

Fiscal Year
2015

Pensacola
Community Redevelopment Agency
Annual Report



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City of Pensacola Planning Services
Department
Fiscal Year 2015

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Required Report and Records

Pursuant to Chapter 163 of the Florida Statutes, the Community Redevelopment Agency (CRA) of the City of Pensacola must file with the governing body on or before March 31st of each year, a report of its activity for the preceding fiscal year, which report shall include a complete financial statement setting forth its assets, liabilities, income, and operating expenses as of the end of such fiscal year. Once completed, a notice will be published in a newspaper of general circulation which states that the FY 2015 CRA Annual Report has been filed and is available for review in the City Clerk's office. The notice of publication will be placed in the Pensacola News Journal newspaper as a legal notice. In addition, the report will be available for review on the City's website (www.cityofpensacola.com).

CRA Background

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

Within the Pensacola Inner City Community Redevelopment Area, there exists 3 redevelopment areas. The Urban Core Community Redevelopment Area created and funded by Ordinance 13-84; the Westside Community Redevelopment Area created by Resolution 04-07 and funded by Ordinance 01-08; and the Urban Infill and Redevelopment Area created by Resolution 41-05 and funded by Ordinance 16-05 (henceforth referred to as the Eastside Community Redevelopment Area). Community redevelopment projects to preserve and enhance the tax base within these redevelopment areas are financed primarily from Tax Increment Financing (TIF) revenues allocated to and deposited in the Redevelopment Trust Fund established for each in accordance with §163.387, Florida Statutes.

The City Council declared itself the Community Redevelopment Agency (CRA) pursuant to the provisions of Chapter 163, Part III, Florida Statutes. This action, adopted by Resolution No. 55-80 and amended by Resolution 22-10, also outlines the rights, powers, duties, privileges and immunities invested in the City Council acting as the CRA. Although the City Council members and the CRA members are the same, the CRA is a legal entity, separate, distinct and independent from the City Council. The CRA as an agency exists until dissolved by action of the City Council. Downtown Pensacola's redevelopment efforts are guided by the CRA which is comprised of the eight City Council members and a citizenry determined to revitalize the historic waterfront and inner city neighborhoods. The CRA has direct oversight of redevelopment activities in all three redevelopment areas.

Staffing and Administrative Procedures

The CRA and City of Pensacola annually approve an Interlocal Agreement for Administrative Services to provide the staffing and administrative relationship between the City and the CRA for general office operations and implementation of the redevelopment plans for the three redevelopment areas. A second Interlocal Agreement between the City and the CRA governs the maintenance of landscaping and other public assets constructed in the redevelopment areas by the CRA.

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

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

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

Community Redevelopment Plan Implementation

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

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

Projects Funded 2014-2015

Eastside/Urban Infill & Redevelopment Area

Historic General Daniel “Chappie” James Museum & Flight Academy

One major capital project was identified for implementation in the Eastside Redevelopment Area for Fiscal Year 2015. The redevelopment of the historic birth site of General Daniel “Chappie” James, Jr., America’s first African American four star general, to accommodate a museum and youth flight academy was identified by Eastside stakeholders as the highest priority project for the area. This National Register of Historic Places landmark will be restored and retrofitted as a cultural heritage museum, youth flight academy and stormwater treatment demonstration site. The Eastside Redevelopment Plan was amended in 2014 to add this project. The project will contribute to the multiple public purposes of blight removal, historic preservation, stormwater mitigation, economic stimulation, cultural tourism and neighborhood revitalization. This implements the Eastside Redevelopment Plan goal of supporting adaptive reuse of historic residential structures for neighborhood office, small scale retail specialty or mixed use.

The project will be undertaken as a public/private partnership (P3) with two local non-profits. The Chappie James Museum Board will establish and operate the museum commemorating General James’ life and the Chappie James Jr. Flight Academy will set up its permanent base of operations for training and tutoring at the site. The site was donated to the City of Pensacola by the family of General James.

Annual TIF Revenue generated in the Eastside Redevelopment Area is relatively small when compared to the significant cost of undertaking capital improvement projects. Accumulated prior years Eastside TIF Revenue was budgeted to the Chappie James project in Fiscal Year 2015 to begin implementation of this project. Project expenditures were made for lot acquisition, parking, and architectural and engineering service. TIF funds available in future fiscal years will also need to be budgeted to complete the project. Outside grant monies are being sought to assist in bringing the project to completion at its fullest level.

Redevelopment Design Guidelines

An identified project of the Eastside Redevelopment Plan is the preparation of urban design guidelines to aid development, rehabilitation and improvement of area properties to insure compatibility with the architectural character of the area. The Fiscal Year 2015 Budget included funding to carry out this project. Since the Westside Redevelopment Plan also calls for the preparation of design guidelines, a consultant solicitation is being undertaken for both areas simultaneously in order to achieve a level of cost efficiency. The contract for these service has not yet been awarded.

Westside Community Redevelopment Area

Base Year Reset

The Westside Redevelopment Area was established in 2008. Its establishment was unfortunately coincidental with the onset of the “great recession”. As a result, Westside properties have been valued well below their 2008 base year and no tax increment revenue was generated in Fiscal Year 2015. The Westside Redevelopment Trust Fund base year was reset by the CRA and City Council in 2015. As a result, TIF Revenue is budgeted for the area for the first time in Fiscal Year 2016. The cost of implementation of the Westside Redevelopment Plan to address the needs of this area will be significant over the coming years and will warrant accumulation of the TIF to provide sufficient funds to carry out the Plan’s projects.

West Moreno Area Revitalization/Baptist Hospital Expansion

The Westside Redevelopment Plan calls for partnership with Baptist Hospital, a world-class hospital and the anchor institution for Pensacola’s Westside area to catalyze revitalization in the area. In FY 2016, Westside TIF revenue has been allocated to a Reconnaissance and Strategic Assessment of the West Moreno neighborhood surrounding Baptist Hospital. The goal of the study is to leverage Baptist’s growth and planned expansion as an impetus to create a mixed use-neighborhood core and central gathering place that will serve the neighborhood residents and employees, as well as Baptist employees, patients and visitors. This area has already begun to see investment. Construction on a 1,748 square foot Harvester’s Federal Credit Union with a permitted value of \$182,500 was completed in the last quarter of 2015.

Redevelopment Design Guidelines

An identified project of the Westside Redevelopment Plan is the preparation of urban design guidelines to help assure development, rehabilitation and or improvement of area properties is compatible with the area's architectural character. It is recommended that Westside Fiscal Year 2016 TIF Revenue be allocated to carry out this project.

Urban Core Community Redevelopment Area

Leverage

The significant number of private sector developments that are either completed, under construction or planned in Pensacola's Urban Core Redevelopment Area attest to the "bottom line" success of CRA implementation of the Redevelopment Plan over the past 30 years. In Fiscal Year 2015, the Urban Core has seen considerable return on its investments that were made in prior years. These investments include: development of the Community Maritime Park and stadium on the downtown waterfront, relocation of the Main Street sewage treatment plant, reconstruction of Admiral Mason Park at the western gateway, development of Plaza De Luna Waterfront Park and the Main Street Streetscape improvements. An amendment to the City's Land Development Code, to reduce the requirements for off-street parking within the CRA, was adopted to encourage redevelopment of existing parking lots and also to allow for better utilization of sites.

In May 2014 a lease agreement with the Florida Fish and Wildlife Conservation Commission (FWC) was authorized for the property commonly known as "Bruce Beach", on the downtown waterfront adjacent to the Community Maritime Park. FWC is leasing the property for the purpose of constructing a state-of-the art saltwater fish hatchery for the production of sport-fish species on the site along with a filtration marsh that will recycle nutrients from the hatchery and serve as a nursery for wetland plant species to support ongoing regional coastal habitat restoration efforts. The venue will provide for public education and outreach related to marine conservation as well as research opportunities for governmental, university and non-profit partners. The lease provides 3 years to begin construction.

In 2013, South Palafox Street, at the heart of Pensacola's downtown Urban Core Redevelopment Area was named one of America's Great Streets by the American Planning Association. Palafox Street and the Urban Core Redevelopment Area continue to attract new investment.

Additionally, re-activation of the Belmont Devilliers Neighborhood Commercial Core was further supported by the location of the University of West Florida Innovation Institute at Devilliers Square, the success of the Belmont Youth Center and Five Sisters Restaurant and the relocation of the Gathering Awareness Bookstore.

Two Commercial Façade Improvement Loans were awarded in 2014, for the Blend Lounge project and for the Devilliers Square project. These awards depleted the funds available in the Retail Storefront Façade Improvement Program.

In Fiscal Year 2015, the CRA Board approved moving forward to market and dispose of available CRA-owned and City-owned properties within the CRA's boundaries. Two requests for proposals were issued, one for the CRA-owned property at 120 W. Government Street, which was awarded to Hixardt Technologies and the other for the Hawkshaw site at 9th Ave and Romana St. The Board rejected all proposals received in response to the Hawkshaw request.

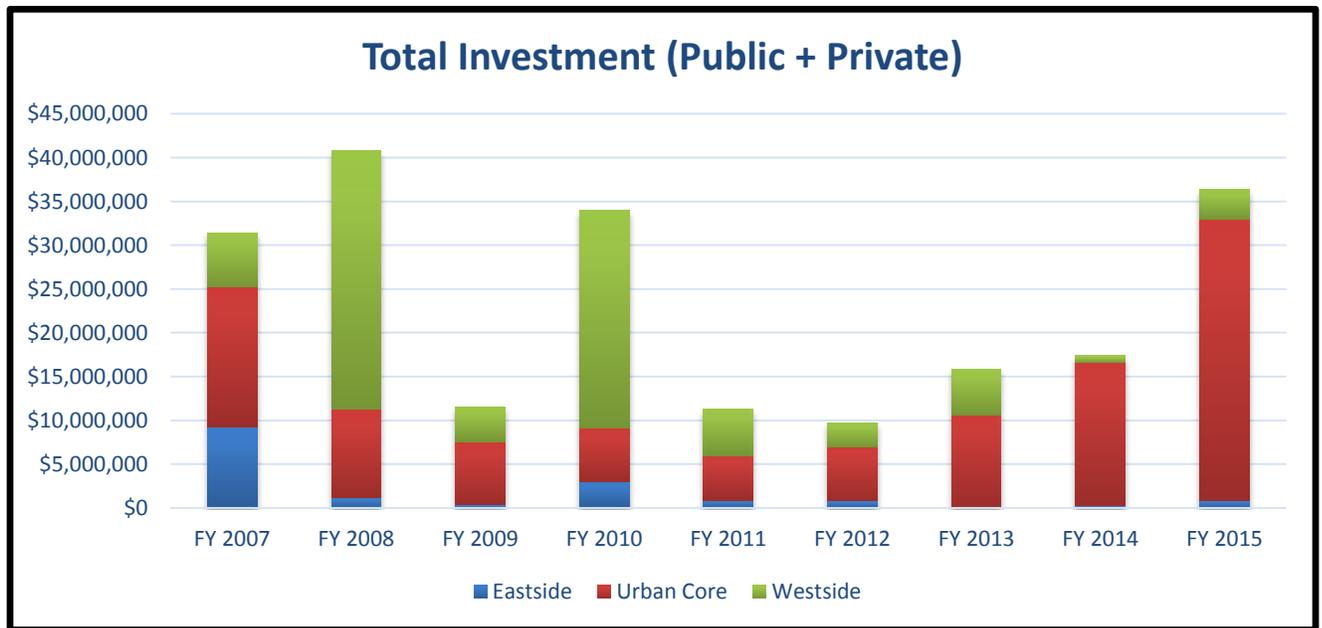
Two-way street conversion and berth harbor repair projects were completed in the Urban Core during the fiscal year. All other TIF revenues were committed to debt service, administration, professional services and maintenance of CRA constructed landscape and infrastructure assets. However, Fiscal Year 2015 saw significant private sector and other public investment in the Urban Core: eating and retail establishments, banks, offices, housing and a new hotel bolstered the downtown with shopping and dining destinations. Fiscal Year 2015 also saw the planning of soon to be a sought after urban housing.



Investment in the Community Redevelopment Areas

Public/Private permit values in the Community Redevelopment Areas for Fiscal Years 2007 through 2015 are as follows:

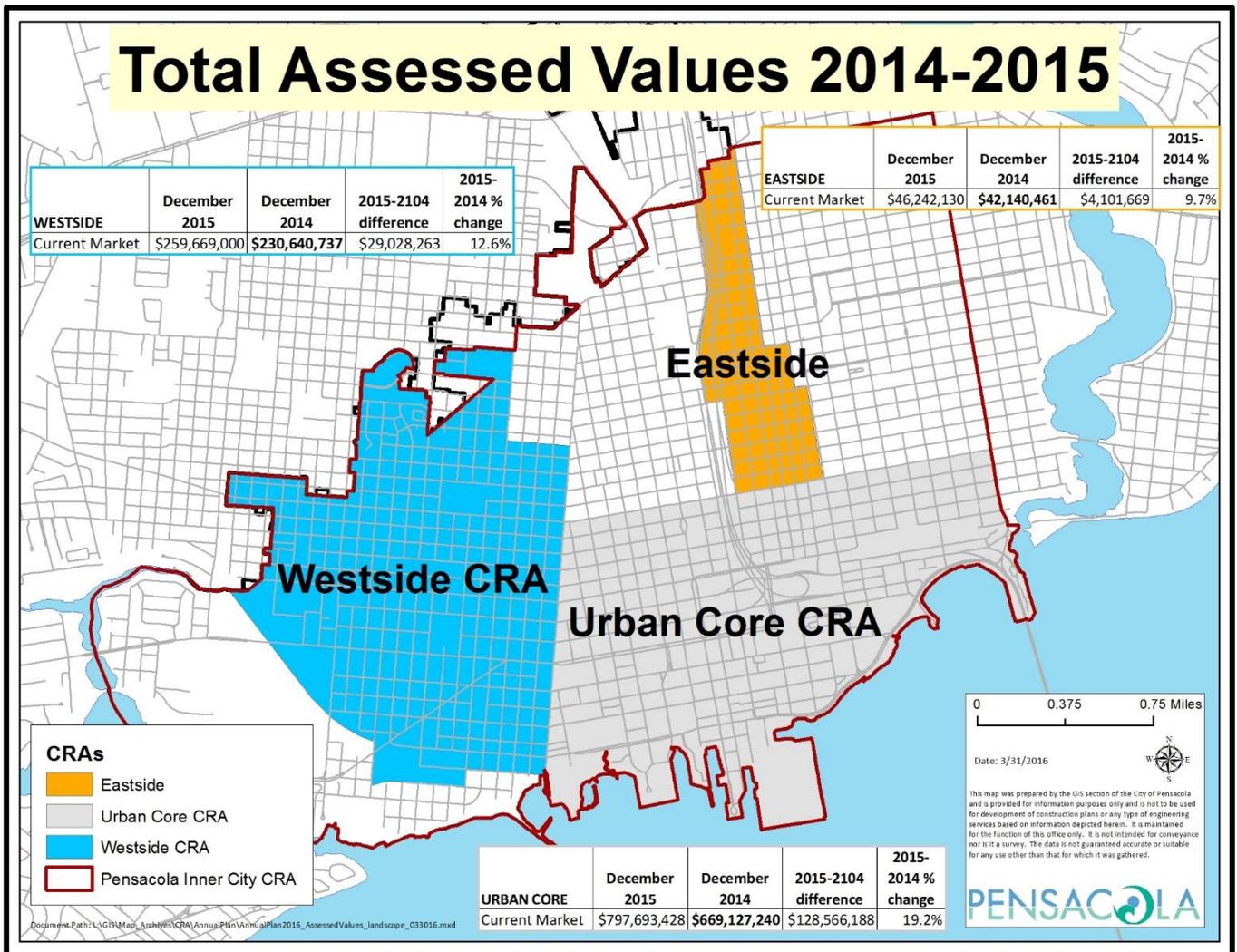
Fiscal Year	Eastside			Urban Core			Westside		
	Total	Public	Private	Total	Public	Private	Total	Public	Private
2007	\$9,192,865	\$9,900	\$9,182,965	\$16,010,601	\$2,738,100	\$13,272,501	\$6,209,179	\$501,322	\$5,707,857
2008	\$1,121,480	\$135,635	\$985,845	\$10,187,118	\$1,843,178	\$8,343,940	\$29,510,750	\$4,733,756	\$24,776,995
2009	\$348,352	\$41,296	\$307,056	\$7,118,193	\$2,153,707	\$4,964,487	\$4,015,692	\$518,311	\$3,497,382
2010	\$2,926,774	\$0	\$2,926,774	\$6,152,973	\$987,066	\$5,165,907	\$24,906,368	\$18,662,057	\$6,244,311
2011	\$855,410	\$46,900	\$808,510	\$5,128,743	\$1,242,000	\$3,886,743	\$5,314,168	\$1,181,257	\$4,132,911
2012	\$837,076	\$0	\$837,076	\$6,129,363	\$1,013,281	\$5,116,082	\$2,779,775	\$232,178	\$2,547,597
2013	\$67,723	\$0	\$67,723	\$10,582,974	\$7,400,932	\$3,182,042	\$5,234,819	\$1,870,621	\$3,364,199
2014	\$279,945	\$0	\$279,945	\$16,306,712	\$81,419	\$16,225,293	\$772,416	\$0	\$772,416
2015	\$839,814	\$0	\$839,814	\$32,106,048	\$5,444,090	\$26,661,958	\$3,408,778	\$110,000	\$3,298,778



The permitted value of investment in the three redevelopment areas in Fiscal Year 2015 is \$36,354,640. For Fiscal Year 2015, \$5,554,090 in public investment leveraged \$30,800,550 in private investment at a ratio of 5.5 to 1.

Tax Base Growth

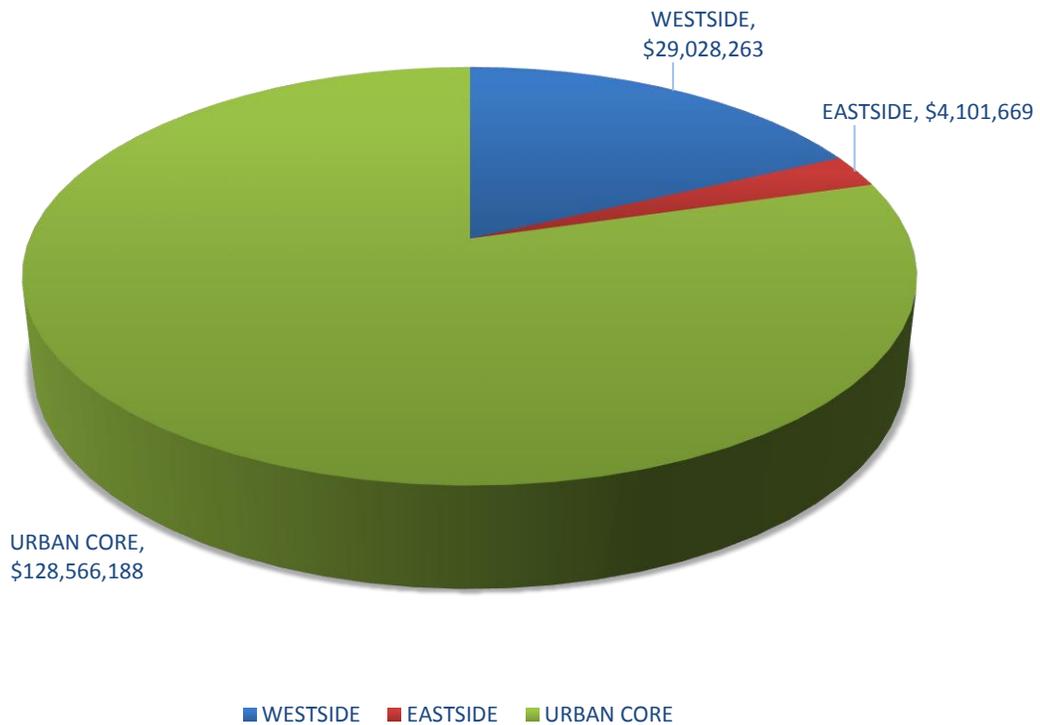
The continuing goal of the CRA is to remove and prevent blight, support property values within the redevelopment areas, to the maximum extent possible, and to improve the physical quality of life for the businesses and residents of the redevelopment areas, consistent with the adopted Community Redevelopment Plans. After eight years of declining values, the Urban Core tax base grew to its 2015 value of \$797,693,428, an increase of 19.2% over 2014. The Eastside Area grew to \$46,242,130, an increase of 9.7% from the previous year, and the tax base of the Westside Area was \$259,669,000, an increase of 12.6% over 2014.



**Summary of Annual Assessed Property Values
All Redevelopment Districts**

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

Change in Assessed Value 2014 - 2015



Highlights of Activity

FY 2015

- ✓ City of Pensacola and Florida FDOT were awarded a grant to construct a dock and supporting facilities for a new ferry system between the Ft. Pickens Gulf Islands Seashore and Pensacola to be located at Commendencia Slip in downtown
- ✓ Completion of Maritime Place office building at 350 Cedar Street at the Community Maritime Park (75,739 SF / \$11,680,000 value)
- ✓ Memorandum of Understanding with Space Florida and the Pensacola Industrial Development Corporation for Project Expanse, a 70,000 to 85,000 square foot multi-tenant office building to serve as a hub for attraction and growth of high tech and aerospace industry companies
- ✓ Re-activation of the Belmont/Devilliers Commercial Core (University of West Florida Innovation Institute at Devilliers Square, Five Sisters Restaurant, Belmont Youth Center, Gathering Awareness Bookstore)
- ✓ Community Maritime Park Breakwater (\$1,900,000 value)
- ✓ Innisfree Community Garden at Hollice T. Williams Park
- ✓ Bank of Pensacola -new construction at Palafox and Main Streets

Future Development Projects and Other Agency Initiatives

FY 2016-Forward

- ✓ Construction of a three story retail/office/residential building at One-51 Main Street at Community Maritime Park out parcel (25,419 SF / \$4,724,366 value)
- ✓ Construction of Institute for Human and Machine Cognition (IHMC) new 30,000 square foot facility on East Romana St (332,280 SF / \$4,025,549 value)
- ✓ Construction of five story condominium project on South Palafox Street (37,653 SF / \$6,728,419 value)
- ✓ Construction on a new downtown YMCA (52,852 SF / \$6,990,206 value)
- ✓ Redevelopment of former Blount building at corner of Palafox and Garden
- ✓ Streets by One Palafox Place (\$1,138,444 value)
- ✓ Construction of downtown Holiday Inn Express on Main Street (65,316 SF / \$8,892,120 value)
- ✓ Construction of new Kesco Kitchen Supply on W. Main Street (18,718 S F/ \$1,800,000 value)

CRA FINANCIAL INFORMATION FY 2015

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

Due to the delay in receiving required audit information from the State of Florida for pension disclosure under GASB 68 the City's Fiscal Year 2015 CAFR has been delayed beyond the March 31, 2016 filing date for this report. The City anticipates that the CAFR will be completed by April 30, 2016. However, the actual date is dependent upon the receipt of the required pension information from the State of Florida.

CITY OF PENSACOLA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015
UNAUDITED

	Community Redevelopment Agency	Urban Core Redevelopment Trust	Eastside Tax Increment Financing District	Westside Tax Increment Financing District	CRA Debt Service	Total CRA Funds
ASSETS						
Cash and cash equivalents	\$ 337,117	\$	\$	\$	\$	\$ 337,117
Investments	100,656					100,656
Accounts receivable	5,080					5,080
Prepays and deposits	777					777
Restricted assets						
Cash and cash equivalents	761,499		488,433	51,987	3,552,311	4,854,230
Investments	227,367		145,836	15,522	1,060,643	1,449,368
Advances to other funds	458,276					458,276
Notes receivable	39,813,626					39,813,626
Total assets	\$ 41,704,398	\$ 0	\$ 634,269	\$ 67,509	\$ 4,612,954	\$ 47,019,130
LIABILITIES						
Accounts payable	\$ 14,057	\$	\$	\$	\$	\$ 14,057
Contracts payable	21,870		75,000	1,766		98,636
Due to other funds	503					503
Unearned revenue					453,414	453,414
Deposits	1,000					1,000
Total liabilities	37,430	0	75,000	1,766	453,414	567,610
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	4,341					4,341
Total deferred inflows of resources	4,341	0	0	0	-	4,341
FUND BALANCE (DEFICITS)						
Non-spendable	777					777
Restricted						
Maritime Park	39,813,626					39,813,626
Community Development Projects	1,848,224		559,269	65,743		2,473,236
Debt Service Payments					4,159,540	4,159,540
Committed						
Tree landscape						-
Council Reserve						-
Other committed						-
Assigned						-
Unassigned						-
Total fund balances	41,662,627	0	559,269	65,743	4,159,540	46,447,179
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 41,704,398	\$ 0	\$ 634,269	\$ 67,509	\$ 4,612,954	

CRA FINANCIAL INFORMATION FY 2015

CITY OF PENSACOLA, FLORIDA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015
 UNAUDITED

	Community Redevelopment Agency	Urban Core Redevelopment Trust	Eastside Tax Increment Financing District	Westside Tax Increment Financing District	CRA Debt Service	Total CRA Funds
Revenues:						
Intergovernmental	\$	\$	\$	\$	\$	\$
Charges for services	90,169	2,546,525	48,366	40,932	907,316	3,543,139
Fines and forfeits						90,169
Assessments						0
Interest income	2,384	3,812	1,530	163	1,858,183	1,866,072
Donations	5,114					5,114
Other						0
Total revenues	<u>97,667</u>	<u>2,550,337</u>	<u>49,896</u>	<u>41,095</u>	<u>2,765,499</u>	<u>5,504,494</u>
Expenditures:						
Current -						
General government	1,858,982		5,639	1,889		1,866,510
Capital outlay	23,297		102,631			125,928
Debt service -						
Principal retirement					580,000	580,000
Interest					3,019,681	3,019,681
Total expenditures	<u>1,882,279</u>	<u>0</u>	<u>108,270</u>	<u>1,889</u>	<u>3,599,681</u>	<u>5,592,119</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,784,612)</u>	<u>2,550,337</u>	<u>(58,374)</u>	<u>39,206</u>	<u>(834,182)</u>	<u>(87,625)</u>
Other financing sources (uses):						
Transfers in	3,879,494	1,529,281	31,356	26,537	214,442	5,681,110
Transfers (out)	(2,041,745)	(4,079,618)				(6,121,363)
Total other financing sources (uses)	<u>1,837,749</u>	<u>(2,550,337)</u>	<u>31,356</u>	<u>26,537</u>	<u>214,442</u>	<u>(440,253)</u>
Fund balances at beginning of year	<u>41,609,490</u>	<u>0</u>	<u>586,287</u>	<u>0</u>	<u>4,779,280</u>	<u>46,975,057</u>
Fund balances at end of year	<u>\$ 41,662,627</u>	<u>\$ 0</u>	<u>\$ 559,269</u>	<u>\$ 65,743</u>	<u>\$ 4,159,540</u>	<u>\$ 46,447,179</u>

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

**ELECTED OFFICIALS
FY 2015 CRA BOARD MEMBERS**

Charles Bare
Larry B Johnson
Sherri F. Myers
Jewel Cannada-Wynn, Chair

Brian Spencer
Andy Terhaar
P.C. Wu
Gerald Wingate, Vice Chair



Jewel Cannada-Wynn, Chair

**APPOINTED OFFICIALS
FY 2015 EASTSIDE REDEVELOPMENT BOARD MEMBERS**

Aretta Anderson
Martha Erinkatola
Jeannie Rhoden
Brian Spencer
Sonny Granger, Chair

**APPOINTED OFFICIALS
FY 2015 WESTSIDE REDEVELOPMENT BOARD MEMBERS**

C. Marcel Davis
Eric Brock
Sheila Green

Jewel Cannada-Wynn
Anny Shepard
James L. Gulley, Vice Chair

Dianne Robinson, Chair

**CITY OF PENSACOLA, FLORIDA
LISTING OF ELECTED AND APPOINTED OFFICIALS**

**ELECTED OFFICIALS
FY 2015 MAYOR & CITY COUNCIL**



Ashton J. Hayward, III
Mayor



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



Sherri F. Myers
District 2



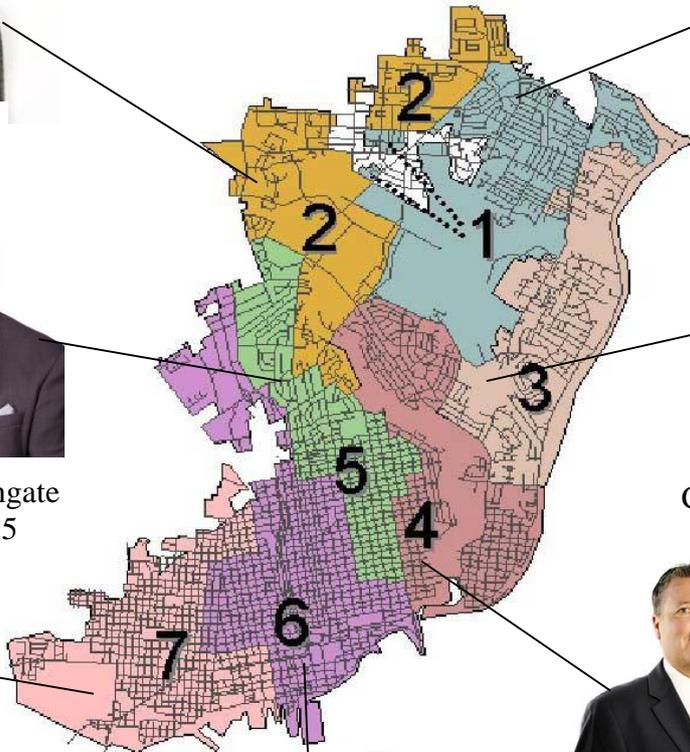
Gerald Wingate
District 5



Andy Terhaar
Council President
District 3



**Jewel Cannada-
Wynn**
District 7



Charles Bare
At-Large



Brian Spencer
District 6



Larry B. Johnson
Council Vice President
District 4