# FINDING OF NECESSITY STUDY FOR THE CREATION OF THE WESTSIDE NEIGHBORHOODS COMMUNITY REDEVELOPMENT AREA

# City of Pensacola, Florida









# FINDING OF NECESSITY WESTSIDE NEIGHBORHOODS

Prepared For

CITY OF PENSACOLA, FL

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### **Overview**

The City of Pensacola, located in Escambia County, is situated 50 miles east of Mobile, Alabama and is directly connected to Tallahassee via Interstate 10. The City's location in the Florida Panhandle makes it vulnerable to hurricane force winds that have caused severe damage to the built environment in recent years. While the City has invested significant resources in revitalizing its Downtown and historic neighborhoods, several of its inner core neighborhoods are experiencing challenges such as poor housing conditions, economic distress, and declining population trends compared with suburban development. The City of Pensacola developed its Neighborhood Planning Process in 2001 to actively engage citizens in the community development process. Since 2001, the City has initiated several neighborhood planning efforts including, but not limited to the Woodland Heights Neighborhood Plan, the Belmont- Devilliers Neighborhood Plan, the Eastside Neighborhood Plan, the Pensacola Historic District Master Plan, and the Alcaniz Streetscape Initiative.

The Westside Neighborhoods Area, located in the southwestern part of the City, has experienced severe decline in aesthetic character and private investment in recent years. The Westside Neighborhoods Area is bounded by "A" Street on the east, the corporate limit line on the north, the city limit line/ Bayou Chico on the west and Pensacola Bay on the south. The City Council identified the challenges faced by the Westside Neighborhoods and has approved plans to focus on the physical improvement and economic sustainability of the Westside area including, the Urban Infill and Redevelopment Area Plan, the Enterprise Zone Plan, the American Creosote Works (ACW) Superfund Site Reuse Plan and the Westside Neighborhoods Plan.

The above mentioned plans recommended the employment of Tax Increment Financing as a mechanism to fund infrastructure and redevelopment activities within the designated boundaries of each plan. Based on these recommendations, the City staff commissioned the RMPK Group in September 2006 to conduct a "Finding of Necessity Study" and determine the existence of "slum" or "blight" conditions in the Westside Neighborhoods Area of the City of Pensacola, as defined by Section 163 of the Florida Statutes.

Determining the existence of "slum" or "blight" conditions within an area is the initial step in evaluating the appropriateness of an area for designation as a Community Redevelopment Agency. This Study describes the physical and economic conditions and the regulatory requirements within the Study Area that are associated with blight, as defined by the Florida Statutes.

The report begins with an overview of the Community Redevelopment Act of 1969, Section 163 of the Florida Statutes that provides a definition for the terms "slum" and "blight" as per the Florida Statutes. Following the overview, Section II discusses the research methodology adopted and establishes the recommended Westside Neighborhoods Study Area boundary based on the factors that are found to be indicative of slum or blighted conditions in the Study Area. Section III presents a detailed analysis of the demographic data and existing conditions of blight found in the Study Area. Section IV presents conclusions and recommendations relating to the CRA designation proposed for the recommended Westside Neighborhoods Study Area.

Finally, Appendix A contains preliminary tax increment financing revenue projections for the recommended Westside Neighborhoods CRA. Appendix B contains the Study Area Boundary analysis that illustrates the criteria and indicators used to determine the recommended Westside Neighborhoods CRA boundary through GIS based maps and data. Appendix C includes the City of Pensacola Property Conditions Survey results prepared by the University of West Florida. Appendix D presents the demographic data prepared by the University of West Florida Haas Center of Business Research and Economic Development. Appendix E contains a list of selected properties with multiple owners extracted from the Escambia County Property Appraiser records. Appendix F contains a photo inventory of the blighted conditions in the Study Area compiled during the fieldwork conducted by the RMPK Group. Appendix G includes the Remediation Study for the American Creosote Works (ACW) site located within the recommended Westside Neighborhoods Study Area boundary.

# I. Community Redevelopment Act of 1969

The Community Redevelopment Act of 1969, Chapter 163 Part III, Florida Statutes, authorizes local governments to establish community redevelopment agencies to improve slum and blighted areas within their jurisdiction. The Act sets forth the legal process by which local governments may establish community redevelopment agencies and provides financing and regulatory tools to undertake the complex task of overcoming the conditions that contribute to the causes of slum and blight in declining areas of the City.

Section 163.355 F.S. requires local governments desiring to establish a community redevelopment agency to adopt, by resolution, a finding that one or more "slum" or "blighted" areas exist within its jurisdiction and that the rehabilitation, conservation, or redevelopment of such areas is necessary in the interest of the public health, safety, morals, or welfare of the residents of the area. Upon adoption of a redevelopment plan, the City's redevelopment agency can begin implementing the plan, including creation of a tax increment trust fund for the redevelopment area. The following paragraphs discuss "slum" and "blight" as defined in the Florida State Statute:

Section 163.335(1), F.S....Slum and blighted areas constitute a serious and growing menace, injurious to the public health, safety, morals, and welfare of the residents of the state; that the existence of such areas contributes substantially and increasingly to the spread of disease and crime, constitutes an economic and social liability imposing onerous burdens which decrease the tax base and reduce tax revenues, substantially impairs or arrests sound growth, retards the provision of housing accommodations, aggravates traffic problems, and substantially hampers the elimination of traffic hazards and the improvement of traffic facilities; and that the prevention and elimination of slums and blight is a matter of state policy and state concern in order that the state and its counties and municipalities shall not continue to be endangered by areas which are focal centers of disease, promote juvenile delinguency, and consume an excessive proportion of its revenues because of the extra services required for police, fire, accident, hospitalization, and other forms of public protection, services, and facilities.

Section 163.335(2), F.S. ...certain slum or blighted areas, or portions thereof, may require acquisition, clearance, and disposition subject to use restrictions, as provided in this part, since the prevailing condition of decay may make impracticable the reclamation of the area by conservation or rehabilitation; that other areas or portions thereof may, through the means provided in this part, be susceptible of conservation or rehabilitation in such a manner that the conditions and evils enumerated may be eliminated, remedied, or prevented; and that salvageable slum and blighted areas can be conserved and rehabilitated through appropriate public action as herein authorized and the cooperation and voluntary action of the owners and tenants of property in such areas.

**Section 163.335(3), F.S.** ... powers conferred by this part are for public uses and purposes for which public money may be expended and police power exercised, and the necessity in the public interest for the provisions herein enacted is declared as a matter of legislative determination.

Section 163.335(5), F.S. ...the preservation or enhancement of the tax base from which a taxing authority realizes tax revenues is essential to its existence and financial health; that the preservation and enhancement of such tax base is implicit in the purposes for which a taxing authority is established; that tax increment financing is an effective method of achieving such preservation and enhancement in areas in which such tax base is declining; that community redevelopment in such areas, when complete, will enhance such tax base and provide increased tax revenues to all affected taxing authorities. increasing their ability to accomplish their other respective purposes; and that the preservation and enhancement of the tax base in such areas through tax increment financing and the levying of taxes by such taxing authorities therefore and the appropriation of funds to a redevelopment trust fund bears a substantial relation to the purposes of such taxing authorities and is for their respective purposes and concerns.

**Section 163.335(6), F.S.** ...there exists in counties and municipalities of the state a severe shortage of housing affordable to residents of low or moderate income, including the elderly; that the existence of such condition affects the health, safety, and welfare of the residents of such counties and municipalities and retards their growth and economic and social development; and that the elimination or improvement of such conditions is a proper matter of state policy and state concern is for a valid and desirable purpose.

**Section 163.335(7), F.S.** ...prevention or elimination of a slum area or blighted area as defined in this part and the preservation or enhancement of the tax base are not public uses or purposes for which private property may be taken by eminent domain and do not satisfy the public purpose requirement of s. 6(a), Art. X of the State Constitution.

#### The Florida State Statute

The following paragraph provides the definition of "blighted areas" as defined in Section 163.340 (8) of the Florida State Statute:

**Section 163.340(8), "Blighted area"** means an area in which there are a substantial number of deteriorated, or deteriorating structures, in which conditions, as indicated by government-maintained statistics or other studies, are leading to economic distress or endanger life or property, and in which two or more of the following factors are present:

- (a) Predominance of defective or inadequate street layout, parking facilities, roadways, bridges, or public transportation facilities;
- (b) Aggregate assessed values of real property in the area for ad valorem tax purposes have failed to show any appreciable increase over the 5 years prior to the finding of such conditions:
- (c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness:
- (d) Unsanitary or unsafe conditions;
- (e) Deterioration of site or other improvements;
- (f) Inadequate and outdated building density patterns;
- (g) Falling lease rates per square foot of office, commercial, or industrial space compared to the remainder of the county or municipality;
- (h) Tax or special assessment delinquency exceeding the fair value of the land;
- (i) Residential and commercial vacancy rates higher in the area than in the remainder of the county or municipality;
- (j) Incidence of crime in the area higher than in the remainder of the county or municipality;
- (k) Fire and emergency medical service calls to the area proportionately higher than in the remainder of the county or municipality;
- (I) A greater number of violations of the Florida Building Code in the area than the number of violations recorded in the remainder of the county or municipality;
- (m) Diversity of ownership or defective or unusual conditions of title which prevent the free alienability of land within the deteriorated or hazardous area: or
- (n) Governmentally owned property with adverse environmental conditions caused by a public or private entity.

## **II. Study Area Description**

This Finding of Necessity Study initially focused on the area bounded by "A" Street on the east, the corporate limit line on the north, the city limit line / Bayou Chico on the west and Pensacola Bay on the south, the Westside Neighborhoods Area. The initial Study Area boundaries included several waterfront properties along the Pensacola Bay to the south including the Sanders Beach Neighborhood area, the Bayou Grove Neighborhood, other properties along the Bayou Chico to the west, and the Runyan Shipyard area. After a detailed analysis of the existing conditions in the larger Study Area, parcels to be included in the recommended Westside Study Area boundary (Map 2) were determined and the boundary lines revised. The identified parcels are intended to define the boundaries shown in Map 2; however the properties should not be construed as the official boundary for the Community Redevelopment Area.

As illustrated in the Existing Land Use Map (Map A, Appendix B), the initial Westside Neighborhoods Study Area is characterized by primarily residential neighborhoods, large parcels of active industrial uses, commercial development, institutional uses (including cemeteries and churches), and vacant lands.

Map B (Appendix B) illustrates the deteriorated structures in the initial Study Area with the red circles indicating structures damaged by Hurricane Ivan in 2004 and Hurricane Dennis in 2005. It is important to note that the majority of the deteriorating conditions in the Sanders Beach Neighborhood and Bayou Grover Neighborhood are attributed to the damage caused by Hurricane Ivan in 2004 and during fieldwork conducted by the RMPK Group, it was observed that several of the structures in the neighborhoods have been renovated and rebuilt. Additionally, the southern part of the Study Area also consists of active industrial uses that are a sustainable source of employment for the City as a whole. Remaining areas meeting the blight criteria are suggested for inclusion within the recommended Westside Study Area boundary.

Segments deleted from the recommended Westside Study Area are characterized by primarily stable or improving residential neighborhoods, large parcels of active industrial uses, waterfront commercial development, and vacant waterfront land. While the waterfront properties, located in the southern and western extents of the initial Westside Neighborhoods Study Area, along the Pensacola Bay and the Bayou Chico exhibit some deteriorating conditions, it is anticipated that the redevelopment of these prime properties would be market driven. Several blocks on the northeastern most boundary of the study were also deleted from the recommended Westside Community Redevelopment Area. Parcels in this section of are mixed in character in terms of property condition, size and value. The area contains many large and well maintained owner occupied homes. Owners of highly valued properties in this area have indicated they prefer not to be included within any proposed CRA. In light of these factors, this small section was excluded from the recommended Westside Community Redevelopment Area boundaries. (Data supporting the Study Area Boundary analysis is contained in Appendix B)

The recommended boundary was determined based on the following criteria:

- Statutory criteria pertaining to site and economic conditions that warrant the use of redevelopment powers provided by Statute.
- Consideration of future development or redevelopment potential based on factors including ownership patterns, parcel sizes, ease of assemblage, and housing values.
- Consideration of sound planning principles for continuity of future land use based on adjacent land uses or land attributes, transportation systems, and the efficient provision of government utilities and services.
- Deteriorating commercial corridors and areas with commercial, industrial and residential land use conflicts.
- Presence of federal or state designated environmentally contaminated sites.

# **INITIAL STUDY AREA**

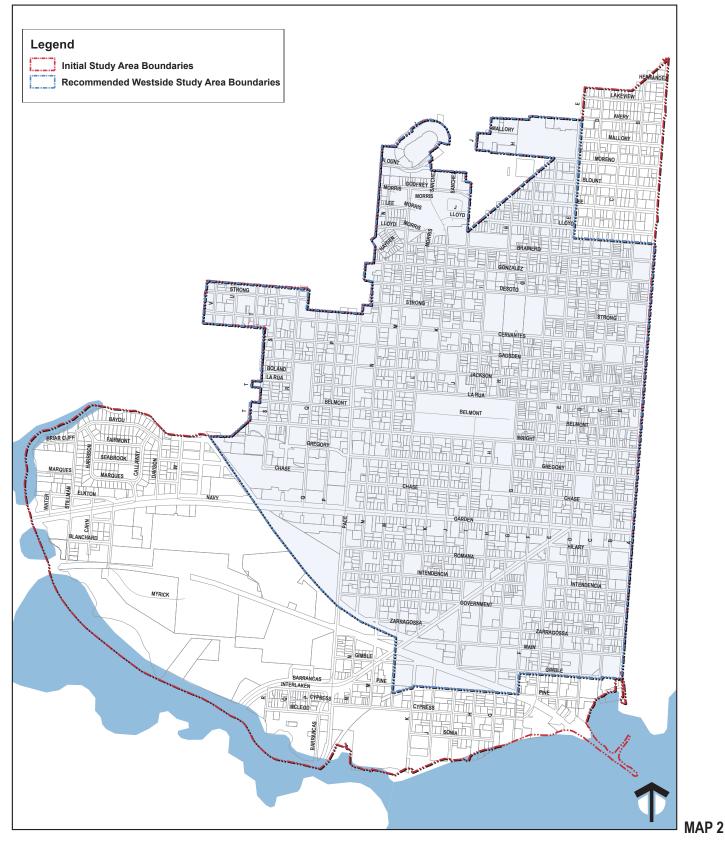


WESTSIDE NEIGHBORHOODS AREA FINDING OF NECESSITY STUDY

500 1,000 2,000 3,000 4,000 Feet

MAP 1

### RECOMMENDED WESTSIDE STUDY AREA BOUNDARIES



WESTSIDE NEIGHBORHOODS AREA FINDING OF NECESSITY STUDY



City of Pensacola, Florida

This area was selected because it conforms to applicable provisions of Section 163.340, Florida Statutes, relating to areas considered for Community Redevelopment Plans. Based on the definitions in the Statute and analysis of "blight" conditions discussed in this Study, the recommended Westside Study Area boundaries are as follows (Refer to Map 2):

Beginning at the corporate limit line on the north along the south right-of-way line of Avery Street, proceed south along the east right-of-way line of E Street North to the southern right-of-way line of Lee Street, then proceed south along the east right-of-way line of C Street North to the southern right-of way line of Lloyd Street; continue east along Lloyd Street to the east right-of-way line of A Street North. Proceed south along the east right-of-way line of A Street North to the south right-of-way line of Gimble Street West; continue west along the south right-of-way line of Gimble Street to the east right-of-way line of F Street South. Proceed south along the east right-of-way line of F Street South to the southern right-ofway of Pine Street; then west along the south right-of-way line of Pine Street to the east right-of-way line of L Street South including the triangular parcel (American Creosote Works property) located at the southeast corner of Pine Street and L Street South; proceed north along the east right-of way line of L Street South to its intersection with the railroad track north of Barrancas Avenue and head northwest along the railroad track to the south right-of-way line of the City limits on the west. Continue along the City limit line back to the place of beginning.

The Escambia County Property Appraiser records indicates that the recommended Westside Neighborhoods Study Area Boundary contains 2,892 parcels encompassing an area of 849 acres excluding right-of-ways. There are 26,385 parcels in the City of Pensacola encompassing an unofficial area of 16,525 acres excluding right-of-ways. The recommended Westside Neighborhoods Study Area Boundary represents approximately 5% of the City's total land area and nearly 11% of the total parcel count.

According to the definition provided by the Florida Statute, in addition to the substantial number of deteriorating structures and conditions leading to economic distress, two or more of the fourteen (14) factors must be present to determine that blighted conditions exist in an area. This study documents, the existence of at least five of these factors, establishing that blighted conditions exist in the recommended Westside Neighborhood Study Area, The conditions are summarized in Table 1:

Condition/ Factor Required by Statute	Indicator
163.340 (8) Substantial number of deteriorated or deterio-	City of Pensacola Property Conditions Survey (prepared by UWF)
rating structures	Age of Structures (Escambia County Property Appraiser Data)
	Hurricane Damage
163.340 (8) Conditions leading to economic distress	Unemployment Rate Data
	Household Income
	Poverty Rate Data
163.340 (8) (c) Faulty Lot Layout in relation to size, adequacy, accessibility, or usefulness	Parcel Sizes (Escambia County Property Appraiser Data)
163.340 (8) (i) Residential and commercial vacancy rates higher in the area than in the remainder of the County or municipality	Vacancy Rates (Escambia County Property Appraiser Data)
163.340 (8) (j) Incidence of crime in the area higher than in the remainder of the community	City of Pensacola Police Department Crime Statistics (2005)
163.340 (8)(m) Diversity of ownership or defective or unusual conditions of title which prevent the free alienability of land within the deteriorated or hazardous area	Multiple Ownership (Multiple Interest owners, land trusts, life estates) (Escambia County Property Appraiser Data)
163.340 (8) (n)Governmentally owned property with adverse environmental conditions caused by a public or private entity.	American Creosote Works EPA Remediation Evaluation System Report

Table 1. Blight Conditions and Indicators, Recommended Westside Neighborhoods Study Area

## **Project Methodology**

Meetings and discussions with City of Pensacola staff contributed significantly to the analysis of the Westside Neighborhoods Study Area. Additionally, the RMPK Group conducted a field survey to characterize, at a block and parcel level, the types and extent of physical and economic blight existing within the Study Area.

Following the field survey, each parcel in the Study Area was individually evaluated through GIS based analysis with respect to physical conditions, as appropriate, and conditions noted. The GIS database was provided by the City of Pensacola GIS Department and Escambia County Property Appraiser records. Other sources that were instrumental in determining the blight conditions included the City of Pensacola Property Conditions Survey conducted by the University of West Florida in 2003, the socio-economic indicators (2000 Census data and 2006 estimates) provided by the University of West Florida Haas Center of Business Research and Economic Development, the City of Pensacola Police Department Crime Statistics (2005), the City of Pensacola Community Development Department Inspections Division (2005), and the U.S. Environmental Protection Agency's report of the Remedial System Evaluation (2003) for the American Creosote Works site.

The analysis also included an evaluation of the planning documents and reports relating to relevant conditions in the Study Area. Each relevant condition was then mapped separately to illustrate the blighted conditions in the Study Area. A composite map was constructed that showed the Study Area blocks that were affected by one or more condition and any unaffected blocks. The composite map was examined for patterns of areas needing or not needing redevelopment. The emerging patterns were used in formulating a recommendation for the Westside Neighborhoods CRA boundary and determining blight conditions according to the Statute.

The inventory of blighting conditions was conducted using an approach consistent with the requirements of the Florida Statute. The findings are presented as a series of site photos, maps, statistical tables and text descriptions of the blight conditions established in the Westside Neighborhoods Study Area.



Vacant Commercial with deteriorated structural and site conditions along Cervantes Street



Vacant residential land and deteriorating site improvements



Vacant commercial with deteriorated structural and site conditions

## III. Inventory

### Section 163.340 (8) SUBSTANTIAL NUMBER OF DETERIORATED OR DETERIORATING STRUCTURES

The presence of a substantial number of deteriorated or deteriorating structures in an area is an indication of blight as defined by the Florida Statute and has a negative impact on the investment image of a community. These conditions impair economic growth including the lack of private investment to maintain the integrity and value of existing development, depreciation in housing values, high risk factor for new development, and a reduced tax base for the City. Additionally, deteriorated buildings create additional expense for the community in the need for increased code enforcement personnel, fire hazards, community policing, and inspections.

The Study utilizes the results of the *City of Pensacola Property Condition Survey*, conducted by the University of West Florida in April 2003, as the primary data source to determine the occurrence of deteriorated or deteriorating structures and conditions of blight found in the Study Area. The data presented in Tables 1-8 and Maps 1-7, supported by the description of the conditions indicates the presence of distressed conditions and areas susceptible to deterioration in the recommended Westside Neighborhoods Study Area. The UWF survey results for deteriorating properties in the Study Area, supported by fieldwork conducted by RMPK in September 2006, confirms the existence of a substantial number of deteriorating conditions documented by the accompanying photographs. (Appendix F)

The University of West Florida survey classifies structures into the following four categories of condition:

- **1. Standard Condition:** Unit appears habitable and in good condition. Needs no exterior repairs.
- 2. Slightly Deteriorated: Unit appears habitable but needs minor, non-structural repairs or maintenance such as painting or new roof shingles.
- **3. Deteriorated:** Units appear habitable but needs major, structural repair such as new windows, walls, corrections to foundation, sagging roofs, porches, etc.
- **4. Dilapidated:** Unit appears uninhabitable and is badly deteriorated and in need of major structural repairs. Considerable effort and expense required to rehabilitate and rehabilitation is probably not structurally or economically feasible.



Vacant Commercial with deteriorated structural and poor site conditions along Cervantes Street.

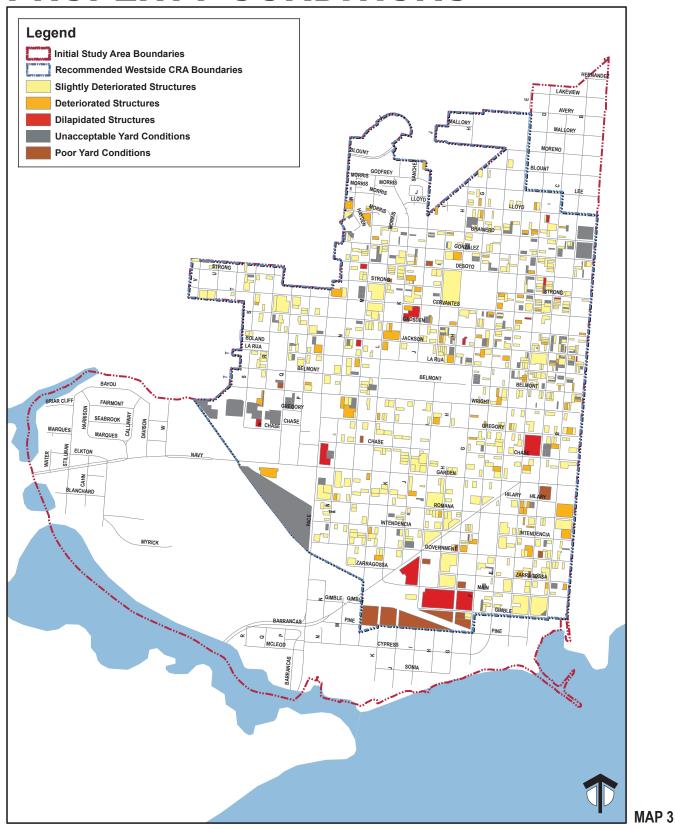


Vacant land along Pace Boulevard

Table 2. Westside Neighborhoods Study Area Structural Conditions								
	Total % Occupied % Vacant							
Structures Surveyed	2,559	100.0%	2,420	94.6%	139	5.6%		
Standard Condition	1,852	72.4%	1,812	74.9%	40	28.8%		
Slightly Deteriorated	601	23.5%	534	22.1%	57	41.0%		
Deteriorated	100	3.9%	69	2.9%	31	22.3%		
Dilapidated	16	0.6%	5	0.2%	11	7.9%		
Total Structures with some level of deterioration	717	28.0%	608	25.1%	99	78.4%		

Source: City of Pensacola Property Conditions Survey conducted by University of West Florida (2003)

# **PROPERTY CONDITIONS**



WESTSIDE NEIGHBORHOODS AREA FINDING OF NECESSITY STUDY

City of Pensacola, Florida



Prepared by: The RMPK Group Source: City of Pensacola GIS Department City of Pensacola Property Conditions Survey (2003), conducted by University of West Florida. October, 2006 Map 3 illustrates the site conditions and classifies it into different categories for structural deterioration and yard conditions as defined by the UWF's City of Pensacola Property Conditions Survey data. Table 2 indicates that 717 structures, representing approximately *twenty-eight percent (28%)* of the structures in the Study Area, are deteriorated to some degree. In comparison, only *eighteen (18%)* of the total number of parcels in the City were found to have some level of deterioration. While the recommended Westside Neighborhoods Study Area, accounts for approximately *five percent (5%)* of the total City land area in acres, it contains nearly *twenty-five percent (25%)* of the citywide structures exhibiting some level of deterioration. (717 structures in the Study Area out of 2,899 deteriorating structures found citywide, Table 4)

Additionally, nearly *twenty-five percent (25%)* of the West Side Neighborhoods Study Area's occupied structures have some degree of deterioration while approximately *seventy-eight percent (78%)* of the vacant structures are deteriorated to some extent. In comparison, the City has approximately *fifteen percent (15%)* of its occupied structures in deteriorating condition and *sixty-two percent (62%)* of its vacant structures with some level of deterioration. (Table 2 and Table 3)

As illustrated in Map 3, the deteriorated and dilapidated structures are scattered throughout the Westside Neighborhoods area, however, there are some areas of concentration of these properties within the northeastern segments of the Study Area.









Deteriorating Site Conditions, Westside Neighborhoods Commercial Properties

Table 3. Citywide Property Conditions									
	Total % Occupied % Vacant %								
Structures Surveyed	16,462	65.1%	15,668	95.2%	792	4.8%			
Standard Condition	13,557	82.4%	13,256	84.6%	300	37.9%			
Slightly Deteriorated	2,469	15.0%	2,150	13.7%	319	40.3%			
Deteriorated	365	2.2%	252	1.6%	111	14.0%			
Dilapidated	65	0.4%	8	0.1%	57	7.2%			
Total Structures with some level of deterioration	2,899	17.6%	2,410	15.4%	487	61.5%			

Source: City of Pensacola Property Conditions Survey conducted by University of West Florida (2003)

Table 4. Citywide vs. Westside Neighborhoods Property Comparison						
	Citywide	Westside Neighborhoods	Occurrence in Westside Neighborhoods			
Structures Surveyed	16,462	2,559	15.5%			
Standard Condition	13,557	1,852	13.7%			
Slightly Deteriorated	2,469	601	24.3%			
Deteriorated	365	100	27.4%			
Dilapidated	65	16	24.6%			

Source: City of Pensacola Property Conditions Survey conducted by University of West Florida (2003) The City of Pensacola Property Survey also included a yard/ lot conditions survey. The results of the survey indicated that the structural conditions are closely related to the yard/ lot conditions (Appendix B). The University of West Florida survey classifies the lots into the following three categories of condition:

- **1. Acceptable:** Yard has no overgrown grass or weeds and is free from any litter, trash, debris, junk and inoperable vehicles.
- 2. Slightly Unacceptable: Yard has grass and/or weeds in excess of 18 inches and/or small amounts of trash, junk or one inoperable vehicle that would require minimum effort to remove.
- **3. Poor Condition:** Yard has grass and/or large amounts of trash, outdoor storage, junk and inoperable vehicles that would require considerable effort to remove.

Table 5 indicates that 583 properties, representing nearly *eighteen percent (18%)* of all properties in the Study Area, have deteriorating yard/lot conditions to some degree. In comparison, *twelve percent (12%)* of the total number of properties in the City were found to have some level of deterioration in site conditions.

### Hurricane Damage

The City of Pensacola's location in the Florida Panhandle makes the area prone to the damage caused by hurricanes. The damage caused by Hurricane Ivan (2004) and Hurricane Dennis (2005) have contributed to the inventory of deteriorating structural and yard conditions found in the recommended Westside Neighborhoods Study Area. According to the damage assessment data provided by the City of Pensacola GIS Department, nearly 163 properties in the Westside Neighborhoods were damaged during the 2004 and 2005 hurricane seasons. (Table 6 and Map 5)

Hurricane force winds could cause severe damage to the structure of buildings and render critical equipment, such as electrical systems inoperable leading to further deterioration of existing structures and high vacancy rates. Map 5 illustrates the hurricane damage found in the recommended Westside Neighborhoods Study Area.

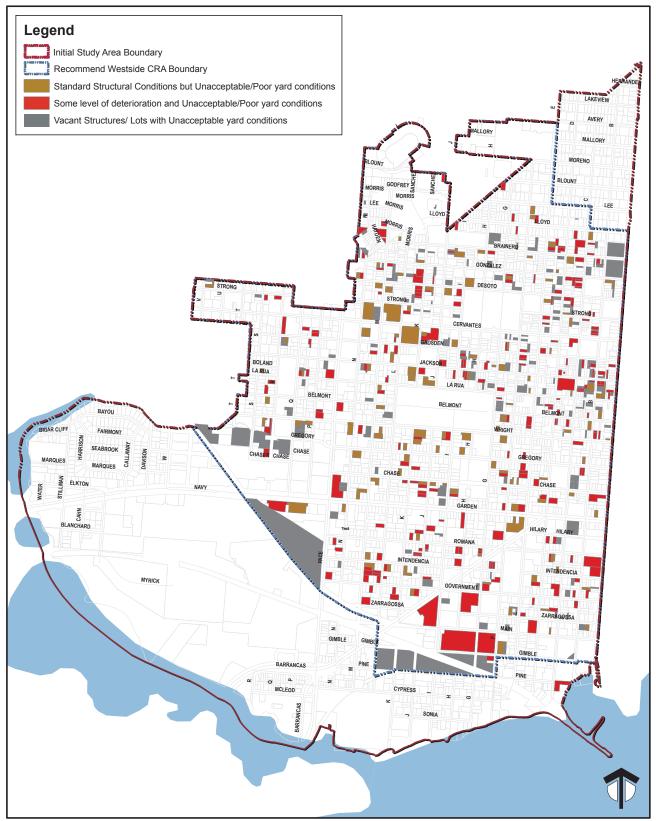
Table 5. Yard/ Lot Conditions						
	City of Pensacola Westside Neighborhoods Study Area					
	Total % Total %					
Total Lots	19,350	100.0%	3,229	100.0%		
Slightly Unacceptable (With structure)	2,023 10.5% 516					
Poor Condition (With structure)	ondition (With structure) 246 1.3% 67					
Total Lots with Unacceptable/ Poor Yard conditions	2,269	11.7%	583	18.1%		

Source: City of Pensacola Property Conditions Survey conducted by University of West Florida (2003)

Table 6. Hurricane Damage: Westside Neighborhoods Study Area							
Parcel Count % Acreage %							
Hurricane Ivan Apartment Damage	2	0.1%	17.2	1.9%			
Hurricane Ivan Damage	154	5.3%	58.8	6.9%			
Hurricane Dennis Damage	4	0.1%	0.6	0.1%			
Total Damage	163	5.6%	77	9.0%			
Total	2,892		849.1				

Source: City of Pensacola GIS Department; Escambia County Property Appraiser GIS Database (2006)

# YARD CONDITIONS, DETERIORATION AND VACANT LOTS



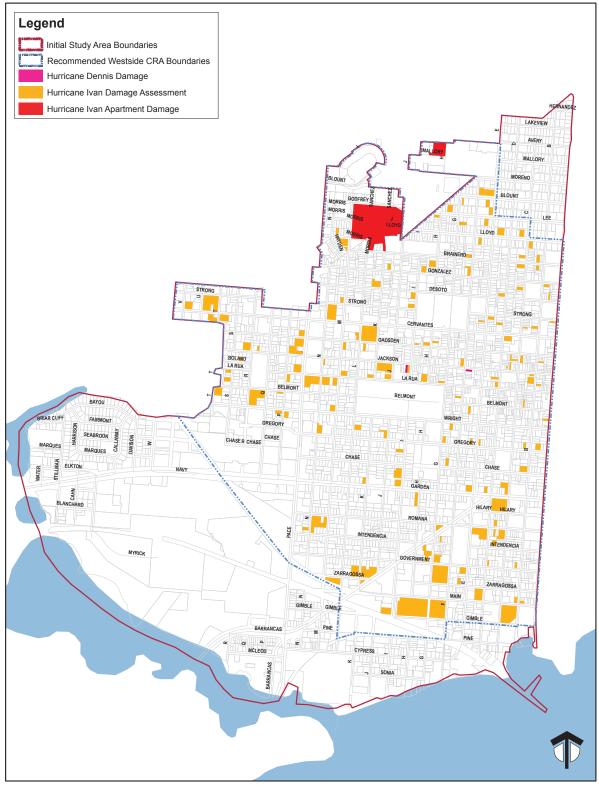
MAP 4

WESTSIDE NEIGHBORHOODS AREA FINDING OF NECESSITY STUDY



Prepared by: The RMPK Group Source: City of Pensacola GIS Department Data presented based on the City of Pensacola Property Conditions Survey, conducted by University of West Florida.

# **HURRICANE DAMAGE**



WESTSIDE NEIGHBORHOODS AREA FINDING OF NECESSITY STUDY

0 500 1,000 2,000 3,000 4,000 Feet

City of Pensacola, Florida

Prepared by: The RMPK Group Source: City of Pensacola GIS Department Data presented based on the City of Pensacola Property Conditions Survey, conducted by University of West Floridy, October, 2006 MAP 5

### Age of structures

The age of buildings, both residential and commercial, is a potential contributor to the declining conditions and high vacancy rates witnessed in the Westside Neighborhoods. Aging buildings typically require increased maintenance and repair. Additionally, the interior space, exterior appearance, and functional aspects of older buildings may be considered obsolete for modern market demands. The age of a building in and of itself is not a blighting condition. If adequate investment and maintenance is made, older buildings can remain viable and desirable in the real estate market. In fact, the historic building stock lends to the attractive neighborhood setting in Downtown Pensacola and the Pensacola Historic District, and has contributed in the resurgence of private housing renovations, occurring primarily in the already existing CRA.

Conversely, a concentration of older, poorly maintained and dilapidated buildings creates many negative influences in an area including a loss of economic status, a lack of interest in new development, an increased occurrence of crime, and decreased revenues for businesses. These conditions are evident in the Study Area. The 2006 Area Profile provided by the University of West Florida Haas Center of Business Research and Economic Development, indicates that approximately *eighty-three percent* (83%) of the housing units within the West Side Neighborhoods Study Area are over forty-five (45) years old (built 1960 or earlier). In comparison, *fifty-four percent* (54%) of the City's housing units are over forty-five years old. The median year built for housing units in the Study Area was estimated as 1951, compared to 1967 for the housing units in the City as a whole. (Refer to Table 7)

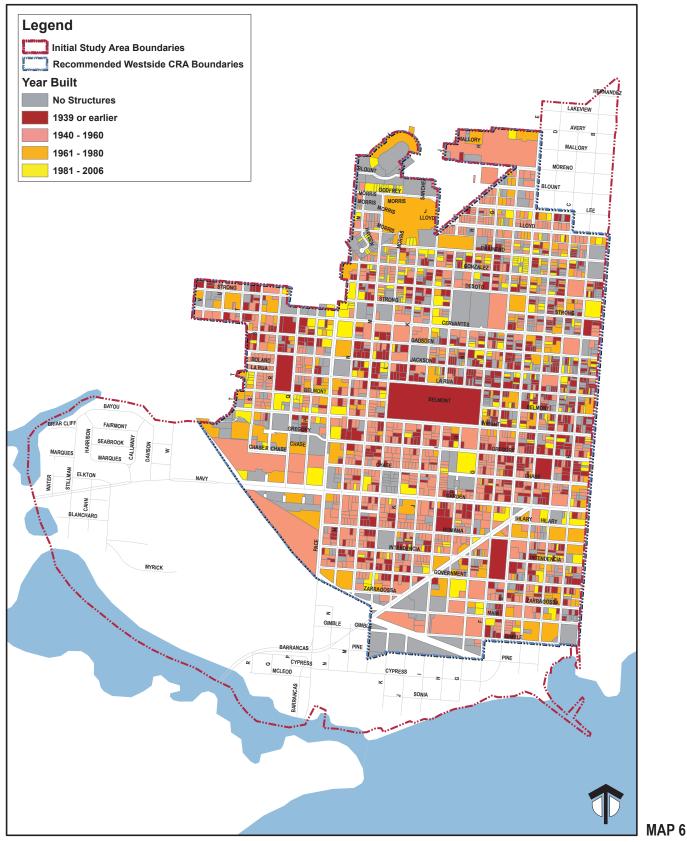
Table 7. Housing Units by Year Built							
Housing Units by Year Built	%						
Total Housing Units	26,938		3,422				
Built 1999 to present	158	0.6%	21	0.6%			
Built 1995 to 1998	792	3.0%	92	2.7%			
Built 1990 to 1994	1,109	4.2%	58	1.7%			
Built 1980 to 1989	4,276	16.2%	192	5.6%			
Built 1970 to 1979	5,728	21.7%	236	6.9%			
Built 1960 or earlier	14,334	54.3%	2,823	82.5%			

Source: 2006 Area Profile, University of West Florida Haas Center of Business Research and Economic Development

Table 8. Structures by Year Built							
Structures by Year Built	City of Pensacola	%	Westside Neighborhoods	%	Occurrence in Westside		
Total Structures	26,385		2,212				
Built 1999 to present	940	3.6%	130	4.6%	13.8%		
Built 1995 to 1998	486	1.8%	59	2.1%	12.1%		
Built 1990 to 1994	754	2.9%	30	1.1%	4.0%		
Built 1980 to 1989	3,363	12.7%	60	2.1%	1.8%		
Built 1970 to 1979	3,088	11.7%	86	3.0%	2.8%		
Built 1960 to 1969	3,515	13.3%	155	5.4%	4.4%		
Built 1950 to 1959	4,358	16.5%	348	12.2%	8.0%		
Built 1940 to 1949	1,871	7.1%	561	19.7%	30.0%		
Built 1939 or earlier	4,316	16.4%	783	27.5%	18.1%		

Source: Escambia County Property Appraiser GIS Database (2006)

# **AGE OF STRUCTURES**



WESTSIDE NEIGHBORHOODS AREA FINDING OF NECESSITY STUDY



Table 9. Deterioration and Age: Westside Neighborhoods				
Age Structures with some level of deterioration				
0 - 20 Years old	12			
21 - 30 Years old	13			
31 - 35 Years old	9			
36 - 50 Years old	61			
More than 51 years old	591			

Source: City of Pensacola Property Conditions Survey conducted by University of West Florida (2003); Escambia County Property Appraiser GIS Database (2006)



Poor yard conditions and deterioration of site improvements: Commercial Uses



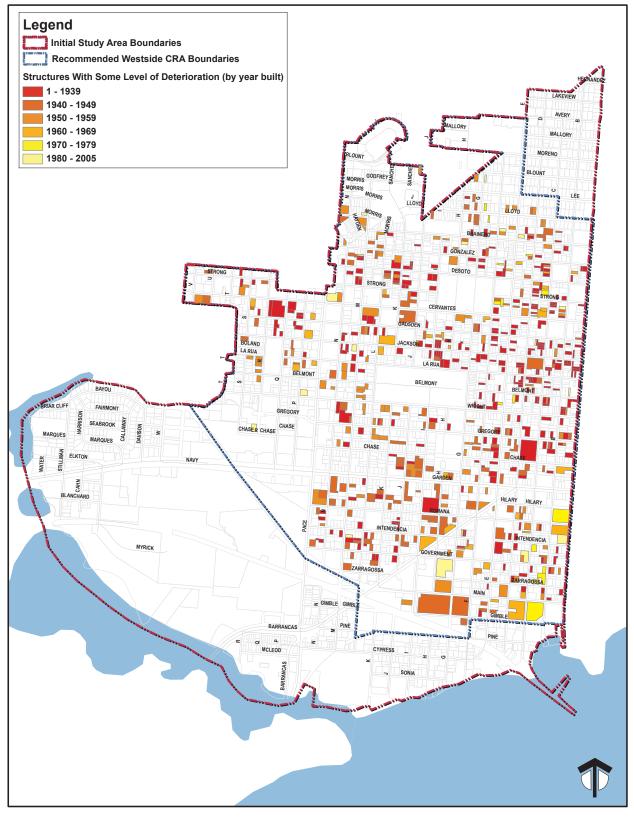
Deteriorating structural conditions and poor yard conditions: Residential Uses

The total building inventory, including both residential and commercial structures, as reported by the Escambia County Property Appraiser's records, reiterates the results of the 2006 estimates discussed above. Approximately **eighty-three percent (83%)** of the total building inventory (1,847 out of the total 2,212 structures) is over forty-five years (45 years) old. While the Westside Neighborhoods Study Area accounts for only **eleven percent (11%)** of all citywide structures, it accounts for approximately **eighteen percent (18%)** of the City's oldest structures (built 1939 or earlier).

Map 7 and Table 9 show the age of structures in the Study Area and illustrates a high correlation between deterioration conditions and age of structures. Approximately 591 structures out of the total number of deteriorating structures (717 structures) found in the Westside Neighborhoods are more than 51 years old.

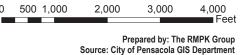
The concentration of older and deteriorating buildings in the Westside Neighborhoods Study Area, combined with the high vacancy rates and low housing values compared to the City confirm the existence of blighted conditions and have contributed to the economic distress of the Westside Neighborhoods.

### **AGE OF STRUCTURES WITH SOME LEVEL OF DETERIORATION**



MAP 7

# WESTSIDE NEIGHBORHOODS AREA FINDING OF NECESSITY STUDY



Escambia County Property Appraiser Office GIS Database

3,000

October, 2006

2,000

500 1,000

### Section 163.340 (8) CONDITIONS LEADING TO ECONOMIC DISTRESS

According to the U.S. Economic Development Administration, economic distress includes conditions that affect the fiscal and economic viability of an area. The distressed conditions include factors such as low per capita income, high unemployment, high underemployment, high poverty levels, and low education levels. These factors can impact the ability of residents to sustain the physical environment of the Westside Neighborhoods.

The Westside Neighborhoods Study Area exhibits significantly distressed economic characteristics relative to the City of Pensacola as a whole. The 2006 Area Profile provided by the University of West Florida Haas Center of Business Research and Economic Development, indicates that the Westside Neighborhoods Study Area is home to 7,196 residents, accounting for 13% of the City's total population. The area covered by the Westside Neighborhoods area represents 5% of the total land area covered by the City of Pensacola. It should be noted that the economic indicators discussed below are representative of the Initial Westside Neighborhood

Study Area boundaries (Refer to Map 1) and not only the recommended Westside Study Area Boundary. However, for the purpose of this analysis, it is assumed that the economic indicators for the larger Study Area exhibit a close approximation to the economic indicators for the recommended Westside Neighborhoods Study Area boundary.

#### Household Income

The 2006 estimated per capita income for the City's households is \$26,013, while the estimated per capita income for the Westside Neighborhoods Study Area is \$14,924, representing only 57% of the citywide per capita income. Similarly, median household income (\$23,770) in the Westside Neighborhoods is 58% of the City of Pensacola's median household income (\$41,146). Average household income for the Westside Neighborhoods is \$35,817, compared to the City's average 2006 estimated household income of \$58,130.

Table 10. INCOME LEVEL AND HOME VALUES

2006							
INCOME	City of Pensacola	Westside Neighborhoods	% of City				
Total Population	55,696	7,196	12.9%				
Total Households	24,723	2,909	11.8%				
Average Household Income	\$58,130	\$35,817	61.6%				
Median Household Income	\$41,146	\$23,770	57.8%				
Per Capita Income	\$26,013	\$14,924	57.4%				
Median Home Value	\$164,572	\$89,658	54.5%				

Source: 2006 Area Profile, University of West Florida Haas Center of Business Research and Economic Development

**Table 11. POVERTY LEVEL** 

2006						
POVERTY LEVEL City of Pensacola % Westside Neighborhoods %						
Total Families	14,153		1,701			
Income Above Poverty Level	12,448	88.0%	1,182	69.4%		
Income Below Poverty Level	1,705	12.0%	519	30.6%		

Source: 2006 Area Profile, University of West Florida Haas Center of Business Research and Economic Development

### Poverty

The Census Bureau uses income thresholds that vary by family size and composition to detect who is poor. If the total income for a family or group of unrelated individuals falls below the relevant poverty threshold, then the family or unrelated group is classified as being "below the poverty level". For the purposes of analysis, this report assumes a family income base of \$15,000 and less as the poverty threshold for both the City of Pensacola and the Westside Neighborhoods.

There were 519 families below poverty level in the Westside Neighborhoods out of a total of 1,701 families, indicating that the rate of poverty is nearly *thirty-one percent (31%)* for the Westside Neighborhoods. In comparison, the 2006 estimated citywide poverty rate is *twelve percent (12%)*, with a total of 1,705 families below poverty level. While the Westside Neighborhood's land area covers only *twelve percent (12%)* of the City's total area, it accommodates almost *thirty-one percent (31%)* of the families below poverty level found citywide. (Table 11)

### Housing Values

Housing values in the Study Area are nearly half of those for the City as a whole. According to the 2006 estimates, the median home value in the Westside Neighborhoods is \$89,658, compared to \$164,572 for the City, accounting for a difference of nearly \$75,000 between the two markets. (Table 11)

### Education and Employment

According to the 2006 Area Profile estimates, the unemployment rate for the Westside Neighborhoods is approximated at **8.4%**, significantly higher than the citywide rate of **5.8%**. The unemployment rate includes all civilians 16 years old and over that are actively looking for work and does not include the residents who have dropped out of the job search effort. The 2000 Census indicated that nearly **fifty percent (50%)** of the Westside Neighborhoods' total population 16 years old and over was not in the labor force.

Additionally, the 2000 Census reported that nearly **twelve percent (12%)** of the Westside Neighborhoods Area population 25 years old and over has less than a 9th grade education, compared to only **four (4%)** for the citywide population. The low education levels combined with the high unemployment rates contribute to the level of economic distress experienced by the Westside Neighborhoods. (Table 12)

Low per capita income, high poverty rates, high unemployment rate, low educational attainment levels, lower median home values compared to the City are strong indicators of economic distress in the Westside Neighborhoods. The distressed economic conditions combined with the deteriorated physical environment experienced in the Westside Neighborhoods confirm the existence of blighted conditions in the Westside Neighborhoods Study Area.

TABLE 12. EMPLOYMENT	2000					
	City of	Pensacola	Westside Neighborhoods			
Total Population 16+ In Labor						
Force	26,845	59.7%	2,800	51.2%		
Civilian Employed	24,417	54.3%	2,510	45.9%		
Civilian Unemployed	1,709	3.8%	268	4.9%		
In Armed Forces	719	1.6%	16	0.3%		
Not in Labor Force	18,121	40.3%	2,669	48.8%		
	2006					
	City of	Pensacola	Westside Nei	ghborhoods		
Total Population 16+ In Labor						
Force	25,041		2,740			
Civilian Employed	23,589	94.2%	2,510	91.6%		
Civilian Unemployed	1,368	5.8%	211	8.4%		
In Armed Forces	NA	NA	NA	NA		
Not in Labor Force	NA	NA	NA	NA		

Source: 2006 Area Profile, University of West Florida Haas Center of Business Research and Economic Development

### Section 163.340 (8) (c) FAULTY LOT LAYOUT

The size of parcels has a significant impact on the redevelopment potential for any proposed property. Typically, older platted subdivisions and commercial properties are too small for development and exhibit non-conformance with current zoning regulations. Contemporary development trends favor larger sites for redevelopment as they offer the flexibility to provide a variety of uses and a mix of activities. Larger sites also reduce the complexities involved with assembly of smaller parcels to support large scale redevelopment projects.

Map 8 identifies the deficient parcels in relation to lot sizes found in the Study Area. Inconsistencies between lot sizes and lot size requirements can be identified by comparing the minimum lot area requirements contained in the zoning code to the existing lot parcel sizes. As illustrated in Table 13, over *thirteen percent (13%)* of the Westside lots do not meet the minimum lot area requirements of the City of Pensacola Land Development Code.



Inadequate parking facilities resulting in land use conflicts, Westside Neighborhoods



Sub-standard lot layout resulting in lack of maintenance and site deterioration, Westside Neighborhoods

TABLE 13. FAULTY LOT LAYOUT								
Zoning Districts	Parcel Count	Minimum Lot Size	Westside Neighl					
		(sq.ft.)	Parcels under 3,000 sq.ft.	Parcels between 3,000 and 3,500 sq.ft.	Total number of faulty lots			
R1A	1,261	3,500	86	38	124			
R1A (Duplex)	7	5,000	0	0				
R1AA (R1A2)	1	5,000	0	0				
R1AAA (R1A3)	120	9,000	2	1	135			
R-2A	119	20,000	3	4	115			
R-2	244	NA	7	3				
RC	125	NA	4	5				
RNC	262	NA	28	15				
C-1	289	NA	10	6				
C-2	44	NA	2	4				
C-3	154	NA	8	3				
M-1	70	NA	3	0				
M-2	2	NA	0	0				
M-3	13	NA	6	0				
Total	2,892		153	76	374			

Source: Escambia County Property Appraiser GIS Database (2006)



Commercial uses on substandard lot configurations resulting in inadequate parking and encroachment into public right-of-way



Vacant housing units, Westside Neighborhoods

Table 14. 2005 Building Code Violations								
Category	Citywide Code Violations	Westside Code Violations	Occur- rence in Westside					
Substandard Structure	56	4	7.1%					
Unsafe Accessory Structure	17	4	23.5%					
Unsafe Structure	119	27	22.7%					
Totals	192	35	18.2%					

Source: City of Pensacola Community Development Inspections Division (2005)

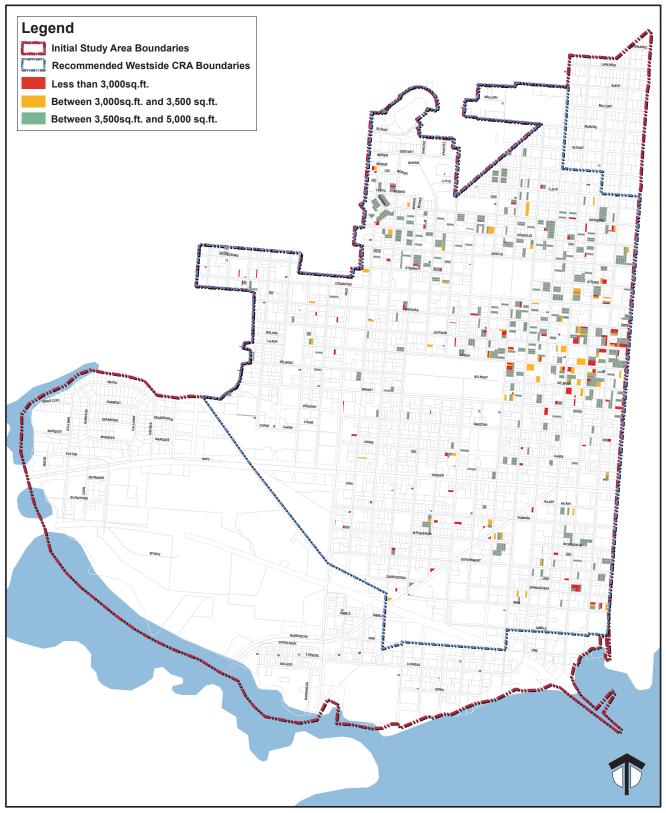
One hundred twenty four (124) parcels within the R-1A zone are less than 3,500 sq.ft. in area and do not meet the minimum lot size requirement under the City's LDC. Additionally, The R1A3 zone has a minimum lot size of 9,000 sq.ft., however, 135 parcels zoned R1A3 in the Westside Neighborhoods do not meet the minimum requirement under the City's LDC.

Approximately twenty (20) of the commercially zoned properties in the Study Area with lot area less than 3,000 sq.ft. are considered either uneconomical or deteriorated from an investment and development perspective. These do not meet contemporary design standards in terms of size and usefulness. The development of commercial uses on substandard lots also has a deleterious impact on neighboring residential uses, due to traffic hazards caused by business parking located in the front of the property, encroachments into residential areas, inadequate buffering, and spill-over parking. These properties are further limited by their size in relation to parking and setback requirements, stormwater treatment standards and landscaping requirements.

### Code Violations

The percentage of code violations in the Study Area is also an indicator of the deteriorating conditions in the Study Area. The City of Pensacola Community Development Department Inspections Division reported that nearly *twenty-three percent (23%)* of the properties listed on the City's unsafe structures list for 2005 were located in the Westside Neighborhoods. Additionally, nearly *twenty-four percent (24%)* of the City's unsafe accessory structures and *seven percent (7%)* of the City's substandard structures were located in the Westside Neighborhoods. (Table 14)

# **PARCEL SIZES**



MAP 8

# WESTSIDE NEIGHBORHOODS AREA FINDING OF NECESSITY STUDY

### Section 163.340 (8) (m) DIVERSITY OF OWNERSHIP

The following section discusses the high percentage of parcels under multiple ownership. These ownership patterns act as a potential obstacle to the assemblage of land for redevelopment. The unusual conditions of title increase the cost of development and deter private sector investment.

Diversity of ownership or defective or unusual conditions of title, prevent the free alienability of land. This includes factors such as multiple owners of a single property and complex title issues resulting from life estates and heir property. Multiple ownership patterns can be a hindrance to land assembly in support of redevelopment projects. This situation is compounded by the fact that many of the individual properties are insufficient in size. The conditions makes it difficult to accommodate potential redevelopment projects that comply with current land development codes.

Table 15. Multiple Ownership						
Multiple ownership	Parcel Count	%				
Two owners listed	830	28.7%				
Three owners listed	86	2.9%				
Four or more owners listed	71	2.5%				
Total Parcels with unusual title	987	34.1%				
Total Parcels in the Westside Neighborhoods	2,892					

Source: Escambia County Property Appraiser GIS Database (2006)

For the purpose of this study, all parcels that have more than one owner listed on a single property in the Escambia County Property Appraiser GIS database, are assumed to be examples of multiple ownership. The Escambia County Property Appraiser's database indicates that nearly 987 out of the total 2,892 parcels in the recommended Westside Neighborhoods Study Area, are owned by more than one owner, accounting for nearly *thirty-four percent (34%)* of the total parcels. As illustrated in Table 15, *eight hundred thirty (830)* properties in the Study Area have two owners; *eighty-six (86)* parcels have three owners listed; and *seventy-one (71)* parcels have four or more owners listed.

Additionally, there are several parcels in the Westside Neighborhood Area, which straddle the corporate limit line to the west. As a result, portions of individual properties lie within the City of Pensacola while the remainder of these small parcels lie within the County. This peculiar condition, which results from the irregularity of the corporate limit line, exacerbates the issue related to land assembly.



Deterioration of site conditions and lack of sidewalks along Main Street

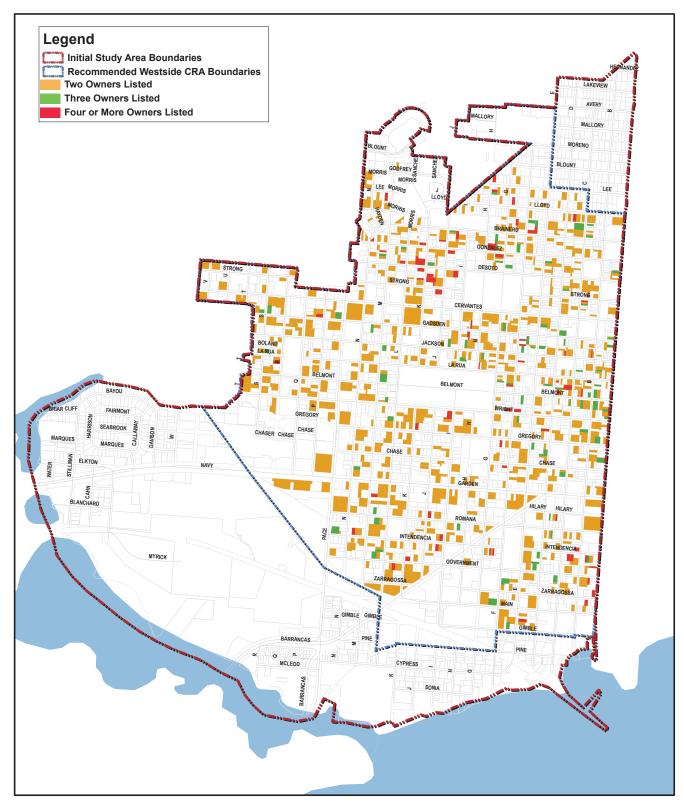


Deteriorating of site conditions and other improvements (lack of sidewalks, invasive vegetation growth along Pace Boulevard



Vacant and Boarded Structure along Pace Boulevard

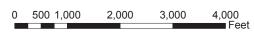
# **OWNERSHIP**



MAP 9

# WESTSIDE NEIGHBORHOODS AREA FINDING OF NECESSITY STUDY





### Section 163.340 (8) (j) INCIDENCE OF CRIME

The incidence of crime in the Westside Neighborhoods is higher than in the remainder of the City. The 2005 crime statistics provided by the City of Pensacola Police Department indicates that 1,369 of the 6,695 total citywide offenses for which police reports were made occurred within the Westside Neighborhoods. This represents *twenty percent (20%)* of the total crimes committed in the City. (Table 16)

While the Westside Neighborhoods contain nearly *thirteen percent (12.8%)* of the City's total population, it is experiencing a disproportionate incidence of crime compared to the total population. The crime per capita in the Westside Neighborhoods at *nineteen percent (19%)* is significantly higher than the citywide rate of *twelve percent (12%)*.

The total number of offenses reported for the Westside Neighborhoods include burglary, robbery, theft, assault/ battery, narcotics violations, violent crimes, and other crimes. The Westside Neighborhoods also experienced a significantly high percentage of narcotics related offences with nearly *thirty-five percent* (35.5%) of the citywide narcotics related offences occurring in the Westside Neighborhoods. (Refer to Table 16)

The high incidence of crime deters the private sector from investing in redeveloping the area. Crime is closely related to deteriorating neighborhood conditions such as high unemployment rates, significant vacancy rates, and unsafe conditions. Left unaddressed, the crime rates will most likely continue to escalate within the Study Area burdening the City and residents with additional costs.

TABLE 16. CRIME STATISTICS 2005								
	City of Pensacola		Westside No	eighborhood	Percent of City Population			
Population	56,2	55	7,	196	12.79%			
	<u> </u>							
	# of Crimes	Crimes Per Capita	# of Crimes	Crimes Per Capita	% Crime Occurrence in Westside			
Crime Category								
Burglary Crimes	724	1.3%	150	2.1%	20.7%			
Robbery Crimes	93	0.2%	21	0.3%	22.6%			
Theft Crimes	1,834	3.3%	283	3.9%	15.4%			
Assault/Battery Crimes	838	1.5%	194	2.7%	23.2%			
Narcotic Related Offenses	606	1.1%	215	3.0%	35.5%			
Violent Crimes	178	0.3%	21	0.3%	11.8%			
Other	2,422	4.3%	485	6.7%	20.0%			
Total Offenses	6,695	11.9%	1,369	19.0%	20.5%			

Source: City of Pensacola Police Department, 2005

### Section 163.340 (8) (I) RESIDENTIAL AND COMMERCIAL VACANCY RATES

Vacant structures and abandoned lots lead to a deterioration of the physical environment. Such deterioration is detrimental to the investment image of the community. High building vacancy levels located on primary commercial corridors and residential housing vacancy rates indicate weak market conditions to the private investor. The vacancy rate is also a significant factor considered by the County Property Appraiser when assessing property values for tax purposes.

High vacancy rates in the housing market indicate a lack of community interest in maintaining the neighborhood's quality of life and integrity resulting in a decline of investment. Vacant properties depress the values of adjacent properties causing devaluation over time negatively affecting the City's ad valorem tax revenues. Vacant housing units are also more likely to become delinquent because the cost of paying taxes on the property may exceed the value of the property. The Escambia County Property Appraiser records shows nearly *twenty percent (19.7%)* of all parcels within the Westside

Neighborhoods Study Area as vacant compared to *ten percent* (10.1%) of all citywide parcels. More than **seventeen percent** (17.1%) of the Study Area's total parcel count is vacant residential compared to approximately **nine percent** (8.6%) of vacant residential properties found citywide. (Table 17)

The Westside Neighborhoods Study Area also has a higher percentage of vacant commercial properties (nearly 2%), compared to the City (1.4%). In terms of acreage, nearly four percent (3.7%) of the total parcel acreage is classified vacant commercial, compared to only 0.4% for the City of Pensacola. Nearly sixteen percent (15.5%) of the Study Area's total acreage is comprised of vacant parcels, compared to four percent (4%) of the City's total acreage that are classified as vacant lands.

The Escambia County Property Appraiser's data indicates that nearly *twenty-one percent (21.3%)* of the vacant lots within the City of Pensacola are located in the Westside Neighborhoods Study Area. (Table 18)

	City of Pensacola			Wests	ide Neighborh	oods Study	/ Area	
	Parcel Count	% of total parcels	Acreage	% of total acreage	Parcel Count	% of total parcels	Acreage	% of total acreage
Vacant Residential	2,263	8.6%	589.7	3.6%	494	17.1%	89.7	10.6%
Vacant Commercial	375	1.4%	60.8	0.4%	60	1.9%	31.7	3.7%
Vacant Institutional	23	0.1%	7.9	0.0%	9	0.3%	1.1	0.1%
Vacant Industrial	16	0.1%	36.9	0.2%	7	0.2%	9.1	1.1%
Total Vacancy	2,677	10.1%	695.3	4.2%	570	19.7%	132.0	15.5%
Total	26,385		16,525		2,892		849.1	

#### Citywide Westside Occurrence in Westside Vacant Residential 2.263 494 21.8% Vacant Commercial 375 60 16.0% Vacant Institutional 23 9 39.1% 6 43.8% Vacant Industrial 16 **Total Vacancy** 2,677 570 21.3% **Total Number of** 26,385 **Parcels** 2,892 11.0%

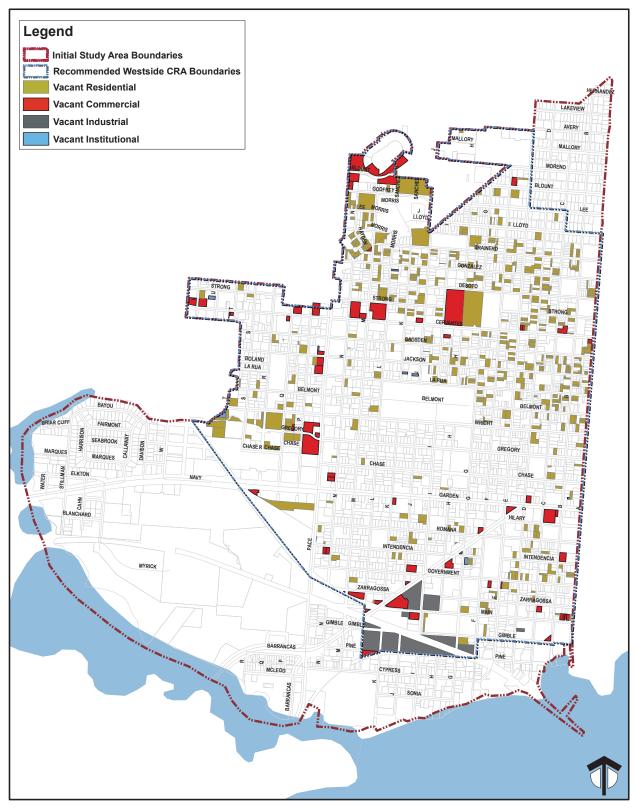
**TABLE 17. VACANCY RATES** 

Source: Escambia County Property Appraiser GIS Database (2006)

TABLE 18. Vacancy Rate Comparison: City of Pensacola v. Westside Neighborhoods

Source: Escambia County Property Appraiser GIS Database (2006)

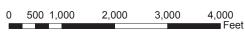
# **VACANT LANDS**



**MAP 10** 

# WESTSIDE NEIGHBORHOODS AREA FINDING OF NECESSITY STUDY

City of Pensacola, Florida



Prepared by: The RMPK Group Source: City of Pensacola GIS Department Escambia County Property Appraiser Office GIS Database October, 2006

# Section 163.340 (8) (n) GOVERNMENTALLY OWNED PROPERTY WITH ADVERSE ENVIRONMENTAL CONDITIONS CAUSED BY A PUBLIC OR PRIVATE ENTITY

The abandoned American Creosote Works wood preserving plant is located within the Study Area boundaries. The abandoned 18-acre site sits 1/4 mile north of the confluence of Bayou Chico and Pensacola Bay, at the corner of "L" Street and Barrancas Avenue. The site is identified as a Superfund site by the Environmental Protection Agency and is listed on the National Priority List (NPL) for hazardous waste sites. Sites that are listed on the NPL can only be cleaned up using the Superfund Trust fund.

Superfund is the Federal government's program to clean up the nation's uncontrolled hazardous waste sites. Superfund sites include any land that has been contaminated by hazardous waste and identified by the Environmental Protection Agency (EPA) as a candidate for cleanup because it poses a risk to human health and/or the environment.

The American Creosote Works, Inc. operated a wood preserving plant from 1902 until 1981. Creosote and Pentachlorophenol were the primary preservatives used in the treatment process. The wastewater generated at the plant was discharged into two on-site surface impoundments, which then overflowed through a spillway into the Pensacola Bay. In subsequent years, the wastewater was drawn off the ponds whenever pond levels were high and discharged on the plant property. During periods of heavy rainfall and flooding, the wastewater occasionally overflowed the containment dikes onto both on-site and off-site areas.

The ACW Site is currently vacant except for the wells involved with the groundwater cleanup at the Site and the associated structures. The only structure remaining on the ACW Site is a Quonset hut building and a mobile office that are used as part of the groundwater cleanup effort. The Sanders Beach Neighborhood and the Pensacola Yacht Club (PYC) are located immediately to the south of site.



Contaminated American Creosote Works Site





Above: View of ACW site along Pine Street Below: View of ACW site from Gimble Street

The site contains contaminated soil and ground water conditions that have been impacted with volatile organic compounds (VOCs) and semi-volatile organic compounds (SVOCs) associated with wood treating. Due to the improper disposal activities at the site, the then Florida Department of Environmental Regulation (FDER) enacted enforcement proceedings against ACW. The FDER issued a Notice of Violation in January 1981, and entered into a Consent Order with ACW in March 1981, ACW was unable to meet the requirements of the Consent Order and filed for reorganizational bankruptcy under the provisions of Chapter 11 of the Federal Bankruptcy Code. An "immediate removal action" was completed by the FDER and the EPA during September and October of 1983. The two on-site impoundments were drained and the hazardous liquids treated by a portable treatment facility. The remaining sludges were stabilized with fly ash and covered with a temporary clay cap. EPA re-sodded and re-seeded the temporary clay cap in 1985. In December 1985, a fence and warning signs were installed by the FDER to restrict access to the site.

The EPA initiated a Remedial Investigation/Feasibility Study (RI/FS) in 1984. The RI report was completed in January 1985, and indicated that contaminated soils and groundwater existed on- and off-site. A draft FS was completed followed by a public meeting in August 1985. A Risk Assessment was completed by an outside contractor for EPA in June 1989 and included the development of soil and sediment cleanup levels. EPA initiated an in-house FS that included an evaluation of thermal treatment technologies. The EPA determined that the contaminated media at the site could best be addressed as two operable units (OUs): OU 1 addresses surface soils and sediments, and OU 2 addresses the stabilized/capped sludges, soils underlying the cap, and groundwater. Treatability studies, a Value Engineering Analysis by the US Army Corps of Engineers (USACE), and OU 1 design work were conducted between October 1989 and July 1991.

The remedy for OU 2 includes Phase I – recovery and offsite recycling of dense non-aqueous phase liquids (DNAPLs) followed by Phase II – groundwater recovery and treatment using enhanced bioremediation technologies. A State Superfund Contract (SSC) between EPA and FDEP was signed in September 1997, which commits the State to a ten percent cost share for DNAPL recovery as part of site cleanup. On-site construction of the DNAPL recovery system was completed in September 1998. (Appendix G)

In September 2002, the EPA and FDEP signed a SSC to perform an interim removal of contaminated off-site soils and sediments exceeding the EPA's current guidance levels. Fieldwork on this interim remedy was completed in November 2003. In October 2003, the City of Pensacola adopted a future use plan for the site that includes a number of shops and other small businesses on the north edge of the site and leaves the majority of the site as a "green space" for recreational activities. The EPA, FDEP and US Army Corps of Engineers are currently evaluating the 2002 design to determine what changes, if any, will be necessary to adapt the cap design to the City's future use scenario. It was expected that USACE would provide the EPA and FDEP with recommendations for design changes to meet the City's planned use by the summer of 2004. However, this has been delayed due to the severe hurricane seasons experienced in Florida and other Gulf states in 2004 and 2005, including the direct impact of Hurricane Ivan on Pensacola in 2004.

The American Creosote Works (ACW) site's designation as a Superfund site on the National Priority List (NPL) confirms the presence of adverse environmental conditions on a governmentally owned site. Subsequent to clean-up of the site, ownership will likely be transferred to the City of Pensacola. The City proposes to redevelop the site in conjunction with the ACW Plan.

### **IV.Conclusion**

This study has identified and documented conditions in the recommended Westside Neighborhoods Study Area that are consistent with the definition of blight contained in the Florida Statutes. It is, therefore, reasonable to find that these conditions substantially impair sound growth and have lead to economic distress in the area. The inventory of existing conditions presented in this report provides a basis for the City of Pensacola to adopt a resolution acknowledging the existence of blight in the Westside Neighborhoods Area and finding that rehabilitation, conservation or redevelopment is necessary in the interest of the public health, safety, morals or welfare of the City's residents. These findings also provide justification for using the tools provided to local governments through Chapter 163 Part III of the Florida Statutes: "The Community Redevelopment Act".

The Westside Neighborhoods Area has a substantial number of structures exhibiting some level of deterioration, documented by the City of Pensacola Property Conditions Survey. Government maintained demographic and economic statistics highlight a prevailing level of economic distress. Field observations conducted by the RMPK Group staff provide corroborating evidence of deteriorating conditions.

Results of the City of Pensacola Property Condition Survey demonstrate a significantly high percentage of deteriorated and deteriorating structures in the Westside Neighborhoods. A high unemployment rate, low per capita income, a high poverty rate, low education attainment levels, and lower median home values are an indication of the economic distress generated in the Westside Neighborhoods. The cumulative impact of high vacancy rates in residential and commercial properties, a high percentage of aging structures, substandard lot configurations, multiple ownership patterns, and the presence of adverse environmental conditions substantiate the existence of blight in the Study Area. The existence of blight can have negative impacts on a community including:

- Depressed property values, resulting in lower local tax revenues;
- Strain on city services- police, health, fire, building code;
- Increased fire hazard potential because of poor maintenance, faulty wiring and debris;

- Increased code enforcement demands;
- Concentration of low-income groups and marginal businesses with decreased potential for investment to reverse the blighting conditions;
- Creation of an environment that attracts criminal activity;
- Creation of a poor market environment, where existing businesses relocate to other, more stable areas and new businesses do not replace them;
- Cost to existing home owners- higher insurance premiums, low appraisals for homestead properties.

### **Presence of Blight**

The analysis indicates that the Westside Neighborhoods contain at least seven of the fourteen conditions indicative of a "blighted area" listed in the Florida Statutes. The following is a summary of findings that support a declaration of blight for the Westside Neighborhoods Study Area:

# Substantial number of deteriorated or deteriorating structures

- Approximately 28% of the structures in the Study Area are deteriorated to some degree. In comparison, the City consists of only 18% of the total number of structures showing deterioration.
- 25% of the citywide structures exhibiting some level of deterioration are found in the recommended Westside Neighborhoods Study Area.
- Nearly 6% of the structures found in the Westside Neighborhoods were damaged by the impact of hurricanes in 2004 and 2005.
- 83% of the housing units in the Westside Neighborhoods are over forty-five years old (built before 1960).

### Conditions leading to economic distress

### · High unemployment rate

The Westside Neighborhoods has an unemployment rate of 8.4% compared to the citywide rate of 5.8%.

### · High Poverty rate

Nearly 31% of total families in the Westside Neighborhoods have an income below the poverty level threshold compared to 12% for the City.

### · Low Per Capita Income

Per capita income for the Westside Neighborhoods at \$14,924 is almost 57% of the citywide per capita income at \$26,013.

#### · Low household income

Median household income for the Westside Neighborhoods (\$23,770) is less than half of the City's median household income (\$58,130).

#### Low housing values

Median home values in the Study Area nearly 55% of the citywide median household income.

# Faulty Lot Layout in relation to size, adequacy, accessibility or usefulness

- Inadequate properties in relation to current land development codes.
- Over 14% of the Westside properties do not meet the minimum lot area requirements of the City of Pensacola Land Development Code.
- 18% of the citywide code violations were located in the recommended Westside Neighborhoods Study Area.

# Residential and Commercial vacancy rates higher in the area than in the remainder of the municipality

- Nearly 20% of the properties in the Westside Neighborhoods Study Area are vacant. In comparison, only 10% of the total citywide properties are considered vacant.
- 16% of the Study Area's total acreage comprises of vacant parcels; while only 4% of the City's total land area is considered vacant.

# Incidence of crime higher in the area than in the remainder of the municipality

• 20% of the total offenses reported in the City occurred within the Westside Neighborhoods.

# Diversity of ownership or defective or unusual conditions of title which prevent the free alienability of land within the deteriorated area

- Nearly 34% of the total parcels in the Westside Neighborhoods are owned by more than one owner.
- Unusual conditions of title including estate and life estates.
- · Irregularity of the corporate limit line.

# Governmentally owned property with adverse environmental conditions

 American Creosote Works Inc. site, an abandoned EPA designated Superfund site, is located in the recommended Westside Neighborhoods Study Area.

The purpose of the Community Redevelopment Act is to provide local governments the ability to combat deteriorating urban conditions which retard development of the area. The intent of the legislation is to reduce or eliminate the conditions found in the Study Area; conditions, which hinder sound future growth and development.

Redevelopment is by nature more costly than the development of vacant land. Improved property is invariably more expensive than vacant property as the cost of demolition and the preparation must be factored in. Additionally, it is often necessary to assemble more than one parcel of land. Redevelopment activity also triggers thresholds for mandatory compliance with more costly, modern development standards. Often environmental clean-up is required which adds expense.

The higher costs associated with property redevelopment will have significant implications for attempts to redevelop the Westside Neighborhoods Area. The private sector is not likely to absorb the risks and costs of such an undertaking alone. Therefore, the creation of a Community Redevelopment Agency is the most appropriate tool for the City of Pensacola to use when planning, designing and participating with the private sector to revitalize the Westside Neighborhoods Area.

### **Recommendations**

### **Finding of Necessity**

The Westside Neighborhoods is located within the Pensacola Inner City area declared blighted and designated a Community Redevelopment Area by the Pensacola City Council in 1980 and again in 1981. The data presented in this report provides a factual basis upon which the City of Pensacola may make a legislative finding that the Westside Neighborhoods Area is at this time a blighted area; and that rehabilitation, conservation, or redevelopment, or a combination thereof is necessary in the interest of the public health, safety, morals or welfare of the residents of the municipality. It is recommended that the Pensacola City Council pass a resolution designating the recommended boundary as the Westside Neighborhoods Community Redevelopment Area.

### **Establish a Community Redevelopment Agency**

In 1980 and again in 1981, the Pensacola City Council determined the need for a Community Redevelopment Agency and declared itself to be the Community Redevelopment Agency in the City of Pensacola. Based upon the results of this study, the existing Pensacola Community Redevelopment Agency (Pensacola City Council) should be designated to carry out community development purposes pursuant to Part III, Chapter 163 of the Florida Statutes in the recommended Westside Neighborhoods Area and to prepare a redevelopment plan in accordance with the provisions of the Community Redevelopment Act. These actions present the best opportunity to accomplish many long-range goals that will benefit the community.

### Prepare a Redevelopment Plan

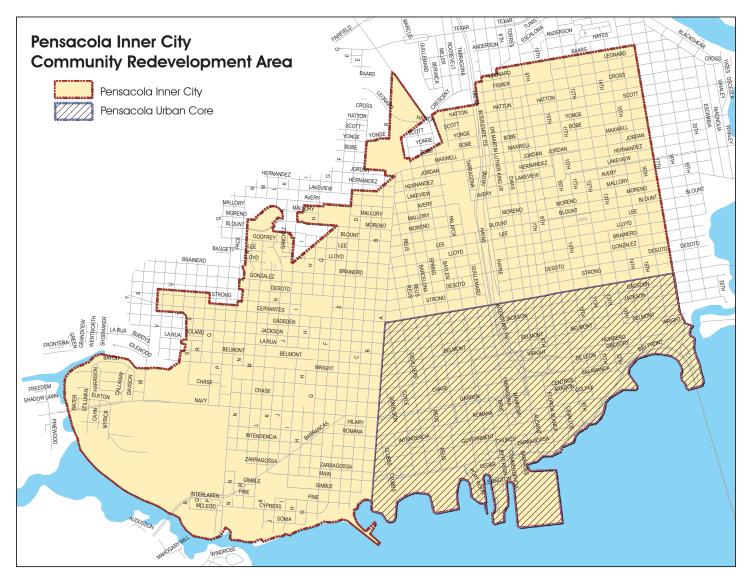
The formulation of a redevelopment plan, using the tools made available in the Statutes, is the most appropriate means of overcoming the obstacles to economic development cited in this study. The redevelopment plan can provide focus and oversight for the land development process while improving the appearance and marketability of the area. The Community Redevelopment Agency is responsible for assisting in the preparation of the Redevelopment Plan. Section 163.362 F.S. contains a detailed description of the required contents of this Plan. The Plan is intended to address the needs identified in this study, define community redevelopment goals and objectives, set forth specific Agency policies and actions, and finally, identify capital improvement projects, their costs and funding sources. It can provide a strategy for funding capital improvements and economic incentives that will attract private sector investment and ensure that infrastructure is in place to support future growth and development. The Redevelopment Plan developed for the Westside Neighborhoods Area should incorporate the findings and recommendations of the recent studies completed for area including the American Creosote Works Redevelopment Plan, the Enterprise Zone Plan and the Westside Neighborhoods Plan.

### **Establish a Redevelopment Trust Fund**

Program funding and accounting is administered through a Redevelopment Trust Fund, which is created by ordinance of the governing authority. Subsequent to adoption of the Redevelopment Plan, the Trust Fund is established and, according to statute, provides for the collection of tax increment revenues to finance capital improvements identified in the Plan. Upon adoption, the ordinance freezes the tax base and thereby establishes the base valuation of the property located within the boundaries of the redevelopment district. Thereafter, all taxes assessed by qualified taxing authorities on future increases in the value of properties contained in the district are diverted to the Redevelopment Trust Fund. All taxes assessed on the value of property determined prior to adoption of the ordinance continue to flow to the general revenue accounts of local taxing authorities. Community Redevelopment Agencies are not considered Special Tax Districts since they do not have the authority to levy ad valorem taxes.

### **Define Organizational Roles and Relationships**

It is recommended that the City define the roles and relationships of the various organizations that will be involved in the implementation of the redevelopment effort.



**MAP 11**