



CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY

Meeting Agenda

March 27, 2014, 9:30 AM
City Commission Chambers
City Hall, Second Floor

- I. **CALL TO ORDER**
9:30 AM
- II. **PUBLIC COMMENTS ON AGENDA ITEMS**
- III. **PRESENTATIONS**
 - 3.01 Community Art Project in Burnette Park - Roxanne Manning, CRA Executive Director
- IV. **CONSENT ITEMS**
 - 4.01 Approval of CRA Meeting Minutes from February 27, 2014 – Rick McCraw, CRA Program Director
 - 4.02 Approval to Close the 621 Gallery Sculpture Garden Agreement and Place Funds in the FY 2011 GFS Land Acquisition, Development and Related Expenses Program – Rick McCraw
- V. **POLICY FORMATION AND DIRECTION**
 - 5.01 Presentation of the City of Tallahassee Community Redevelopment Agency's FY 2013 Annual Report – Rick McCraw
 - 5.02 CRA Standards and Criteria for Review of Large Project Funding Requests – Roxanne Manning
 - 5.03 Other Program and Project Updates (materials will be provided at the meeting) – Roxanne Manning
- VI. **UNAGENDAED PUBLIC COMMENTS**
- VII. **UNAGENDAED ITEMS/COMMISSIONER DISCUSSION**

**Agenda Item Details**

Meeting	Mar 27, 2014 - CRA Board Meeting
Category	3. Presentations
Subject	3.01 Community Art Project in Burnette Park -- Roxanne Manning, Tallahassee Community Redevelopment Agency
Access	Public
Type	Presentation

Public Content

Presentation only. No material provided.

Administrative Content



Agenda Item Details

Meeting	Mar 27, 2014 - CRA Board Meeting
Category	4. Consent Items
Subject	4.01 Approval of CRA Summary Meeting Minutes from February 27, 2014 - Roxanne Manning, Tallahassee Community Redevelopment Agency
Access	Public
Type	Action (Consent), Minutes

Public Content

For more information, please contact: Stacey Peter, Tallahassee CRA 850-891-8356

Statement of Issue

Attached for review and approval by the CRA Board are the draft summary minutes from the February 27, 2014 CRA Board meeting.

Recommended Action

Option 1: Approve the draft summary minutes from the February 27, 2014 CRA Board meeting.

Fiscal Impact

None

Supplemental Material/Issue Analysis***History/Facts & Issues***

Attached for review and approval by the CRA Board are the draft summary minutes from the February 27, 2014 CRA Board meeting.

Options

1. Approve the draft summary minutes from the February 27, 2014 CRA Board meeting.
2. Do not approve the draft summary minutes from the Approve the draft summary minutes from the February 27, 2014 CRA Board meeting; provide staff with alternate direction.

Attachments/References

1. Draft Tallahassee Community Redevelopment Agency Board Meeting Minutes, February 27, 2014.

[Draft CRA Board Meeting Minutes 2_27_2014_Final.pdf \(325 KB\)](#)

Administrative Content

Draft MINUTES

TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY BOARD MEETING

Tallahassee, Florida
February 27, 2014

The Tallahassee Community Redevelopment Agency (CRA) Board met on February 27, 2014, in the Commission Chambers in City Hall with City Commissioners Gillum, Miller, and Ziffer and County Commissioners Dozier (CRA Vice-Chair), N. Maddox, Lindley and Proctor present at the start of the meeting. Also present were Executive Director Roxanne Manning, CRA Program Director Rick McCraw and CRA Senior Community Redevelopment Planner Sherri Baker. Mayor Marks (CRA Chair) and City Commissioner S. Maddox were absent.

Commissioner Dozier, CRA Vice-Chair called the meeting to order at 9:37 a.m.

PUBLIC COMMENTS ON AGENDA ITEMS

Dan Gilbertson, 459 West College Avenue, owner of Potbelly's and the Painted Lady, offered his support for the \$1.6 million in CRA grant assistance for the 444 College Ave project. He stated that it would be a catalyst for the transformation of College Ave and other downtown businesses.

CONSENT ITEMS

Commissioner Ziffer **moved to approve the staff's recommendations presented in Items 1, 2, 3, and 4 of the Consent Agenda.** Upon second by Commissioner Gillum, **the vote was as follows:**

AYE: Dozier, Gillum, Lindley, N. Maddox, Miller, Proctor and Ziffer

NAY: None

ABSENT: Marks and S. Maddox

Item 1 – Approved the CRA Board Minutes from the following meetings:

November 25, 2013 and January 23, 2014 Tallahassee Community Redevelopment Agency Board

Item 2 - Approved the Commercial Façade Improvement Grant Application for 1458 S. Monroe Street.

CRA staff received a commercial façade application from Mr. and Mrs. James Morrell, on September 19, 2013 for the exterior renovation of a former beauty salon to a cafeteria-style restaurant located at 1458 S. Monroe Street. The low bid for the qualified work items is \$58,521.10, for which the applicant is seeking a commercial

façade improvement grant of \$29,260.55. The estimated cost of all renovations, exterior and interior, is \$173,629.00.

Item 3 - Approved the Retail Incentive Loan Application for Earley's Kitchen at 1458 S. Monroe Street.

CRA staff received a retail incentive loan application from Mr. and Mrs. James Morrell on September 5, 2013 for the interior renovation of a former beauty salon located at 1458 S. Monroe Street as a cafeteria-style restaurant (Earley's Kitchen). The applicant was seeking a retail incentives loan of \$50,000. Staff and two local bankers with commercial lending experience reviewed the application and determined a reduced loan amount of \$25,000 would help minimize the amount of outstanding debt and would also secure collateral equal to the amount of the loan; the applicant was also required to address other CRA conditions. The renovation consists of interior improvements valued at \$115,108.

Item 4 - Approved the Commercial Façade Improvement Grant Application for 505 W. Georgia Street.

CRA staff received a commercial façade application from Mr. Adam Bardhi on January 27, 2013 for the renovation of a former dental office located at 505 W. Georgia Street into a restaurant and retail/office space. The low bid for the qualified exterior work items is \$157,638.00, for which the applicant is seeking a commercial façade grant of \$50,000. The estimated cost of all renovations, exterior and interior, is \$400,000.00.

POLICY FORMATION AND DIRECTION

Approval of CRA Financial Support for the Proposed 444 College Avenue Development

Item 4.01 presented by Rick McCraw, Program Director, was the approval of \$1,234,280 million in CRA grant funds in support of the proposed 444 College Avenue mixed-used student residential development. The CRA funds would be provided through the rebate of 75 percent of the tax increment generated by the proposed development during the remaining term of the Downtown District Community Redevelopment Area not to exceed \$1,234,280 million.

CA Student Living (the Developer) submitted an application for financial assistance in the amount of \$2.6 million for a mixed-use student residential development. The proposed project will consist of 219 residential units (a mix of studio; and one, two, three and four-bedroom units), 12,000 square feet of retail space and a 309 space parking garage that will include 38 public/retail parking spaces. The developer also requested that the tax increment payments begin accruing interest, at a 6.0 percent discount rate, upon execution of a grant agreement between the developer and the CRA.

Staffs recommended funding the grant in the amount of \$1,234,280 through the annual rebate of 75 percent of tax increment generated once the property is on the tax rolls and not include accrued interest payments as part of the tax increment reimbursement.

Commissioner Lindley indicated her excitement in support of the project, noting this type of enhancement to the downtown helps define the redevelopment area.

Commissioner Proctor urged the Board not to support the project. He questioned the possible surplus of student housing and is concerned about supporting out-of-town developers when local developers are in need.

Staff responded the market in the Downtown District is different than in the Greater Frenchtown/Southside. This type of development provides closer proximity to the universities and helps reduce traffic flow problems in Tallahassee enhancing the urban core.

Several Board members indicated the project is a catalyst and will help revitalize the Downtown area. It will provide connectivity from Downtown to FSU and will be an investment in the stormwater, sewer and other infrastructure needs in this area.

Commissioner Lindley **moved Option 2 to authorize staff to approve grant funds through the annual rebate of 75 percent of the tax increment generated by the Project (the 444 College Avenue development) during the remaining term of the Downtown District Community Redevelopment Area not to exceed \$1,606,780, as further described and conditioned in the agenda item. Authorize staff to enter into an agreement with the Developer (CA Student Living), or their designated subsidiary, outlining the terms and conditions of the CRA participation;** upon second by Commissioner Gillum **the vote was as follows:**

AYE: Dozier, Gillum, Lindley, N. Maddox, Miller, and Ziffer

NAY: Proctor

ABSENT: Marks and S. Maddox

Update on FSU Arena District Proposal

Item 4.02 was a presentation by Will Butler, President, Real Estate InSync, representing the FSU Real Estate Foundation; and Kevin Graham, Executive Director of FSU's Real Estate Foundation on FSU's proposed Arena District development concept.

Mr. Butler provided an introduction to the FSU Arena District concept, noting that FSU President Barron's departure will not have any impact on the university moving forward with the changes to the civic center, which is now referred to as the Arena District. Mr. Butler described FSU's recent conceptual planning efforts to incorporate the redevelopment of the civic center as a catalyst for future Town and Gown opportunities. He described the recent success on Gaines Street and how those successes are being promoted by the university to promote private investment to support the development of the Arena District, which will include integrating a variety of uses in the area, including the relocation of the Business School. Since the university acquired the civic center, they have spent considerable time and financial resources trying to understand the role of the civic center, how it supports community needs and what the private market will support on the civic center site. Mr. Butler noted that Sasaki, a national planning firm, had recently been hired by FSU to develop the long term master plan and program for site.

Mr. Graham described FSU's recent efforts to develop the Arena District Master Plan, starting with community meetings in 2013, to the recent selection of Sasaki to develop the master plan. The public meetings identified six desired components of the Arena District:

1. Academics,
2. Athletics,
3. Retail & Lifestyle Options,
4. A Convention Campus,
5. Signature Outdoor Attractions and Green Space for the Community, and
6. Connectivity

Mr. Graham described how FSU envisions integrating the six components into the Master Plan, which include relocating the College of Business and Dedman School of Hospitality to the Arena District, enhanced basketball practice space and fan opportunities, establishing the area as a destination and attracting students and others visit and stay, and developing the site as a convention campus with hotel that has conference meeting space and connections to other meeting locations in the area.

Mr. Graham provided a brief review of the Conceptual Plan for the civic center developed by Populous. He noted this was specific to the civic center, to help people understand the types of uses planned for the civic center site; it is not intended as the site design for the Arena District.

In reviewing the anticipated capital improvements of the Arena District, Mr. Graham explained that the costs were expected to be at least \$250 million, and probably more. Development of the Arena District will have temporary economic development impacts during construction and permanent impacts following construction. The permanent economic development impacts include Primary and Secondary impacts, which occur from employment within the Arena District (Primary), jobs that are created in support of businesses in the District (Secondary – Indirect), and jobs created when employees from the District purchase products and services outside the District but within the city and county (Secondary – Indirect).

In closing, Mr. Graham noted there were a host of outcome metrics that could be used to measure the success of the Arena District concept, and reviewed several possible measures. He explained that FSU was very excited with the opportunity they have with the Arena District, and are committed to being good stewards with the resources they have been provided.

Recognizing the key role of President Barron in this concept, several Board members questioned the involvement of the interim FSU leadership with the concept and any impact the pending the departure of President Barron to Penn State might have with the plans. They also asked about the role of the CRA in the development or implementation of the Arena District Master Plan. Finally, they asked about Sasaki's familiarization with Tallahassee's Multi-modal Transportation District (MMTD) requirements.

Mr. Butler responded that FSU trustees, and other critical stakeholders, are completely committed to this project. Mr. Butler explained that an understanding and commitment to the Arena District concept will be critical in the selection of the new FSU president. He also advised that the project was not slowing down during the interim period; in fact, FSU staff has been advised to move forward harder and faster. He also stated the concept plan will require both

public and private support. Once the master plan is developed, the level of that support will be better understood. He also stated that one of the reasons Sasaki was chosen was because of their experience in this type of development.

In response to a question from Commission Lindley, Mr. Butler explained that the Madison Mile was a separate concept from the Arena District, but that the two concepts worked together.

Commissioner Ziffer questioned if the opportunity existed to include the connectivity of Macomb Street as a north/south corridor in the Arena District plans. Commissioner Gillum agreed and suggested this needed to include multi-modal concepts along this corridor.

Commissioner Proctor noted the need to extend the Macomb Street connectivity to Old Bainbridge Road, north of Brevard Street and maybe north of Tharpe Street.

In response to all three comments, Mr. Butler explained that Macomb Street connectivity will be part of the plan, and that the Arena District location is seen as the hub of the downtown connectivity wheel. He will make it clear to Sasaki of the need to include transportation considerations of all the areas discussed today in the master plan analysis.

Commissioner N. Maddox noted how successful the recent redevelopments along Gaines Street have been, and the positive impact these changes have for the community as a whole.

Commissioner Dozier expressed her appreciation of FSU's commitment to moving the concept forward, and noted this is much more than an FSU project. The Arena District concept will promote redevelopment efforts, such as the convention center, that the county or city could not do on their own. In closing, she requested regular updates on the progress of the master plan.

This item is for information only.

Other Program and Project Updates

There were no additional updates.

UNAGENDAED PUBLIC COMMENT

There was no additional public comment.

UNAGENDAED ITEMS/COMMISSION DISCUSSION

Commissioner Proctor requested staff to provide assistance in preventing the closure of the Harvey Supermarket located at 2526 S. Monroe Street. The supermarket is scheduled to close on May 3rd. He stated in an already blighted area, this closing would leave a large hole in the community. In the interest of economic development he suggested submitting a letter to Bi Lo Holdings (owner of Harvey's) to re-examine the store closing.

Commissioners Dozier and Gillum agreed the CRA needs to provide some type of support but were unsure of how the letter would keep a corporation in town. Commissioner Dozier noted that this Board has discussed the food desert on the Southside before and this could create even more issues. She suggested that if Tallahassee is unable to keep the Harvey's Supermarket at that location then staff should look at alternative grocers for the site.

In a related issue, Commissioner Ziffer mentioned the severe financial issues at the Southside Arts Complex, which is across the street from the Harvey's Supermarket, and wanted to include a future discussion on providing assistance to them.

Commissioner Lindley **motioned to have staff bring back an agenda item on the two issues off South Monroe Street: Harvey's Supermarket and Southside Arts Complex**, upon was seconded by Commissioner Proctor.

A brief discussion followed the motion.

Commissioner Proctor, following Commissioner Ziffer's comments, agreed with the need to get ahead of the challenges facing the Southside Arts Complex. He noted the benefits the center provided to at-risk youth in the area.

Commissioner Gillum noted the interior improvements already made to the Southside Arts Complex and suggested providing retro-active assistance that is in line with current CRA programs.

Commissioner Dozier suggested the focus be on infrastructure improvements for both shopping centers and collaborating with other agencies to assist with the improvements.

Commissioner N. Maddox agreed and indicated transforming the area will be an attraction for future businesses and development opportunities.

Following the discussion, **the vote on the motion was as follows:**

AYE: Dozier, Gillum, Lindley, N. Maddox, Miller, Proctor, and Ziffer

NAY: None

ABSENT: Marks and S. Maddox

ADJOURNMENT

There being no further business to discuss the meeting adjourned at 10:58 a.m.



Agenda Item Details

Meeting	Mar 27, 2014 - CRA Board Meeting
Category	4. Consent Items
Subject	4.02 Approval to Close the 621 Gallery Sculpture Garden Agreement and Place Funds in the FY 2011 GFS Land Acquisition, Development and Related Expenses Program - Roxanne Manning, Tallahassee Community Redevelopment Agency
Access	Public
Type	Action (Consent)
Fiscal Impact	Yes
Dollar Amount	30,000.00
Budgeted	Yes
Recommended Action	Approval of the staff recommendation for will increase the available balance of the FY 2011 GFS Land Acquisition, Development and Related Expenses Program (# 1100625) to \$30,986.80. These funds will be available to support other redevelopment projects.

Public Content

For more information, please contact: Rick McCraw, 850-891-8352

Statement of Issue

On July 28, 2008, the City of Tallahassee Community Redevelopment Agency (CRA) approved \$35,000 in grant funding to the 621 Gallery for planned enhancements to the Charles Hook Sculpture Garden (Sculpture Garden) in Railroad Square. To date \$5,000 of the funds have been spent on the updated design of the sculpture garden, leaving a balance of \$30,000.

The property owners, Railroad Square, LLC, originally expressed some concerns with the requirement to maintain the sculpture garden improvements for 10-years following completion, and now planned entrance way improvements as part of the FAMU Way extension will impact parts of the sculpture garden, areas where the CRA grant funds would have been spent. As a result of the land owner's maintenance concerns and planned roadway improvements, CRA staff proposes to rescind the agreement and transfer the balance of the grant funds (\$30,000) to the FY 2011 Greater Frenchtown/Southside (GFS) Land Acquisition, Development and Related Expenses Program where they can be used in support of other redevelopment projects.

Recommended Action

Option 1: Authorize staff to close the Sculpture Garden project (# 0800437) and transfer the balance of grant funds to use the FY 2011 GFS Land Acquisition, Development and Related Expenses Program (# 1100625).

Fiscal Impact

Approval of the staff recommendation for will increase the available balance of the FY 2011 GFS Land Acquisition, Development and Related Expenses Program (# 1100625) to \$30,986.80. These funds will be available to support other redevelopment projects.

Supplemental Material/Issue Analysis

History/Facts & Issues

On July 28, 2008, the City of Tallahassee Community Redevelopment Agency (CRA) approved \$35,000 in grant funding to

the 621 Gallery for planned enhancements to the Charles Hook Sculpture Garden in Railroad Square. To date \$5,000 of the funds have been spent on the updated design of the sculpture garden, leaving a balance of \$30,000.

Since the agreement was signed the property owners, Railroad Square, LLC, have expressed some concern with the requirement to maintain the planned sculpture garden improvements for 10-years following their completion. Although the property owners are very supportive of the sculpture garden enhancements, they are not certain they could guarantee the areas where the sculptures are would not be disturbed during the 10-year post construction period. The owners would be willing to move the sculptures to other locations in Railroad Square if that occurs, but the improvements funded by the CRA would likely be impacted by any future redevelopment along the entrance. In fact, improvements proposed by City of Tallahassee Public Works along McDonnell Drive as part of the FAMU Way Extension, the entrance to Railroad Square, will impact areas where the CRA grant funds would have been spent. Given the planned reconstruction to the Railroad Square entrance and the property owner concerns regarding the ability to maintain the sculpture garden space for 10-years following the completion of the enhancements, CRA staff proposes to rescind the agreement and transfer the balance of the grant funds (\$30,000) to the FY 2011 GFS Land Acquisition, Development and Related Expenses Program (# 1100625) where they can be used to support other redevelopment projects.

Options

1. Authorize staff to close the Sculpture Garden project (# 0800437) and transfer the balance of grant funds to use the FY 2011 GFS Land Acquisition, Development and Related Expenses Program (# 1100625).
2. Do not authorize staff to close the Sculpture Garden project and transfer the balance of grant funds to use the FY 2011 GFS Land Acquisition, Development and Related Expenses Program; provide staff with other direction.

Attachments/References

None

Administrative Content



Agenda Item Details

Meeting	Mar 27, 2014 - CRA Board Meeting
Category	5. Policy Formation & Direction
Subject	5.01 Presentation of the City of Tallahassee Community Redevelopment Agency's FY 2013 Annual Report - Roxanne Manning, Tallahassee Community Redevelopment Agency
Access	Public
Type	Information

Public Content

For more information, please contact: Rick McCraw, Tallahassee CRA at 850-891-8352

Statement of Issue

In accordance with Section 163.356(3)(c), Florida Statutes (FS), the City of Tallahassee Community Redevelopment Agency (CRA) is required to file an annual report with the City of Tallahassee, as the municipal governing body, by March 31st of each year. The report is required to contain a complete financial statement listing the CRA's assets, liabilities, income and operating expenses as of the end of the fiscal year.

The attached CRA FY 2013 Annual Report will be filed with the City of Tallahassee on March 26th, during their regularly scheduled City Commission meeting. The report contains the required financial statements, as well as a review of major programs and projects funded in FY 2013, and a summary description of major accomplishments during the fiscal year. A notice of the filing of the report will be published in the State and Local News Section of the Tallahassee Democrat on Tuesday, March 25th. Copies of the report for public review will be available starting on March 27th in the City Treasurer-Clerk's office, the City's Department of Economic and Community Development and in the CRA office. A copy of the report will also be available on the CRA web page at www.talgov.com/ece/ece-economic-cra.aspx.

Highlights of the FY 2013 CRA financials and major accomplishment are contained in the main body of this agenda item.

Recommended Action

None, for information only.

Fiscal Impact

None

Supplemental Material/Issue Analysis

History/Facts & Issues

In accordance with Section 163.356(3)(c), FS, the CRA is required to file an annual report with the governing body (the City of Tallahassee) by March 31st of each year. The report is required to contain a complete financial statement listing the CRA's assets, liabilities, income and operating expenses as of the end of the fiscal year.

The attached CRA FY 2013 Annual Report will be filed with the City of Tallahassee on March 26th, during their regularly scheduled City Commission meeting. The report contains the required financial statements, as well as a review of major programs and projects funded in FY 2013, and a summary description of major accomplishments during the fiscal year. A notice of the filing of the report will be published in the State and Local News Section of the Tallahassee Democrat on

Tuesday, March 25th. Copies of the report for public review will be available starting on March 27th in the City Treasurer-Clerk's office, the City's Department of Economic and Community Development and in the CRA office. A copy of the report will also be available on the CRA web page at www.talgov.com/ece/ece-economic-cra.aspx.

Highlights of the FY 2013 CRA financials and major accomplishment outlined in the annual report include:

- For FY 2013, the CRA had total assets of \$7,619,000: \$6,338,000 in the form of cash and cash equivalents, \$641,000 in securities lending collateral, and \$640,000 in receivables. The CRA had \$882,000 in liabilities, and no long-term debt. At the end of the fiscal year, the total fund balance was \$6,737,000. Please note, this represents all CRA funds at the end of the fiscal year for both redevelopment districts, including funds that have been encumbered but not spent and should not be confused with funds available for projects through the respective land acquisition and redevelopment line item.
- In FY 2013, the CRA received approximately \$2,323,000 in income: \$2,078,000 from tax increment funds and \$245,000 in other funds (loan payments, interest, fair value adjustments, etc.). This includes \$1,354,000 in tax increment payments for the Greater Frenchtown/Southside Community Redevelopment Area (GFS District) and \$724,000 for the Downtown District Community Redevelopment Area (DT District).
- The \$2,078,000 in tax increment revenue reflects a decrease of \$424,000, or approximately 16.9 percent, from total tax increment payments received by both redevelopment districts in FY 2012. Individually, the GFS District received approximately 11.2 percent less in tax increment in FY 2013 than it received in FY 2012, and the DT District received approximately 26.6 percent less. The reduction in tax increment is a direct result of the downturn in residential and commercial property values, as well as the economic recession that started in 2007.
- The 2013 tax increment payment for the GFS District includes the recently renovated Sheraton Four Points Hotel on Tennessee Street, which saw a nearly \$4.0 million increase in value between FY 2012 and 2013, from \$2.2 million to \$6.0 million.
- During the fiscal year, the Agency approved, committed and/or spent approximately \$6.2 million in prior, current and future fiscal year funds in support of various programs and projects, and operational expenses. The programs and projects ranged from \$2,500 for downtown light pole banners in commemoration of the 500th anniversary of the landing of Juan Ponce de Leon, to \$1.4 million as an initial payment to District Joint Venture, LLC for the purchase of up to 174 CRA-owned public parking spaces in the Deck and Block developments on Gaines Street.
- The CRA funded the design and fabrication of the Tallahassee-Leon County Civil Rights Heritage Walk commemorating the protests, trials and triumphs of those who led the protests against segregated lunch counters at McCrory's, Woolworth's and Sears locations in the downtown. The heritage walk was installed on Jefferson Street near the intersection with South Monroe in August, and a dedication was held on September 30, 2013.
- The CRA approved multiple commercial façade improvement grants, commercial painting grants, and retail incentive loans during the fiscal year. These grants and loans were used to help small businesses reinvest and open or expand in both redevelopment districts.
- The CRA sponsored 18 promotional and special events during FY 2013; eight (8) in the GFS District, nine (9) in the DT District, and one (1) event that took place in both redevelopment districts.
- College Town (Phase 1), the Catalyst and 601 South Copeland were completed in FY 2013, and were added to the tax rolls in 2014. The pre-construction taxable value of these three projects is approximately \$3.0 million, while the post-construction taxable value has been estimated at \$41.0 million, a projected increase of \$38.0 million. This increase in taxable value will generate approximately \$296,000 in FY 2015 tax increment for the DT District.
- Construction began on the Deck and Block developments, on the south side of Gaines Street, in the GFS District. The developments are on schedule to be completed this summer and added to the tax rolls in 2015. The pre-construction taxable value of these two projects is approximately \$2.0 million, while the post-construction taxable value is

approximately \$34.0 million, a projected increase of \$32.0 million. This increase in taxable value will generate approximately \$387,000 in FY 2016 tax increment for the GFS District.

A more detailed review of the CRA financials and accomplishments is contained in the FY 2013 Annual Report.

Options

None

Attachments/References

1. City of Tallahassee Community Redevelopment Agency FY 2013 Annual Report

[FY 2013 Annual Report_Final_03-26-2014.pdf \(2,309 KB\)](#)

Administrative Content



TALLAHASSEE
**Community
Redevelopment
Agency**

**CITY OF TALLAHASSEE
COMMUNITY REDEVELOPMENT
AGENCY**

FY 2013 ANNUAL REPORT

(October 1, 2012 to September 30, 2013)

**Prepared by the
City of Tallahassee Community Redevelopment Agency
March 12, 2014**

**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
FY 2013 ANNUAL REPORT**

CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY

BOARD OF COMMISSIONERS

John R. Marks, III
Mayor, City of Tallahassee
Agency Chair

Kristin Dozier
Chair, Leon County Board of Commissioners
Agency Vice-Chair

Andrew D. Gillum
Commissioner, City of Tallahassee

Mary Ann Lindley
Commissioner, Leon County

Nick Maddox
Commissioner, Leon County

Scott Maddox
Commissioner, City of Tallahassee

Nancy Miller
Commissioner, City of Tallahassee

Bill Proctor
Commissioner, Leon County

Gil Ziffer
Commissioner, City of Tallahassee

AGENCY STAFF

Roxanne M. Manning, AICP
Executive Director

Rick McCraw, AICP
Program Director

Sherri Baker, AICP
Sr. Community Redevelopment Planner

Stacey Peter
Administrative Specialist II

Charles Hubbard
Community Redevelopment Planner

Kate Wilson
Community Redevelopment Intern

**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
FY 2013 ANNUAL REPORT**

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**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
FY 2013 ANNUAL REPORT**

PREFACE AND APPROVALS

The City of Tallahassee Community Redevelopment Agency FY 2013 Annual Report covers the period from October 1, 2012 through September 30, 2013. The report contains a review of the redevelopment agency, a description of the FY 2013 budget, a listing of major FY 2013 accomplishments, a map of the redevelopment area, and the FY 2013 Financial Statements. This annual report has been prepared in accordance with Chapter 163.356(3)(c), Florida Statutes, and may not be in conformance with generally accepted accounting principles.

The financial statements for the City of Tallahassee Community Redevelopment Agency, prepared in conformance with generally accepted accounting principals, are included in the City of Tallahassee's Comprehensive Annual Financial Report for FY 2013. The City's financial statements were audited by the certified public accounting firms of Thomas Howell Ferguson and Law Redd Crona & Munroe, and received an unmodified opinion.

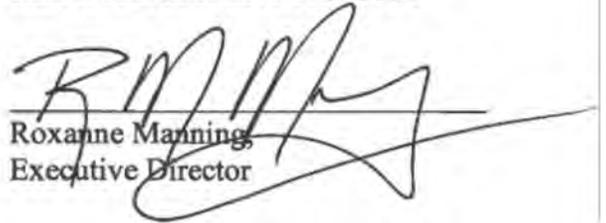
The City of Tallahassee Community Redevelopment Agency FY 2013 Annual Report has been approved this 12th day of March, 2014.

CITY OF TALLAHASSEE



Richard G. Feldman, CPA,
Accounting Services Manager

TALLAHASSEE COMMUNITY
REDEVELOPMENT AGENCY



Roxanne Manning
Executive Director

**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
FY 2013 ANNUAL REPORT**

**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
OVERVIEW AND FY 2013 ACCOMPLISHMENTS**

The City of Tallahassee Community Redevelopment Agency (CRA) was created in August 1998. The CRA Board was established in September 1998, and the Board membership was amended in September 2002 and October 2007. The CRA Board consists of the City of Tallahassee Mayor, the four City Commissioners and four members of the Leon County Commission. In FY 2013, the CRA consisted of four full-time employees, one part-time employee, an intern and the executive director. The City of Tallahassee covered most of the costs of the Executive Director, who also served as the Director to the City's Department of Economic and Community Development; part of the costs of one full-time employee; and provided the CRA with other professional and technical services.

Greater Frenchtown/Southside Community Redevelopment Area

The Greater Frenchtown/Southside Community Redevelopment Area consists of three distinct geographic sections and is comprised of over 1,450 acres of residential, office, commercial/retail, industrial, and green/open space land uses, all conveniently located near downtown Tallahassee. Included within the boundaries of the redevelopment area are thirteen neighborhood communities; seven major commercial/retail areas including sections of Tennessee Street, Tharpe Street, North and South Monroe Streets, Gaines Street, Lake Bradford Road and South Adams Street; and numerous mixed-use areas. In addition, the redevelopment area borders parts of the Florida A & M University and the Florida State University. Extensive city infrastructure, including water, sewer, electricity and gas, are available throughout the redevelopment area.

The City Commission adopted the Greater Frenchtown/Southside Community Redevelopment Plan (formerly known as the Tallahassee Community Redevelopment Plan) and established the Greater Frenchtown/Southside Community Redevelopment Trust Fund in June 2000.

Downtown District Community Redevelopment Area

The Downtown District Community Redevelopment Area consists of approximately 440 acres located in downtown Tallahassee, between the northern and southern portions of the Greater Frenchtown/Southside Community Redevelopment Area. The Downtown District is comprised of five sub areas with distinct land uses, physical characteristics and functions. These sub areas are: (1) North Monroe Street, (2) the Downtown Core, (3) Franklin Boulevard, (4) Gaines Street, and (5) Capital Cascades. Land uses in the Downtown District include residential, office, commercial/retail, light industrial, and green/open space. The entire area is serviced by city infrastructure, including water, sewer, electricity, and gas.

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The City Commission adopted the Downtown Community Redevelopment Plan and established the Downtown District Community Redevelopment Area Trust Fund in June 2004. Funding of the Downtown District, as well as any expansion of existing redevelopment districts or establishment of new redevelopment districts is governed by the “*Interlocal Agreement Among the City of Tallahassee, Leon County, and the Community Redevelopment Agency of the City of Tallahassee Regarding the Creation and Operations of the Downtown District Community Redevelopment Area and the Expansion of the Community Redevelopment Area*”, (the *Interlocal Agreement*) dated June 23, 2004, and amended on October 4, 2007 and February 9, 2009.

A map outlining the boundaries of the two redevelopment areas is located on page 31 of this report.

Summary of FY 2013 CRA Results

The CRA enjoyed a variety of successes in FY 2013, ranging from the completion of a major civil rights memorial to the funding and completion of multiple redevelopment projects. The five major redevelopment projects discussed in this report have a pre-construction taxable value of approximately \$5.0 million and a post-construction taxable value of approximately \$75.3 million, a projected increase of more than \$70.0 million.

Specific projects, expenditures and results are described in greater detail within this report.

FY 2013 Budget Overview

In FY 2013, the CRA received \$2,323,000 in income: \$2,078,000 in tax increment payments and \$245,000 in other fund payments and adjustments (loan payments, interest, fair value of investments, etc.) as described in the financial statements starting on page 33. This includes \$1,354,000 in tax increment payments for the Greater Frenchtown/Southside Community Redevelopment Area (GFS District) and \$724,000 for the Downtown District Community Redevelopment Area (DT District).

The total of \$2,078,000 in tax increment revenue reflects a decrease of \$424,000, or approximately 16.9 percent, from total tax increment payments received by both redevelopment districts in FY 2012. Individually, the GFS District received approximately 11.2 percent less in tax increment in FY 2013 than it received in FY 2012, and the DT District received approximately 26.6 percent less. The reduction in tax increment is a direct result of the downturn in residential and commercial property values, as well as the economic recession that started in 2007.

Finally, as outlined in the *Interlocal Agreement* governing the funding of the DT District, the CRA also has access to one-cent of the tourist development tax which is specifically collected and held by the Leon County for debt service, construction and operational expenses directly related to the proposed Tallahassee Performing Arts Center. The CRA

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received no tourist development tax funds in support of the proposed performing arts center in FY 2013.

The goal of the CRA is to create and implement strategies that use a combination of public and private resources to facilitate redevelopment which enhances the built environment and strengthens local economic conditions within each redevelopment district. Additionally, the CRA will seek projects that help reduce or eliminate the development and spread of physical blight. Individual projects and policies are supported based on the specific conditions and needs identified within the GFS Community Redevelopment Plan and the DT Community Redevelopment Plan. Areas where the CRA concentrates redevelopment efforts include commercial development, affordable housing, infrastructure, transportation, neighborhood and housing improvements, the promotion of mixed-use developments and promotional and special events.

In FY 2013, the CRA approved, committed and/or spent approximately \$6.2 million in prior, current and future fiscal year funds in support of various programs and projects, including administrative and operating expenses. A description of the major FY 2013 approvals and expenditures within each redevelopment district is provided below.

A. General:

FY 2013 CRA Administrative and Operating Expenses: \$402,618. This allocation covered the full costs of the CRA's Program Director, Community Redevelopment Coordinator, Administrative Assistant, one part-time employee and a part-time intern, as well as the general operating expenses of the CRA. In addition, a portion of the salary and benefits of the CRA Executive Director and a Senior Community Redevelopment Planner were also funded by the CRA. Both these positions were also partially funded through the City of Tallahassee. The administration expenses were shared between the two redevelopment areas, with the GFS District accounting for \$252,242, or nearly 63 percent of the expense, and the DT District accounting for \$150,376, or approximately 37 percent of the expense.

B. Expenditures and Commitments in the Greater Frenchtown/Southside (GFS) Community Redevelopment Area:

1. Annual Refund of Municipal Services Taxing Unit (MSTU) Based Tax Increment to Leon County: \$56,336. Chapter 163.387(1)(a) and (b), Florida Statutes, requires the tax increment to be calculated based on the amount of ad valorem taxes levied each year by each taxing authority. As a result, the County's FY 2013 contribution included \$56,336 in tax increment based on the County's Emergency Medical Services (EMS) MSTU. As part of the budgeting process, the CRA Board approved the refund of the EMS MSTU-based tax increment to Leon County.

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2. GFS Commercial Façade Improvement Grant Program: \$8,950. In 2006, the CRA established the Commercial Façade Improvement Program, which provides grants of up to \$50,000 for repairs/renovations to the exterior of commercial structures located in the GFS District. Applicants must match any requested grant funds dollar for dollar. Funds are available for both owner-occupied and renter-occupied commercial properties. In FY 2013 the CRA committed \$200,000 towards this program. During the fiscal year only \$8,950 of the grant funds were awarded for façade improvements in support of a small office development at 630 West Brevard Street. The \$191,050 in funds remaining in this program at the end of the fiscal year was transferred to the FY 2013 GFS Land Acquisition, Development and Related Expenses program. A summary of the program accomplishments in FY 2013 starts on page 24 under Major Accomplishments.

3. GFS Commercial Painting Grant Program: \$31,081. This program was established in FY 2008, and provides commercial property owners and tenants in the GFS District with up to \$5,000 in grant funds to help paint the exterior of a commercial building that is viewable by the public; no match is required. In 2012 the program was expanded to include murals. In FY 2013 the CRA committed \$35,000 towards this program. During the fiscal year six grants were awarded - four in Railroad Square and two on Gaines Street, which included a mural on Gaines Street. The \$3,919 remaining in this program at the end of the fiscal year was transferred to the FY 2013 GFS Land Acquisition, Development and Related Expenses program. A summary of the program accomplishments in FY 2013 starts on page 27 under Major Accomplishments.

4. GFS Retail Incentives Loan Program: \$39,007. The program provides eligible applicants with up to \$50,000 in low-interest loans with a term of not more than 10 years. The funds may be used by the applicant for owner/tenant improvements, the purchase and installation of equipment, and exterior features such as signage. In FY 2013 the CRA committed \$150,000 in support of this program, and \$40,000 in loans was approved:
 - a. Gaines Street Pies received a \$10,000 grant to build out a vacant retail space on Gaines Street into a pizza restaurant, although the applicants used only \$9,007 of the loan funds. The renovations were completed in FY 2013.
 - b. The Firm, a Pilates and yoga studio that was locating to vacant retail space also on Gaines Street, received a \$30,000 loan. The renovations did not begin by the end of FY 2013.

The \$110,993 remaining in this program at the end of the fiscal year was transferred to the FY 2013 GFS Land Acquisition, Development and Related Expenses program. A summary of the program accomplishments in FY 2013 starts on page 28 under Major Accomplishments.

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5. GFS Promotional/Special Events Grant Program: \$33,090. This program was established in FY 2010 and provides grants of up to \$5,000 to not-for-profit organizations who sponsor promotional or special events in the GFS District that promote the goals and objectives of the GFS Community Redevelopment Plan. The CRA committed \$35,000 to this program in FY 2013. During the fiscal year, nine events received a total of \$33,090 in grant funds.
- a. The Vocal Arts Network's Community Healing Days, \$3,546;
 - b. The Tallahassee Film Society's Anniversary Film Series, \$3,178;
 - c. ECHO's Tour de Frenchtown 5K Run and Chili Cook-Off, \$2,154;
 - d. The Railroad Squares Shops & Studios' ArtiGras Festival, \$5,000;
 - e. The Sharing Tree's REUSE Festival, \$5,000;
 - f. The John G. Riley Museum's The Season of Emancipation: A Walk Through Living History, \$5,000;
 - g. The Frenchtown Neighborhood Improvement Association's Frenchtown Heritage Marketplace, \$1,800;
 - h. The Most Worshipful Union Grand Lodge's Frenchtown Heritage Festival, \$4,912; and
 - i. 10,000 Marble's Urban Disturbance, \$2,500 (from each redevelopment district because parts of the event occurred in both districts).

The \$1,910 in funds remaining in this program at the end of the fiscal year was transferred to the FY 2013 GFS Land Acquisition, Development and Related Expenses program. A summary of these events is provided starting on page 20 under Major Accomplishments.

6. O'Connell Property Acquisition Payment: \$1,014,649. In January 2010, the CRA acquired the five-acre, vacant parcel, located south of the Civic Center, from the City of Tallahassee for \$4.65 million. The CRA made a down payment of \$1,606,053, and started making three annual payments of \$1,014,649 in FY 2011. In FY 2013, the third, and final, payment was made. The purchase allows the CRA to market and/or develop the site consistent with the redevelopment plan.
7. Tallahassee Branch of the NAACP - Renovation of the Historic Franklin Building: \$150,000. In December 2010 the CRA approved \$200,000 in grant funds to the Tallahassee Branch of the NAACP (NAACP) to assist in the renovation of the historic Franklin Building at 719 West Brevard Street. The CRA and NAACP entered into a development agreement in August 2012. The CRA grant funds were matched with private funds raised by the NAACP to help renovate the Franklin Building to serve as the local NAACP headquarters, establish a NAACP Civil Rights Museum and provide community meeting space. An initial grant payment of \$50,000 was made in FY 2012 upon execution of the agreement. The \$150,000 in remaining grants funds paid in FY 2013 during the renovations, which began in March and were completed in May. A summary of the renovation is provided on page 13 under Major Accomplishments.

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8. District Joint Ventures, LLC – Deck and Block Payment: \$1,368,750. In July 2012, the CRA approved providing District Joint Ventures, LLC, the developer, with \$5,399,500 grant funds, as well as up to \$216,000 worth of CRA-controlled capacity credit in the Coal Chute Stormwater Pond in support of the Deck and Block developments. The project consists of two mixed-use apartment developments with extensive retail space on Gaines Street: the Deck on the former Salie property, and the Block on the former Ferguson property. Approximately \$2.7 million of the CRA funds were approved for the purchase up to 174 public parking spaces in the two developments. The remaining grant funds will be used to help offset retail development, public plaza improvement and design upgrade expenses. Construction began in early 2013 and is expected to be completed by June 2014. In June 2013, the CRA made a payment of \$1,368,750 at the 50 percent completion point of the public parking spaces. The final public parking space payment will be made in FY 2014. The remaining grant funds, approximately \$2.7 million, will be provided through the reimbursement of the tax increment generated by the project when the development is completed and added to the tax rolls. A summary of the renovation is provided starting on page 14 under Major Accomplishments.

9. 604 North Macomb Property Acquisition: \$26,013. In July 2012 the CRA authorized the purchase of the vacant property at 604 North Macomb Street (at the northwest corner of Macomb and Georgia Streets). The CRA purchased the property in September 2013. The purchase of this property completes the assembly of four parcels into approximately one acre of vacant land that will be marketed for redevelopment as neighborhood-scale retail and commercial development.

10. Tallahassee Urban League Building: \$69,669. In September 2012, the CRA approved \$70,914 in grant funds to assist the Tallahassee Urban League with a major renovation of their building on Old Bainbridge Road. The CRA-funded improvements included the installation of a metal roof covering the glass dome, upgrades to the HVAC system, stucco removal/repair, installation of new windows and one entrance door, and exterior painting. The renovations began in February 2013 and were completed by June at a cost of \$69,669 to the CRA. A summary of the renovation is provided on page 14 under Major Accomplishments.

11. FY 2013 GFS District Land Acquisition, Development and Related Expenses: \$1,092,293. These funds are used to support the full spectrum of land acquisition, development and related expenses, including, but not limited to: the purchase of developed and/or vacant properties for purposes of assemblage and sale, the actual development/redevelopment of properties, environmental assessments and/or remediation of contaminated properties, and related land acquisition costs,

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such as appraisals, surveys and legal fees. Specific offers to purchase any property are brought to the CRA Board for final approval.

The FY 2013 Balance Sheet and Income Statement for the Frenchtown/Southside Community Redevelopment Area are located on pages 34 and 35 of this report.

C. Expenditures and Commitments in Downtown District (DT) Community Redevelopment Area:

- a. DT Commercial Façade Improvement Grant Program: \$106,036. The CRA Board originally established the DT Commercial Façade Program in 2008, which provides grants of up to \$50,000 for repairs/renovations to the exterior of commercial structures located in the DT District. The program requirements are the same as those for the GFS District: applicants can receive grants of up to \$50,000 for repairs/renovations to the exterior of commercial structures, applicants must match any requested grant funds dollar for dollar, and grant funds are available for both owner-occupied and renter-occupied commercial properties. During FY 2013 the CRA committed \$150,000 towards this program and awarded \$106,036 to three commercial renovation projects.
- a. The Ericks Building (\$50,000), an office building at 205 W Adams Street;
 - b. Sea Moon Properties, LLC/Sachs Median Group, Inc. (\$6,036), an office building at 114 South Duval Street; and
 - c. FSU Collegetown Retail, LLC (\$50,000), for the renovation of former commercial printer building at 717 South Woodard Avenue into an Urban Outfitters retail store.

The \$43,964 remaining in this program at the end of the fiscal year was transferred to the FY 2013 DT Land Acquisition, Development and Related Expenses program. A summary of the FY 2013 program accomplishments is provided starting on page 24 under Major Accomplishments.

- b. DT Commercial Painting Grant Program: \$0. This program was established in FY 2008, and provides commercial property owners and tenants in the DT District with up to \$5,000 in grant funds to paint the exterior of a commercial building that is viewable by the public; no match is required. The CRA committed \$15,000 in support of this program in FY 2013. No commercial property owners in the DT District took advantage of this program during the fiscal year. The \$15,000 in program funds was transferred to the FY 2013 DT Land Acquisition, Development and Related Expenses program at the end fiscal year.
3. DT Retail Incentives Loan Program: \$10,000. The DT Retail Incentives Loan Program provides eligible applicants with up to \$50,000 in low-interest loans with a term of not more than 10 years. The funds may be used by the applicant for

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owner/tenant improvements, the purchase and installation of equipment, and exterior features such as signage. The CRA committed \$150,000 towards this program for FY 2013. Lucy and Leo's Cupcakery received a \$10,000 loan to help build out and furnish space inside the Catalyst development on Gay Street. This will be the second location for Lucy and Leo's Cupcakery, and reflects the growing retail market of the Gaines Street district. The \$140,000 in program funds remaining at the end of the fiscal year was transferred to the FY 2013 DT Land Acquisition, Development and Related Expenses program at the end fiscal year. A summary of the FY 2013 program accomplishments is provided on page 30 under Major Accomplishments.

4. DT Promotional/Special Events Program: \$33,987. A key objective of the DT Redevelopment Plan is the support of promotional/special events within the redevelopment area. The program provides grants of up to \$5,000 to not-for-profit organizations who sponsor promotional or special events that promote the goals and objectives of the DT Redevelopment Plan. The CRA committed \$35,000 to this program in FY 2013. During the fiscal year, ten events received a total of \$33,987 in grant funds.
 - a. The Tallahassee Community Chorus' Sound of Music Sing Along, \$2,000;
 - b. The Junior League of Tallahassee's Jingle Jubilee 2012, \$5,000;
 - c. The United Way of the Big Bend's Downtown Get Down Events, \$5,000;
 - d. Tallahassee Bach Parley's Brandenburg Concertos Concert Series, \$1,500;
 - e. The Tallahassee Astronomical Society's Skies Over Tallahassee, \$2,999;
 - f. Downtown Tallahassee's 2013 New Year's Eve Celebration, \$5,000;
 - g. The Martin Luther King Dare to Dream Association's MLK Dare to Dream Festival, \$5,000;
 - h. The Tallahassee Irish Society's St Patrick's Day Celebration, \$1,000;
 - i. The John G. Riley Foundation's Smokey Hollow 2013 Reunion Festival, \$3,988; and
 - j. 10,000 Marble's Urban Disturbance, \$2,500 (from each redevelopment district because the parts of the event occurred in both districts).

The \$1,013 in funds remaining in this program at the end of the fiscal year was transferred to the FY 2013 DT Land Acquisition, Development and Related Expenses program. A summary description of these events is provided starting on page 22 under Major Accomplishments.

5. DT District Juror Bus: \$0. As part of the *Interlocal Agreement* between the CRA, the City of Tallahassee and Leon County that governs the Downtown District, as described on page 2 of this report, the CRA agreed to assist the Leon County Clerk of Courts in addressing Leon County juror parking needs. This is accomplished by providing potential and selected jurors with passes on StarMetro buses from either their residence or the C.K. Steele Plaza to the Leon County Courthouse and back. For FY 2013 the CRA committed \$1,000 to this program.

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No jurors requested bus fare reimbursements during the fiscal year, and the \$1,000 in program funds were transferred to the FY 2013 DT Land Acquisition, Development and Related Expenses program at the end fiscal year.

6. KaiserKane Tennessee & Monroe, LLC - Gateway Tallahassee Payment - \$179,200. In April 2010, the CRA approved \$1,447,661 in grant funds for the development of the Gateway Tallahassee. In December 2012, the CRA entered into an agreement with KaiserKane Tennessee & Monroe, LLC, the developer, for the development of a 37,000 square-foot, mixed-use building that will include approximately 17,000 square-feet of retail space and 20,000 square-feet of office space. The developer has a commitment from Walgreens to occupy 13,500 square-feet of the retail space. Under the terms of the agreement, the CRA will provide the developer with \$537,600 in grant funds to assist in construction costs, and rebate up to \$910,061 in annual tax increment generated by the project once it is added to the tax rolls to help with additional construction costs and to cover a portion of lease revenue shortfalls the developer may experience during the first two years of operation. An initial grant payment of \$179,200 was made in December 2012. Construction began in February 2013 and is scheduled to be completed in April 2014. The development is expected to add at least \$5.5 million in new value to the DT District when it is added to the tax rolls in 2015.

7. Capital Cascade Park Improvement Payment: \$220,000. In November 2010, the CRA Board approved \$1,100,000 in funding for the initial phase of construction for Capital Cascade Park. The funds are provided in five equal, annual payments of \$220,000, starting in FY 2010. The Capital Cascade Park is a 4.25 mile urban linear trail that will mitigate stormwater runoff, transforming a community eyesore into a community asset that will also promote economic development opportunities downtown and within the City's Southside neighborhoods. The FY 2013 payment of \$220,000 is the fourth of the five payments.

8. Seminole Boosters, Inc. - College Town Parking Lease and Development Payment: \$350,000. In November 2010 the CRA Board agreed to provide the Seminole Boosters, Inc. and their development partners with \$2,382,045 in grant assistance for the development of College Town, Phase 1, and entered into an agreement with the Seminole Boosters, Inc. and College Town, LLC, the developers, in May 2012. College Town is a mixed-used development with approximately 44,000 square-feet of retail space and 72 residential units located on the southeast corner of the intersection of Madison Street and Woodward Avenue. The CRA funds are being used to help cover some of the costs of various infrastructure improvements, including tap fees, undergrounding of overhead electrical lines, stormwater and streetscape improvements. The CRA made a direct grant payment of \$150,000 in May 2012 and \$200,000 in November 2012. A third grant payment of \$200,000 is due upon substantial completion of construction. The project was completed in July, 2013 but the third, and final, direct grant payment of \$200,000 was not requested by the end of

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the fiscal year. The three grant payments will provide \$550,000 of the \$2,382,045 in grant assistance. The remaining grant funds will be provided through five annual payments of \$366,409 once the project is added to the tax rolls and generates tax increment.

In April 2013 the CRA approved the long-term lease (25 years) of 15 public parking spaces within the College Town development for \$150,000. The CRA and the developer were still working on development of a parking lease sub-agreement at the end of the fiscal year. The parking lease payment will be made upon execution of the parking lease sub-agreement, and upon will be in addition to the grant payments discussed above. A summary of the College Town project is provided on page 17 under Major Accomplishments.

9. John G. Riley Center/Museum for African American History & Culture – John G. Riley Visitor Center: \$175,000. In July 2011, the CRA approved a \$125,000 grant to the John G. Riley Center/Museum for African American History & Culture and the John Gilmore Riley Foundation to assist in the construction of a 2,000 square foot visitor's center. In March 2012 the CRA entered into a development agreement with both the Museum and Foundation. At the time of the grant approval, the estimated construction cost for the visitor's center was \$250,000. When the final construction bids were received, the actual construction cost was \$287,000, not including office and visitor center furnishings and equipment. In January 2013 the CRA approved an additional \$50,000 to assist with the construction of the visitor's center, for a total CRA grant commitment of \$175,000, which was paid during the fiscal year. Construction on the visitor's center began in January 2013 and was completed in June. A summary of the project is provided on page 16 under Major Accomplishments.
10. CRP/Chance Catalyst Owner, LLC - Catalyst Payment: \$250,000. In March 2012, the CRA approved \$911,800 in grant funds for the Catalyst and entered into an agreement with CRP/Chance Catalyst Owner, LLC, the developer, in November 2012. The Catalyst is a mixed-use apartment development with 128 apartments, 400 beds, 3,650 square feet of retail, and a 5-story parking garage with 381 parking spaces. The CRA grant funds are being used to provide 16 public parking spaces in the garage, 24 on-street parking spaces, ground-floor retail space treatments, and enhanced streetscape/pedestrian treatments. An initial grant payment of \$250,000 was made in December 2012; the remaining grant funds will be provided through the reimbursement of tax increment generated by the development once it added to the tax rolls. A summary of the Catalyst development is provided on page 18 under Major Accomplishments.
11. American Campus Communities OP, LLC - 601 South Copeland Payment: \$215,000. In May 2012, the CRA approved \$395,000 in construction assistance for the construction of 601 South Copeland and entered into an agreement with American Campus Communities OP, LLC, the developer, in September 2012.

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601 South Copeland is a student-oriented apartment development consisting of 81 apartments, 283 beds, a 5,000 square foot community center, and a five-story parking garage with 282 parking spaces on a site occupied by a former city utility drive through payment center. The CRA funds are being used for roadway enhancements, streetscape and visual enhancements along the edges of the property, the temporary relocation of overhead electric lines, and stormwater pond improvements. An initial grant payment of \$215,000 was made in October 2012, and the remaining grant payments of \$180,000 will be disbursed over a four year period once the development is added to the tax rolls and is generating tax increment. A summary of the project is provided on page 19 under Major Accomplishments.

12. Viva Florida 500 Light Pole Banners: \$2,500. In January 2013 the CRA approved \$2,500 to assist with the installation and eventual removal of 172 banners in the downtown in commemoration of the 500th anniversary of the landing of the Spanish explorer Juan Ponce de Leon in Florida. The banners were purchased by the Florida Department of State. The \$10,000 to install and remove the banners is being shared equally between the CRA, the City of Tallahassee, the Tallahassee Downtown Improvement Authority, and Visit Tallahassee.

13. FY 2013 DT District Land Acquisition, Development and Related Expenses: \$469,893. These funds are used to support the full spectrum of land acquisition, development and related expenses, including, but not limited to: the purchase of developed and/or vacant properties for purposes of assemblage and sale, the actual development/redevelopment of properties, environmental assessments and/or remediation of contaminated properties, and related land acquisition costs, such as appraisals, surveys and legal fees. Specific offers to purchase any property are brought to the CRA Board for final approval.

The FY 2013 Balance Sheet and Income Statement for the Downtown District Community Redevelopment Area is located on pages 36 and 37 of this report.

As noted earlier, in addition to the tax increment funds, the Downtown District also has access to one-cent of the tourist development tax collected by the County. The details on the collection, maintenance and use of these funds are contained in the interlocal agreement governing the DT District. The funds are collected and maintained by the County, and are dedicated exclusively for costs associated with debt service, construction and operating expenses of a proposed performing arts center within the DT District. These funds are provided to the CRA as needed during the fiscal year. In FY 2013, the CRA received no tourist development tax funds in support of the proposed performing arts center. At the end of the fiscal year, the CRA had a balance of \$6,000 remaining in the account from earlier funds provided for the demolition of two former state buildings and other improvements on the site of the proposed performing arts center.

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The FY 2012 Balance Sheet and Income Statement for the CRA-related Tourist Development Funds held by the CRA is located on pages 38 and 39 of this report.

FY 2013 Major Accomplishments

The CRA enjoyed a variety of successes in FY 2013, including:

- The completion of a major civil rights memorial;
- The completion of three CRA-supported major developments/redevelopment projects (College Town, The Catalyst and 601 South Copeland);
- The start of the District Joint Venture developments – the Deck and the Block;
- Multiple small commercial façade, commercial painting and retail loan projects in both redevelopment districts; and
- Sponsoring 18 promotional and special events in both redevelopment districts

The large redevelopment projects discussed in this section will add significant value to both the GFS and DT Districts when completed and added to the tax rolls. The pre-construction taxable value of these redevelopment projects is approximately \$5.0 million, while the post-construction taxable value is approximately \$75.3 million, a projected increase of more than \$70.0 million.

The major FY 2013 CRA accomplishments are described below.

1. The Tallahassee-Leon County Civil Rights Heritage Walk. Beginning in February 1960, sit-ins at segregated lunch counters and sidewalk protests were held at McCrory's, Woolworth's and Sear's locations in Tallahassee. The protests continued until 1963 when the McCrory's lunch counter, along with other restaurants and theaters, was opened to all patrons. In recognition of the protests, as well as the trials and triumphs of the protestors, the CRA committed \$64,350 for the design and installation of the Civil Rights Heritage Walk by the former McCrory's department store at the intersection of South Monroe Street and West Jefferson Street.

The CRA entered into an agreement with the Florida State University's Master Craftsman Studio in January 2011 to manufacture 70 feet of prefabricated terrazzo sidewalk panels with commemorative brass inlays and lighting that were designed by the Tallahassee-Leon County Planning Department. The panels were installed by the City of Tallahassee's Public Works Department in August 2013. On September 30, 2013, the CRA, City of Tallahassee and Leon County hosted a dedication of the Tallahassee-Leon County Civil Rights Heritage Walk and recognized those individuals who organized, led and participated in the protests.

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The sidewalk on Jefferson Street being prepared for panel installations (top), and the panels installed and ready for the Tallahassee-Leon County Civil Rights Heritage Walk dedication on September 30, 2013 (bottom).

2. Renovation of the Historic Franklin Building. During FY 2013 CRA funds were used by the Tallahassee Branch of the NAACP to assist in the renovation of the historic Franklin Building at 719 West Brevard Street, which is in the GFS District. The CRA and NAACP renovations will help renovate the building as the local NAACP headquarters, establish a NAACP Civil Rights Museum and provide community meeting space. The CRA funds were used for extensive exterior renovations, including a new roof, windows, doors, siding and paint; as well as basic interior renovations needed for the project to receive a Certificate of

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Occupancy from the City of Tallahassee. The CRA funded renovations began in March 2013 and were completed in May. The NAACP was still working on interior and site improvements at the end of the fiscal year.



The NAACP's Franklin building before (left) and after (right) renovations.

3. Renovation of the Tallahassee Urban League Building. During FY 2013 CRA funds were used to assist the Tallahassee Urban League with a major renovation of their building at 923 Old Bainbridge Road, which is in the GFS District. The CRA supported improvements included the installation of a metal roof over a former glass dome, upgrade to the HVAC system, stucco repair, installation of new windows and an entrance door, and exterior painting. The renovations also included extensive interior renovations completed by the Urban League.



The Tallahassee Urban League building following renovations

4. Construction Start - The Deck and the Block Mixed-Use Projects. Located in the GFS District, the Deck and the Block are two mixed-use residential developments by District Joint Venture, LLC, that are under construction on Gaines Street. The Deck is a 257,688 square foot development with 248 residential units (356 beds),

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464 parking spaces, and 13,080 square feet of retail space. The Block is a 156,128 square foot development with 124 residential units (224 beds), 245 parking spaces, and 13,840 square feet of retail space. The CRA grant funds are being used to purchase up to 174 public parking spaces (141 spaces in the Deck and 33 spaces in the Block), and to help to offset some of the retail development expenses, public plaza improvement and design upgrade costs. Construction on both developments began in early 2013 and is expected to be completed by June 2014. The development will be added to the tax rolls in 2015, and will generate tax increment for the CRA starting in FY 2016. The two developments are projected to have a post-construction taxable value of \$34.3 million, an increase of \$32.3 million over the current taxable value.



A rendering of the Deck from across Gaines Street.

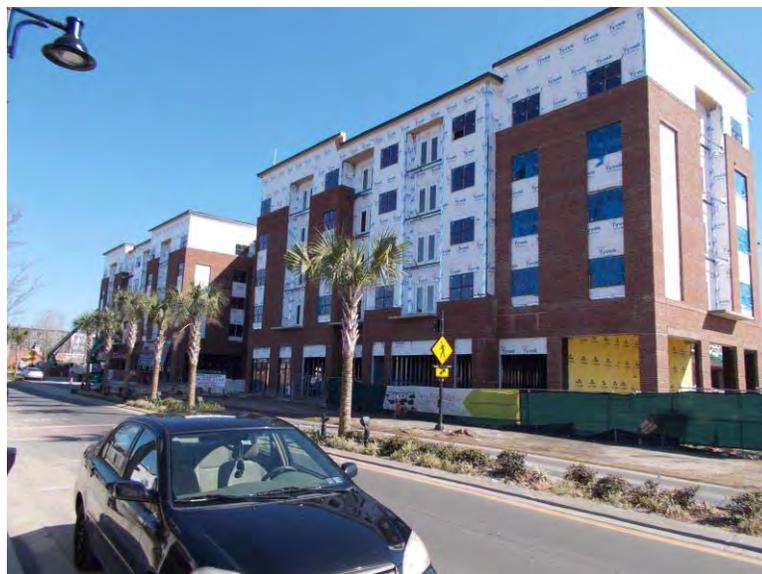


The Deck under construction on Gaines Street.

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A rendering of the Block from across Gaines Street.



The Block under construction on Gaines Street.

5. Construction of the Riley House Visitor's Center. During FY 2013, CRA funds were used to complete the construction of The Riley House Visitor's Center, 413 East Jefferson Street, in the DT District. The 2,000 square foot visitor's center is an expansion of the John G. Riley Center/Museum for African American History & Culture, and is part of the museum's long-term plans to move administrative functions from the second floor of the museum and expand exhibit space, thereby improving the museum visitor's experience. The visitor center will house administrative functions on the second floor, with space on the ground floor designed to accommodate small conferences, artist presentations, lectures, book signings, catered events, and oral and visual history exhibits. Museum staff is also working to establish the Riley House Visitor's Center as a tourism hub to help promote year-round tourism opportunities in the community. Construction of the visitor's center began in January 2013 and was completed in June.

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Riley House Visitor's Center (left) and the Riley House (right).

6. Completion of College Town, Phase 1. Located in the DT District, College Town is a mixed-used development with approximately 44,000 square-feet of retail space and 72 residential units located at the intersection of Madison Street and Woodward Avenue. The CRA funds were used to help with the costs of infrastructure improvements, including tap fees, undergrounding of overhead electrical lines, stormwater and streetscape improvements. Construction began in early 2012 and was completed in July 2013. The development will be added to the tax rolls in 2014, and will generate tax increment for the CRA starting in FY 2015. The development is projected to have a post-construction taxable value of \$15.5 million, an increase of \$14.3 million over the current taxable value. Plans are already underway for Phase 2 of College Town, with construction expected to start in the summer of 2014 for a summer or early fall 2015 opening date.



Rendering of College Town at Madison Street and Woodward Avenue.

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The completed College Town development (Phase 1) at Madison Street and Woodward Avenue.

7. Completion of the Catalyst. The Catalyst is a mixed-use apartment development with 128 apartments, 400 beds, 3,650 square feet of retail, and a 5-story parking garage with 381 parking spaces. The development is located on the former Ro Mac Lumber site on Madison Street. The CRA grant funds were used to provide 16 public parking spaces in the garage, 24 on-street public parking spaces, ground-floor retail space treatments, and enhanced streetscape/pedestrian treatments. Construction began in the summer of 2012 and was completed in September 2013. The development will be added to the tax rolls in 2014, and will generate tax increment for the CRA starting in FY 2015. The development is projected to have a post-construction taxable value of \$14.4 million, an increase of \$13.5 million over the current taxable value to the DT District.



A rendering of the proposed Catalyst development Madison Street.

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The completed Catalyst development from Madison Street.

8. Completion of 601 South Copeland. 601 South Copeland is a student housing development that consists of 81 apartments with 283 beds, a 5,000 square foot resident's community center, and a 5-story parking garage with 282 parking spaces. The CRA grant funds were used for roadway enhancements, streetscape and visual enhancements along the edges of the property, the relocation of overhead electric lines, and stormwater pond improvements. The development is located on a former vacant City utility drive-through payment center at the intersection of Macomb, Madison and St. Augustine Streets. Construction began in the summer of 2012 and was completed in September 2013. The development will be added to the tax rolls in 2014, and will generate tax increment for the CRA starting in FY 2015. The development is projected to have a post-construction taxable value of \$11.5 million, an increase of \$10.2 million over the current taxable value to the DT District.



A rendering of 601 South Copeland project from St. Augustine Street.

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The completed 601 South Copeland from St. Augustine Street.

9. Promotional and Special Events. During the fiscal year, the CRA helped sponsor eighteen (18) promotional and special events in the GFS and DT redevelopment districts. A brief summary of each event by district is provided below.

GFS District

Community Healing Days – The Vocal Arts Network received \$3,546 for hosting a three day event which featured a documentary film followed by discussion in regard to creating positive black images in the community, a day of health and fitness with community health screenings, and a day of art exhibition including music, dance, and poetry presentations. The event was held on October 19th – 21st at the Southside Arts Complex. An estimated 500 people took part in the events held throughout the weekend.

Anniversary Film Series – The Tallahassee Film Society received \$3,178 to showcase an anniversary series of twelve films. The series included two showings of a film every month at the All Saints Cinema (at the Amtrak Station) starting in November. The films were classic films from 1963, 1953 or 1943. Throughout the series of showings there were 1002 attendees.

Tour de Frenchtown 5K Race and Chili Cook-Off – The Emergency Care Help Organization (ECHO) was awarded \$2,154 to host the Tour de Frenchtown 5K Race and Chili Cook-Off event. The event took place on January 26 and featured a 5K run on the streets of Frenchtown followed by a Chili Cook-Off competition. An estimated 130 people participated in the two events.

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ArtiGras Festival – Railroad Square Shops & Studios was awarded \$5,000 to host the 4th annual ArtiGras Festival, which took place on February 16, 2013 at Railroad Square. The event brings the history and traditions of the original New Orleans Mardi-Gras to the Tallahassee community. ArtiGras featured a Mardi-Gras atmosphere with food from local food trucks, art work, three stages for musical entertainment and a large parade. An estimated 2,000 people attended this year's event.

REUSE/Green Arts Festival – The Sharing Tree was awarded \$5,000 to host the Green Arts Festival, a recycled arts and sustainable living festival to enhance culture and promote local business and included creation of a mural, making iGrow Garden Buckets, various other art activities, carnival games made from recycled materials, and live music. The event was held on March 30, 2013 at Railroad Square. An estimated 3,000 people attended the event.

The Season of Emancipation: A Walk through Living History – The John G. Riley Museum received \$5,000 for hosting a living history celebration featuring a parade and reenactment of a Civil War battle. The event included storytelling, role playing, lectures, public dialogue, children's activities and living history demonstrations. The event took place on May 25, 2013 at the Speed Spencer Stevens Park. An estimated 300 people attended the event.

Frenchtown Heritage Marketplace – The Frenchtown Neighborhood Improvement Association was awarded \$1,800 to host the Frenchtown Heritage Marketplace. The Marketplace is an outdoor, open air market featuring locally grown produce, vendors from local farms, and local artists. The Marketplace took place on the second and fourth Saturday of the month from July through October. The Association held a total of eight Frenchtown Heritage Markets during the months of July through October, attracting an estimated 300 participants. The CRA sponsored six of those markets from July through September. The Market partnered with the Red Hills Small Farm Alliance and Tallahassee Food Network to attract more farmers. The Market received approval to accept Supplemental Nutrition Assistance Program (SNAP) vouchers allowing more participants in future years.

Frenchtown Heritage Festival – The Most Worshipful Union Grand Lodge Foundation, Inc. was awarded \$4,912 to host the 3rd Annual Frenchtown Heritage Festival. The event was a one day festival held on August 31, 2013 and showcased local artists, performers, arts & crafts vendors, and food & health vendors. An estimated 620 people attended the event.

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DT District

Sound of Music Sing-A-Long – The Tallahassee Community Chorus received \$2,000 to host the “Sound of Music” Sing-A-Long that featured the film with subtitles allowing the audience to sing along throughout the movie and “Magic Moments Fun Packs” with props for each guest’s participation in the viewing. This event was held on October 6 and 7, 2012 at the Challenger Learning Center. The event received 574 attendees between the two showings.

Jingle Jubilee – The Junior League of Tallahassee received \$5,000 for hosting the 2012 Jingle Jubilee that was held on November 2 and 3, 2012 at the Donald L. Tucker Civic Center and featured a boutique shopping event with over fifty merchants, many from the Big Bend Area, and special events throughout the weekend. The Jubilee is a holiday shopping event where every dollar raised is put back into the community through community service projects such as the Kids’ Boutique, Operation Prom Dress, Second Harvest Backpack Program, Boys and Girls Club Family Night, and the Done in a Day program. At this year’s event, 1,450 people attended general shopping, and 520 people attended special events including the Sustainer Luncheon, Girls Night Out, and Breakfast with Santa.

Downtown GetDown – The United Way of the Big Bend received \$5,000 to host three Downtown GetDown events. The event dates were October 12, and October 26 and November 23, 2012, all taking place on College Avenue and Adams Street on the Friday evening before home football games for FSU Seminoles. The events featured local entertainment, food, and retail vendors in a family-friendly venue. There were an estimated 10,500 total attendees between the three events.

Brandenburg Concertos Concert Series – The Tallahassee Bach Parley received for \$1,500 for hosting three baroque period concerts held on November 11, 2012, February 24, 2013 and June 2, 2013 at St. John Episcopal Church. The event featured concert music of the Baroque era (approx. 1600-1750), performed by local professional musicians using period instruments. There were an estimated 925 attendees over the course of the three events.

Skies over Tallahassee – The Tallahassee Astronomical Society received \$2,999 to host ten Skies over Tallahassee planetarium events at the Challenger Learning Center. The ten events were held on the first Saturday of each month from December 2012 through August 2013 as well as on International Astronomy Day, April 20. The events included a free planetarium show featuring the current day’s local sky, as well as an astronomy topic of the month. Over 1,200 guests attended the ten shows.

New Year’s Eve Celebration – The Tallahassee New Year’s Eve, Inc. received \$5,000 to host a New Year’s Eve celebration. The event was a one-day event featuring fireworks, musical entertainment, and a video projection of New York

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City's New Year's Eve Ball Drop with food and drink vendors. The event took place at Kleman Plaza on December 31st with an estimated 12,000-14,000 people in attendance.

MLK Dare to Dream Festival – The MLK Dare to Dream Association received \$5,000 to host the Martin Luther King, Jr. birthday celebration featuring cultural performances with a live band, salsa dancers, gospel performances, folk music, a historical exhibit from FAMU Black Archives Research Center and Museum and the John G. Riley House and Museum detailing Dr. King and the Civil Rights Movement, an inspiration wall for participants to write their dreams, and a kid's zone. An estimated 750 people attended the event, which took place on January 21, 2013 on Kleman Plaza.

Saint Patrick's Day Celebration – The Tallahassee Irish Society received \$1,000 to host the 4th annual St. Patrick's Day Festival held on March 16, 2013 in the Chain of Parks. The event included a 5K run, parade and street festival with live music and cultural entertainment. An estimated 3,000 people attended.

Smokey Hollow Reunion Festival – The John G. Riley Foundation received \$3,988 to host the second annual Smokey Hollow Reunion Festival featuring historical information about Smokey Hollow, former residents of the area, arts & crafts, musical entertainment and vendors. The reunion was held in conjunction with the grand opening of the Riley Visitor Center which took place on September 24, 2013. There were an estimated 150 people in attendance. Guests received a complimentary copy of the recently published Smokey Hollow book, "Times Remembered".

Both the GFS and DT District

Urban Disturbance – 10,000 Marbles, Inc. received \$5,000 (\$2,500 from each redevelopment district) for hosting the 2012 Urban Disturbance event in partnership with the Social Design Group. The Urban Disturbance event, which took place on December 8, 2012, was a five mile, 15-obstacle race covering areas in the Greater Frenchtown/Southside Redevelopment District, and the Downtown Redevelopment District; therefore the award was split equally between the Districts. A total of 370 racers and 350 spectators participated in the event.

10. **Commercial Façade Improvement Grant Program.** During the fiscal year, five commercial façade renovations were approved and/or completed, and one renovation was approved but not yet begun. These projects are briefly described below. Since the program was implemented in FY 2007, the CRA has approved 26 façade improvement applications, providing \$962,407 in grant funds for redevelopment projects with total renovation/construction costs estimated at more than \$4.9 million.

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GFS District

Franklin Worth Building, 729 West Gaines Street. In July 2012, the Franklin Worth Trust received a commercial façade grant of \$24,779 for a variety of exterior improvements, including removal of paint from the brick façade; repairs to the brick façade; the installation of new windows, doorway, and entrance deck on the north side of the building; the installation of awnings on the west side of the building; the replacement of a garage door on the south side of the building with French doors; and the construction of wooden railings around the existing concrete deck on the south side. The cost of the exterior façade improvements was in excess of \$50,000 and the total cost of exterior and anticipated interior renovations to the building was estimated at more than \$100,000. The façade renovations were completed in February 2013.



The Franklin Worth building before façade renovations (left) and after (right).

Beasley Building, 630 West Brevard Street. In August 2012, Stephen Beasley received a commercial façade improvement grant of \$8,950 for exterior improvements to his building that included the replacement of the entry door, improved lighting, adding trim to the windows, adding stucco to the front of the second story, staining the brick front, and replacing the existing roofline with a decorative metal overhang. The renovations were completed in May 2013.



The Beasley building before façade renovations (left) and after (right).

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DT District

Botel Building, 523 East Tennessee Street. In July 2012, Robert and Tanya Botel received a commercial façade improvement grant of \$28,155 for a variety of exterior improvements to their building, including the application of a stucco covering to the existing concrete block exterior, installation of an overhead delivery door, installation of a new side entrance door, installation of a new glass storefront on Tennessee Street, new awnings and gutters, new exterior lighting, and the expansion of an existing concrete pad extending out from the east building. The cost of the exterior façade improvements was in excess of \$60,000 and the total cost of exterior and anticipated interior renovations to the building was estimated at less than \$70,000, not including tenant improvements. The façade renovations were completed in November 2012.



The Botel building before façade renovations (left) and after (right).

Ericks Building, 205 South Adams Street. In November 2012, David Ericks, d/b/a ASA Officespace, LLC, received a \$50,000 commercial façade grant for improvements to the exterior of his building at 205 South Adams Street. The renovation of the building included extensive exterior and interior improvements. The exterior improvements included the demolition of the existing second-story porch; demolition and replacement of the brick façade; installation of a new second-story porch with a steel foundation and a canopy covering; installation of new aluminum storefront, including new windows and doors; repairs and repainting of the existing stucco on the west side of the building; and new exterior lighting. Interior improvements include removal of an interior roof, doubling of the office space, relocating duct work, improvements to the reception and meeting spaces, and ADA access improvements. The low bid for grant eligible exterior improvements was \$138,000, and the total estimated cost of the improvements was \$350,000. The façade renovations were completed in January 2013.

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The Ericks building before (left) and after (right) renovations.

Sachs Media Group, 114 South Duval Street. In March 2013, Sea Moon Properties, LLC, received a commercial façade improvement grant of \$8,489 for a new sign, re-staining of front louvers and wood doors to match the new sign, and repairs to the parapet on the front occupied by the Sachs Media Group, Inc. The low bid of qualified items for the exterior improvements was \$16,979. During the renovations the applicant elected to omit the LED backlighting for the sign, which reduced the grant amount to \$5,786.15. The exterior renovations were part of a larger interior renovation that will improve the functionality of the building. The total estimated cost of the exterior and interior improvements is \$300,000. The façade improvements were completed in July 2013.



Sachs Media Group building before façade renovations (left) and after (right).

FSU Collegetown Retail, LLC, 717 South Woodward Avenue. In September, FSU Collegetown Retail, LLC received a \$30,000 commercial façade improvement grant for the exterior renovations of a former commercial printing building into an Urban Outfitters. Extensive exterior and interior improvements are required to support the Urban Outfitter store. The exterior renovations include adding cobble pavers; exterior brick refurbishment; a new roof, gable, gutters, and downspouts; exterior stair rails; new storefront openings; storefront glass; landscaping, trees, and irrigation; and front steps/sidewalks. The low bid for the qualified exterior renovations was \$529,410. The total cost of all exterior and

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interior renovations is estimated at \$850,000. The renovations had not begun at the end of the fiscal year.

11. Commercial Painting Grant Program. During the fiscal year six commercial painting grants were approved. All six of the projects were in the GFS District, and four of the projects were completed during the fiscal year. The projects are briefly described below. Since the program was implemented in FY 2008, the CRA has approved 10 painting grant applications, providing \$42,688 in grant funds. To date, all of the grants applications have come from the GFS District; the CRA has not received any applications from the DT District.

GFS District

Railroad Square. Four commercial painting grants totaling \$22,814 were awarded to Railroad Square, LLC to paint four commercial buildings on five parcels within Railroad Square: 670 Industrial Drive, 688 Industrial Drive, 694 Industrial Drive and 1026 Commercial Drive (two parcels). The paintings were completed during the fiscal year.



The repainted buildings at 670, 688 and 694 Industrial Drive.

Gaines Street Pies, 507 West Gaines Street. A commercial painting grant of \$4,700 was awarded to Pizza Bros, LLC, d/b/a Gaines Street Pies, which opened in FY 2013 in a vacant retail building. At the end of the fiscal year, the exterior repainting had not been started because the applicant was considering a mural to the side or front of the building as a painting option. Gaines Street Pies also received a \$10,000 retail incentives loan for interior improvements to the building, which is discussed in more detail below.

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Paul Rutkovsky, 517 West Gaines Street. Paul Rutkovsky received a commercial painting grant of \$3,567 to paint a pine forest mural on the east side of his art gallery. The mural had not been completed at the end of the fiscal year.

12. Retail Incentives Loan Program. During FY 2013 year three retail incentive loans were approved and/or completed, and one loan had been approved but the improvements not yet begun. Three of the projects were in the GFS District and one was in the DT District. The four projects, briefly described below, received a total of \$58,807 in loan funds for retail improvements, including equipment, with an estimated value of \$204,000. Since the program was established for the DT District in April 2010 and expanded to the GFS District in November 2011, six retail loans have been approved, four in the GFS District and two in the DT District.

GFS District

Wild Greens Café, 915-2 Railroad Avenue. In August 2012 Lia C. Chasar, LLC, d/b/a Wild Greens Café, received a \$9,800 retail incentives loan for interior improvements and the purchase of furnishings, fixtures and equipment (FFE) for a vegetarian restaurant located in the Bread & Roses Food Cooperative on Railroad Avenue. The total estimated cost of the interior build out and FFE was \$97,550. The CRA loan funds were supplemented with a cash investment and FFE already owned by the applicant. Renovations began in September 2012 and the restaurant opened in November 2012. Unfortunately, the applicant filed for bankruptcy in October 2013. CRA staff was able to recover approximately \$6,100 of the outstanding loan balance through the sale of collateralized restaurant FFE.



Wild Greens Café shortly after its opening in November 2012.

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Gaines Street Pies, 507 West Gaines Street. In December 2012 Pizza Bros, LLC, d/b/a Gaines Street Pies, received a \$10,000 retail incentives loan for interior improvements and the purchase of FFE for a pizza restaurant that would be located in a vacant retail building. The total estimated cost of the interior build out and FFE was \$42,000. The CRA loan funds were supplemented with a cash investment by the restaurant partners and financed equipment. The applicants used only \$9,007 of available loan funds. At the time of the application, the applicants estimated the restaurant would create six full-time jobs and three to six part-time jobs. Gaines Street Pies opened in February 2013 and has become one of several favorite eating places on Gaines Street.



Gaines Street Pies opened in February 2013.

The Firm, 833 West Gaines Street. In September 2013 Union Square, LLC, d/b/a The Firm, received a \$50,000 retail incentives loan to help cover the cost of interior renovations, and FFE for a 2,000 square foot wellness/fitness/yoga and Pilates studio in vacant retail space in the Lofts on Gaines building. The renovations include interior improvements valued at \$76,900 and furnishings and equipment valued at \$47,600. The CRA loan funds will be supplemented with cash investment by the applicant, a loan from Prime Meridian Bank, and tenant improvements financed by the property owner. At the time of the application, the applicants projected the studio would create one full-time job and six part-time jobs. The renovations had not begun by the end of the fiscal year.

DT District

Lucy & Leo's Cupcakery, 631 West Madison Street, #133. In August 2013 Lucy & Leo's Cupcakery, Inc. received a \$10,000 retail incentives loan to help cover the cost of interior improvements and FFE to convert 862 square feet of vacant

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retail space in the Catalyst into a cupcake and confections retail bakery. The estimated cost of the renovations was \$37,240, with the remaining improvement funds provided through a secured line of credit and tenant improvements provided by the property owner. At the time of the application, the applicants estimated the retail bakery would create two full-time and four part-time jobs. Renovations began in August, but the cupcakery was not opened at the end of the fiscal year.

13. Affordable/Workforce Housing. Even though no affordable or workforce housing funds were approved by the CRA in FY 2013, the CRA continues to partner with the City's Affordable Housing Division within the Department of Economic and Community Development to identify affordable housing opportunities. Existing home values remain low, especially in the GFS District, and there is a relatively large inventory of unsold, vacant and/or foreclosed homes throughout the community. As a result, the CRA continued to concentrate on the purchase and renovation of existing homes, at lease for the near term. The housing market continued to improve in FY 2013, but the demand/market for new affordable home construction remains low within the GFS District.

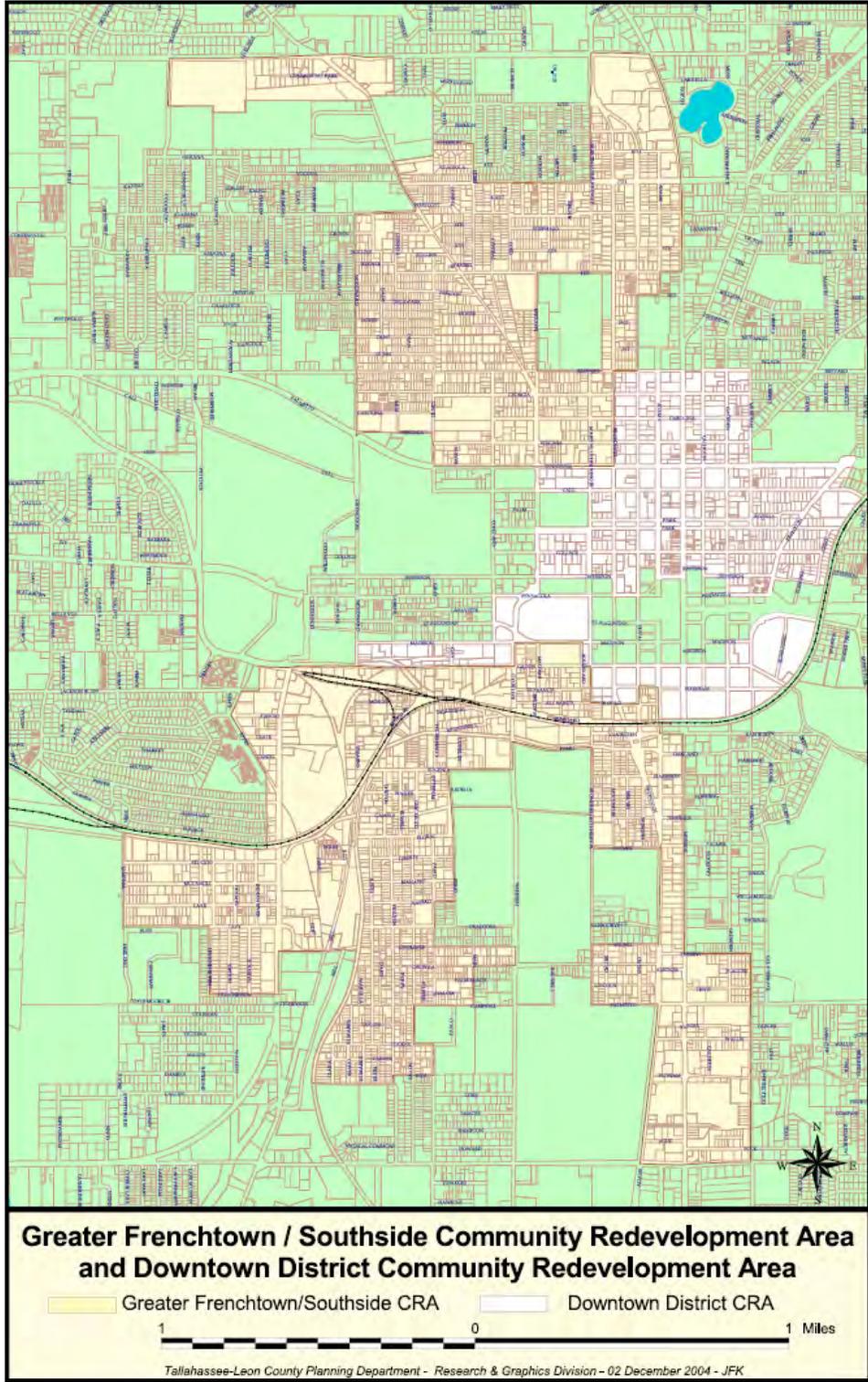
**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
REAL PROPERTY**

The CRA owned the four real properties listed below in FY 2013. The Floridan Parcel C property was developed as a 102-space parking lot for the Aloft Hotel, and is currently under a long-term lease with the McKibbon Hotel Group, the owner of the hotel. The remaining three parcels are vacant, and are available for redevelopment. The CRA did not sell any real property during the fiscal year.

Address	Parcel ID #	Use	2013 Assessed Value and Purchase Price
Floridan Parcel C (former StarMetro Site)	2136401370000	Central Core (Parking lot)	\$1,494,115/ \$2,100,000
402 W Gaines St.	2136900078545	Central Core (Vacant)	\$2,323,760/ \$4,650,000
518 W Georgia St.	2136500516165	Central Urban (Vacant)	\$27,000/ \$260,000
604 N Macomb St.	2136500516175	Central Urban (Vacant)	\$6,500/ \$25,000
Total			\$3,851,375/ \$7,035,000

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**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
BOUNDARY MAP**



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TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY TRUST FUNDS

FINANCIAL STATEMENTS

FROM OCTOBER 1, 2012 TO SEPTEMBER 30, 2013

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FINANCIAL STATEMENT

The annual report provides the City of Tallahassee Community Redevelopment Agency's (CRA) financial statements for the period from October 1, 2012 to September 30, 2013. The financial statements have been prepared to illustrate the financial status of the CRA, as required by Chapter 163.356(3)(c), Florida Statutes, and may not be in conformance with generally accepted accounting principles. The financial statements for the CRA prepared in conformance with generally accepted accounting principals are included in the City of Tallahassee's Comprehensive Annual Financial Report for FY 2013. The City's financial statements were audited by the certified public accounting firms of Thomas Howell Ferguson and Law Redd Crona & Munroe, and received an unmodified opinion.

FINANCIAL STATUS:

As of September 30, 2013, the CRA had total assets of \$7,619,000: \$6,338,000 in the form of cash and cash equivalents/investments, \$641,000 in securities lending collateral, and \$640,000 in receivables. The CRA had \$882,000 in liabilities, and no long-term debt. At the end of the fiscal year, the total fund balance was \$6,737,000.

The FY 2013 Balance Sheets and Income Statements for the three funds under the CRA (the Frenchtown/Southside Community Redevelopment Trust Fund, the Downtown District Trust Fund and the CRA Tourist Development Tax Fund) are attached.

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**COMMUNITY REDEVELOPMENT AGENCY
FRENCHTOWN/SOUTHSIDE COMMUNITY REDEVELOPMENT TRUST FUND
BALANCE SHEET
September 30, 2012
(in thousands)**

ASSETS

Restricted Assets:

Cash and Cash Equivalents/Investments.....	4,002
Securities Lending Collateral.....	405
Receivables:	
Accrued Interest.....	10
Notes.....	585
Total Restricted Assets.....	5,002
Total Assets.....	\$ 5,002

LIABILITIES AND FUND BALANCES

Payable from Restricted Assets:

Obligations Under Securities Lending.....	405
Accounts Payable.....	12
Advances from Other Funds.....	--
Total Payable from Restricted Assets.....	417
Total Liabilities.....	417

Fund Balances:

Restricted for:	
Economic Environment.....	0
Committed for:	
Economic Environment.....	4,585
Total Fund Balances.....	4,585
Total Liabilities and Fund Balances.....	\$ 5,002

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**COMMUNITY REDEVELOPMENT AGENCY
FRENCHTOWN/SOUTHSIDE COMMUNITY REDEVELOPMENT TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2013
(in thousands)**

Revenues:	
Ad Valorem Taxes.....	417
Intergovernmental	937
Net Investment Earnings.....	80
Net Increase (Decrease) In The Fair Value of Investments.....	(127)
Miscellaneous Revenues.....	149
Total Revenues.....	<u>1,456</u>
 Expenditures:	
Current:	
Economic Environment.....	<u>3,322</u>
Total Expenditures.....	<u>3,322</u>
 Excess of Revenues Over (Under) Expenditures.....	 <u>(1,866)</u>
 Other Financing Sources (Uses):	
Proceeds from Advance.....	<u>0</u>
Total Other Financing Sources (Uses).....	<u>0</u>
 Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses.....	 (1,866)
 Fund Balances - October 1.....	 6,451
 Fund Balances - September 30.....	 <u>\$ 4,585</u>

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FY 2013 ANNUAL REPORT**

**COMMUNITY REDEVELOPMENT AGENCY
DOWNTOWN DISTRICT COMMUNITY REDEVELOPMENT TRUST FUND
BALANCE SHEET
September 30, 2013
(in thousands)**

ASSETS

Restricted Assets:

Cash and Cash Equivalents/Investments.....	2,330	
Securities Lending Collateral.....	236	
Receivables:		
Accrued Interest.....	6	
Notes.....	39	
Total Restricted Assets.....	2,611	
Total Assets.....	\$ 2,611	

LIABILITIES AND FUND BALANCES

Payable from Restricted Assets:

Obligations Under Securities Lending.....	236	
Accounts Payable.....	229	
Advances from Other Funds.....	--	
Total Payable from Restricted Assets.....	465	
Total Liabilities.....	465	

Fund Balances:

Restricted for:		
Economic Environment.....	0	
Committed for:		
Economic Environment.....	2,146	
Total Fund Balances.....	2,146	
Total Liabilities and Fund Balances.....	\$ 2,611	

**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
FY 2013 ANNUAL REPORT**

**COMMUNITY REDEVELOPMENT AGENCY
DOWNTOWN DISTRICT COMMUNITY REDEVELOPMENT TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2013
(in thousands)**

Revenues:	
Ad Valorem Taxes.....	327
Intergovernmental	397
Net Investment Earnings.....	35
Net Increase (Decrease) In The Fair Value of Investments.....	(5)
Miscellaneous Revenues.....	113
Total Revenues.....	<u>867</u>
 Expenditures:	
Current:	
Economic Environment.....	1,871
Total Expenditures.....	<u>1,871</u>
 Excess of Revenues Over (Under) Expenditures.....	 <u>(1,004)</u>
 Other Financing Sources (Uses):	
Proceeds from Advance.....	0
Total Other Financing Sources (Uses)	<u>0</u>
 Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses.....	 <u>(1,004)</u>
 Fund Balances - October 1.....	 3,150
 Fund Balances - September 30.....	 <u><u>\$ 2,146</u></u>

**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
FY 2013 ANNUAL REPORT**

**COMMUNITY REDEVELOPMENT AGENCY
TOURIST DEVELOPMENT TAX FUND
BALANCE SHEET
September 30, 2013
(in thousands)**

ASSETS

Restricted Assets:

Cash and Cash Equivalents/Investments.....	6
Total Restricted Assets.....	6

Total Assets.....	\$ 6
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LIABILITIES AND FUND BALANCES

Payable from Restricted Assets:

Obligations Under Securities Lending.....	0
Accounts Payable.....	--
Advances from Other Funds.....	--
Total Payable from Restricted Assets.....	0

Total Liabilities.....	0
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Fund Balances:

Restricted for:	
Economic Environment.....	0
Committed for:	
Economic Environment.....	6
Total Fund Balances.....	6

Total Liabilities and Fund Balances.....	\$ 6
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**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
FY 2013 ANNUAL REPORT**

**COMMUNITY REDEVELOPMENT AGENCY
TOURIST DEVELOPMENT TAX FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2013
(in thousands)**

Revenues:	
Ad Valorem Taxes.....	0
Miscellaneous Revenues.....	(6)
Total Revenues.....	<u>(6)</u>
 Expenditures:	
Current:	
Economic Environment.....	0
Total Expenditures.....	<u>0</u>
 Excess of Revenues Over (Under) Expenditures.....	 <u>(6)</u>
 Fund Balances - October 1.....	 12
Fund Balances - September 30.....	<u>\$ 6</u>



Agenda Item Details

Meeting	Mar 27, 2014 - CRA Board Meeting
Category	5. Policy Formation & Direction
Subject	5.02 CRA Standards and Criteria for Review of Large Project Funding Requests - Roxanne Manning, Tallahassee Community Redevelopment Agency
Access	Public
Type	Information

Public Content

For more information, please contact: Roxanne Manning, Tallahassee CRA 850-891-8353

Statement of Issue

The City of Tallahassee Community Redevelopment Agency (CRA) has several standing redevelopment programs designed to support reinvestment and small business development in both redevelopment districts. These are the Commercial Façade Improvement Grant, the Commercial Painting Grant, and the Retail Incentives Loan Program. For each of these programs the CRA Board has approved program specific guidelines and application procedures.

The CRA has also approved redevelopment requests from not-for-profit organizations that do not fall under the three programs described above. These types of projects are not evaluated under a strict financial review but are reviewed based primarily on the service(s) the organization provides to the community and how the funds will address blight conditions. Not-for-profit redevelopment projects funded by the CRA include the John G. Riley Museum Visitor's Center, the Delta Kappa Omega Providence Community Service Center, the Tallahassee NAACP/Franklin building, and the Tallahassee Urban League building.

Separate from these programs, is the process the CRA uses to evaluate and approve, as appropriate, large-scale funding requests. These large projects are typically mixed use developments that are projected to have a very significant impact on the value of the subject property and even adjacent properties. These projects are large enough to create the synergy that attracts or supports other businesses within the immediate vicinity, and serve as a catalyst for further redevelopment and investment. Examples of these types of projects include:

- The Lofts on Gaines – mixed-use residential and retail,
- The Deck and Block on Gaines Street - mixed use residential and retail,
- The Sheraton Four Points Hotel on Tennessee St., and
- Tthe Gateway project on North Monroe St – mixed use office and retail

Unlike the standing redevelopment programs described above, a set amount of funds are not programmed each year to support large-project funding requests, nor is there a specific set of guidelines and application for requesting financial support. Developer interest in these types of projects generally starts with near-term market conditions, such as a demand for the product, the availability of land for the development, the availability/interest of private investors and lenders, and the timing of the development's delivery to the market. These types of conditions makes it difficult to set aside a specific amount of funds for large-scale projects each year in anticipation of a need. Instead, the practice has been to evaluate the proposals as they are submitted. However, in the absence of formal guidelines, CRA staff does have a set of review criteria for these

projects to help ensure the development proposal meets the CRA's redevelopment goals and is fiscally sound. The review criteria include:

- Evaluation of the developer's experience and financial strength,
- Review of other funding sources committed to the development,
- Review of the development's projected construction costs and pro forma,
- Determining the estimated post-development taxable value,
- Presentation of proposal and request to the appropriate citizen advisory committee,
- Calculating an estimated Internal Rate of Return based on the amount of funds requested and the tax increment income generated from the development, and
- Assessing the availability of CRA funds (current funds and tax increment from the finished development) to support the request.

These and other criteria are reviewed in greater detail in the body of this agenda item.

Recommended Action

None, for information only

Fiscal Impact

There is no immediate fiscal impact to the CRA. The fiscal impact to the CRA is shaped as a result of multiple funding decisions over the course of years.

Supplemental Material/Issue Analysis

History/Facts & Issues

The CRA has several standing redevelopment programs designed to support reinvestment and small business development in both the Greater Frenchtown/Southside Community Redevelopment Area (GFS District) and the Downtown District Community Redevelopment Area (DT District). These are the Commercial Façade Improvement Grant, the Commercial Painting Grant, and the Retail Incentives Loan Program. For each of these programs the CRA Board has approved program specific guidelines and application procedures. Since FY 2010, \$802,000 in façade and painting grants and \$160,000 in retail incentive loans have been issued, supporting total reinvestments of \$5.7 million in both redevelopment areas.

The CRA has also approved redevelopment requests from not-for-profit organizations that do not fall under the three programs described above. These types of projects are not evaluated under a strict financial review but are reviewed based primarily on the service(s) the organization provides to the community and how the funds will address blight conditions. Not-for-profit redevelopment projects funded by the CRA include the John G. Riley Museum Visitor's Center, the Delta Kappa Omega Providence Community Service Center, the Tallahassee NAACP/Franklin building, and the Tallahassee Urban League building.

Large redevelopment projects that seek CRA support are often mixed-use projects containing a variety of uses such as residential, office, retail or entertainment. These projects are projected to have a significant positive impact on the activity in the area around the project, the value of the subject property and the value and activities on adjacent properties. These projects are often large enough to create a synergy that attracts or supports other redevelopment opportunities or businesses within the immediate vicinity. They create numerous temporary jobs during the construction phase and permanent jobs after completion. A major objective of both the GFS and DT District community redevelopment plans is to increase the tax base within the redevelopment area to generate additional CRA revenue that can be used to implement a variety redevelopment programs and projects, including, but not limited to, infrastructure improvements, landscaping and hardscaping, new building construction, existing structure renovations, public space improvements, and promotional and special events. Large scale projects are one of the most effective ways of accomplishing this objective.

Unlike the standing redevelopment programs described above, a set amount of funds are not programmed each year to support large-project funding requests, nor is there a specific set of guidelines and application for requesting financial support. Developer interest in these types of projects generally starts with near-term market conditions, such as a demand for the product, the availability of land for the development, the availability/interest of private investors and lenders, and the timing

of the development's delivery to the market. These types of conditions makes it difficult to set aside a specific amount of funds for large-scale projects each year in anticipation of a need. Instead, the practice has been to evaluate the proposals as they are submitted. However, in the absence of formal guidelines, CRA staff does have a set of review criteria for these projects to help ensure the development proposal meets the CRA's redevelopment goals and is fiscally sound. The criteria are contained in Attachment 1, and the main points of the review process are discussed below.

- Initial staff review of the draft development proposal and funding request. Prior to the formal submittal of a project for consideration of CRA funding, staff typically meets several times with the developer or his/her representative. This is a critical part of the review process because it helps staff understand the type of development being proposed, the amount of funds requested and how those funds will be used. This also provides the developer with information on the review process, including timelines, and funding availability. In general, the CRA is looking for projects that would not be developed without CRA assistance, or specific improvements that can be made to either the project or the area around the project that create a better end result and ultimately further the CRA's goals.

During these meetings, staff performs an initial review of the project to ensure it meets several basic criteria. For example, it must be located in one of the two redevelopment districts and it must meet the broadly defined goals of the appropriate community redevelopment plan, as well as all requirements of the Tallahassee-Leon County Comprehensive Plan (Comp Plan) and the City's Land Development Regulations (LDR). CRA redevelopment goals are intentionally broad, with an emphasis on the implementation of sound urban planning principals. For example, a goal of both the GFS or DT District community redevelopment plans is the development of mixed use projects and pedestrian friendly areas. Typically, if a project is consistent with the Comp Plan or the LDR, it will also be consistent with the appropriate redevelopment plan goals. It is not unusual for a developer to make some revisions to their initial proposal in order to strengthen the projects fulfillment of CRA redevelopment goals. For example: enlarging the amount of commercial space, creating wider sidewalks around the building, or adding a transit stop. In addition to ensuring the proposal is consistent with the CRA and City plans, staff also ensures the proposal and funding request is consistent with general CRA Board direction. Staff also uses this time to make sure the developer is also in contact with the Planning and Growth Management departments.

Following these discussions, the developer may decide to move forward with a formal application for CRA funding. Formal applications are typically submitted a minimum of six (6) to eight (8) weeks prior to the CRA Board meeting at which it is expected to be considered. Submittal of the funding request initiates the formal project review and recommendation process.

- Evaluation of the developer's experience and financial strength; review of developer's funding sources; and review of development's projected construction costs and pro forma. Following the initial conversations with the developer and review of the proposal by staff, the developer may submit a formal development funding request. During this part of the review, staff will conduct a basic evaluation of the developer's experience and financial strength. This can be done by reviewing public information/records, such as similar projects recently completed by the developer; or reviewing information provided by the developer. The purpose is to determine if there is reasonable information to determine the developer has the experience and financial strength to complete the proposal. Depending on the developer's prior experience and the percent of the requested CRA assistance to the development cost, staff may ask the developer to provide documentation of other funding sources in support of the project. Finally, staff will request the developer provide a breakdown of construction costs and the pro forma of the proposed development. This information will be reviewed by staff and provided to the appropriate citizen's advisory committee for their consideration when reviewing a funding proposal.
- Determining the estimated post-development taxable value of the development. A critical component of the staff review of a funding request is the comparison of the pre- and post-development taxable value of the development. This will help staff calculate the estimated tax increment the CRA will receive once the development is completed, added to the tax rolls and generating tax increment. CRA staff works with the Leon County Property Appraiser's Office to prepare a post-development taxable value estimate. This value is then used to estimate the anticipated tax increment and to help prepare the Internal Rate of Return of the proposal. A copy of the post-development taxable

value estimate for the Catalyst development is at Attachment 2.

- **Calculating an estimated Internal Rate of Return.** As part of the financial analysis, staff will prepare a sensitivity analysis of the proposed funding request based on the amount of CRA financial assistance requested and the anticipated tax increment income (and any other anticipated income, if applicable) generated from the development. This includes determining the estimated Internal Rate of Return (IRR) to the CRA from the proposed development. Although the IRR is a part of the funding recommendation calculus, there is no set minimum a large-scale development project must meet to receive CRA funding. Instead, various merits of the proposed project are considered. For example, a supermarket project with a lower IRR might be considered over an office development with a higher IRR. A copy of the sensitivity analysis worksheet for the recently approved 444 College Avenue mixed-use residential development is at Attachment 3.
- **Assessing the availability of CRA funds.** Throughout the review process CRA staff will also assess the availability of CRA funds to support the funding request. This includes a comparison of the CRA funding request to the estimated construction cost, an evaluation of current tax increment funds available to support the proposed development and tax increment that will be generated from the finished development once it is added to the tax rolls. Staff will also coordinate with the developer and the appropriate advisory committee to determine what kind of financial assistance may be recommended (grants and/or loans), if up-front funding will be recommended, if the request will be funded upon completion of the development, or if a combination of funding types and timing will be used. As part of the assessment, staff will also calculate the payback timeframe and how that timeframe will impact the long-term availability of tax increment from the finished development to support other projects.
- **Presentation of proposal and request to the appropriate advisory committee.** Following the detailed project reviews described above, CRA staff prepares a report and recommendation, and schedules a review of the proposed development funding request by the appropriate citizen's advisory committee. If the project is located within the DT District, or has a fairly complex financial structure, staff schedules a review by the Downtown District Redevelopment Commission (DT DRC). This group is comprised of business representatives with experience in development, real estate, banking, finance and small business operations. This level of experience enables the group to evaluate the complex large-scale redevelopment projects more common in the DT District. If the project is in the GFS District it is scheduled for presentation to the GFS Citizens Advisory Committee (GFS CAC). This group is composed of neighborhood, small business and FAMU and FSU representatives. If the proposed development has a complex financial structure it also presented to the DT DRC for review and comment, but not a formal recommendation. Any comments from the DT DRC are presented to the GFS CAC for their consideration and eventual recommendation to the CRA Board.

Due to the detail required for the advisory committee review, these meetings are scheduled approximately four weeks prior to the CRA Board meeting where the request is expected to be considered. It is normal for an advisory committee to evaluate a funding request over two or more meetings before making a recommendation to the CRA Board. When feasible, it is recommended that applicants present their proposal for information only before presenting the formal request to an advisory committee. This approach enables the advisory committee members to ask general questions about the project and develop a better understanding of the project before a formal request for funding is presented to them. Once the advisory committee has completed their review they will adopt a recommendation for consideration by the CRA Board. The advisory committees are advisory only; they have no final decision authority.

Following the advisory committee review, CRA staff will prepare an agenda item outlining the development proposal, the funding request and a recommendation for the CRA Board's approval. This recommendation may be the same as that proposed by the advisory committee, or it may differ. In any instance in which the staff recommendation differs from the advisory committee recommendation, the advisory committee recommendation will be included.

Due to the detail required for the advisory committee review, these meetings are scheduled approximately four weeks prior to the CRA Board meeting where the request is expected to be considered. It is normal for an advisory committee to evaluate a funding request over two or more meetings before making a recommendation to the CRA Board. When feasible, it is recommended that applicants present their proposal for information only before presenting the formal request to an advisory committee. This approach enables the advisory committee members to ask general

questions about the project and develop a better understanding of the project before a formal request for funding is presented to them. Once the advisory committee has completed their review they will adopt a recommendation for consideration by the CRA Board. The advisory committees are advisory only; they have no final decision authority.

Following the advisory committee review, CRA staff will prepare an agenda item outlining the development proposal, the funding request and a recommendation for the CRA Board's approval. This recommendation may be the same as that proposed by the advisory committee, or it may differ. In any instance in which the staff recommendation differs from the advisory committee recommendation, the advisory committee recommendation will be included.

- Other considerations used in the evaluation. In addition to the criteria discussed above, CRA staff may review a number other considerations in evaluating proposed large-scale projects. Depending on the scale of the development and the availability of supporting documentation, these considerations include, but are not limited to, the number of construction and permanent jobs created; other revenues generated by the development, such as sales tax and bed tax; whether or not the development has a public component, such as green space or public art, that benefits the community; and the incorporation of sustainable construction and operation components, such as LEED construction and renewable energy options.

Based on the results of the evaluation of the above criteria, staff will develop a funding recommendation for the CRA Board, including the amount of funding recommended (if appropriate) and the structure (grant, loan or combination) and timing of the funding. The length of time that it takes to review and recommend funding options for these projects can vary significantly depending upon the experience and responsiveness of the developer. CRA staff is very aware that for most developers, time is money. Staff endeavors to process these requests as efficiently as possible, while still ensuring that the review meets statutory requirements and is both thorough and accurate. Because the CRA handles a significant amount of public funds, we are careful to ensure that we fulfill our fiduciary responsibility to the CRA and the public.

It is important to note that CRA's community redevelopment plans are intentionally very broad. This is because the needs and redevelopment goals of a community can change very quickly, sometimes with the implementation of only a few projects. CRA redevelopment goals are intended to facilitate the general improvement of the community and allow for change over time as the community grows and changes.

The fact that redevelopment goals and plans can change quickly has a direct effect on the funding decisions that the CRA Board makes. Although most of the redevelopment goals and review criteria are well defined, staff and the CRA Board maintain the prerogative to include or exclude additional criteria that may be specific to a single project. For example: the Board may decide, after funding several similar projects, that the CRA has provided sufficient stimulus for that type of use. The Board may determine that there is no market or need for some projects and thus may decline to fund such a project. CRA review criteria are not like zoning criteria. A project may meet all the criteria, but there is no guarantee that it will be funded if the Board determines that it is not in the best interest of the community.

This agenda item is intended as an information only item, so no specific options are proposed at this time. However, staff will incorporate any recommendations or direction provided by the CRA Board.

Options

None, for information only.

Attachments/References

1. Major Project Evaluation Criteria
2. Leon County Property Appraiser Post Development Taxable Assessment Estimate – Catalyst
3. Sensitivity Analysis Worksheet – 444 College Avenue

[Atch 1 - Major Project Evaluation Criteria.pdf \(601 KB\)](#)

[Atch 2 - LCPA Post Development Taxable Assessment Estimate - The Catalyst.pdf \(604 KB\)](#)

[Atch 3 - Sensitivity Analysis Worksheet - 444 College Avenue.pdf \(533 KB\)](#)

Administrative Content

City of Tallahassee Community Redevelopment Agency				
Major Project Evaluation Criteria				
Project Name				
Project Location				
Project Owner (s)				
Project Description				
Requested Amount and Type of Funding				
Financial Evaluation				
Type of Financial Return	TIF	Interest	Other	
Estimated IRR (total return)				
Pre and Post Property Value Est.	Pre: \$	Post: \$	Delta: %	
Payback time frame (years)	1 – 5 years	5 – 10 years	10+ years	
Requested funding as a % of total project cost.				
Other funding, if applicable.				
Applicant's investment.				
Applicant Evaluation				
Complete Business Plan	Yes	No	Note:	
Pro-Forma details	Describe required contents, projections & verifications.			
Developer experience level, # of similar projects.	0 projects	1- 5 projects	> 5	
Previous Tallahassee CRA funding?	Yes, amt;			No
Review Criteria				
1. Is project consistent with CRA Plan goals?	Yes	No	Describe:	
2. Does project improve or eliminate a blighted parcel, area or building?	Yes	No		
3. Is project consistent with LDRs and Comp Plan?	Yes	No		
4. Does the use have a public component?	Yes	No		
5. Has the use been identified as a priority use?	Yes	No		
6. Commitment to use energy saving appliances.	Yes	No	Utility Funding Details:	
Additional Considerations				
7. Does it support existing uses in the district?	Yes	No		
8. Does it compete with existing uses in district?	Yes	No		
9. Potential for spin-off or adjacent development?	Yes	No		
10. Is there a perceived market for the proposed use?	Yes	No		
11. Est. number of construction jobs. (Informational)				
12. Est. number of permanent jobs. (Informational)				
Staff funding recommendation:				

INCOME ANALYSIS				
INCOME APPROACH VIA DIRECT CAPITALIZATION				
Effective Date of Income Analysis	January 1, 2011			
Subject	Catalyst Project Madison St Tallahassee, FL			
Parcel Identification Number	2136901089460 & 2136901019420			
Apartment Units	120			
Rentable Beds	400			
RENT				
	<u>per Bed</u>	<u>X # Bed</u>	<u>X 12 MONTHS</u>	
Potential Gross Income	\$607	400	12	\$2,911,944
Retail Rental Income (NNN) 3,650 Sf		\$15		plus \$54,750
Vacancy & Collection		-10%		less (\$236,444)
Miscellaneous Income		2%		plus \$58,239
Effective Gross Income				equals \$2,733,738
Operating Expenses \$ per Bed	-\$2,500			less (\$1,000,000)
Reserve Expenses per Unit	-\$350			less (\$42,000)
Net Operating Income				equals \$1,691,738
	OAR			10.0000%
			INDICATED INCOME VALUE	\$16,917,385
			ESTIMATED ASSESSMENT	\$14,379,777

INCOME ANALYSIS

Sensitivity Analysis: Proposed 444 College Avenue Development, February 21, 2014

Fiscal Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Assumed Assessed Value ¹	\$26,000,000	\$26,520,000	\$27,050,400	\$27,591,408	\$28,143,236	\$28,706,101	\$29,280,223	\$29,865,827	\$30,463,144	\$31,072,407	\$31,693,855	\$32,327,732	\$32,974,287	\$33,633,772	\$34,306,448	\$34,992,577	\$35,692,428	\$36,406,277	
Baseline Assessment ²	\$997,376	\$997,376	\$997,376	\$997,376	\$997,376	\$997,376	\$997,376	\$997,376	\$997,376	\$997,376	\$997,376	\$997,376	\$997,376	\$997,376	\$997,376	\$997,376	\$997,376	\$997,376	\$997,376
Assessed Value Increase	\$25,002,624	\$25,522,624	\$26,053,024	\$26,594,032	\$27,145,860	\$27,708,725	\$28,282,847	\$28,868,451	\$29,465,768	\$30,075,031	\$30,696,479	\$31,330,356	\$31,976,911	\$32,636,396	\$33,309,072	\$33,995,201	\$34,695,052	\$35,408,901	\$0
Cash Outflow from DRC		-\$145,980	-\$149,016	-\$152,113	-\$158,494	-\$161,780	-\$165,132	-\$168,551	-\$172,039	-\$175,596	-\$2,806								
Cash Inflow from Developer/Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenue Item # 1		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenue Item # 2		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenue Item # 3		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TIF Inflow	\$194,640	\$198,689	\$202,818	\$207,029	\$211,325	\$215,707	\$220,176	\$224,735	\$229,385	\$234,128	\$238,966	\$243,901	\$248,934	\$254,068	\$259,304	\$264,646	\$270,094	\$275,651	\$0
Annual NOI	\$48,660	\$49,672	\$50,704	\$51,757	\$52,831	\$53,927	\$55,044	\$56,184	\$57,346	\$58,532	\$236,160	\$243,901	\$248,934	\$254,068	\$259,304	\$264,646	\$270,094	\$275,651	\$0

Internal Rate of Return

7.25%

Cells with blue font require user input
Cells with black font are model outputs (do not require user input)

Assumptions as to CF from Developer	
Cash Flow Increase Item #1	0.00%
Cash Flow Increase Item #2	0.00%
Cash Flow Increase Item #3	0.00%

Assumptions as to TIF	
Assumed Assessed Value	\$26,000,000
Current Assessment	\$997,376
Assessed Value Increase	\$25,002,624
% of Incremental Increase	95.00%
Incremental Value Increase	\$23,752,493
Divide by \$1,000	\$1,000
Amount to be Taxed	\$23,752
Millage Rate	7.9698
Tax Incremental - TIF	\$189,302.62
Growth Rate of Assessed Value	2.00%

Note: Millage rate equals City + County rates per Interlocal Agreement for the Downtown CRA

Inputs	Year	Amount/Rate	Project Notes
Assumptions			
Assessment Value		\$26,000,000	3
Assessed Growth Rate		2.00%	
Current Assessment Taxable Value		\$997,376	4
Cash Outflow from DRC		-\$1,606,780	
Cash Inflow - Item #1		\$0	
Cash Inflow - Item #2		\$0	
Cash Inflow - Item #3		\$0	

Outputs	
Assessed Value Increase	\$25,002,624
Annual Net Operating Income	
Internal Rate of Return	7.25%

- Notes
1. Assumes construction begins in mid 2014 and is completed in the summer of 2015. Development is added to the tax rolls in 2016 and begins generating tax increment in FY 2017 (October 2016).
 2. The 2003 baseline taxable value of the five (5) parcels when the DT District was established in June 2004.
 3. Based on estimate provided by the Leon County Property Appraiser. Analysis assumes the property is on the tax rolls and generating TIF in FY 2017.
 4. Baseline value of the six parcels when DD established in June 2004; the 2014 assessed value is \$980,506.

**Agenda Item Details**

Meeting	Mar 27, 2014 - CRA Board Meeting
Category	5. Policy Formation & Direction
Subject	5.03 Other Program and Project Updates (materials will be provided at the meeting) -- Roxanne Manning, Tallahassee Community Redevelopment Agency
Access	Public
Type	Information

Public Content

Materials will be provided at the meeting.

Administrative Content
