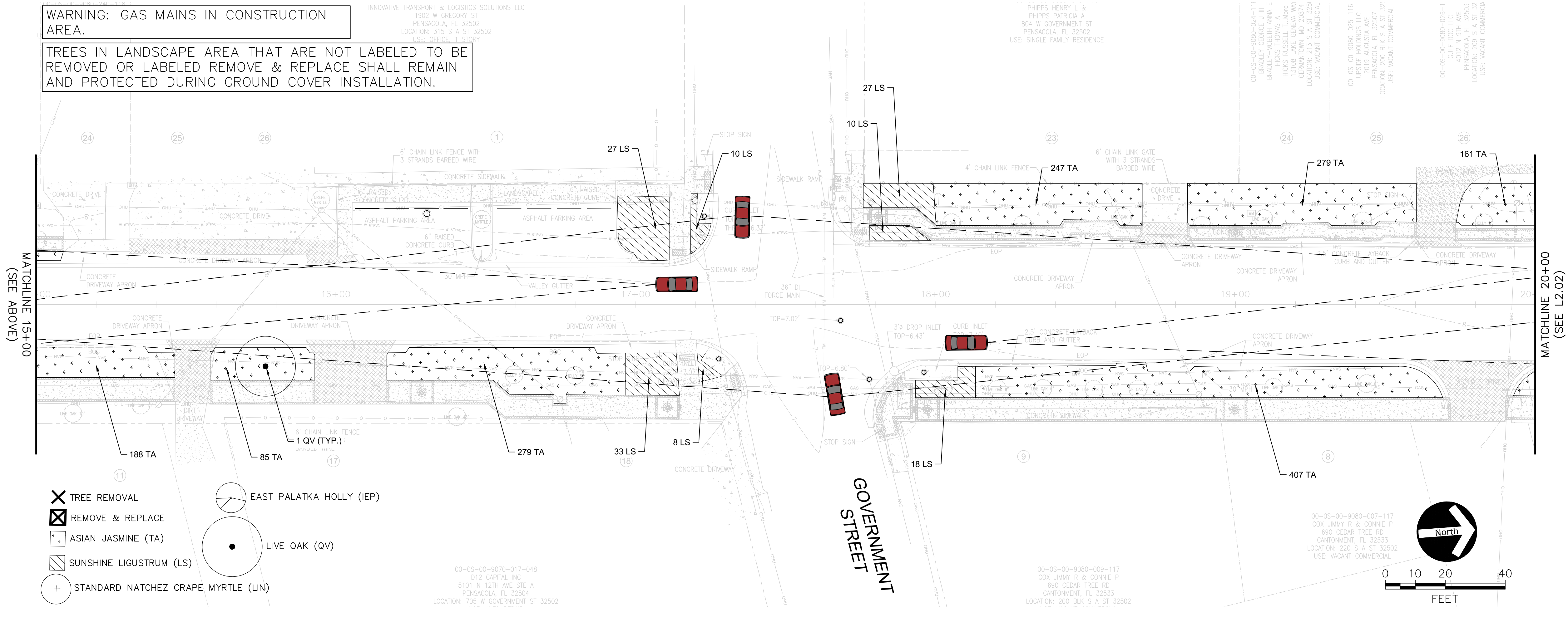
WARNING: GAS MAINS IN CONSTRUCTION AREA.

TREES IN LANDSCAPE AREA THAT ARE NOT LABELED TO BE REMOVED OR LABELED REMOVE & REPLACE SHALL REMAIN AND PROTECTED DURING GROUND COVER INSTALLATION.



WARNING: GAS MAINS IN CONSTRUCTION AREA.

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A STREET REVITALIZATION

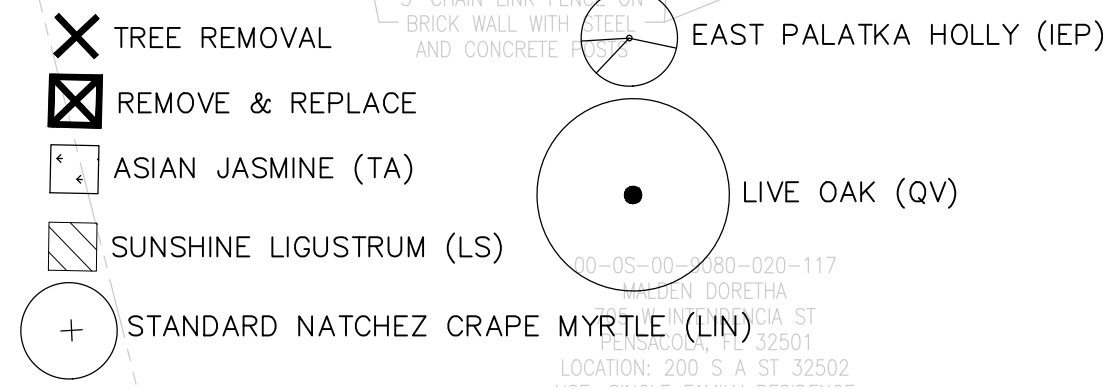
LANDSCAPE PLAN

ATKINS

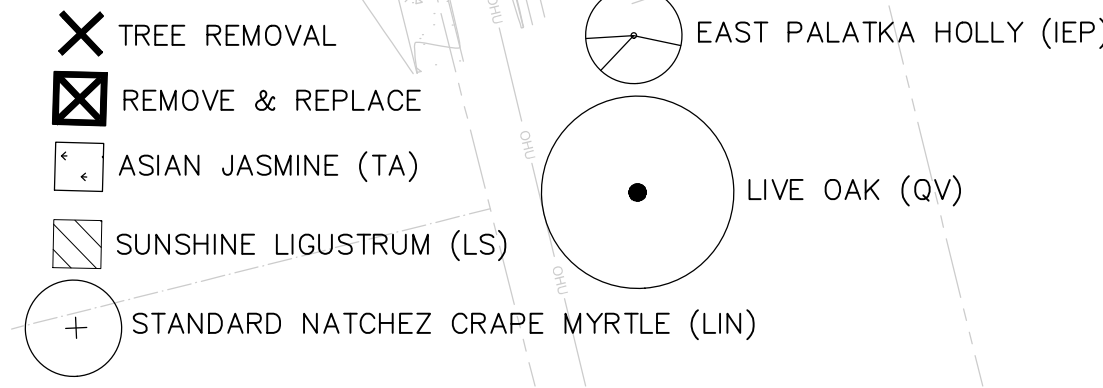
2065 AIRPORT BLVD., SUITE 400
PENSACOLA, FLORIDA 32504
PHONE NO. 850.478.9844
CERTIFICATE OF AUTHORIZATION NO. 24

LANDSCAPE ARCHITECT OF RECORD	
DRAWN BY:	HIL
DESIGNED BY:	LAR
CHECKED BY:	JWM
APPROVED BY:	SLP
PROJECT NUMBER	100077589
DRAWING NUMBER	L2.01

WARNING: GAS MAINS IN CONSTRUCTION AREA.



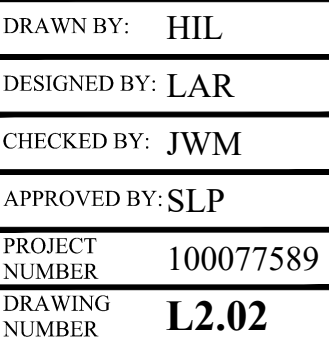
WARNING: GAS MAINS IN CONSTRUCTION AREA.



A STREET REVITALIZATION LANDSCAPE PLAN

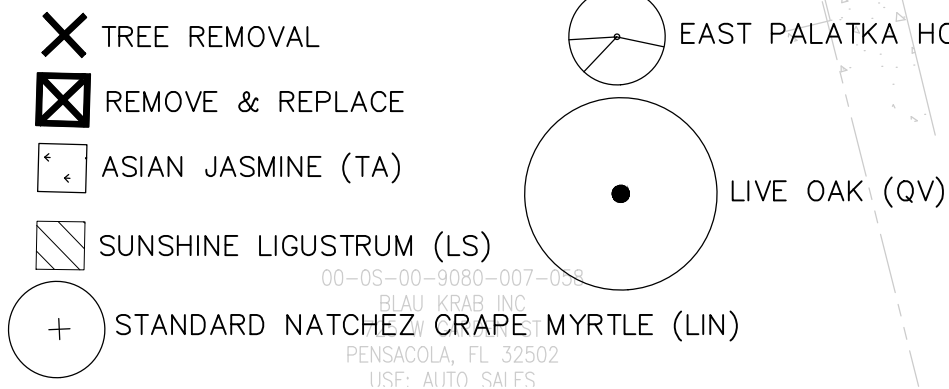
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PENSACOLA, FLORIDA 32504
PHONE NO. 850.478.9844
CERTIFICATE OF AUTHORIZATION NO.

PHONE NO. 830.478.3844
CERTIFICATE OF AUTHORIZATION NO. 24

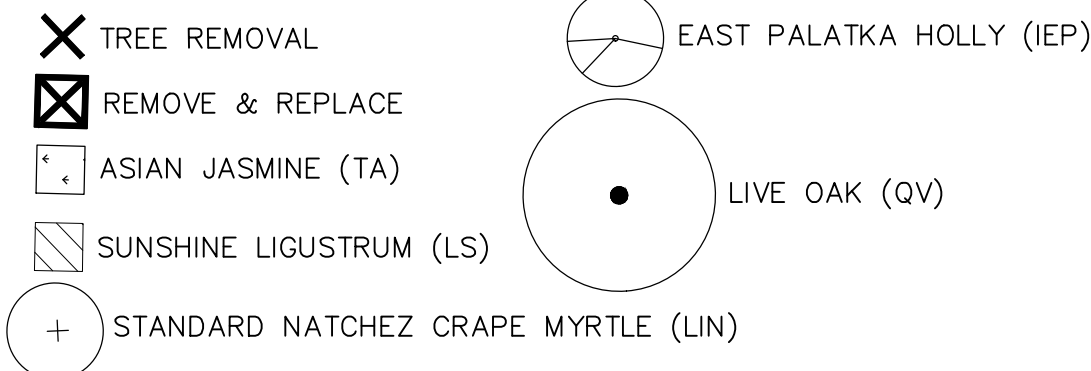


WARNING: GAS MAINS IN CONSTRUCTION AREA.

FRANCIS PHUC
ANN LAM
MINTON DR
AZ 85282
GARDEN ST 32502
E, 1 STORY



TREES IN LANDSCAPE AREA THAT ARE NOT LABELED TO BE REMOVED OR LABELED REMOVE & REPLACE SHALL REMAIN AND PROTECTED DURING GROUND COVER INSTALLATION.



00-05-00-9080-190-007
POLAR ICE TEAM CO
C/O BORDER DAIRY
7572 US HIGHWAY 45
HATTIESBURG, MS 39402
ATION: 639 W GREGORY ST 3

A STREET REVITALIZATION

LANDSCAPE PLAN

ATKINS

2065 AIRPORT BLVD., SUITE 400
PENSACOLA, FLORIDA 32504
PHONE NO. 850.478.9844
CERTIFICATE OF AUTHORIZATION NO. 24

CERTIFICATE OF AUTHORIZATION NO. 24






LANDSCAPE ARCHITECT OF RECORD



DRAWN BY:	HIL
DESIGNED BY:	LAR
CHECKED BY:	JWM
APPROVED BY:	SLP
PROJECT NUMBER	100077589
DRAWING NUMBER	L2.03

WARNING: GAS MAINS IN CONSTRUCTION AREA.

REMOVE EX. MAGNOLIAS AND
REPLACE WITH NEW MAGNOLIAS

 TREE REMOVAL
 REMOVE & REPLACE
 ASIAN JASMINE (TA)
 SUNSHINE LIGUSTRUM (LS)
 STANDARD NATCHEZ GRAPE MYRTLE (LIN)

EAST PALATKA HOLLY (IEP)

LIVE OAK (QV)






(LIN)

GREGORY
STREET

TREES IN LANDSCAPE AREA THAT ARE NOT LABELED TO BE REMOVED OR LABELED REMOVE & REPLACE SHALL REMAIN AND PROTECTED DURING GROUND COVER INSTALLATION.

REMOVE EX. MAGNOLIA
AND REPLACE WITH
STANDARD CRAPE MYRTLE

REMOVE TREE

-  TREE REMOVAL
-  REMOVE & REPLACE
-  ASIAN JASMINE (TA)
-  SUNSHINE LIGUSTRUM
-  STANDARD NATCHEZ

EAST PALATKA HOLLY (IEP

LIVE OAK (QV)

(LIN

WRIGHT
STREET

BELMONT
STREET

A STREET REVITALIZATION

LANDSCAPE PLAN

ATKINS

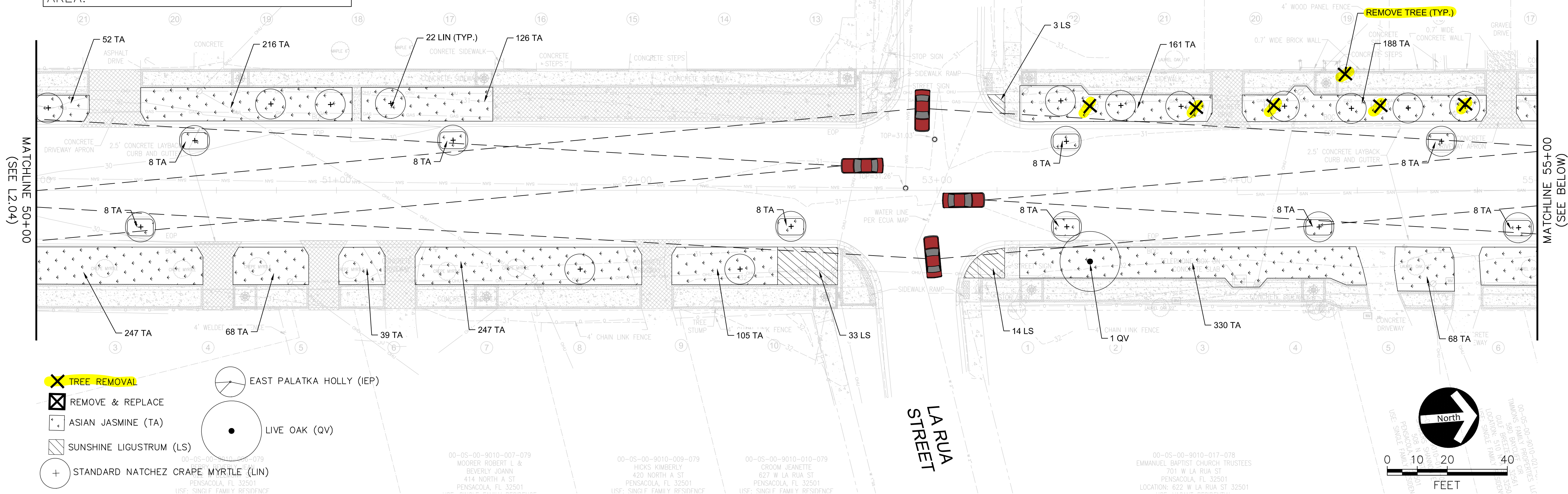
2065 AIRPORT BLVD., SUITE 400
PENSACOLA, FLORIDA 32504
PHONE NO. 850.478.9844
CERTIFICATE OF AUTHORIZATION NO.

DRAWN BY:	HIL
DESIGNED BY:	LAR
CHECKED BY:	JWM
APPROVED BY:	SLP
PROJECT NUMBER	100077589
DRAWING NUMBER	L2-04

PRIOR TO INSTALLATION, FINAL LOCATION FOR ALL TREES SHALL BE ADJUSTED IN THE FIELD IN CONJUNCTION WITH THE OWNER'S REPRESENTATIVE TO AVOID CONFLICTS WITH UTILITIES, SIGNAGE, EXISTING TREES THAT REMAIN, AND PAVEMENT.

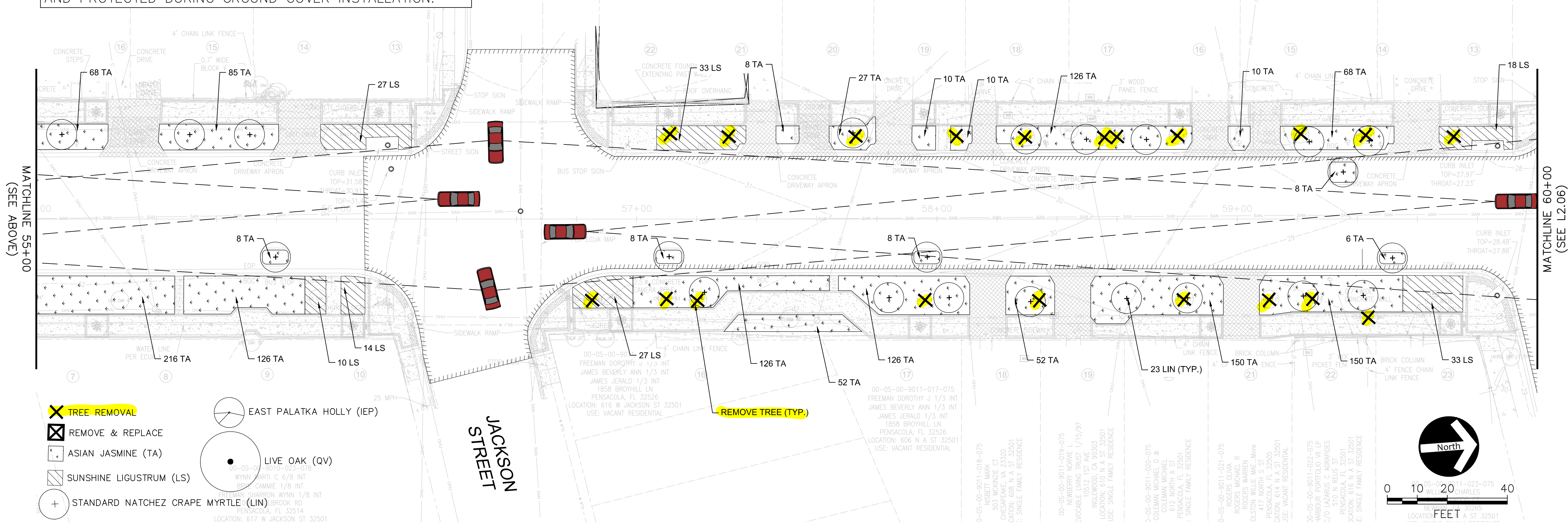
WARNING: GAS MAINS IN CONSTRUCTION AREA.

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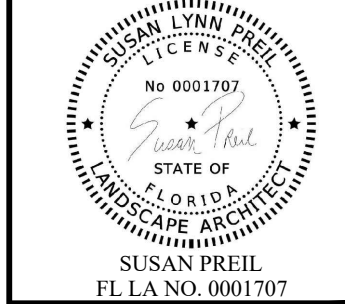
A STREET REVITALIZATION

LANDSCAPE PLAN

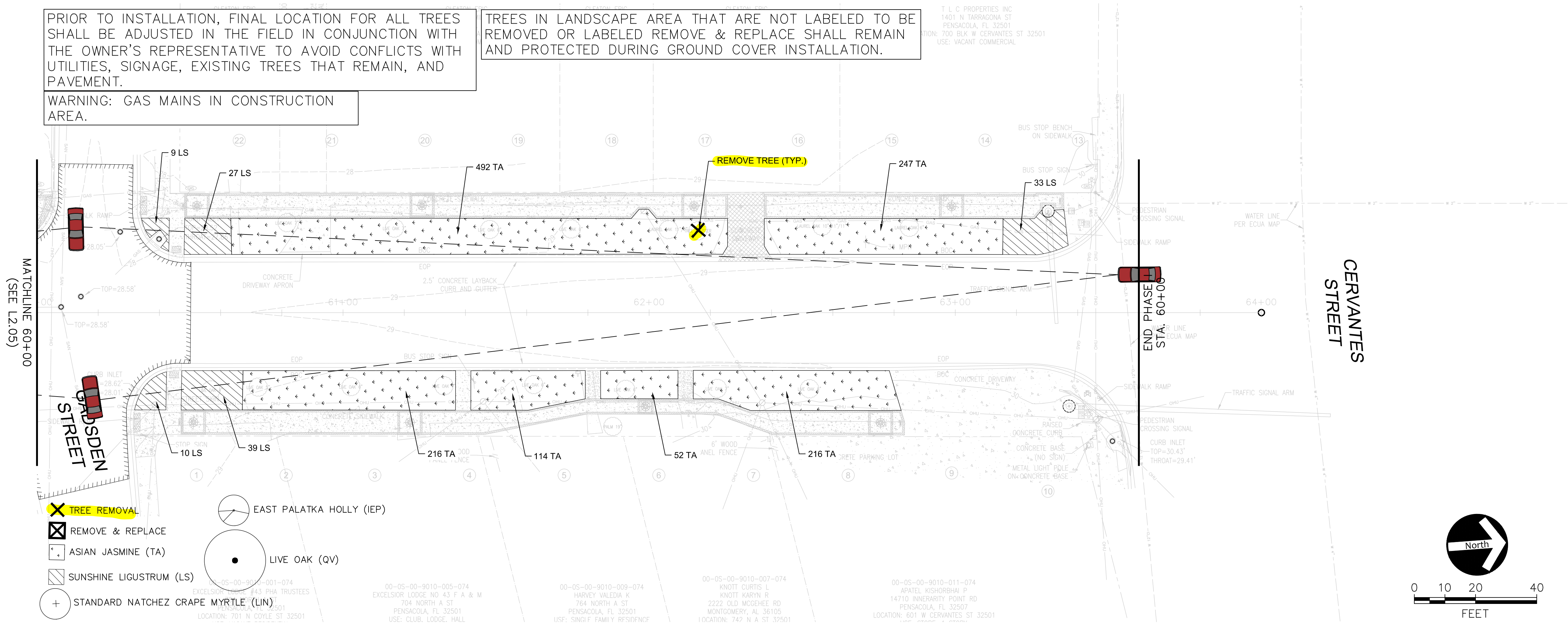
ATKINS

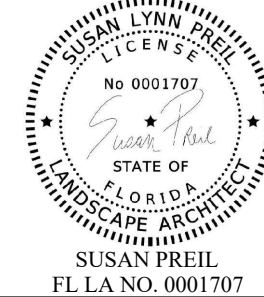
2065 AIRPORT BLVD., SUITE 400
PENSACOLA, FLORIDA 32504
PHONE NO. 850.478.9844
CERTIFICATE OF AUTHORIZATION NO. 24

LANDSCAPE ARCHITECT OF RECORD



DRAWN BY: HIL
DESIGNED BY: LAR
CHECKED BY: JWM
APPROVED BY: SLP
PROJECT NUMBER: 100077589
DRAWING NUMBER: L2.05



APPROVED BY		DATE		REVISIONS		NUMBER	
A STREET REVITALIZATION							
LANDSCAPE PLAN							
ATKINS							
2065 AIRPORT BLVD., SUITE 400 PENSACOLA, FLORIDA 32504 PHONE NO. 850.478.9844 CERTIFICATE OF AUTHORIZATION NO. 24							
LANDSCAPE ARCHITECT OF RECORD							
							
DRAWN BY: HIL							
DESIGNED BY: LAR							
CHECKED BY: JWM							
APPROVED BY: SLP							
PROJECT NUMBER: 100077589							
DRAWING NUMBER: L2.06							

GENERAL NOTES

1. All construction shall be in accordance with the plans and written specifications. No substitutions shall be made without prior written approval by the owner's representative.
2. Written dimensions shall take precedence over scaled dimensions. The Contractor shall verify and be responsible for all dimensions and conditions on the job. The owner's representative shall be notified of any variation from the dimensions and conditions shown on the plans.
3. The Establishment Period for watering and maintenance by the Contractor shall be 365 days. The Contractor shall request an Establishment Period Inspection at the end of the 365 day Establishment Period. A representative from the CRA/City of Pensacola who is responsible for maintenance shall be in attendance at the establishment period inspection.
4. Landscape materials shall be adjusted in the field to avoid conflicts with any (proposed or existing to remain) utility structures, drainage structures, ditches, under drains, ditch blocks, storm water management facilities, paving, drainage discharge paths, signage, overhead and underground utilities, lighting and their appurtenances. The Contractor shall not install the proposed improvements if a conflict exists. Any costs to remove and/or repair work installed that has not been approved by the owner's representative shall be at the Contractor's expense.
5. The Contractor shall not bring any hazardous materials onto the project site. Should the Contractor require such for performing contracted work, the Contractor shall request, in writing, permission from the owner's representative in advance. The Contractor shall provide the owner's representative with a copy of the Material Safety Data Sheet (MSDS) for each hazardous material proposed for use. The owner's representative shall coordinate with the CRA/City prior to issuing written approval to the Contractor. Because State Law does not treat petroleum products that are properly containerized and intended for equipment use as a hazardous material, such products do not need a MSDS submittal. Any known or suspected hazardous material found on the project by the Contractor shall be immediately reported to the owner's representative, who shall direct the Contractor to protect the area of known or suspected contamination from further access. The owner's representative is to notify the CRA/City of the discovery. The CRA/City will arrange for investigation, identification and remediation of the hazardous material. The Contractor shall not return to the area of contamination until approval is provided by the owner's representative.
6. Landscape improvements shall be installed by the Contractor per the latest edition of FDOT Maintenance Supplemental Specification 580, and any Planting Specifications provided with the construction documents.
7. The Contractor shall insure that, prior to moving on site, all equipment which last operated in areas known to be infested with noxious weeds is free of soil, seeds, vegetative matter, or other debris that could contain or hold seeds.
8. Quantities on Landscape Plan are minimum only. Contractor is responsible for their own quantity take-off, and shall provide all plant material required to fill plant bed area at spacing shown on plant schedule.
9. Any existing concrete and base material in proposed planting area shall be removed completely and disposed of off site. Appropriate top soil and amendments shall be imported for optimal plant growth to replace removed material.
10. All erosion control methods shall be in accordance with the Civil Plans.
11. Planting for all plant material and staking for all trees shall be in accordance with the latest edition of FDOT Standard Plans 580-001.
12. Due to the large quantities of landscape material on this project, multiple nurseries can be utilized to supply the materials as long as they match in type, form and proposed delivery conditions.

PLANTING BED PREPARATION

1. All planting areas shall be stripped of all existing vegetation unless otherwise noted on the plans.
2. All planting areas shall then be treated with a pre-emergent herbicide to assure that weeds will be controlled prior to planting. Herbicide instructions shall be followed as to treatment dilution, mix, application, and time periods between applications as applicable to assure weeds are eliminated from the planting beds prior to commencing planting. Herbicide treatment shall be in accordance with guidelines provided by the FDOT for chemical control.
3. All soil amendments shall be added to the planting areas and thoroughly incorporated into the soil prior to commencing final grading and installation.

UTILITY NOTES

1. The location(s) of the utilities shown on the plans should be considered approximate only.
2. The Contractor shall notify all utilities two (2) business days prior to demolition and/or excavation. Call "Sunshine State One Call System" 1-800-432-4770 (or Call 811) so that underground utilities may be field located.
3. A Utility Representative shall be present if landscaping requires any excavation of greater than 36 inches depth within 15 feet of underground utilities.
4. The Contractor shall coordinate with the utility companies during construction. No Utility is to be relocated. Planting shall be adjusted horizontally, at the direction of the owner's representative, to negate any Utility conflicts.

IRRIGATION NOTES

1. Permanent irrigation shall be installed for all landscape shown on the plans. The contractor shall utilize Rain Bird components. The irrigation coverage is to be comprised of spray heads and bubblers. Utilize spray pop-up, not a riser, in median beds 5' and wider with head-to-head coverage. A lockable cabinet controller(s) shall be provided by the contractor and its location determined in conjunction with the owner's representative prior to installation. Water supply shall be by well(s) installed by the contractor. Location and number of wells shall be determined by the contractor. It is suggested to obtain power at the lighting service locations. All permitting is the responsibility of the contractor.
2. The irrigation system shall be designed and installed as a design-build portion of the work performed by the contractor. The system must be designed/zoned so that all irrigation can occur between the hours of 1:00 a.m. and 7:00 a.m.
3. The contractor shall furnish the owner's representative with shop drawings and schematic design plans indicating full coverage of irrigated areas. The shop drawings must include proposed sleeving locations/sizes. All trees shall have 2 bubblers that are placed on bubbler-only zones that are separate from the other irrigation zones. Installation shall not commence until the shop drawings are approved by the owner's representative.
4. Permanent sleeves shall be installed by the contractor as necessary. The contractor is responsible for installation of all borings and casings, as needed. The contractor is responsible, at their expense, to repair any and all damage caused to any roadway or any/all other areas, or utilities as a result of the borings or any other irrigation work.

5. The installer shall be expected to make irrigation system field adjustments on the site as needed, in order to maintain complete and accurate irrigation coverage, and to maintain the intent of the design. The final locations for all major equipment (as applicable), including controllers, valves, wells, supply connections, mainlines, meters, etc. shall be determined in the field, staked out by the contractor using their drawings as a guide, and then approved by the owner's representative prior to installation.
6. Over flow onto structures and paved surfaces is not allowed to occur.
7. All work shall be done in accordance with prevailing codes and regulations. It shall be the responsibility of the installer to verify and conform to the particular codes for this location. The installer shall obtain all necessary permits (including those for bores, and any water line taps, if necessary), utility locates, and inspections.
8. All work shall be closely coordinated with that of other trades in order to avoid conflicts. The installation shall be coordinated with all new and existing improvements, and with the actual installed bed limits, and plant locations.
9. All material and labor necessary to provide a complete, fully operational, and guaranteed system shall be considered part of the work, whether or not they are specifically indicated in the submitted documents. This shall include conformance with the requirements and recommendations of the various manufacturers of the equipment, and with applicable training and certification of installation personnel.
10. Metallic locator/warning tape shall be buried above all wiring and piping.
11. Valve boxes shall be tamper-resistant type.
12. All irrigation shall be of the proper size and type for the location and plant material. All equipment shall be installed with adequate and uniform clearances from all paving, curbs, sidewalks, walls, and other obstacles, so that damage to equipment does not occur during normal landscape maintenance operations. All irrigation shall be adjusted to obtain optimal coverage of plant material.
13. Controller(s) shall be hooked up by a licensed electrician.
14. The controller(s) shall be equipped with a properly located and installed rain/freeze shutoff sensor device that complies with Florida law. The sensor(s) shall be located in such a manner so that they are unobstructed, and directly exposed to natural rainfall and sunlight from all directions, but not to runoff water from swales or other surfaces.
15. The minimum supply requirements for the system shall be determined by the contractor and stated on the design-build plans and shop drawings.
16. The installer shall be expected to be familiar with all requirements for the work, and to conduct the work in a clean, safe, and workmanlike manner. The owner reserves the right to act to protect their property and the other personnel at work there, and to make emergency repairs or take corrective action if the installer does not fulfill their obligations in a timely manner. The owner further reserves the right to back-charge the installer to cover such expenses, to the extent allowed under applicable law.
17. The installer shall coordinate with the owner's representative for provision of electric service requirements.
18. If there are any existing irrigated areas to remain, on or off-site, that are adjacent to the new construction, they must remain undisturbed and fully functional. Any disruption by the contractor to the existing irrigation coverage must be corrected by the contractor at their expense.
19. Contractor shall pay for and fix any disturbances made to existing landscape or construction when performing directional bores.
20. The landscape contractor shall supply the owner's representative with detailed and properly scaled irrigation as-built drawings in ACAD format (2016 version or later) within 30 days of project acceptance. The as-builts must include all system components and their sizes.
21. Irrigation system is to be design build. Contractor to submit schematics to the City for review and approval. All landscape items are to receive irrigation including islands. The number of ECUA connection points is based on the contractor's design. Any power requirements for the timers are intended to coincide with the lighting system power service points.

PLANTING NOTES

1. The landscape contractor shall be responsible for attending a pre-construction meeting during which installation specifications, installation requirements, schedules, and maintenance requirements will be discussed.
2. The landscape installation must be properly sequenced with other construction so that the landscape and irrigation is not damaged by other work/trades (and vice versa).
3. The contractor shall verify the existence of and stake all utilities prior to construction. Excavation of plant pits located within 5' of utilities shall be performed by hand. Any utility/plant material conflicts shall be brought to the attention of the owner's representative prior to installation or any field adjustments.
4. The contractor shall supply all plant materials in quantities sufficient to complete the plantings shown on all drawings. All plants shall meet size, container, and spacing specifications as shown in the plant schedule. The contractor shall guarantee plant health and survivability for one year from date of project acceptance by the owner's representative. Any material not meeting specifications or displaying poor health shall be replaced at contractor's expense within 2 weeks of notice.
5. All plant material shall be Florida No. 1 or better (unless otherwise noted) as set forth in "Grades and Standards for Nursery Plants", State of Florida, latest edition standards and designations. Notify the owner's representative a minimum of one week prior to plant delivery to schedule on-site inspection upon delivery. Installed plant material not meeting specifications shall be removed and replaced at contractor's expense. All plants must be brought to the site free of weeds. Additionally, the contractor shall provide the owner's representative with representative plant photos to approve for all plant materials prior to any plant delivery. Measuring sticks shall be shown in photos, as appropriate.
6. All plant materials indicated with a gallon size shall be container grown and within a container appropriate for the plant size. Root bound plants shall not be accepted. No substitutions shall be permitted without prior approval of the owner's representative.
7. The owner's representative reserves the right to make planting bed field changes to accommodate site conditions and to achieve the design intent. The landscape contractor shall flag all tree and bedline locations for approval by the owner's representative prior to any installation.

8. Bed preparation: Loosen soil to a minimum depth of four inches and remove all debris. Regrade the bed to its preplanting subgrade. Dig planting pits at 1.5 times the diameter of the pot. Fill plant pit with approved planting mix and compact so that the top of root ball will settle to the proper level relative to finish grade. Set plant and fill remainder of hole with planting mix. Fertilize each plant with the approved type and rate of fertilizer. Water in thoroughly. Reset any plants that settle too deep. Remove spoil soil and rake the bed to its finish grade. Cover all bed areas with the specified mulch depth. Remove all debris from the mulch. Water bed thoroughly. All pine straw shall be high grade from the 'improved slash' pine tree with a minimum needle length of eight inches.
9. The landscape contractor shall conduct representative soil analysis prior to the installation of any plant material. The landscape contractor shall notify the owner's representative of any improper soil condition (nutritional deficiencies, wetness, muck, debris, etc.) and shall recommend for approval, prior to installation, all soil amendments that may be necessary to promote healthy, vigorous plant growth.
10. The landscape contractor shall coordinate with all other trades (and plans), as necessary, in preparing planting areas, including final grade elevations.
11. All plant material must be planted immediately upon delivery to the site and watered in (by hand if the irrigation system is not functioning properly). Any plant material not installed within 6 hours of delivery to the site must be stored in an approved, protected holding area and shall be watered as necessary to maintain plant health and quality.
12. The landscape contractor shall notify the owner's representative a minimum of 48 hours prior to completion to schedule a final walk through. A final walk through shall not be performed if previous punch lists are not completed.
13. The landscape contractor shall be responsible for maintaining all plantings until final acceptance by the owner's representative. This maintenance includes keeping beds free of debris, weeds, diseases, and infestations. The landscape contractor shall also be responsible for providing sufficient water to the plants during this time.
14. The landscape contractor shall supply the owner's representative with as-built drawings in ACAD format (2016 version or later) within 30 days of project acceptance.
15. Refer to current FDOT Standard Specifications and Standard Plans, the Civil Plans, the General Notes, and the Specifications for additional requirements. Where conflicts exist, the more stringent standards and specifications shall apply.
16. The contractor shall add to the bid quantities for "sidewalk concrete placement" a six inch (6") strip of sod to be placed at the back side of the sidewalks in cases where grass occurs outside the right-of-way. For the portion of the project within the A street right-of-way, there is no sod item in the landscape plant list, this sod quantity cost shall be bid as an added item to be bid along with and included with the adjacent sidewalk in instances where this condition occurs. The sod cost item can be omitted in conditions where the sidewalk is constructed adjacent to buildings, pavement, or other hard surfaces.

365-DAY ESTABLISHMENT PERIOD MAINTENANCE PLAN

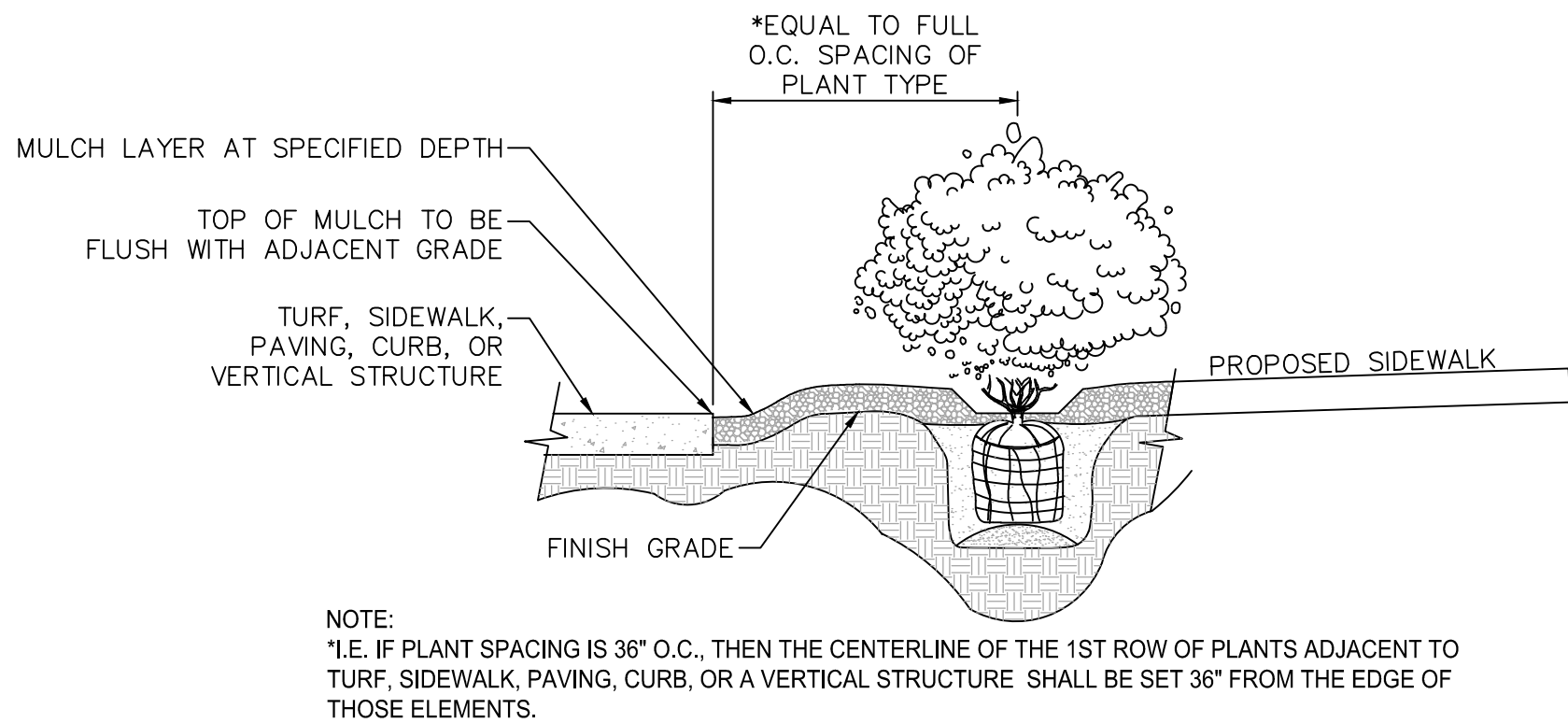
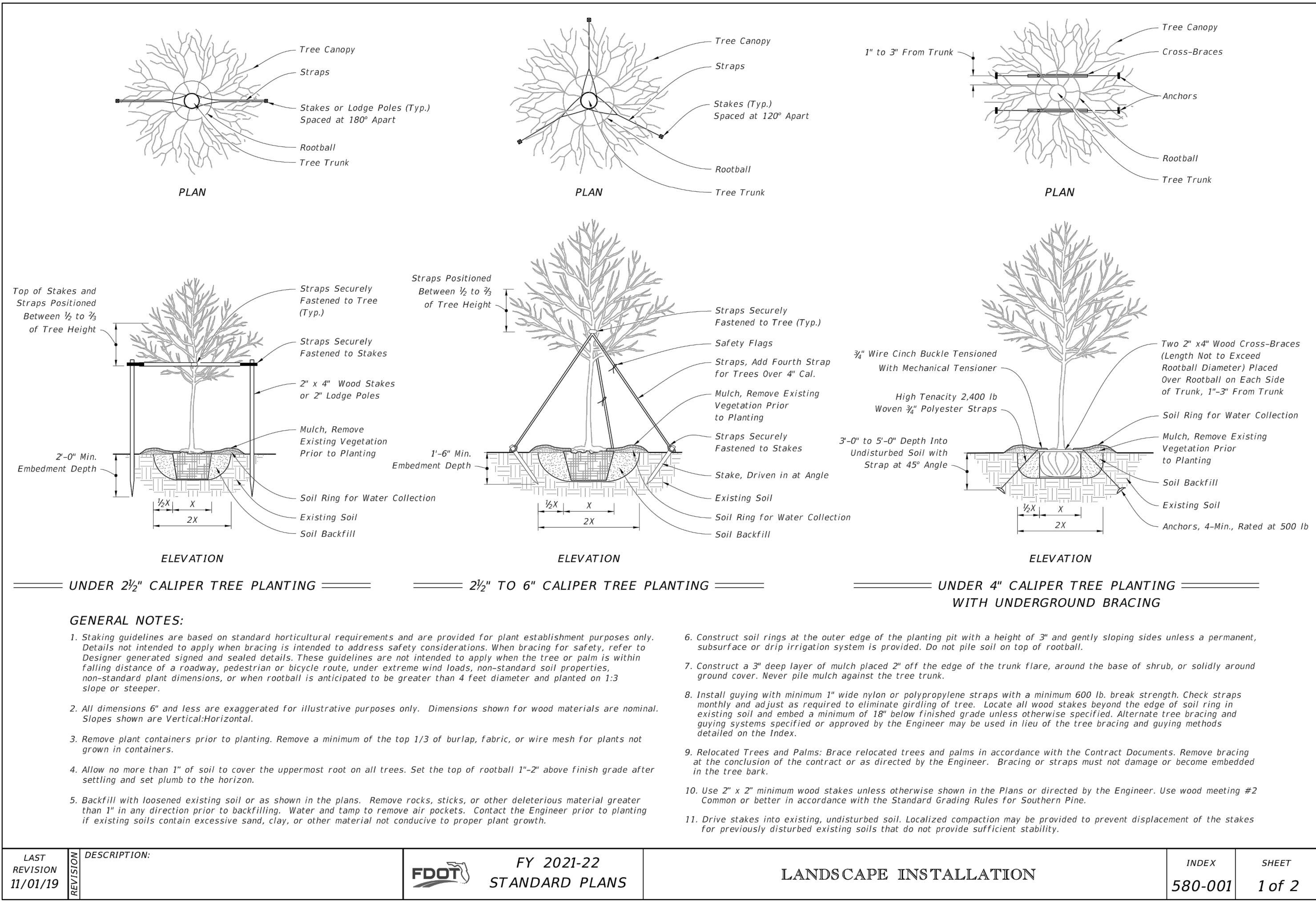
The following operations shall be performed by the Contractor during the 365 Day Maintenance Period for all of the landscape and irrigation area installed per the plans. The Contractor shall assume responsibility for the proper maintenance, survival and condition of all landscape and irrigation items for a period of one year after the final acceptance of all installation work under the contract. At a minimum, maintenance shall occur weekly from April through October, and twice a month from November through March. The contractor shall include this 365-Day maintenance within their bid.

1. Fertilizer: During the establishment period, based on plant growth monitoring and soil analysis.
2. Weeding/Edging:
Weeding - All planting areas shall remain weed free during the establishment period. Manual removal of weeds is preferable to control by herbicide.
Edging - Mechanically edge all planting beds that are adjacent to paving.
3. Herbicides/Pesticides:
 - a. All personnel involved in the chemical program are to receive proper training and follow the operating guidelines provided by FDOT for chemical control. Contact the local County Agricultural Extension Service for additional information regarding herbicides, pesticides and required licenses.
 - b. Remove mechanically or by herbicide treatment all invasive exotic species found during the establishment period.
 - c. Provide plant material insect and disease control inspections continually during the establishment period and treat as necessary.
4. Pruning: Prune all plants as necessary to maintain proper form, health and vigor during the establishment period.
5. Mulch:
 - a. In all planting beds, pine straw mulch shall be maintained continually at a 3" settled depth.
 - b. Replenish pine straw mulch (1.5 inches depth) one month before the end of the establishment period.
6. Irrigation: Maintain the irrigation system, and provide sufficient water to ensure plant material health during the establishment period.
7. Litter Pick-Up: During the establishment period, ensure litter pickup regularly.
8. Staking: Contractor shall maintain all tree staking for the duration of the establishment period. Contractor shall remove all aboveground tree staking upon final acceptance at the end of the establishment period.
9. 1-Year Option: Based upon the Contractor's maintenance performance during the 365 Day Establishment Period, the CRA/City may exercise a 1-Year Option for continued maintenance services by the Contractor.

[illegible]

Plant Schedule

KEY	TOTAL QUANTITY	QUANTITY PHASE I	QUANTITY PHASE II	SCIENTIFIC NAME	COMMON NAME	SIZE	COMMENT
TREES							
IEP	5	5	0	ILEX X ATTENUATA 'EAST PALATKA'	EAST PALATKA HOLLY	45 GAL.	CONTAINER
LIN	86	69	17	LAGERSTROEMIA INDICA 'NATCHEZ'	NATCHEZ CRAPE MYRTLE	100 GAL.	STANDARD, CONTAINER, LIMBED UP TO AN 8' HEIGHT CLEAR TRUNK
MAG	3	3	0	MAGNOLIA G. 'LITTLE GEM'	LITTLE GEM MAGNOLIA	30 GAL.	STANDARD, CONTAINER
QV	3	1	2	QUERCUS VIRGINIANA	LIVE OAK	65 GAL.	CONTAINER, LIMBED UP TO AN 8' HEIGHT CLEAR TRUNK
SHRUBS							
LS	1,340	821	519	LIGUSTRUM SINENSE 'SUNSHINE'	SUNSHINE LIGUSTRUM	3 GAL.	CONTAINER, 30" OC
GROUNDCOVERS							
TA	16,711	10,993	5,718	TRACHELOSPERMUM ASIATICUM	ASIAN JASMINE	1 GAL.	CONTAINER, 24" OC
35 TREES TO BE REMOVED AND DISPOSED OF OFF SITE, ALL TREE REMOVAL TO BE DONE IN PHASE I							
CENTIPEDE SOD (EREMOCHLOA OPHIUROIDES) TO REPAIR FROM BACK OF WALK TO EXISTING (± 2,400 SY SOD TOTAL) (1,435 SY SOD PHASE I, 965 SY SOD PHASE II)							
PLANTING SOIL - MIX 24" DEEP IN PLANTING ISLAND BEDS, MIX 4" DEEP IN BEDS BETWEEN THE BACK OF CURB AND NEW WALK. BACKFILLING TO 3" BELOW THE TOP OF CURB ELEVATION TO ALLOW ROOM FOR MULCH (+/- 940 CY) (1,055 CY TOTAL SOIL) (687 CY SOIL PHASE I, 368 CY SOIL PHASE II)							
MULCH - MIN. 3" LAYER OF PINESTRAW (+/- 8,496 SY TOTAL) (5,563 SY PINESTRAW PHASE I, 2,933 SY PINESTRAW PHASE II). TOPDRESS AFTER 1 YEAR TO A 3" TOTAL MULCH DEPTH OF PINESTRAW							
APPLY OSMOCOTE SLOW RELEASE FERTILIZER (OR APPROVED EQUAL) TO ALL PLANTINGS FOLLOWING INSTALLATION. APPLY AS DIRECTED AND AT RATES SPECIFIED BY MANUFACTURER.							



2
L2.08

PLANT SPACING AT PERMETER OF BED DETAIL

A STREET REVITALIZATION

LANDSCAPE PLAN

ATKINS

2065 AIRPORT BLVD., SUITE 400
PENSACOLA, FLORIDA 32504
PHONE NO. 850.478.9844
CERTIFICATE OF AUTHORIZATION NO. 24

LANDSCAPE ARCHITECT OF RECORD

SUSAN PREIL
FL LA NO. 0001707

DRAWN BY: HIL

DESIGNED BY: LAR

CHECKED BY: JWM

APPROVED BY: SLP

PROJECT NUMBER: 100077589

DRAWING NUMBER: L2.08