



## **CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY**

### **Meeting Agenda**

July 10, 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**

None

**IV. CONSENT ITEMS**

3.01 Approval of CRA Summary Meeting Minutes from May 29, 2014 – Rick McCraw,  
CRA Program Director

**V. POLICY FORMATION AND DIRECTION**

- 4.01 Approval of Grant Funding in Support of Railyard Lofts at CollegeTown  
Development – Rick McCraw, CRA Program Director
- 4.02 Approval of Retail Incentives Loan for Hourigan’s LLC; d/b/a Helios, A Tanning  
Boutique at 833 West Gaines Street, Unit 101 (The Loft on Gaines Building) – Sherri  
Baker, Senior Community Redevelopment Planner
- 4.03 Review of Draft FY 2015 CRA Operating and Capital Budget - Roxanne Manning,  
CRA Executive Director (materials to be provided)
- 4.04 Program and Project Updates – Roxanne Manning

**VI. UNAGENDAED PUBLIC COMMENTS**

**VII. UNAGENDAED ITEMS/COMMISSIONER DISCUSSION**



### **Agenda Item Details**

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Meeting	Jul 10, 2014 - CRA Board Meeting
Category	3. Consent Items
Subject	3.01 Approval of CRA Summary Meeting Minutes from May 29, 2014 -- Roxanne Manning, Tallahassee Community Redevelopment Agency
Access	Public
Type	Action (Consent)
Fiscal Impact	No
Recommended Action	Option 1 - Approve the Draft Summary Minutes from the May 29, 2014 CRA Board meeting.

### **Public Content**

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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 May 29, 2014 CRA Board meeting.

#### ***Recommended Action***

Option 1 - Approve the draft summary minutes from the May 29, 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 May 29, 2014 CRA Board meeting.

#### ***Options***

1. Approve the draft summary minutes from the May 29, 2014 CRA Board meeting.
2. Do not approve the draft summary minutes from the May 29, 2014 CRA Board meeting; provide staff with alternate direction.

#### ***Attachments/References***

1. Draft Tallahassee Community Redevelopment Agency Board Meeting Minutes, May 29, 2014

[Draft CRA Board Meeting Minutes 5\\_29\\_2014.pdf \(88 KB\)](#)

**Administrative Content**

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**Draft MINUTES**

**TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY BOARD MEETING**

Tallahassee, Florida  
May 29, 2014

The Tallahassee Community Redevelopment Agency (CRA) Board met on May 29, 2014, in the Commission Chambers in City Hall with Mayor Marks (CRA Chair), City Commissioners Miller and Ziffer, and County Commissioners Dozier (CRA Vice-Chair), N. Maddox, and Lindley present. Also present were Executive Director Ms. Roxanne Manning, CRA Program Director Mr. Rick McCraw and CRA Senior Community Redevelopment Planner Ms. Sherri Baker. City Commissioner S. Maddox was absent.

Mayor Marks, CRA Chair called the meeting to order at 9:37 a.m.

City Commissioner Gillum and County Commissioner Proctor arrived at 9:48 am and 9:50 am respectively.

**PUBLIC COMMENTS ON AGENDA ITEMS**

There was no public comment.

**CONSENT ITEMS**

Commissioner Ziffer **moved to approve the staff's recommendation presented in Item 1 of the Consent Agenda.** Upon second by Commissioner N. Maddox, **the vote on the motion was as follows:**

**AYE:** Dozier, Lindley, N. Maddox, Marks, Miller and Ziffer

**NAY:** none

**ABSENT:** Gillum, S. Maddox, and Proctor

**Item 1** – Approved the CRA Board Minutes from the following meeting:

March 27, 2014 Regular Meeting

**POLICY FORMATION AND DIRECTION**

**FY2014 CRA Promotional/Special Events Grant Program Mid-Year Review and Approval of FY2015 Funding and Program Notification**

**Item 5.01** presented by Mr. Rick McCraw, Program Director, was the FY2014 mid-year review and approval of funding for FY2015 Promotional/Special Events (PSE) Grant Program for the Greater Frenchtown/Southside and Downtown District community redevelopment areas.

The purpose of the program is to provide support to special events that promote the goal and objectives of the respective districts' redevelopment plan and attract visitors to the districts. Staff gave an overview of the FY2014 program, which implemented an annual competitive application cycle and full funding before the events, stating 22 not-for-profit organizations were awarded funding, 15 events in the Downtown District and seven events in the Greater Frenchtown/Southside District. Also discussed was funding for the FY2015 Promotional/Special Events Grants. CRA staff would continue to administer funds for the Greater Frenchtown/Southside Community Redevelopment Area in the amount of \$35,000 and recommended the Downtown Improvement Authority (DIA) continue administering the program in the Downtown District Community Redevelopment Area for \$35,000 and will include additional funding from the DIA special event funds.

Commissioner Lindley **moved option 1, to approve the recommended funding of \$70,000 (\$35,000 for each redevelopment district) for FY2015 and authorize the CRA Executive Director to enter into an agreement with the DIA for administration of the Downtown District Redevelopment Area grant funds as outlined in this agenda. Authorize the CRA Executive Director to notice the program, accept applications, establish an evaluation committee, and make minor revisions to the program guidelines and application if needed.** The motion was seconded by Commissioner Ziffer.

Commissioner Dozier questioned the need for two funding cycles as some organizations' events are at the beginning of the fiscal year which may make present difficulties in receiving grant approval prior to their event. She asked if earlier application submission dates would help alleviate that problem.

Mr. McCraw confirmed that the earlier application submission dates would help ensure grant applications were reviewed and approved prior to the start of the fiscal year, which would benefit those organizations that have events starting in October. He also noted that the CRA Board approved, starting in FY2014, the provision of grant funds to applicants in advance of an event. Mr. McCraw commented that this should prevent the need for two funding cycles, but he indicated staff would continue to look for opportunities to improve the program.

Commissioner N. Maddox suggested staff consider a larger commitment, such as \$10,000, to the New Year's Eve celebration as a signature event. Commissioner N. Maddox stated larger organizations with reoccurring signature events may need a separate program to determine funding and he recommended further policy discussion, as part of a future agenda item, which would consider allocating funds for signature events.

Mr. McCraw explained that under the current PSE program, the maximum applicants can receive from the CRA is \$5,000. Mr. McCraw clarified that the New Year's Eve celebration funding of \$8,750 was a combination from the CRA (\$5,000) and DIA (\$3,750) contributions. Mr. McCraw also noted that, as part of the agenda item, staff was requesting direction from the Board on how to handle regional or signature events funding that attract local residents and persons from the surrounding counties.

Commissioner Ziffer questioned if the \$70,000 appropriation was sufficient to fund the program based on the number of applicants received during the year, as well as meet the level of funding requested by applicants.

Ms. Manning suggested developing criteria to look at larger funding separately and stated current funding was sufficient for the needs of the smaller scale events within the two districts. Ms. Manning offered that, in her opinion, the current funding was sufficient for most events.

Commissioner Miller advocated for further discussion on larger-scale special events funding, but she also expressed interest in ensuring small, home-grown events also receive funding. **Commissioner Miller requested additional information concerning the various funding sources used by the various applicants.**

Commissioner Lindley cautioned that any criteria developed for special events and “bricks and mortar” should maintain a funding balance between these two types of initiatives.

Mayor Marks concurred with Commissioner Lindley, and the Mayor expressed that additional policy discussion was needed to determine how funding these events may help generate new jobs. The Mayor also expressed concerns with the how the New Year’s Eve celebration was organized.

A discussion ensued regarding on the previous year’s New Year’s Eve event and funding for other large-scale special events. Noting that an approved competitive grant process existed for funding most promotional and special event needs, several commissioners expressed concern with changing the process unless it was for a signature event. Commissioners expressed they did not want to selectively identify certain events for additional funding within the existing program guidelines, if such action would have a negative impact upon the remaining events. There was general agreement on the need for further discussion and evaluation of a tiered event funding system that would recognize the impact of signature events. Some commissioners were concerned about the expectations and standards the public has of larger, publicly-funded events, and the need to ensure a level of local oversight in support of these events. Several Board members applauded the private sector’s contribution to large-scale events, preferring the private sector continue to take the lead on these events with contributions from the City, County, and CRA. The Board members suggested staff develop suggestions on a tiered event approach for large-scale events for discussion at a future CRA Board meeting.

**Commissioner Ziffer called the question.**

Commissioner Dozier interjected and offered a friendly amendment to the motion **to also request staff to prepare an agenda item on a tiered system or related strategies for consideration by the CRA Board at a future meeting.**

Commissioner Lindley **accepted the friendly amendment.**

Commissioner Miller noted that many attendees of the New Years’ Eve Celebration were under the impression that it was a City-sponsored event and, even though it was a privately-sponsored event, the disorganization of the event reflected poorly on the City.

The Mayor restated the amended motion and **the vote on the amended motion was as follows:**

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

**NAY:** none

**ABSENT:** S. Maddox

**Approval of the Commercial Façade Improvement Grant Application for 302 E. Georgia Street (Town Tallahassee Apartment Hotel)**

**Item 5.02** presented by Mr. Rick McCraw, CRA Program Director, was a request for approval of a commercial façade improvement grant for 302 E. Georgia Street (Town Tallahassee Apartment Hotel).

CRA staff received a commercial façade application from Georgia Street Partners, LLC, Jordan Matheson, managing member, for the exterior renovations of the former apartments located at 302 E. Georgia Street, on the northeast corner of the intersection of Calhoun and Georgia Streets. The building will be renovated into a boutique apartment hotel. The low bid for qualified work items is \$146,500, for which the applicant is seeking a commercial façade improvement grant of \$50,000. The estimated cost of internal and landscaping improvements is approximately \$134,500, for a total project cost of approximately \$281,000.

Commissioner N. Maddox **moved to approve the application for grant funds in the amount of \$50,000 for the construction of façade improvements to the building located at 302 E. Georgia Street. Authorize CRA staff to enter into a commercial façade agreement with the applicant and property owner;** upon seconded by Commissioner Dozier, **the vote on the motion was as follows:**

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

**NAY:** none

**ABSENT:** S. Maddox

**Other Program and Project Updates**

Ms. Manning provided an update on the purchase of The Shelter and the Renaissance Community Center properties. The Renaissance Community Center properties were purchased on May 21, 2014, with the date of purchase for The Shelter scheduled for June 10, 2014. Ms. Manning indicated that staff continued working with the City Attorney's office to remediate the title issues with one of the parcels purchased from Nueva Esperanza, LLC.

Ms. Manning indicated discussions with the Knight Creative Communities Institute, Inc. (KCCI), the Food Network, and the neighborhood are still ongoing with regards to the Frenchtown Marketplace. Ms. Manning indicated the Frenchtown Farmer's Market will be funded through the O'Connell property land swap. Ms. Manning indicated she anticipates work will begin on the market in the upcoming winter.

Ms. Manning updated the Board on the O'Connell property sale for parcel no. 2136900078545, located at 402 W Gaines Street. Ms. Manning explained that the 30-day notice of the CRA's intent to sell the O'Connell property would end on June 2<sup>nd</sup>, with no offers received to date. Ms. Manning indicated that staff anticipates receiving an offer from FSU. Ms. Manning explained the following possible timeline, assuming an offer was receive

**June 26** - CRA Board reviews offer during regular Board meeting

**June 27** - FSU Board of Governors reviews and approves offer

**Aug. or Sept.** - Exchange Agreement prepared and presented to the Florida Cabinet (as Trustees for the Internal Improvement Trust Fund, or TIIF).

Ms. Manning explained that once the CRA takes ownership of the property, staff will prepare a Request for Proposals (RFP) for development of the Firestone and Bloxham Annex properties. Ms. Manning indicated the Board would approve the RFP. Roxanne noted that the O'Connell property was located within the Greater Frenchtown/Southside Community Redevelopment Area (GFS district) boundaries and the anticipated FSU offer for the purchase of the O'Connell property includes cash and the value of the Firestone and Bloxham Annex properties. Ms. Manning explained that the Firestone and Bloxham Annex properties would need to be resold, with the proceeds from the sale being reinvested into the GFS district, where the funds can be used to support GFS project and programs, including the Frenchtown Farmer's Market. Ms. Manning indicated staff was exploring redevelopment options for the two sites, including possible re-use of the Bloxham property, but that the Firestone Building did not appear to be a viable candidate for renovation and, therefore, the Firestone site offered the greatest opportunity for redevelopment.

Ms. Manning advised the Board that staff was moving forward on the CRA Investment Plan, conducting community meetings to solicit public comment on CRA activities, and amending the current GFS Community Redevelopment Plan. Ms. Manning explained that staff intended to secure the services of a meeting facilitator to spearhead the community meetings, as well as work on the statutory steps necessary to expand the GFS boundaries to include properties along the east side of South Monroe Street.

Ms. Manning indicated that due to time limitations on the Board meeting agendas, priority for inclusion on the meeting agenda was given to time-sensitive items that generally request funding, and that less sensitive policy issues were deferred to a later date. Ms. Manning indicated the deferred matters consisted of four to five policy items –such as non-profit organizations funding, local contractors, energy-efficient appliances, historic preservation and heritage tourism, and the tiered system for promotional events funding. Ms. Manning recommended the Board include time at future meetings to discuss policy issues or consider a fall workshop meeting to discuss said items.

**Mayor Marks requested that policies related to the creation of jobs be added to the list of deferred items.**

Commissioner N. Maddox endorsed the suggestion of a fall workshop and he moved to **approve the recommendation of conducting a fall workshop meeting to discuss policy items.** The motion was seconded by Commissioner Ziffer. Commissioner N. Maddox stated with the new and innovative things occurring for the CRA it would be an ideal opportunity to discuss the changes at one time.

Commissioner Lindley concurred.

Commissioner Ziffer recommended that, as part of the workshop, the CRA should consider land purchases on South Monroe Street near Cascade Park for potential improvement and redevelopment, similar to what has been done along the Gaines Street corridor.

Commissioner Miller recommended keeping the policy items discussed at the workshop to a maximum of four items, in order to properly vet said items.

Commissioner N. Maddox suggested looking at a broader policy to determine areas near parks within the two CRA districts that are most suited for growth and redevelopment.

**The vote on the motion was as follows:**

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

**NAY:** none

**ABSENT:** S. Maddox

Roxanne Manning stated that a booklet has been created and will be provided to the Board members that describe the CRA's programs and projects to provide answers to constituents' questions.

**UNAGENDAED PUBLIC COMMENT**

There were no unagendaed public speakers/comments.

**UNAGENDAED ITEMS/COMMISSION DISCUSSION**

Commissioner Dozier inquired about the results of the City Commissioners' discussion on the \$4.1 million Performing Arts Center (PAC) bed tax and the future Tourist Development Tax (TDT) revenue agenda item from the May 28<sup>th</sup> City Commission meeting. Commissioner Dozier expressed concern about the delay in approving the request, and the impact the delay has upon the County's FY2015 budget for the Meridian Point Building, as well as the opportunity to redirected Tourist Development Council (TDC) funds in support of the Council on Culture & Arts (COCA) or other signature events.

Mayor Marks responded and stated the City Commission sought to obtain a better understanding of the various components of the request, and that the City Commission instructed the City Manager to meet with the County Administrator to prepare a document clarifying the various parts of the request, and specifically to identify the funding sources and how they will be expended.

Commissioner Miller noted Commissioner S. Maddox's concerns relative to placing conditions on the expenditure of the \$4.1 million, and that Commissioner S. Maddox stated objections to placing restrictions on how the funds would be spent. Commissioner Miller explained that she wanted to ensure the new Tourist Development Tax revenues were available to fund the implementation of the Cultural Plan in its entirety, and not just used to support the

broad category of culture and the arts. Commissioner Miller stated the Cultural Plan Review Committee final report gave a broader perspective and spectrum.

Commissioner Ziffer stated his understanding, from the May 28<sup>th</sup> City Commission meeting, was that a City and County representative would be selected to meet and resolve the issue, then present their recommendation to the respective commissions.

Commissioner Gillum agreed that both sides would benefit from representatives discussing this issue.

The general consensus of the Board members was that action was needed, and the Board wished to move forward with this issue. Mayor Marks agreed, and indicated he would speak with the City Manager concerning this matter.

### **ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 10:33 a.m.



### **Agenda Item Details**

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Meeting	Jul 10, 2014 - CRA Board Meeting
Category	4. Policy Formation & Direction
Subject	4.01 Approval of Grant Funding in Support of Railyard Lofts at CollegeTown Development -- Roxanne Manning, Tallahassee Community Redevelopment Agency
Access	Public
Type	Action, Discussion
Fiscal Impact	Yes
Budgeted	No
Recommended Action	Option 1 - Approve grant funds of up to \$600,000 towards: (1) undergrounding of electric lines along the pedestrian/bike path from Lorene Street west to Woodward Avenue, (2) undergrounding of electric lines along the pedestrian/bike path from Lorene Street east to Gay Street, (3) landscape and streetscape improvements in the public realm, (4) and the purchase of approximately 11,080 square feet of City right-of-way from the former CSX property; and authorize the CRA Executive Director to negotiate and enter into a development agreement with the Developer consistent with this agenda and direction provided by the CRA Board.

### **Public Content**

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

### ***Statement of Issue***

The Railyard at CollegeTown, LLC (Developer) has submitted a request for \$599,350 in CRA grant funds for assistance in development of the Railyard Lofts at College Town (Project), a seven-story mixed-use residential condominium at the intersection of Gaines Street and Woodward Avenue, within the Downtown District Community Redevelopment Area (DD redevelopment area), and on the site of the former Haunted House warehouse (Attachment 1). The proposed development will consist of 13,300 square feet of ground floor retail space and 42 two-bedroom, two-bathroom condominiums (Attachment 2). The condominiums are intended to be owner occupied, and will not be marketed to students. The proposed Project is consistent with the Downtown District Community Redevelopment Plan by removing a blighting condition (the Haunted House) and promoting mixed-use development within the Gaines Street district.

The Project is planned as Phase 1 for redevelopment of the property. The Developer's plans include a Phase 2, which may be a boutique hotel on the remainder of the property. In the interim the area will be used as temporary parking for the Project.

The Developer is requesting CRA assistance to (1) underground the electric utilities in the City right-of-way (the pedestrian/bike path) between Lorene Street and Woodard Avenue to the west, (2) to underground the electric utilities in the City right-of-way between Lorene Street and Gay Street to the east, (3) for the installation of streetscape and landscape improvements in areas that will be located in the public realm (both City right-of-way and areas of the Project that will be open to the public), and (4) for the purchase of approximately 11,080 square feet of City right-of-way that is part of a former CSX spur.

The Developer request was presented to the Downtown District Community Redevelopment Area's Downtown Redevelopment Commission (DRC) at their June 3rd meeting. The DRC recommended approval of up to \$600,000 in support

of the Project, with the request that the developer include more mature trees as part of the landscaping.

Staff recommends approval of the Developer request, up to a maximum of \$600,000 as further described and conditioned in this agenda item. Staff further recommends the financial assistance be provided through the refund of 80 percent of the annual tax increment generated by the Project until the Developer has received the \$600,000 in grant funds. The 20 percent of tax increment retained by the CRA would be used to fund other redevelopment projects in the DD redevelopment area. Details on the funding request and staff's recommendation are contained in the body of this agenda item.

### ***Recommended Action***

Option 1 - Approve grant funds of up to \$600,000 towards: (1) undergrounding of electric lines along the pedestrian/bike path from Lorene Street west to Woodward Avenue, (2) undergrounding of electric lines along the pedestrian/bike path from Lorene Street east to Gay Street, (3) landscape and streetscape improvements in the public realm, (4) and the purchase of approximately 11,080 square feet of City right-of-way from the former CSX property; and authorize the CRA Executive Director to negotiate and enter into a development agreement with the Developer consistent with this agenda and direction provided by the CRA Board.

### ***Fiscal Impact***

The proposed Project is located within the DD redevelopment area. As recommended by staff, there is no immediate fiscal impact to the CRA since the grant funds will be provided after the Project is completed and added to the tax rolls. Once the Project is on the tax rolls and generating tax increment income for the CRA, the CRA would refund 80 percent of the Project's annual tax increment until the developer has received up to \$600,000 in grant funds, provided the reimbursement is completed within the remaining term of the DD redevelopment area (which ends in June 2034).

## **Supplemental Material/Issue Analysis**

### ***History/Facts & Issues***

In December 2013, the Developer of the proposed Project purchased the property that contains the Haunted House warehouse near the intersection of West Gaines Street and Woodward Avenue for \$2.2 million. The proposed Project is a seven-story mixed-use residential condominium consisting of approximately 13,300 square feet of ground floor retail space and 42 two-bedroom, two-bathroom condominiums. The proposed design was reviewed and approved by the City's Urban Design Commission on April 2, 2014. Renderings of the proposed Project are at Attachment 2.

### ***Project Background***

The Developer has submitted a request for \$599,350 in CRA grant funds for assistance in development of the Project (Attachment 1). Specifically, the Developer is seeking assistance with the following:

<b>Item</b>	<b>Funds Requested</b>
1. Underground electric lines along the pedestrian/bike path from Lorene Street west to Woodward Avenue.	\$258,000
2. Underground electric lines along the pedestrian/bike path from Lorene Street east to Gay Street.	\$132,000
3. Landscape/streetscape improvements in the City right-of-way and areas of the Project open to the public.	\$145,150
4. Assistance with the purchase of approximately 11,080 square feet of City right-of-way.	\$64,200
<b>Total</b>	<b>\$599,350</b>

Underground Electric Lines West of Lorene Street: \$258,000 – Based on Electric Utilities estimates, the Developer is requesting \$258,000 to assist in placing the overhead electric lines at the rear of the Project site between Lorene Street and

Woodward Avenue to the west underground within existing City right-of-way. These electric lines were originally on Gaines Street but were moved to the right-of-way strip that runs between Woodward and Gay Street. The placement of the lines underground is needed to allow development of the Project near where the existing overhead lines are located in a manner that meets OSHA safety standards. The placement of overhead lines underground is also part of a long-term desire to improve the aesthetics along the planned pedestrian/bike path. As part of this request, the Developer has agreed to cover any undergrounding expenses that exceed the requested \$258,000, and to recover only the actual expenses if the cost to underground the electric lines in this area is less than \$258,000.

Underground Electric Lines East of Lorene Street: \$132,000 - Based on Electric Utilities estimates, the Developer is requesting \$132,000 to assist in placing the overhead electric lines along the existing City right-of-way from Lorene Street east to Gay Street underground, none of which is adjacent to the proposed Project site. This request is not related to development of the property; instead, it is more of an aesthetic request that is part of a desire by developers, tenants, residents and others to bury the electric lines within the Gaines Street district. The Developer has included this in his request to the CRA because he believes it makes sense to underground all the electric lines along the pedestrian/bike pathway at one time. Because this part of the request is a benefit to the entire Gaines Street district, and not only the Project site, the Developer is requesting that if the actual expenses to underground the electric lines in this area exceeds \$132,000 that the CRA reimburse him for the actual expenses. If the CRA approves the Developer's funding request, CRA staff will provide the Board with updates on any revised estimates for this part of the Project for approval before authorizing the Developer to move forward with placing these electric lines underground.

Landscape and Streetscape Improvements: \$145,150 – The Project includes an estimated \$216,188 in streetscape/landscape improvements on the development site, including the temporary parking lot, for which they are requesting \$145,150 from the CRA. The majority of these improvements will be within the public realm, which includes City right-of-way and areas of the Project that will be open to the public, such as the pedestrian pathway between the Project site and the Phase 2 site that will connect with pedestrian/bike pathway that runs parallel to Gaines Street and to CollegeTown. Staff is working with the Public Work's Department to determine if any of the City's Tree Bank funds can be used for a portion of the streetscape/landscape improvements. As of the date of this agenda item, it had not been determined if any of the proposed improvements would qualify for Tree Bank funds. If Tree Bank funds can be used for some of the streetscape/landscape improvements, the amount of CRA funds committed to this part of the Project will be reduced by that amount.

Purchase of City Right of Way: \$64,200 – The Project property purchased by the Developer is irregularly shaped, which negatively impacts the property's development potential. At \$2.2 million, the Developer paid approximately \$56.75/square foot for the property, which is significantly higher per square foot than other recent development properties in the area. The City purchased 7.5 acres of CSX right-of-way, a portion of which abuts the Project site and runs from Woodward Avenue to Gay Street, for \$1.8 million (approximately \$5.50/sq. ft.) in 2004 to facilitate redevelopment in the area. The Developer is requesting \$64,200 from the CRA to purchase approximately 11,080 square feet (approximately \$5.76/sq. ft.) of this property from the City to create a parcel that can support the proposed Project, including an anticipated Phase 2. A final decision on the sale price of the property by the City was not available at the date this agenda item was prepared, but the grant funds provided by the CRA will be the final sale price approved by the City Commission but not to exceed \$64,200.

The proposed Project will benefit the DD redevelopment area and the areas of the Greater Frenchtown/Southside redevelopment area that border West Gaines Street in several ways.

- Removes the Haunted House, a blighting condition on a critical downtown corner and gateway into the Gaines Street district.
- Adds a mixed-use development consisting of residential space that is not student oriented and retail development that will enhance this key gateway to Gaines Street, downtown and FSU.
- Adds an estimated \$10.5 million in new taxable value to the DD redevelopment area, increasing funds for other projects.
- May lead to a boutique hotel as part of a Phase 2 to the development.

### Estimated Project Financials

The Project property has a baseline (2003) taxable value of \$225,917 and a current (2013) taxable value of \$376,077. The Leon County Property Appraiser (LCPA) has estimated the post-development taxable value at \$10.7 million. The Project will add approximately \$10.5 million in new taxable value and generate an estimated \$89,700 in first-year tax increment for the DD redevelopment area when added to the tax rolls in 2016.

For forecasting, staff generally anticipates a 2.0 percent annual increase in a development's taxable value. At this rate, the Project will generate approximately \$1.8 million in tax increment income for the DD redevelopment area during the remaining 20-year term of the DD redevelopment area before any refunds are provided to the Developer. Refunding the recommended \$600,000 (maximum) in tax increment to the developer reduces the tax increment available to the CRA from this Project for use on other DD projects to \$1.2 million. Please note that this forecast is for illustrative purposes only, the actual taxable value and annual increases (or decreases) in taxable value will likely vary from the above estimates.

The Developer expects to start construction later this summer, with a completion date in the fall of 2015. If completed on schedule, the development will be added to the Leon County tax rolls in 2016 and generate tax increment for the CRA in FY 2017 (November 2016). Once the Project is on the tax rolls and generating tax increment income, the CRA would refund 80 percent of the development's annual tax increment until the Developer has received up to \$600,000 in grant funds. Using the LCPA estimated taxable value of \$10.7 million and a 2.0 percent annual increase in taxable value, it will take approximately nine years (FY 2017 to FY 2025) to complete the refund payments to the Developer.

### Recommended Approval and Conditions

The proposed Project is consistent with the Downtown District Community Redevelopment Plan by removing a blighting condition (the Haunted House) and promoting mixed-use development within the Gaines Street district.

The Developer request was presented to the DRC at their June 3<sup>rd</sup> meeting. The DRC recommended approval of up to \$600,000 in support of the Project, with the request that the developer include more mature trees as part of the landscaping.

Staff recommends providing the Developer with up to \$600,000 in grant funds in support of the Project. The payment of the grant funds to the Developer will begin once the Project is added to the tax rolls and generates tax increment income for the CRA, which is projected to begin in FY 2017. At that time, the CRA would refund 80 percent of the annual tax increment generated by the development until the Developer has received up to \$600,000 in grant funds. If the redevelopment value of the Project is not sufficient to reimburse the \$600,000 in grant funds within the remaining term of the DD redevelopment area (June 2034), the Developer would be limited to the tax increment reimbursement they have received as of that date. The 20 percent of tax increment retained by the CRA would be used to fund other redevelopment projects in the DD redevelopment area.

In addition to the funding recommendations discussed above, staff recommends the approval of financial assistance for the Project include, at a minimum, the following terms and conditions:

- Developer will be required to enter into an agreement with the CRA for a term of 20 years (the remaining term of the DD redevelopment area).
- Developer will receive all required development permits from the City of Tallahassee and start construction within six months of executing an agreement with the CRA.
- No refunds of tax increment will be provided to Developer until the development is added to the tax rolls and is generating tax increment.
- No refunds of tax increment will be provided to Developer unless the Project is completed in substantial compliance as described in the request for CRA funding.

- Any material changes in the proposed Project must be approved in writing by the CRA.
- Developer shall provide the CRA with a breakdown of the final construction costs of the Project, and will provide documentation detailing the individual expenses of the items funded entirely or in part with CRA funds.
- Developer will be required to work with the City to identify suitable mature landscaping for use in the public realm as described in the funding request.
- During construction the Developer will be required to demonstrate good faith efforts to achieve the City's MWBE goal of a minimum of twelve (12) percent of certified MWBE participation in construction-related contracts based on the anticipated total cost of the Development.

### ***Options***

1. Approve grant funds of up to \$600,000 towards: (1) undergrounding of electric lines along the pedestrian/bike path from Lorene Street west to Woodward Avenue, (2) undergrounding of electric lines along the pedestrian/bike path from Lorene Street east to Gay Street, (3) landscape and streetscape improvements in the public realm, (4) and the purchase of approximately 11,080 square feet of City right-of-way from the former CSX property; and authorize the CRA Executive Director to negotiate and enter into a development agreement with the Developer consistent with this agenda and direction provided by the CRA Board.
2. Do not approve the funding in support of the Railyard Lofts at College Town; provide alternative direction to staff.

### ***Attachments/References***

1. Railyard Lofts at College Town – Phase 1 Proposal, June 3, 2014
2. Renderings and Site Plan of Proposed Development
3. Aerial of Existing Development
4. CRA Staff Estimate of Financial Impact from Proposed Development

[Attachment 1.pdf \(720 KB\)](#)

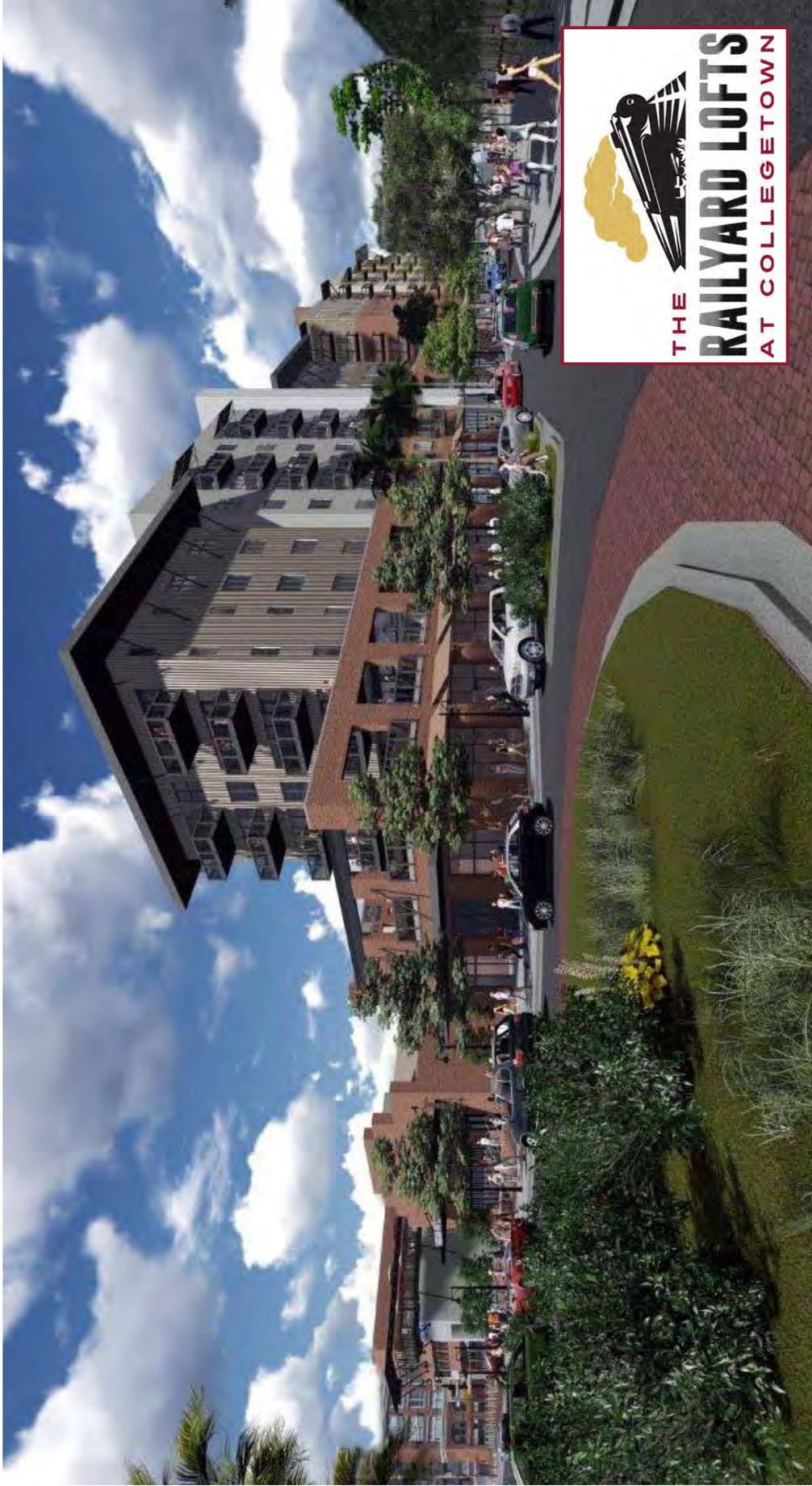
[Attachment 2.pdf \(2,333 KB\)](#)

[Attachment 3.pdf \(1,020 KB\)](#)

[Attachment 4.pdf \(99 KB\)](#)

### **Administrative Content**

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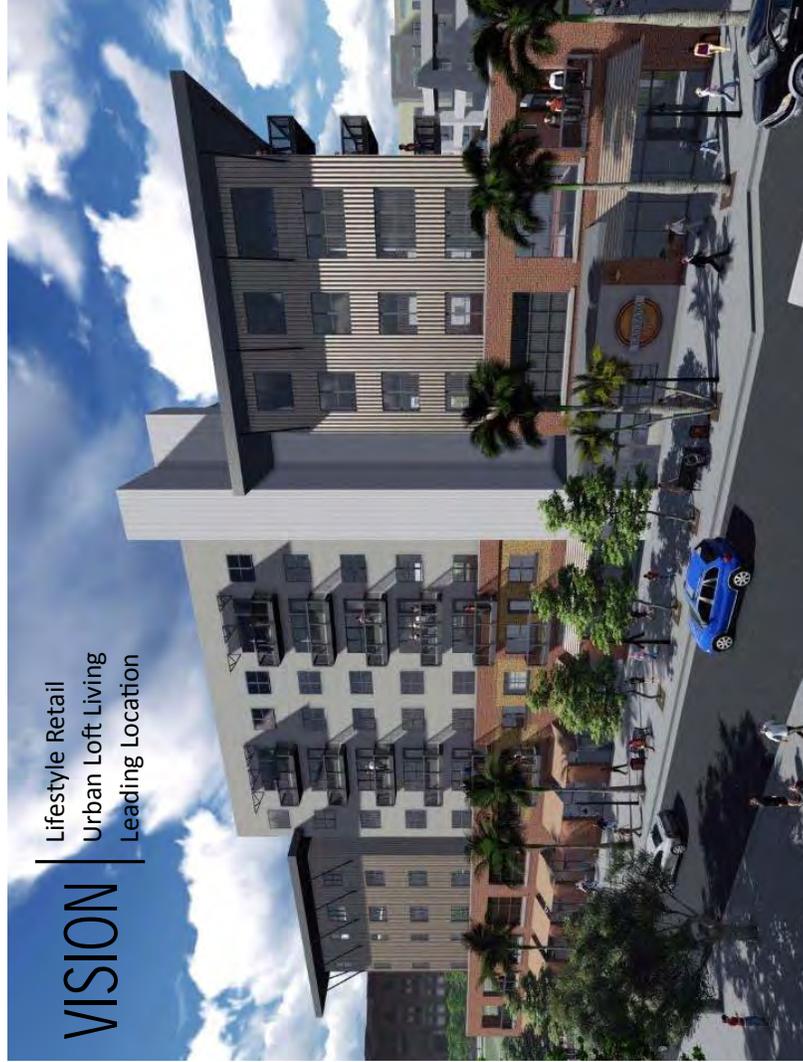
## The Railyard Lofts at CollegeTown - Phase 1

Proposal for a Public Private Partnership with the Tallahassee  
Community Redevelopment Agency - TCRA  
Executive Summary – June 3, 2014

Alan Hooper – Hooper Realty (954) 632-6556 alan@hooperconstruction.net www.therailyardlofts.com.

# The Railyard Lofts at CollegeTown - Phase 1

Proposal for a Public Private Partnership with the Tallahassee Community Redevelopment Agency - TCRA



## Project Description

The Railyard Lofts at CollegeTown is an exciting new multi-story, mixed-use redevelopment located at the northeast corner of W. Gaines Street and S. Woodward Avenue. The project will be developed in two phases and this proposal is based on its initial phase. Phase 1 of the Railyard Lofts at CollegeTown will include 13,300 square feet of ground floor retail and 42 residential condominiums. The dramatic architecture of the seven-story building has attracted attention with its thoughtful mix of brick, glass and corrugated metal and the project recently received an approval from the Tallahassee Urban Design Commission. The proposed development will replace an unsightly hodge-podge of dilapidated metal warehouses with an iconic bookend for the west end the Gaines Street District. The developer is seeking funding assistance from the CRA to share in the some of the costs for improvements to be located within the public realm and which will advance and foster the City's overarching goals and objectives for the Gaines Street District.

# The Railyard Lofts at CollegeTown - Phase 1

Proposal for a Public Private Partnership with the Tallahassee Community Redevelopment Agency - TCRA



## Project Benefits

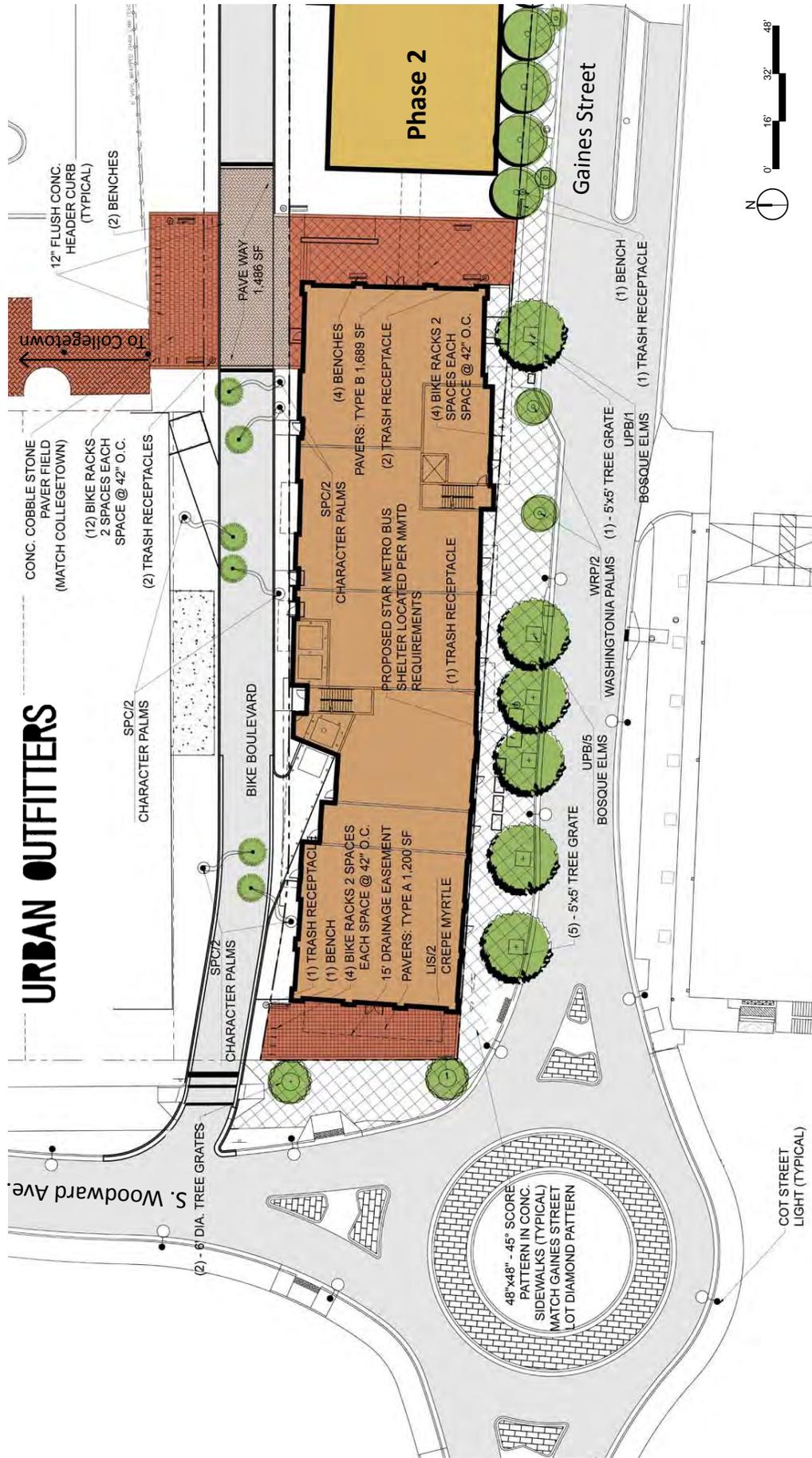
Design elements incorporated into the project include:

- Street trees with grates and enhanced growing medium (amended soil).
- Cobble paving in pedestrian areas and “paveway” in portions of the Bike Boulevard.
- Street furniture in the public realm - benches, trash receptacles, etc.
- Additional lighting in public realm areas: Pedestrian-Alley, Bike Boulevard; with sustainable lighting design in terms of energy efficiency and reduced light pollution.
- Reinforcement of the Gaines Street District design theme with additional activated areas, street lighting, banners, etc.
- Well-designed and carefully planned rear-lane service areas with aesthetically-screened service functions.
- Improved mobility and connectivity for pedestrians, bicyclists and transit users including a Star Metro Bus Shelter.
- A full-block segment of the Gaines Alley “Bike Boulevard”, broad sidewalks and extensive bicycle parking in the public realm.
- Fosters the overarching goals of the Gaines Street District with a mix of uses including retail, restaurant, services and high-density residential.



# The Railyard Lofts at CollegeTown - Phase 1

Proposal for a Public Private Partnership with the Tallahassee Community Redevelopment Agency - TCRA



# Site Plan

# The Railyard Lofts at CollegeTown - Phase 1

Proposal for a Public Private Partnership with the Tallahassee Community Redevelopment Agency - TCRA



## Economic Benefits

Economic benefits of the initial phase Railyard Lofts at CollegeTown are significant and include short term and long term/permanent job creation, increased tax base, and increased property values for the surrounding context. The Economic Impacts are described in-depth and documented in the attached March 2014 - Determination of Economic Impact Summary Report prepared by PMG Associates, Inc.

## Summary of Costs

- \$64,200 - Land Acquisition - estimated based on approximately 11,800 SF at \$5.44 per SF
- \$258,000 - Underground Electric Utilities – west of Lorene Street
- \$132,000 – Underground Electric Utilities – east of Lorene Street
- \$145,150 - Site Improvements – for Public Realm Streetscape Improvements

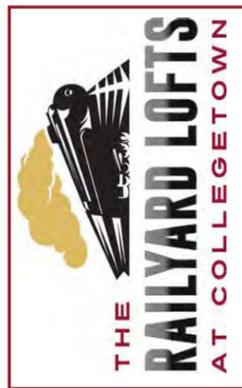
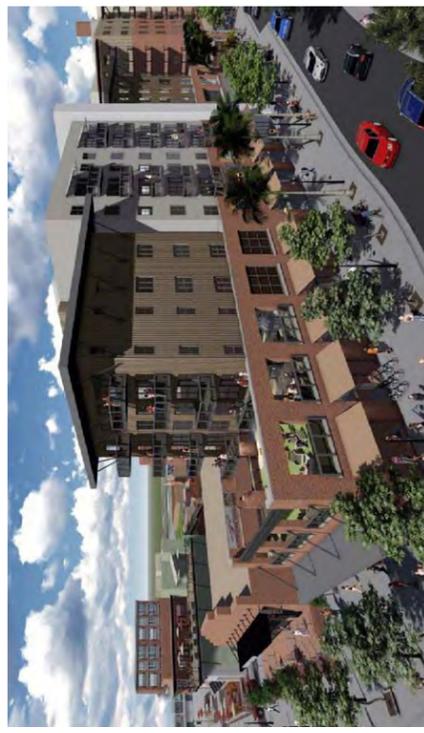
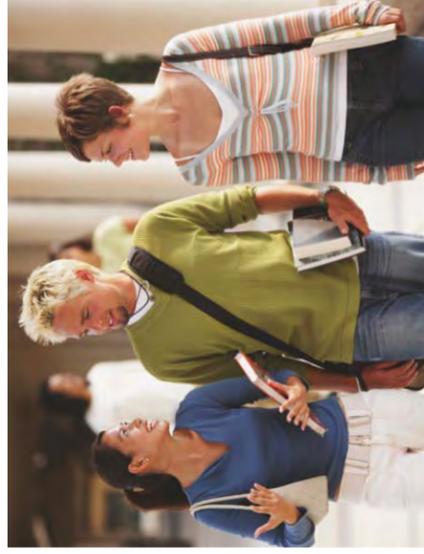
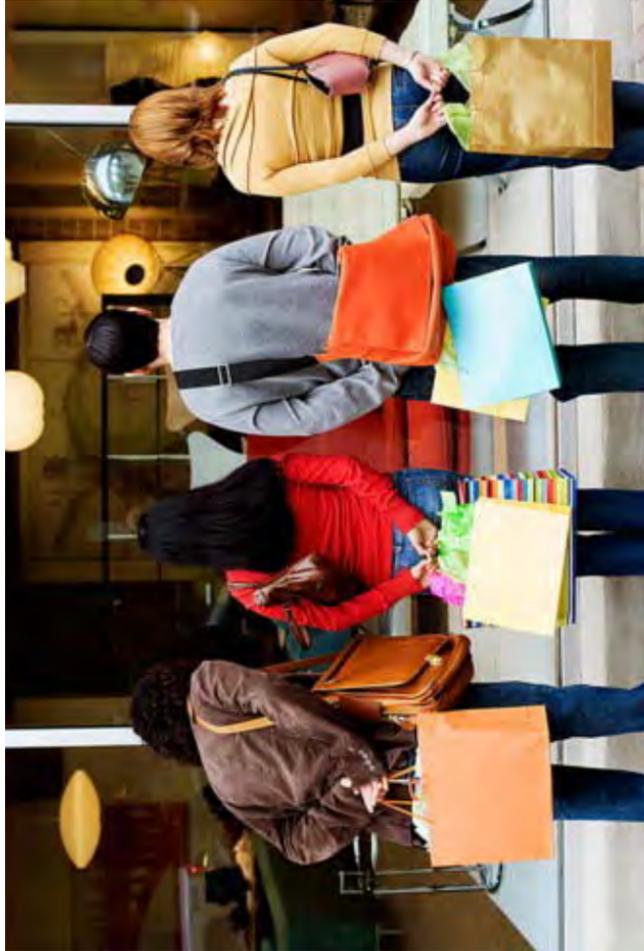
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**\$599,350 – Combined Total Amount of Requested Funding**

# City of Tallahassee Urban Design Commission

Required  
Submission  
Materials

1





6. (c) Building Elevation - View from Southeast; Doak S. Campbell Stadium Beyond

Alan Hooper – Railyard at CollegeTown, LLC (954) 632-6556 alan@hooperconstruction.net www.therailyardlofts.com.





6. (c) Building Perspective - View from Woodward/ Gaines Roundabout

Alan Hooper – Railyard at CollegeTown, LLC (954) 632-6556 alan@hooperconstruction.net [www.therailyardlofts.com](http://www.therailyardlofts.com).



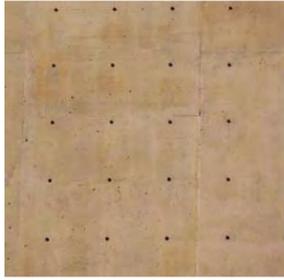


6. (c) Building Perspective - Birds Eye View From The Southeast

Alan Hooper – Railyard at CollegeTown, LLC (954) 632-6556 alan@hooperconstruction.net www.therailyardlofts.com.



CAST CONCRETE STAIR TOWERS



BALCONY 1



WOOL SKEIN



SW6148

ZEUS SW7744  
 STUCCO



SMOKEHOUSE  
 STEEL RAIL AND COLUMNS



WINDOW 1



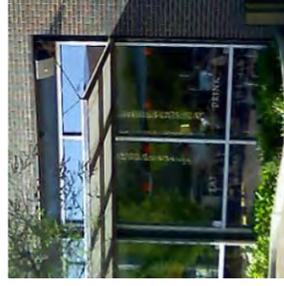
WINDOW 2



STORE FRONT GLASS 1



STOREFRONT GLASS



BRICK VENEER 1



BRICK VENEER 2



KYNAR FINISH "CORTEN" AWNINGS



KYNAR FINISH "CORTEN" SIDING



BIKE RACK OPTION 1



BIKE RACK OPTION 2



BOLLARD



6. (d) Palette board of exterior materials and colors





BRICK PAVING 1



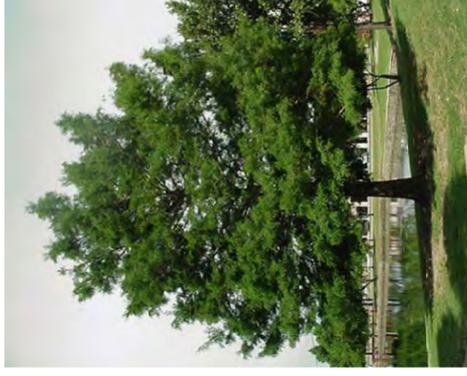
BRICK PAVING 2



TINTED CONCRETE & EXPOSED AGGREGATE PAVING



TINTED CONCRETE PAVING



BALD CYPRESS



CREPE MYRTLE

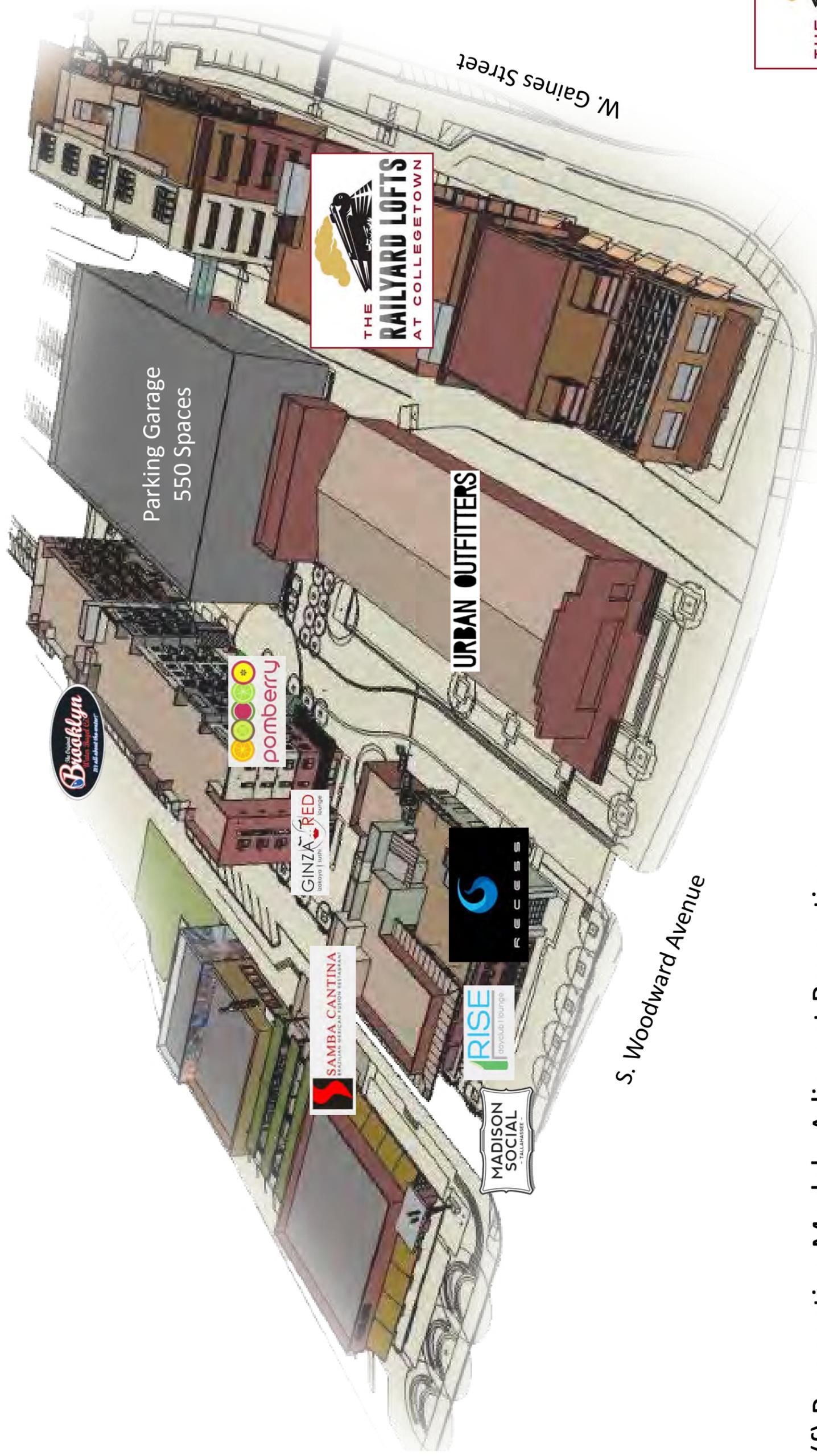


NUTTALL OAK



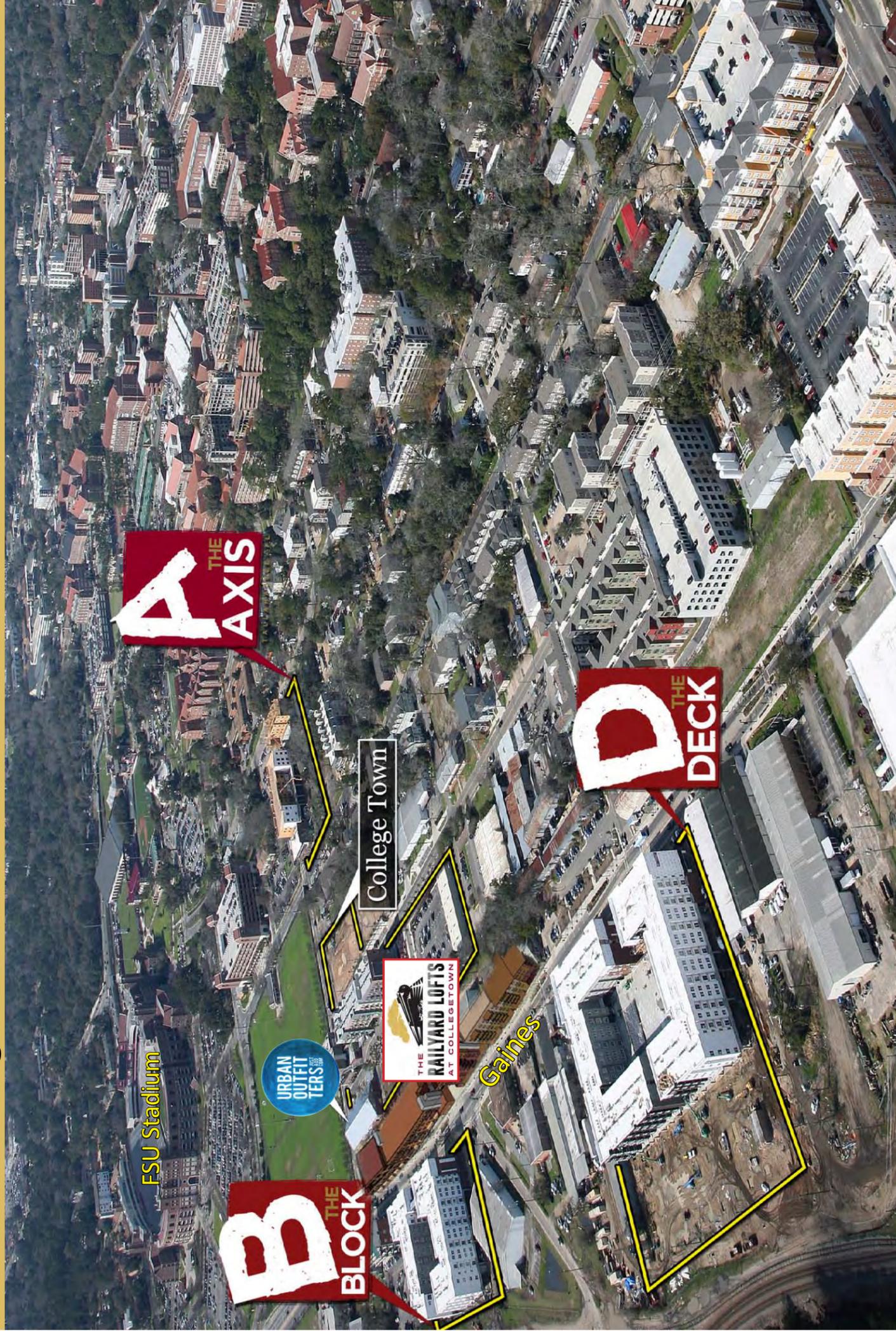
SABAL PALM

## 6. (e) Indication of paving materials and patterns



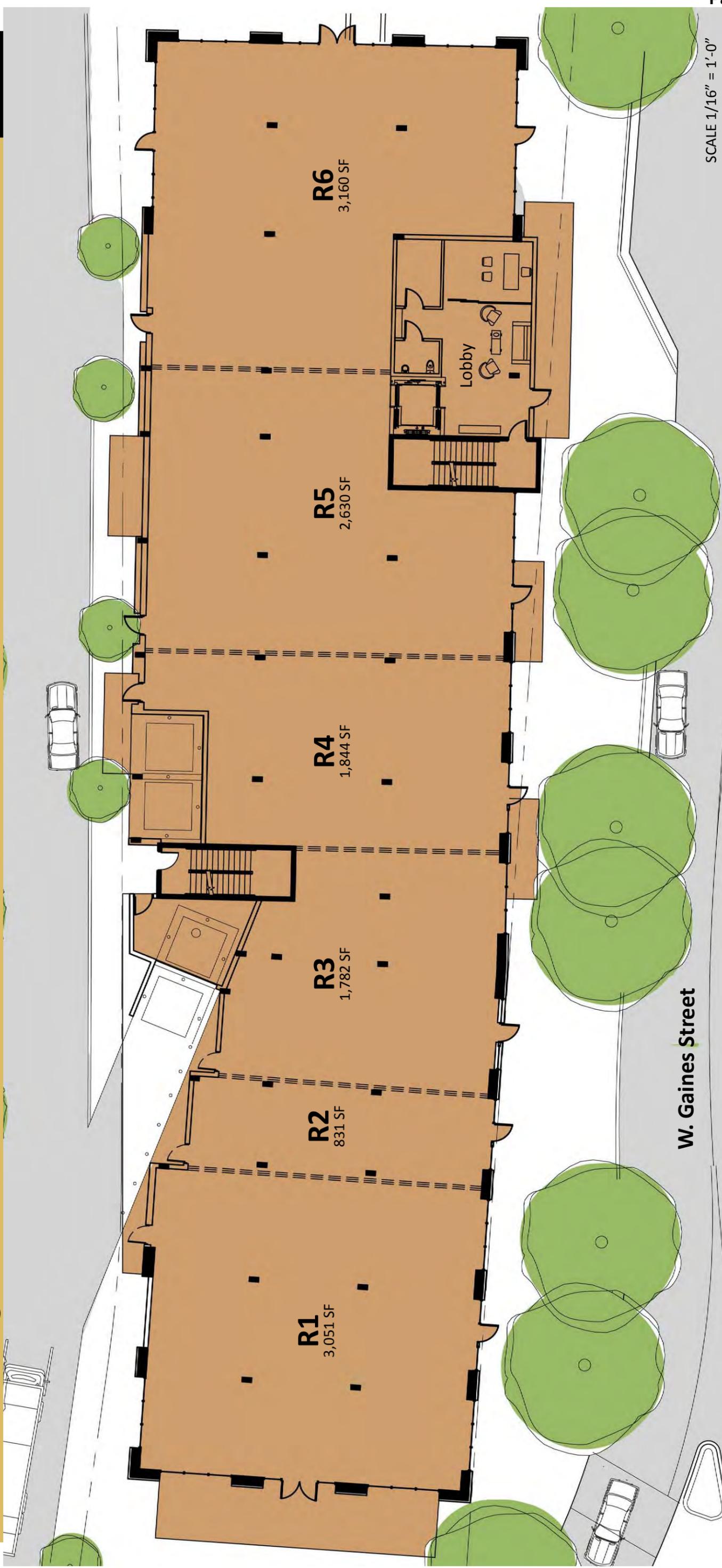
6. (f) Perspective Model - Adjacent Properties





6. (f) Adjacent Properties - Aerial View from Southeast Towards FSU

Alan Hooper – Railyard at CollegeTown, LLC (954) 632-6556 alan@hooperconstruction.net www.railyardlofts.com.



6. (b) Ground floor plan





# Existing Haunted House at W. Gaines and S. Woodward



Sensitivity Analysis: Proposed Railway Lofts at College Town, June 25, 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 <sup>1</sup>	\$10,729,300	\$10,943,886	\$11,162,764	\$11,386,019	\$11,613,739	\$11,846,014	\$12,082,934	\$12,324,593	\$12,571,085	\$12,822,507	\$13,078,957	\$13,340,536	\$13,607,347	\$13,879,494	\$14,157,083	\$14,440,225	\$14,729,030	\$15,023,610	
Baseline Assessment <sup>2,4</sup>	\$225,917	\$225,917	\$225,917	\$225,917	\$225,917	\$225,917	\$225,917	\$225,917	\$225,917	\$225,917	\$225,917	\$225,917	\$225,917	\$225,917	\$225,917	\$225,917	\$225,917	\$225,917	\$225,917
Assessed Value Increase	\$10,503,383	\$10,717,969	\$10,936,847	\$11,160,102	\$11,387,822	\$11,620,097	\$11,857,017	\$12,098,676	\$12,345,168	\$12,596,690	\$12,853,040	\$13,114,619	\$13,381,430	\$13,653,577	\$13,931,166	\$14,214,308	\$14,503,113	\$14,797,693	\$0
Cash Outflow from DRC																			
Cash Inflow from Developer/Other																			
Revenue Item # 1	\$0	\$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	\$0
Revenue Item # 3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TIF Inflow	\$81,767	\$83,437	\$85,141	\$86,879	\$88,652	\$90,460	\$92,305	\$94,186	\$96,105	\$98,062	\$100,058	\$102,095	\$104,172	\$106,290	\$108,451	\$110,656	\$112,904	\$115,197	\$0
<b>Annual NOI</b>	\$16,353	\$16,687	\$17,028	\$17,376	\$17,730	\$18,092	\$18,461	\$18,837	\$58,366	\$98,062	\$100,058	\$102,095	\$104,172	\$106,290	\$108,451	\$110,656	\$112,904	\$115,197	\$0

Internal Rate of Return 8.40%

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	\$10,729,300
Baseline Assessment Value	\$225,917
Assessed Value Increase	\$10,503,383
% of Incremental Increase	%
Incremental Value Increase	\$10,503,383
Divide by \$1,000	\$1,000
Amount to be Taxed	\$10,503
Millage Rate	7.7848
Tax Incremental - TIF	\$81,767
Growth Rate of Assessed Value	2.00%

Note: Millage rate equals City millage X .95 + County millage of 4.2698, per Interlocal Agreement for the Downtown CRA

Inputs	Year	Amount/Rate	Project Notes
Assessment Value		\$10,729,300	3
Assessed Growth Rate		2.00%	4
Baseline Assessment Taxable Value		\$225,917	5
Cash Outflow from DRC		-\$600,000	
Cash Inflow - Item #1		\$0	
Cash Inflow - Item #2		\$0	
Cash Inflow - Item #3		\$0	

Outputs	
Assessed Value Increase	\$10,503,383
Annual Net Operating Income	
Internal Rate of Return	8.40%

- Notes
- Assumes construction begins in summer 2014 and is completed (CO issued) by December 2015. Development is added to the tax rolls in 2016 and begins generating tax increment in FY 2017 (October 2016).
  - The 2003 baseline taxable value of the property when the DT District was established in June 2004.
  - Based on pre-construction estimate provided by the Leon County Property Appraiser. Analysis assumes the property is on the tax rolls and generating TIF in FY 2017.
  - Baseline value of the property when DD established in June 2004; the 2013 certified value is \$376,077.
  - Based on maximum grant of \$600,000. Reduction possible if City reduces land sale price and if Tree Bank funds can be used for some landscape improvements in ROW.



### **Agenda Item Details**

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Meeting	Jul 10, 2014 - CRA Board Meeting
Category	4. Policy Formation & Direction
Subject	4.02 Approval of Retail Incentives Loan for Hourigan's LLC; d/b/a Helios, A Tanning Boutique at 833 W. Gaines Street, Unit 101 (The Loft on Gaines Building) -- Roxanne Manning, Tallahassee Community Redevelopment Agency
Access	Public
Type	Action, Discussion
Fiscal Impact	Yes
Dollar Amount	30,000.00
Budgeted	Yes
Budget Source	FY 2014 GFS Retail Incentives Loan Program Project Fund - 1400265
Recommended Action	Option 1 - Approve the retail incentives application contingent upon compliance with the staff conditions described in this agenda item, and authorize CRA staff to enter into a retail incentive loan agreement in the amount of \$30,000 amortized over five years with Hourigan's LLC.

### **Public Content**

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For more information, please contact: Sherri Baker, Tallahassee CRA, 850-891-8354

### ***Statement of Issue***

In April 2010, the CRA Board approved the establishment of a Downtown Retail Incentives Program. The purpose of the program was to help promote the development of retail uses, which includes restaurants and entertainment venues, within the Downtown District Community Redevelopment Area. In November 2011, the Board approved expanding the program to the Greater Frenchtown/Southside Community Redevelopment Area. To date, six retail incentive loans have been approved.

On June 10, 2014, Hourigan's LLC, d/b/a Helios Tanning Boutique, submitted a retail incentives loan application for \$50,000 to help cover the cost of interior renovations, furnishings and equipment for a 960 square-foot tanning boutique at 833 West Gaines Street (Suite 101). The tanning boutique will be located in the Western-most retail bay of the Loft on Gaines building. Details on the retail incentives application and staff recommendations are included in the main body of this agenda item.

Following a review of the application by staff and two local bankers with commercial lending experience, and contingent upon the applicant's compliance with CRA conditions outlined in this agenda item, staff recommends the CRA Board approve a \$30,000, five-year retail incentive loan for Hourigan's LLC, amortized over five years.

### ***Recommended Action***

Option 1 - Approve the retail incentives application contingent upon compliance with the staff conditions described in this agenda item, and authorize CRA staff to enter into a retail incentive loan agreement in the amount of \$30,000 amortized over five years with Hourigan's LLC.

### ***Fiscal Impact***

The project account balance for the FY 2014 Greater Frenchtown/Southside Retail Incentives Loan Program (Project No. 1400265) is \$125,000. Funding this request will leave a balance of \$95,000. The Office of Budget and Policy has reviewed this agenda item and concurs that it meets budget guidelines.

## **Supplemental Material/Issue Analysis**

### ***History/Facts & Issues***

In April 2010, the CRA Board approved the establishment of a Downtown Retail Incentives Program. The purpose of the program was to help promote the development of retail uses, which includes restaurants and entertainment venues, within the Downtown District Redevelopment Area. In November 2011, the Board approved expanding the program to the Greater Frenchtown/Southside Community Redevelopment Area. To date, six retail incentive loans have been approved, with one approved in FY 2014 – a \$25,000 loan to the owners of Earley's Kitchen for interior renovations, furnishings and equipment for a cafeteria-style restaurant opening at 428 S. Monroe Street.

A summary of the retail incentives loan program criteria include:

- Either tenant or landlord may apply (tenants need owner approval);
- Maximum Award: \$50,000 per project;
- Terms: loan only, Prime interest rate, maximum term of 10 years;
- Funds can be used for exterior improvements, interior build out and equipment;
- Applications of \$10,000 or less are approved by the CRA Executive Director, applications in excess of \$10,000 require CRA Board approval;
- Funds are awarded first-come, first-serve; application criteria include location of the building in one of the redevelopment districts, consistency with the appropriate redevelopment plan, code compliance, necessary funding resources and/or commitments, building schedule, proven business success, etc.; and
- Loan must be secured through a mortgage on the property or another appropriate instrument.

The funds may be used for a variety of retail-related improvements, including:

- Permanent exterior façade improvements to an existing structure (not new construction) provided the proposed design; materials and colors of the improvements are consistent with any adopted design standards.
- Permanent interior improvements or build out within a new or existing structure.
- The purchase and installation of fixed equipment that is related directly to the proposed use, such as restaurant equipment.

The loan funds are not available for unique exterior fixtures, such as signage, that cannot be used for subsequent businesses. However, the applicant is eligible to apply for a façade improvement grant for exterior signage.

All retail incentive loans are secured through a mortgage on the property or other appropriate loan instruments. Applications are reviewed by staff, as well as two local bankers with commercial lending experience and/or a local developer with commercial development experience, who assists staff in developing loan recommendations, including instruments to secure the loans.

### ***Application***

Hourigan's LLC submitted a retail loan application for \$50,000 to help cover the cost of interior renovations, furnishings and equipment for a 960 square foot tanning boutique at 833 West Gaines Street, Suite 101 (Attachment 1). The tanning boutique will be located in the Western-most retail bay of the Loft on Gaines building. In addition to providing tanning services, the boutique will also sell high end merchandise such as swim wear, sunglasses and tanning products. The staff's review of the

application is included as Attachment 2. A summary of the application is provided below.

Location – The building is located within the boundaries of the Greater Frenchtown/Southside Community Redevelopment Area.

Project Description – The renovation consists of interior improvements valued at \$46,850 and furnishings and equipment valued at \$95,548. The CRA loan funds will be used for the purchase of the tanning beds estimated at \$65,000. Total estimated renovation and equipment cost is \$142,398. With a loan of \$50,000, the applicant would provide approximately 65% of the total project cost.

Project Timelines – Renovations are expected to start in July with equipment purchases following CRA Board approval and execution of an agreement between the CRA and the applicant. The improvements should be completed within 30 to 45 days. The applicant plans to open the boutique in mid-August 2014.

Track Record of Success – This will be a new business operation and will be the first business the applicant has owned. The applicant does not have previous experience running/managing a business.

Number of Jobs Created – The application anticipates that one full-time and two part-time positions will be created. The full-time position will be that of the applicant/managing member of Hourigan's LLC.

Terms of the Loan – The requested loan of \$50,000 is approximately 35 percent of the estimated interior build-out and furnishings/equipment cost of \$142,398. The loan term of 60 months (five years) is based on the Prime annual interest rate of 3.25 percent. At \$50,000, the monthly loan payment to the CRA would be approximately \$904.00 per month.

### ***Staff Recommendation***

Staff, partnering with Darrin Holloman and Ed Canup, two local bankers with commercial lending experience, reviewed the application on June 27, 2013. Darrin Holloman, due to the applicant's business relation with Region's Bank, abstained from providing a recommendation on the application but did participate in the discussion on the proposed business operation and expenses. The applicant provided national data on the average revenue generated per tanning bed, but was not able to provide any regional or local revenue data on tanning facilities. Given the applicant does not have previous experience operating a business, and well-defined revenue projections for the business were not provided, staff (based on a recommendation from Ed Canup) recommends the CRA Board approve a \$30,000 retail incentive loan for Hourigan's LLC, amortized over five years at Prime, and contingent upon the applicant addressing the issues described below. With a Prime interest rate of 3.25 percent and a 60-month term, the loan payment will be approximately \$542.40 per month. Based on the recommendation, the applicant will provide 79 percent of the total project cost of \$142,398. Because the Gaines Street District is beginning to thrive, supported by an increase in the number of residents and retail outlets, the projected outlook for the tanning salon is a good one. The applicant is willing to secure the loan with a second mortgage on her property and by providing the tanning equipment as collateral.

The following are recommended by staff as conditions for approving the loan application, and, if approved by the CRA Board, would have to be met before the applicant enters into a loan agreement with the CRA.

1. As collateral for the loan, Heather MacLeod, sole and managing member of Hourigan's LLC, agrees to provide the tanning equipment (free & clear) and place a second mortgage on her personal residence located at 1669 Osprey Pointe Drive, 32308.
2. The applicant's husband must sign the mortgage and promissory note.
3. The applicant agrees to allow the CRA to prepare an appraisal of the applicant's property located at 1669 Osprey Pointe Drive, 32308.
4. The property where Helios Tanning Boutique is to be located is owned by The Loft on Gaines, LLC. The owner has consented to the application and indicated it approves of the proposed interior improvements. As a loan condition,

The Loft on Gaines, LLC, as owner, must also join and consent to the restrictive covenants.

5. The Loft on Gaines, LLC agrees to execute a landlord lien waiver allowing the CRA to enter and seize the equipment secured as collateral in the event the applicant defaults on the loan.
6. The CRA must receive proof of all required insurance.

Based on the loan terms described above, and contingent upon the applicant addressing the conditions noted above to the satisfaction of the CRA, staff recommends the CRA Board approve the Hourigan's LLC retail incentives loan application. The establishment of a new tanning boutique on West Gaines Street, along with the planned interior improvement of the building, furthers the goals of the Greater Frenchtown/Southside Community Redevelopment Plan by promoting neighborhood retail development.

### ***Options***

1. Approve the retail incentives loan application contingent upon compliance with the staff conditions described in this agenda item, and authorize CRA staff to enter into a retail incentive loan agreement in the amount of \$30,000 amortized over five years with Hourigan's LLC.
2. Do not approve the retail incentives loan application contingent upon compliance with the staff conditions described in this agenda item; provide staff with further direction.

### ***Attachments/References***

1. Hourigan's Retail Incentives Loan Application and Supplemental Follow-up
2. Staff evaluation of Hourigan's Retail Incentives Loan Application

[Attachment 1.pdf \(887 KB\)](#)

[Attachment 2.pdf \(674 KB\)](#)

### **Administrative Content**

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Tallahassee Community Redevelopment Agency  
Retail Incentive Loan Application (Draft)

<b>Applicant Name:</b>	Heather MacLeod
<b>Business Name:</b>	Helio's - A tanning boutique
<b>Business Address:</b>	
<b>City:</b>	Tallahassee
<b>State:</b>	Florida
<b>Zip Code:</b>	323
<b>Phone:</b>	
<b>E-mail:</b>	
<b>Project Name:</b>	
<b>Project Location:</b>	
<b>Amount of Loan Request:</b>	\$50,000

\*\*Building / Property Owner, if different from applicant, must sign last page of this application as well as applicant

See lease

**Project Description:**

Tanning Boutique

**Description of Requested Improvements:**

Build out

*Please answer the following questions:*

1. In which Redevelopment District is the proposed project located? Gaines street/College town area
2. As defined by the City's land development regulations, what is the land use type for the proposed project? ex. Retail, restaurant, or entertainment? Retail
3. Will construction start within 3 months from date of CRA Board approval? What is the projected start date of construction? May 25th
4. What is the estimated cost of the project? \$150,000

5. Have you secured a funding commitment for the remaining balance of the project cost? Please provide proof of funding commitment or documentation supporting applicant's ability to fund the remaining balance of the project cost. *Yes, personal funds are used for remaining balance*

6. If this is a current business please describe the current track record and standing; if this is a new business please give a brief description of the business plan including required contents projections and verifications. Submit documentation, i.e. income statements, business plan. *Business plan included*

7. Explain how this project will meet the Redevelopment Plan of the District in which this proposed project is located. *New business to the area and employment*

Redevelopment Plan for Greater Frenchtown/Southside can be found at:  
<http://www.talgov.com/Uploads/Public/Documents/economic/pdf/fs-redev-plan.pdf>

Redevelopment Plan for Downtown District can be found at:  
<http://www.talgov.com/Uploads/Public/Documents/economic/pdf/dcra-analysis.pdf>

8. Is this project consistent with the City's land development codes? (this section must be reviewed by the Land Use and Environmental Division of the City's Growth Management Department, 850-891-7100):

Use is allowable:  Use is not allowable:

Growth Management Planner/Reviewer and Date: \_\_\_\_\_

9. Are there any active code violations for this property?

Are there any liens or existing code violations on the property? Yes  No

Code Enforcement Reviewer and Date: \_\_\_\_\_

10. How does the project improve or eliminate a blighted area or building?

*New Building*

11. How does the project support an existing use in the area?

*Another business for the area*

12. Will the business be open to the general public? *Yes*

13. How many jobs will this project create within 1 year of approval of application? Please be specific as to the number of full time jobs (40 hours a week) and part time jobs (less than 20 hours a week) that this project will create. *1 full Time 2 part Time*

14. What percentage of the total project is the requested loan amount?

*1/3*

15. What is the term being requested for repayment of the loan if approved? 0-60 months, or 61-120 months?

*60-84 months*

16. What percentage of total project cost is made up of the applicant's equity investment including borrowed funds?

### Certification

Please read the following and sign below. **Please note:** building / property owner, if different from applicant, must sign below.

The information contained in this application is accurate to the best of my knowledge. Applicants understand that personal, business and/or property information may be requested pursuant to this application and hereby give their consent for such information to be provided. The CRA retains the sole decision as to whether this grant application is approved, disapproved, or modified.

Heather MacLeod  
Name (print)

Owner  
Title

LMC  
Signature

6/8/14  
Date

Tony Savlos  
Name (print)

MANAGING MEMBER  
Title

[Signature]  
Signature

6/18/14  
Date

Effective: June 26, 2013

**Industry/Market Analysis:**

The tanning industry as a whole is a growing market in the United States and across the world. In the United States there are 25,000 tanning salons and an additional 20,000 other businesses (such as salons, nail salons, gyms, etc) that use tanning beds as an additional source of income. On an average day in the US more than one million people tan in a tanning salon and nearly 70 percent of these patrons are women and girls aged 18-29 years of age. In addition, in 2010, the indoor tanning industry's revenue was estimated to be 2.6 billion.

The average gross profit margin a salon should expect to do per piece of equipment is \$20,000-\$25,000 per year.

### Location and Description:

Helio's A Tanning Boutique will be located at 833 West Gaines Street #101, Tallahassee, FL. 32304; It will be an independently owned/operated LLC business. The boutique will consist of seven tanning rooms varying in size; The rooms will hold four regular tanning beds, two super beds and one sunless tanning booth. In the back of the facility, we will have a laundry facility seated in the bathroom and a closet at the back right corner of the store.

In the front, Helio's will have a shabby chic and high end spa look; there will be a check-in deck, small buffet with coffee and refreshments, waiting area with bench, and shelving that will hold high end merchandise, including high end bathing suits, cover-ups, sunglasses, oils, creams, tanning accelerators, lotions, candles, etc.

### 3-Year Growth Projection:

Included is documentation that states that an average tanning facility can expect to generate between 20-25,000\$ per piece of equipment; because sunless tanning units are relatively new to the market there is no data regarding how much the average tanning salon should expect to earn per year on these units, however, after our market research on the Tallahassee area to surrounding salons and speaking to our purveyor we have learned that around FSU campus salons experience anywhere from 30-50% of their business in the spray market. We would rather be more conservative and say that 25% of our sales will come from the sunless market.

With these numbers, on the conservative side, we can expect to earn around 155,000\$; This is our growth projection for the first two years; we hope to grow by 15-20% growth each year after making our third year sales around 186,000\$. We project this growth because of market awareness, brand awareness, and the growth that the Gaines street area is experiencing. We are currently in the first stage of development, but there will be two more stages of development to come. The area is 60-80% women (which is the predominate demographic of tanners) and is mostly apartment and condo living; the stages of development will include more housing and because of the convenience of location, we believe we will be very successful.

Statements of Capital Needed and Money Available for Start Up

*Based on  
Invoice*

Start Up Budget:

Construction of partitions, cubicles, including paint, doors, etc.....	\$16,000	
Electrical to be run throughout building.....	\$10,000	<i>17,400</i>
Sign Cost.....	\$1800	
Floor Cost.....	\$3000	
Computer (software) Cost.....	\$1500	
Lobby Furniture.....	\$1300	
Chairs, Mirrors for tanning rooms.....	\$500	
Misc. Décor.....	\$500	
Fire Extinguishers.....	\$90	
Phone.....	\$150	
Tanning Beds/Installation.....	\$43,000	<i>&gt; 76,708</i>
Spray Tan Booth.....	\$30,000	
Plumbing the building for bathroom and spray booth.....	\$3500	<i>3,250</i>
Merchandise.....	\$10,000	
<i>Heat Pump System</i> .....	<i>\$10,200</i>	
TOTAL.....	\$121,340	<i>142,398</i>
Tony gives \$10,000 for build-out help.....new total.....	\$111,340	<i>132,398</i>

Operating

Yearly Rent Expense.....	\$19,300
Estimated Electrical Expense.....	\$4200

\*The above is calculated at \$350/month at 12 months

Payroll.....	\$16,000
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\*The above is calculated as two part time employees working for \$8/hour at 20 hours/week

Estimated Payroll Taxes (FICA, Medicaid/Medicare).....\$600  
 Phone/Internet.....\$1,680  
 Security.....\$384  
 Internet Program Support.....\$240  
 Estimated Insurance (including liability).....\$3300  
 Estimated Workman’s Comp.....\$1800  
 Yearly-anticipated upkeep of front end products and merchandise.....\$12,000

\*The front end products will purchased from profits made on existing merchandise sold-the above includes tanning lotions, accelerators, etc. along with boutique merchandise; calculated at a thousand dollars a month

Revitalization loan \$50,000 at 3.25%- For a five year loan, monthly loan re-payment will be approximately \$861.00- Over the course of a

Yearly loan cost.....\$10,332

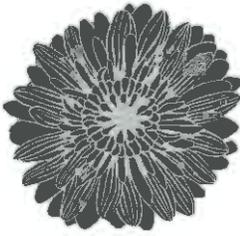
CD loan, \$50,000 at 7% interest over a 7 year period. Monthly loan re-payment will be approximately \$636.42-Ove the course of a

Yearly loan cost.....\$7,637.04

<b>Yearly Operating Expense</b>	<b>Yearly Cost</b>
Yearly Rent Expense	\$19,300
Estimated Electrical	\$4,200
Payroll	\$16,000
Payroll Taxes	\$600
Phone/Internet	\$1680
Security	\$384
Internet Program Support	\$240
Insurance/Liability	\$3300
Workman’s Comp	\$1800
Merchandise upkeep	\$12000
Loans	\$17,969

**General Estimated Yearly Cost to run Helio’s: A tanning Boutique will be: \$62,024.00**

<b>Year One</b>	<b>Year Two</b>	<b>Year Three</b>
<b>Projected Yearly Gross Profit: \$195,000</b>	<b>Projected Yearly Gross Profit: \$195,000</b>	<b>Projected Yearly Gross Profit: \$226,000</b>
<b>Projected Yearly Running Costs: \$77,473.</b>	<b>Projected Yearly Running Costs: \$77,473</b>	<b>Projected Yearly Running Costs: \$77,473</b>
<b>Estimated Net Profit:\$117,527</b>	<b>Estimated Net Profit: \$117,527</b>	<b>Estimated Net Profit: \$148,527</b>



# HELIOS

a tanning boutique

## SOURCES AND USES STATEMENT:

Hourigan's LLC-Helio's: A Tanning Boutique

Sources of Cash		Use of Cash
Debt		Revitalization funds toward tanning equipment (beds) \$50k
Bank Debt: Revitalizations Funds	\$50,000	Cost of beds - \$72k
% of Asset Value	33.3%	Remaining \$100,000 used for build-out and operating costs <i>Tanning Beds + Install</i> 26,708 31,250
Personal Capital in Bank	\$40,000	• Plumbing 10,200
% of Asset Value	26.7%	• HVAC 17,400
Stock Fund	\$60,000	• Electrical 16,000
% of Asset Value	40%	• Interior Structure (walls, paint, doors, etc) 10,000
Total Sources of Cash	\$150,000	• Merchandise 8,848
		• Equipment (phones, beds, computer, software, etc) 142,848
		<b>Total Uses of Cash \$150,000</b>

## Baker, Sherri

---

**From:** Heather MacLeod <hashleymacleod@yahoo.com>  
**Sent:** Monday, June 23, 2014 5:03 PM  
**To:** Baker, Sherri  
**Subject:** Re: Retail Incentive Loan Program Questions

Hi Sherri,

There are six tanning rooms-four regular beds and two larger beds; we calculated that the regular beds would generate on the lower end of the spectrum (\$20,000/year) since the price to tan in those beds is less than the super beds; the two super beds we calculated would generate \$25,000/year because the price to tan in those beds is more expensive. We also have one spray booth-from research we found out that 33-50% of a tanning salons business can come from a spray booth-but we are comfortable suggesting that our yearly revenue generated from sunless tanning will be \$25,000. With all of that-the yearly calculated revenue from the tanning beds is estimated at \$155,000/year *plus \$40,000/yr. estimated in merchandise*

Thank you!  
Heather MacLeod

Sent from my iPhone

> On Jun 23, 2014, at 4:53 PM, "Baker, Sherri" <Sherri.Baker@talgov.com> wrote:

>

> Hi Heather,

>

> Thank you for sending the additional information. I'm in the process of preparing it for the bankers' review, but before sending the application packet to them I have a question of clarification. We need to understand how the projected revenues were estimated. I see where the average tanning facility can generate between \$20-\$25,000 per piece of equipment. Please explain or clarify how the projected yearly gross profit/revenue is calculated. Thank you.

>

> Best Regards,

> Sherri

>

> Sherri Baker, AICP

> Community Redevelopment Planner

> City of Tallahassee

> Community Redevelopment Agency

> phone: 850.891.8354

> fax: 850.891.8360

> Email: sherri.baker@talgov.com

>

>

>

> -----Original Message-----

> From: heather macleod [mailto:hashleymacleod@yahoo.com]

> Sent: Friday, June 20, 2014 2:36 PM

Call Uvalux today!  
**888-878-1195**

- 1 Business Plan & Break-Even Analysis
- 2 Demographic Analysis
- 3 Salon Layout & Design
- 4 Salon Financing, Leasing & Insurance
- 5 Salon Management Software
- 6 Co-op Lotion Rebates, Training & Support
- 7 Downloadable Sales Tools

▶ Testimonials  
▶ About Uvalux



## Why Start A Canadian Tanning Salon?

The tanning industry has steadily increased during turbulent economic times. Thirty million North Americans have visited a tanning salon in the last 10 years. The tanning industry has grown to a \$7 billion dollar industry from its humble beginnings of \$900 million annual sales in 1991. There is no indication that the tanning salon industry is slowing down. Salons are opening all over the world and the rate of growth is outstanding.

### Tanning salon investment has reliable profits because:

- Indoor tanning is a responsible way for people to tan without burning.
- Successful tanning salon managers use available tools to train their employees to identify skin types, know how each skin type reacts to the Ultraviolet light.
- Sunburn prevention outdoors is much harder to control than indoors due to uncontrollable natural variables.

### A successful tanning salon owner needs only to provide:

- the machines
- location
- exceptional cleanliness
- a highly trained staff focused on customer service

These are the necessary ingredients for establishing and maintaining a profitable tanning salon that people will feel comfortable coming back to over and over again for a relaxing, personal experience.

## Start With a Great Team

UVALUX Regional Sales Managers are experienced and knowledgeable. We can help set the right foundations for your business by assisting you in formulating a solid business plan and marketing strategy. At UVALUX, we are committed to being your partner through the entire process of opening and running a successful tanning salon.

- The average gross profit margin per year you should expect per tanning bed unit ranges between \$20,000 – \$25,000. (figure based on varied business operation models)
- Tanning salon owners have been known to have gross revenues as much as \$48,000 in their first month!
- Offering quality tanning products you could have up to \$50,000 gross sales per year!
- Non-tanning products such as bronzers, moisturizers, sun protection, and after-tan body spray can also help increase your profits.
- UVALUX Tanning & Support can also provide spa-type machines, like teeth whitening, spray tan booths and hydro-massage units.

The research you do will have a great impact on the success of your own tanning salon business. Utilize your UVALUX Team Support to ensure all areas of the business are covered. Your success is our goal.

## Canadian Salons Get Started!



Fill out this form to get the **TOP 10 THINGS** new salon owners need to know:

First Name:

Last Name:

Email:

Phone:  (area) ### ####

You'll receive the 10 tips, and only that, in your inbox. We promise not to spam you or sell your address.

## The Lotion Advantage



When you start your salon with Uvalux, you gain access to our **top quality tanning lotion:**

- Australian Gold
- Designer Skin
- California Tan
- Swedish Beauty

### Privacy Policy:

Your privacy is critically important to us. We don't ask you for personal information unless we truly need it. We don't share your personal information with anyone except in the course of our business, to comply with the law, or to protect our rights. We don't store personal information on our servers unless required for the operation of our site.



**LOCATION**  
**833 West Gaines Street**  
**Unit 101**



**Traffic Circle**  
**Woodward and Gaines**

## Baker, Sherri

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**From:** Smith, Cindy  
**Sent:** Monday, June 23, 2014 2:49 PM  
**To:** Baker, Sherri  
**Subject:** RE: Helios, A Tanning Boutique

A tanning salon would be a permitted use at this site. Cindy

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**From:** Baker, Sherri  
**Sent:** Monday, June 23, 2014 2:48 PM  
**To:** Smith, Cindy  
**Subject:** Helios, A Tanning Boutique

Hi Cindy,

We are working with Heather MacLeod on a Retail Incentives Loan application with the CRA. Ms. MacLeod is looking to open a tanning salon in the Loft on Gaines building located at 833 W. Gaines Street, Suite 101. One of the questions on the application deals with the project being consistent with the City's Land Development Code. Can you tell me whether or not this project is consistent with the LDC. Please let me know if you need any additional information.

Thanks - Sherri

**Sherri Baker, AICP**  
Community Redevelopment Planner  
City of Tallahassee  
Community Redevelopment Agency  
phone: 850.891.8354  
fax: 850.891.8360  
Email: [sherri.baker@talgov.com](mailto:sherri.baker@talgov.com)



## Baker, Sherri

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**From:** Ashline, Sherrie  
**Sent:** Monday, June 23, 2014 2:59 PM  
**To:** Baker, Sherri  
**Subject:** RE: Helios, A Tanning Salon

Hi Sherri,  
There are no open code enforcement cases or liens at this time.

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**From:** Baker, Sherri  
**Sent:** Monday, June 23, 2014 2:53 PM  
**To:** Ashline, Sherrie  
**Subject:** Helios, A Tanning Salon

Hi Sherrie,

We are working with Heather MacLeod on a Retail Incentives Loan application with the CRA. Ms. MacLeod is looking to open a tanning salon in the Loft on Gaines building located at 833 W. Gaines Street, Suite 101. One of the questions on the application deals with the property not having any active code violations. Can you tell me whether or not this property does not have any active code violations. Please let me know if you need any additional information.

Thanks - Sherri

**Sherri Baker, AICP**  
Community Redevelopment Planner  
City of Tallahassee  
Community Redevelopment Agency  
phone: 850.891.8354  
fax: 850.891.8360  
Email: [sherri.baker@talgov.com](mailto:sherri.baker@talgov.com)



Tallahassee Community Redevelopment Agency						
Retail, Restaurant, Entertainment Project Evaluation Criteria						
1	<b>Applicant Name:</b> Hourigan's LLC d/b/a Helios: A Tanning Boutique					
2	<b>Business Address:</b> 833 W. Gaines St. Ste. 101					
3	<b>City:</b> Tallahassee	<b>Zip Code:</b> 32301		<b>State:</b> Florida		
4	<b>Phone:</b>	<b>Email:</b>				
5	<b>Project Name:</b> Helios: A Tanning Boutique					
6	<b>Project Location:</b> same as above					
7	<b>Building/Property Owner(s) signoff:</b> Tony Boulous, Managing Member, The Loft on Gaines, LLC					
8	<b>Project Description:</b> Tenant Build Out & Purchase of Tanning Beds					
9	<b>Description of Requested Improvements:</b> Walls, HVAC, Plumbing, Electrical, Paint, Doors & Beds					
Area below this line for staff use only.						
Threshold Criteria:				Comments:		
All applications must meet the following requirements to be accepted for review.						
10	Is the proposed project located within the boundaries of the Greater Frenchtown/Southside or Downtown District Community Redevelopment Area?	Yes	No			
11	Is the proposed project a retail or entertainment use as defined by the City's land development regulations?	Yes	No			
12	Will construction start within 6 months from date of CRA Board approval?	Yes	No			
13	Does the applicant have a funding commitment for the remaining balance of the project cost, or has the applicant provided documentation supporting his/her ability to fund the remaining balance of the project cost?	Yes	No			
14	Is project consistent with the Downtown District Redevelopment Plan?	Yes	No			
15	Is project consistent with the City's land development codes?	Yes	No			
16	Is the property free of active code violations?	Yes	No			
General Review Criteria		Yes	No	Comments:	Possible Points	Awarded Points
17	Is the business an existing use with a successful track record or does it have a Business Plan: Describe required contents, projections & verifications.	Yes	No		5	5
18	Has the use been identified as a priority use for the area?	Yes	No		15	15
19	Does project improve or eliminate a blighted area or building?	Yes	No		5	5
20	Does it support existing uses in the area? How?	Yes	No		10	10

21	Will the use be open to the general public?		Yes	No		5	5	
22	Job creation within CRA, within 1 year.	Full Time: 40 Hours/week	1 – 5 jobs (10)	6 + jobs (20)	1 full-time	10 - 20	10	
		Part Time: <20 hours/week	1 – 9 jobs (5)	10 + jobs (10)	2 part-time	5 - 10	5	
23	( 70 Points Max) <b>Subtotal:55</b>							
<b>Financial Criteria</b>						<b>Possible Points</b>	<b>Awarded Points</b>	
24	Requested funding % of total project cost. =	1 – 50% (10)	51% + (0)	35%		0 – 10	10	
25	Term of Loan (years)	0 – 60 months (5)	61 - 120 months (0)	60 mos.		0 - 10	5	
26	Applicant's equity investment, including borrowed funds, as a % of total project cost.	Yes	No	65%		0 - 10	10	
27	(30 Points Max) <b>Subtotal:25</b>							
28	<b>100 Possible Points</b> (Minimum Required Score = 60 points)						<b>Total Score: 80</b>	
<b>Recommended Action</b>								
<b>Staff Recommendation</b>	<b>Approve</b>	<b>Deny</b>	Amount: \$30,000	Term: 5 years				
	Interest Rate Based on Term of Loan: 3.25%							
	Additional Conditions: See Agenda Item							
<b>Financial Review Recommendation</b>	Approve	Deny	Conditions:			Meeting Date:6/27/2014		
	% Interest:3.25			Term:5 years				
<b>CRA Action</b>	Approve	Deny	Conditions:			Meeting Date:		
	% Interest:			Term:				



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**Agenda Item Details**

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Meeting	Jul 10, 2014 - CRA Board Meeting
Category	4. Policy Formation & Direction
Subject	4.03 Discussion on the Draft FY 2015 City of Tallahassee Community Redevelopment Agency Budget -- Roxanne Manning, Tallahassee Community Redevelopment Agency
Access	Public
Type	Discussion

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**Public Content**

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

***Statement of Issue***

The purpose of this agenda item is to provide the draft FY 2015 City of Tallahassee Community Redevelopment Agency (CRA) Budget to the CRA Board for discussion and direction.

Based on the 2014 Preliminary Tax Roll values issued by the Leon County Property Appraiser (LCPA) in June, the City of Tallahassee Community Redevelopment Agency (CRA) will receive approximately \$2,749,300 in tax increment for FY 2015; \$1,498,180 for the Greater Frenchtown/Southside (GFS) District (a 6.09 percent increase over FY 2014) and \$1,251,120 for the Downtown (DT) District (an 84.2 percent increase over FY 2014). It is important to note that the values are based on preliminary values prepared by the LCPA, and are subject to change when the LCPA issues the Final Taxable Values in October. In addition to the anticipated tax increment revenue, the CRA will earn \$560,000 from the sale of the O'Connell property, an estimated \$67,917 in loan payments and \$169,635 in parking lease payments; for estimated income in FY 2015 of is \$3,546,853. Finally, as of June 23rd, the CRA has approximately \$956,841 in available funds from FY 2013 and 2014.

As part of the capital budget, staff proposes to budget \$1,760,974 to CRA grant commitments, standing redevelopment programs and anticipated projects; leaving a balance of \$1,745,451 (\$1,687,023 for GFS and \$58,428 for DT) for other FY 2015 projects and programs. Staff also recommends the refund of \$59,858 in Emergency Medical Services Municipal Services Taxing Unit (EMS MSTU) tax increment to Leon County, and to commit \$237,552 as reserves for future loan and parking programs. Finally, staff proposes to allocate \$759,716 of the estimated FY 2015 revenues for personnel and operating/administrative costs. The anticipated revenues and expenses are discussed in greater detail in the body of this agenda item.

***Recommended Action***

No action is being requested on the budget at this time. Staff is seeking CRA Board comment and direction for further refinement of the budget. Because the next CRA Board meeting is on September 18th, which is the same date as the CRA FY 2015 Budget Public Hearing/Adoption, staff recommends a special meeting of the CRA Board during the week of September 2nd to 5th, for final budget comments prior to the public hearing.

***Fiscal Impact***

None at this time.

## Supplemental Material/Issue Analysis

### *History/Facts & Issues*

In June 2000, the City completed the process of establishing the Greater Frenchtown/Southside (GFS) Community Redevelopment Area. The CRA began receiving tax increment payments from the City and County in FY 2002. In June 2004, the City completed the process for establishing the Downtown District (DD) Community Redevelopment Area. The Agency began receiving tax increment payments from the Downtown District in FY 2005. In recent years, the CRA began earning parking revenues from the parking lot leased to the Aloft Hotel, and will earn parking revenues from the 172 public parking spaces in the Deck and Block developments on Gaines Street starting in August, 2014. Finally, the CRA earns revenue from the repayment of loans made by the CRA in support of the Lofts on Gaines and Four Points Hotel developments and through the Retail Incentives Loan Program.

A spreadsheet outlining proposed FY 2015 CRA revenues and expenses is at Attachment 1. Spreadsheets outlining anticipated revenue and expenses from FY 2015 to FY 2020 for the GFS district and the DT district are at Attachments 2 and 3, respectively.

### FY 2015 Revenues

Based on the 2014 Preliminary Tax Roll values issued by the LCPA in July, and anticipated millage rates of 8.8144 for the County and 3.7 for the City, the CRA will receive approximately \$2,749,300 in tax increment for FY 2015. This is \$656,214 more than the final amount of tax increment the CRA received in FY 2014, with the majority of the increase due to new developments in the DT district, within the Gaines Street area. Revised FY 2015 tax increment values are expected when the LCPA issues the 2014 Final Tax Roll values in October.

In addition to the anticipated tax increment revenue, the CRA will earn \$560,000 from the sale of the O'Connell property, an estimated \$67,917 in loan payments and \$169,635 in parking lease payments; for estimated FY 2015 income of \$3,546,853. Finally, as of June 23rd, the CRA has approximately \$956,841 in available funds from FY 2013 and 2014.

For FY 2015, the GFS district area will receive approximately 6.0 percent more tax increment than it did in FY 2014. This is the result of a projected 2.5 percent increase in property values between 2013 and 2014 for the GFS Community Redevelopment Area. The other revenue sources include loan revenues, the anticipated sale of the O'Connell property to FSU, long-term and short term parking lease payments from the CRA-owned public parking in the Deck and Block developments, and available FY 2013 and 2014 funds. The FY 2013, 2104 and 2015 revenues for each redevelopment district are outlined in Tables 1 and 2, below.

Table 1: GFS Community Redevelopment Area Revenues

	<b>FY 2013 Approved</b>	<b>FY 2014 Approved</b>	<b>FY 2015 Preliminary</b>
City of Tallahassee - Tax Increment	\$429,080	\$424,663	\$442,951
Leon County - Tax Increment	\$1,022,184	\$1,011,661	\$1,055,229
Loan Revenue	\$20,357	\$48,780	\$59,886
O'Connell Land Sale			\$560,000
Garage Parking Lease			\$15,000
Short-Term Parking			\$53,655
Available FY 2013 and 2014 Funds			\$687,208
<b>TOTAL REVENUES</b>	<b>\$1,471,621</b>	<b>\$1,485,104</b>	<b>\$2,873,929</b>

For FY 2015, the DT district will receive approximately 84.2 percent more tax increment than it did in FY 2014. This is the

result of a projected 22.3 percent increase in property values between 2013 and 2014 for the DD Community Redevelopment Area. Most of this increase can be attributed to the completion of College Town, the Catalyst and 601 South Copeland in late 2013 and their addition to the tax rolls in 2014. Collectively, these properties are adding approximately \$56.8 million in new taxable value to the DT district for 2014. The other revenue sources include loan revenues, the long-term lease of the CRA-owned public lot to the Aloft Hotel and available FY 2013 funds.

Table 2: Downtown District Community Redevelopment Area Revenues

	<b>FY 2013 Approved</b>	<b>FY 2014 Approved</b>	<b>FY 2015 Preliminary</b>
City of Tallahassee -Tax Increment	\$342,608	\$308,364	\$564,907
Leon County - Tax Increment	\$416,179	\$374,581	\$686,213
Loan Revenue	\$11,726	\$5,863	\$8,031
Parking Lease Revenue	\$91,800	\$100,980	\$100,980
Available FY 2013 Funds			\$269,633
<b>Total</b>	<b>\$862,313</b>	<b>\$789,788</b>	<b>\$1,629,764</b>

For determining the amount of revenue available to fund FY 2015 programs and projects, staff recommends the loan and parking lease revenues be reserved for future loan and parking development needs. This will leave a balance of \$2,745,338 for FY 2015 expenses in the GFS district and \$1,520,753 in the DT district.

#### FY 2015 Personnel and Operating/Administrative Expenses

Staff proposes to allocate \$759,716 of the estimated FY 2015 revenues (21.4 percent) for personnel and operating/administrative costs (Tables 3 and 4). This is an increase of \$25,683 over FY 2014, but an 11.9 percent decrease as a percentage of revenues. The proposed operating budget includes converting one part-time position into a full time position, a 2.5 percent salary enhancement proposed for general city employees, liability insurance, and new operational expenses associated with operating the CRA-owned public parking spaces in the Deck and Block developments. If the salary enhancements are not approved by the City Commission, the FY 2015 operating budget will be reduced by an estimated \$9,300 to approximately \$750,416. The salary/benefit expenses and most operating expenditures will be shared proportionally based on the amount of tax increment each redevelopment district generates for the year, with the GFS district covering a projected 54 percent of the expenses and the DT district covering a projected 46 percent of the expenses. These percentages may change when the Final Tax Roll values are issued by the LCPA in October.

Table 3: GFS Community Redevelopment Area Personnel and Operating Expenses (Fund 855)

	<b>FY 2013 Approved</b>	<b>FY 2014 Approved</b>	<b>FY 2015 Preliminary</b>
Personnel	\$285,639	\$370,585	\$309,117
Operating/Administrative	\$109,931	\$102,755	\$70,590
Liability Insurance			\$13,500
DJV Parking Garage Mgmt Fee			\$14,400
Pay Station Lease Fee			\$13,500
Share of DJV Condo Insurance			\$4,500
DJV Garage Operational Expenses			\$900
<b>Total</b>	<b>\$395,570</b>	<b>\$473,340</b>	<b>\$426,507</b>

Table 4: DD Community Redevelopment Area Personnel and Operating Expenses (Fund 859)

	<b>FY 2013 Approved</b>	<b>FY 2014 Approved</b>	<b>FY 2015 Preliminary</b>
--	-----------------------------	-----------------------------	--------------------------------

Personnel	\$160,882	\$188,217	\$255,877
Operating/Administrative	\$79,987	\$72,476	\$65,832
Liability Insurance			\$11,500
<b>Total</b>	<b>\$240,869</b>	<b>\$260,693</b>	<b>\$333,209</b>

### *Personnel*

With the establishment of the CRA as a stand-alone City department starting in FY 2014, the CRA had four full-time positions, as listed below, and two part-time positions. One of the positions is primarily focused on managing several of the Agency's incentive programs, such as the commercial façade improvement grant program, the commercial painting grant program and the retail incentives loan program. The other part-time position is for an intern, who assists staff on a variety of CRA programs and projects. Both positions are funded for approximately 1,500 hours a year.

Included in the proposed FY 2015 budget, is the conversion of the two part-time positions into a single full-time position for a contract/program manager. Because of the increased interest in CRA programs, as well as the number of approved projects, the demands on staff have increased to the point creating a new full-time position will help the CRA more efficiently manage existing programs, evaluate assistance requests, and better meet customer needs. By combining the salaries for the two part-time positions and eliminating the partial funding of the Director of the City's Department of Economic and Community Development (ECD), as described below, the additional cost to create the new position is estimated at \$6,192.

#### CRA Proposed Full-Time Positions:

1. Executive Director – Roxanne Manning (Existing)
2. Program Director – Rick McCraw (Existing)
3. Senior Community Redevelopment Planner – Sherri Baker (Existing)
4. Administrative Specialist II – Stacey Peter (Existing)
5. Community Redevelopment Contract Manager – Vacant (Proposed)

In FY 2014, the CRA also partially funded (25 percent) the ECD Director position as part of the transition of the CRA from a division within ECD to a stand-alone department. The partial funding of the ECD Director position is NOT included in the CRA's proposed FY 2015 budget.

### *Operating/Administrative Expenses*

Included as part of the proposed FY 2105 administrative expenses are new fees for liability insurance and various expenses associated with operation of the public parking in the Deck and Block developments. The public parking expenses include a management fee approved by the CRA Board at the June 26<sup>th</sup> meeting, temporary lease fees for three pay stations until permanent pay stations are purchased in late 2014 or early 2015, the CRA's share of insurance for the parking spaces as part of the Deck and Block condominiums and operational expenses. Other changes include a \$27,750 reduction in anticipated Unclassified Professional Fees and moving \$50,000 in anticipated Unclassified Contractual Services into proposed Capital Expenses. The Unclassified Professional Fees are used to cover a variety of consultant services, including studies, project evaluations, pro forma review, environmental assessments, and real estate services.

The proposed FY 2015 personal and operational/administrative expenses will leave a balance of \$2,318,881 for FY 2015 capital expenses in the GFS district and \$1,187,544 in the DT district. Any operating funds remaining at the end of the fiscal year will be allocated to specific capital projects that are expected to be completed within the next two fiscal years.

### Capital Budget Review

#### *Capital Expenses – Commitments*

The CRA has awarded a number of grant awards to developers, with payments that are due once the project is completed and added to the tax rolls. For FY 2015, this includes grant payments to the Four Points Hotel, College Town, the Catalyst, 601

South Copeland and the Gateway. The CRA also needs to purchase pay stations for the public parking spaces in the Deck and Block garages following the City's parking system RFP process in late 2014 or early 2015. Finally, the CRA Board has committed to FY 2015 funding for the Word of South Literature Fest and the Promotional and Special Events Grant program. These commitments are outlined in Tables 5 and 6, below.

Table 5: GFS Community Redevelopment Area Capital Expenses - Commitments (Fund 856)

	<b>FY 2013 Actual</b>	<b>FY 2014 Approved</b>	<b>FY 2015 Preliminary</b>
DJV Garage Capital Expenses			\$2,000
DJV Garage Pay Station Purchase			\$30,000
Four Points Hotel Grant Payment		\$20,000	\$25,000
FY 2015 Promo/Special Events Grant		\$35,000	\$35,000
<b>Total</b>	<b>NA</b>	<b>\$55,000</b>	<b>\$92,000</b>

Table 6: DD Community Redevelopment Area Capital Expenses - Commitments (Fund 860)

	<b>FY 2013 Actual</b>	<b>FY 2014 Approved</b>	<b>FY 2015 Preliminary</b>
College Town Grant Payment			\$366,409
Catalyst Grant Payment			\$194,892
601 South Copeland Grant Payment			\$50,000
Gateway Retail Vacancy Grant Payment			\$159,315
Word of South Lit Fest Grant Payment		\$37,500	\$37,500
FY 2015 Promo/Special Events Grant		\$35,000	\$35,000
<b>Total</b>	<b>NA</b>	<b>\$72,500</b>	<b>\$843,116</b>

Encumbering funds for these capital expenses will leave a balance of \$2,226,881 for other FY 2015 capital expenses in the GFS district and \$344,428 in the DT district.

#### *Capital Expenses – Proposed*

Beginning in June 2006, the CRA began implementing a series of standing programs designed to provide incentives to property owners and/or tenants within both redevelopment areas in an effort to promote property redevelopment/renovation, assist in business development/expansion and help support special events. This has included programs in support of affordable housing, commercial façade renovations, commercial building painting, promotional activities/special events, and retail incentives. Staff proposes to commit \$825,858 in support of these programs (Tables 7 and 8) as part of the FY 2015 capital budget.

Table 7: GFS Community Redevelopment Area Capital Expenses - Proposed (Fund 856)

	<b>FY 2013 Approved</b>	<b>FY 2014 Approved</b>	<b>FY 2015 Preliminary</b>
EMS MSTU Refund	\$57,984	\$57,387	\$59,858
Unclassified Contractual Services	NA	NA	\$30,000
Shelter and RCC Demolition	NA	NA	\$75,000
Commercial Façade Imp. Grant Program	\$200,000	\$200,000	\$200,000
Commercial Painting Grant Program	\$35,000	\$30,000	\$25,000
Retail Incentives Loan Program	\$150,000	\$150,000	\$150,000

Affordable Housing <sup>1</sup>	NA	\$200,000	\$0
Loan Guarantee Program <sup>2</sup>	NA	\$50,000	\$0
FY 2014 Uncommitted Funds	NA	\$240,619	NA
<b>Total</b>	<b>\$385,000</b>	<b>\$870,619</b>	<b>\$539,858</b>

1. Unused funds from FY 2014 will be carried over into FY 2015.
2. Funds from FY 2014 will be used for loan guarantees in FY 2015.

Table 8: DT Community Redevelopment Area Capital Expenses - Proposed (Fund 860)

	<b>FY 2013 Approved</b>	<b>FY 2014 Approved</b>	<b>FY 2015 Preliminary</b>
Unclassified Contractual Services	NA	NA	\$20,000
Firestone and Bloxham Annex Site Work	NA	NA	\$75,000
Commercial Façade Imp. Grant Program	\$150,000	\$150,000	\$125,000
Commercial Painting Grant Program	\$15,000	\$15,000	\$15,000
Retail Incentives Loan Program	\$150,000	\$125,000	\$50,000
Downtown Juror Bus Ticket Reimb.	\$1,000	\$1,000	\$1,000
FY 2014 Uncommitted Funds	NA	\$21,252	NA
<b>Total</b>	<b>\$351,000</b>	<b>\$351,000</b>	<b>\$286,000</b>

New funds for FY 2015 include \$50,000 for Unclassified Contractual Services (\$30,000 for GFS district and \$20,000 for DT district), which will be used for various property and site management expenses; \$75,000 for demolition of the Shelter and Renaissance Community Center buildings once they are vacated; and \$75,000 for site work on the Firestone and Bloxham Annex properties. The CRA Board has traditionally approved the reimbursement of the EMS MSTU related tax increment the Agency receives each year to Leon County. These funds provide valuable emergency services to the entire community, including both redevelopment districts. Staff proposes to continue this tradition with the refund of \$59,858 in EMS MSTU tax increment to Leon County (the actual amount will be based on the Final Tax Roll values).

Staff is not proposing any new Affordable Housing or Loan Guarantee Program funds for FY 2015. Funds remaining in these programs will be used to support FY 2015 requests. Staff recommends continued funding for the Commercial Façade Improvement Grant Program, the Commercial Exterior Painting Grant Program, and the Retail Incentives Loan Program. Staff has made some adjustments in the proposed funding of these programs to reflect reduced use of some of these programs, especially in the DT district.

Encumbering funds for these capital expenses will leave a balance of \$1,687,023 for other FY 2015 capital expenses in the GFS district and \$58,428 in the DT district.

#### *Capital Expenses – Pending Requests*

CRA staff is currently evaluating several active and anticipated funding applications. The applications have not been formally presented to the CRA Board at this time, but at least two projects have received general support by the Board. Staff is listing them as pending requests, noting that formal approval is still needed by the CRA Board. Within the GFS district the projects include:

1. Frenchtown Farmer's Market – up to \$500,000
2. South Towne Mall Renovations (South Monroe Street) – up to \$200,000

3. Amtrak Station Renovation – up to \$518,000
4. Additional Tennessee Street Acquisitions – tbd
5. South Monroe Street Acquisitions – tbd

If funding is approved at the requested amount, these projects will commit at least \$1,218,000 of the remaining funds, leaving anticipated \$469,023 in uncommitted FY 2015 funds for GFS district.

Within the DT district, there are no active projects being proposed at this time, but, if sufficient funds remain once the Final Tax Roll values are received, staff will set aside \$50,000 for implementation of select projects identified in the DIA/CRA downtown strategic study completed earlier this year by Live Work Learn Play, Inc. If this is approved, there would be approximately \$8,428 in uncommitted FY 2015 funds for the DT district.

Staff expects to host a series of community workshops to receive input on the amendment to the Greater Frenchtown/Southside Community Redevelopment Plan and the proposed Investment Plan starting in early August. Community input from these meetings may result in proposed adjustments to the discretionary funds listed in Tables 7 and 8, as well as the Pending Requests discussed above. It is also important to note that the standing programs, such as the Affordable Housing, Commercial Façade Improvement Grant Program, Commercial Exterior Painting Grant Program and the Retail Incentives Loan Program, were developed with input and direction from one or more of the CRA's advisory committees (the Citizens' Advisory Committee (CAC) and the Downtown Redevelopment Commission (DRC)) and fit the general profile of Investment Plan projects. These programs have successfully assisted in improvements in both redevelopment districts. For example, to date, 29 commercial façade projects have been approved and 25 of these projects have been completed, providing \$1.1 million in CRA grant funds for redevelopment projects that have had total construction costs of approximately \$6.8 million.

However, the success of these programs does not mean they cannot be changed or new standing programs established. As part of the community workshops staff will evaluate recommendations from the community and present options to the CRA Board for recommendations that are consistent with both redevelopment plans and Chapter 163, Part III, of Florida Statutes.

#### *Remaining Expenses, Transfers and Reserves*

During the fiscal year, the CRA will earn a projected \$237,552 of non-tax increment income from construction and retail incentive loan payments, long-term parking lease payments from the Aloft Hotel and the Deck, and daily parking revenue from the 147 public parking spaces in the Deck and Block developments. Staff proposes to use these funds as a reserve to fund future loan and parking programs. A long-term goal is to use the loan reserve funds to establish a retail revolving loan fund that eventually will not require continued support from tax increment funds. Similarly, the revenue from CRA-owned and/or controlled parking spaces can be used for a variety of parking needs, including maintenance expenses, the purchase of parking control systems and future parking need/demand analysis. It is important to note the revenues generated from the loan or parking lease payments are not considered tax increment and are not subject to the various restrictions that tax increment funds are, such as the three-year spending requirement. This allows the CRA Board greater flexibility in using those funds.

#### Future CRA FY 2015 Budget Activities

Staff has provided some general FY 2015 budget estimates to both the Greater Frenchtown/Southside Community Redevelopment Area Citizens' Advisory Committee (CAC) and the Downtown District Community Redevelopment Area Downtown Redevelopment Commission (DRC). Those presentations and discussions will continue during meetings scheduled with both groups for July, August and September.

The main purpose of this agenda item is to present anticipated FY 2015 CRA revenues and expenses for discussion and general direction by the CRA Board, highlighting the increased revenue projections but also noting the increase in expenses for FY 2015. With CRA Board approval, staff will schedule a special meeting of the CRA Board during the week of September 2<sup>nd</sup> to 5<sup>th</sup> to provide a final draft budget for CRA Board review prior to adoption of the budget on September 18<sup>th</sup>.

***Options***

1. No action is being requested on the budget at this time. Staff is seeking CRA Board comment and direction for further refinement of the budget. Because the next CRA Board meeting is on September 18th, which is the same date as the CRA FY 2015 Budget Public Hearing/Adoption, staff recommends a special meeting of the CRA Board during the week of September 2nd to 5th, for final budget comments prior to the public hearing.
2. Do not approve a special meeting of the CRA Board during the week of September 2nd to 5th; provide alternative direction to staff.

***Attachments/References***

1. Proposed FY 2015 CRA Revenue and Expenses Spreadsheet
2. Anticipated FY 2015 – 2020 Revenue and Expenses for GFS District Spreadsheet
3. Anticipated FY 2015 – 2020 Revenue and Expenses for DT District Spreadsheet

[Attachment 1.pdf \(895 KB\)](#)

[Attachment 2.pdf \(462 KB\)](#)

[Attachment 3.pdf \(459 KB\)](#)

**Administrative Content**

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Proposed CRA FY 2015 Budget - Revenues and Expense (July 1, 2014)

<u>GFS District</u>	<u>DD District</u>
<b>Estimated FY 2015 Revenues</b>	<b>Revenues</b>
Tax Increment <sup>1</sup>	Tax Increment <sup>1</sup>
O'Connell Land Sale <sup>2</sup>	Aloft Parking Lot Lease Payments <sup>2</sup>
Garage Parking Lease Payments <sup>3</sup>	Loan Payments
Short-Term Parking Revenue	
Loan Payments	
<b>Total</b>	<b>Total</b>
<b>Cash On Hand</b>	
FY 2013 Land Acquisition, Development and Related Expenses <sup>4</sup>	FY 2013 Land Acquisition, Development and Related Expenses <sup>3</sup>
FY 2014 Land Acquisition, Development and Related Expenses <sup>4</sup>	FY 2014 Land Acquisition, Development and Related Expenses <sup>3</sup>
<b>Total</b>	<b>Total</b>
<b>Total Estimated Revenues</b>	<b>Total Estimated Revenues</b>
<b>Reserve Funds</b>	<b>Reserve Funds</b>
Garage Parking Lease	Aloft Parking Lot
Short-Term Parking Revenue	Loan Payments
Loan Payments	
<b>Total</b>	<b>Total</b>
<b>Funds Available for Expenses</b>	<b>Funds Available for Expenses</b>
<b>Expenses</b>	<b>Expenses</b>
<u>Operational Expenses</u>	<u>Operational Expenses</u>
Salaries/Benefits	Salaries/Benefits
Operational	Operational
Liability Insurance	Liability Insurance
DJV (Block and Deck) Parking Mgmt Fee	
DJV Pay Station Lease Fee	
DJV Garage Insurance	
DJV Garage Operational Expenses	
<b>Total</b>	<b>Total</b>
<b>Remaining Funds</b>	<b>Remaining Funds</b>

<u>Capital Expenses - Commitments</u>		
DJV Garage Capital Expenses	(\$2,000)	(\$366,409)
DJV Garage Pay Station Purchase	(\$30,000)	(\$194,892)
Four Points Hotel Grant Payment	(\$25,000)	(\$50,000)
FY 2015 Promotional/Special Events Grant	<u>(\$35,000)</u>	(\$159,315)
<b>Total</b>	<b>(\$92,000)</b>	<b>(\$37,500)</b>
		(\$35,000)
		<b>(\$843,116)</b>

**Remaining/Uncommitted Funds \$2,226,881 \$344,428**

<u>Capital Expenses - Proposed</u>		
EMS MSTU Refund	(\$59,858)	(\$20,000)
Unclassified Contractual Services	(\$30,000)	(\$125,000)
Shelter and RCC Demolition	(\$75,000)	(\$15,000)
Commercial Façade Imp Grant	(\$200,000)	(\$50,000)
Commercial Exterior Painting Grant	(\$25,000)	(\$1,000)
Retail Incentives Loan Program	(\$150,000)	<u>(\$75,000)</u>
Affordable Housing	\$0	
Loan Guarantee Program	<u>\$0</u>	
<b>Total</b>	<b>(\$539,858)</b>	<b>(\$286,000)</b>

**Remaining Funds \$1,687,023 \$58,428**

<u>Pending Requests</u>		
Frenttown Farmer's Market	(\$500,000)	
South Towne Mall Renovations	(\$200,000)	<u>(\$50,000)</u>
Inspiration Station	(\$518,000)	
Additional Tennessee St Acquisitions	tbd	
South Monroe Street Acquisitions	tbd	
<b>Total</b>	<b>(\$1,218,000)</b>	<b>(\$50,000)</b>

**Remaining Funds \$469,023 \$8,428**

- Notes:
- |   |  |
|---|--|
| <ol style="list-style-type: none"> <li>Based on LCPA Preliminary Tax Values, July 1, 2014.</li> <li>Funds from sale of O'Connell property will be provided at closing (Oct to Dec).</li> <li>DJV long-term lease payments for 25 parking spaces in the Deck public garage.</li> <li>As of June 23, 2014.</li> </ol> | <ol style="list-style-type: none"> <li>Based on LCPA Preliminary Tax Values, July 1, 2014.</li> <li>Aloft long-term lease payments for 102 parking spaces in CRA-owned lot.</li> <li>As of June 23, 2014.</li> </ol> |
|---|--|

**Frenchtown/Southside Community Redevelopment Area**  
**Draft FY 2015 Operating and Capital Projects Budget with Projected Outyear Income/Expenses**  
 (as of July 1, 2014)

	FY 2015 Preliminary	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected
<b>Income</b>						
Tax Increment <sup>1</sup>	\$1,498,180	\$1,976,617	\$2,056,010	\$2,136,990	\$2,219,591	\$2,303,843
Other:						
Lofts on Gaines Construction Loan	\$8,360	\$8,360	\$407,896			
Creprieve on Gaines Retail Incentives Loan	\$11,171	\$11,171	\$11,171	\$10,240		
Four Points Hotel Renovation Loan	\$26,469	\$26,469	\$26,469	\$13,235		
Pizza Bros Retail Incentives Loan	\$1,954	\$1,954	\$1,954	\$1,303		
Union Square/The Firm Retail Incentives Loan	\$6,509	\$6,509	\$6,509	\$6,509	\$4,339	
Earley's Kitchen Retail Incentives Loan	\$5,424	\$5,424	\$5,424	\$5,424	\$5,424	
Deck and Block Long Term Parking Lease Revenues	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,750
Deck and Block Daily Public Parking Revenues	\$53,655	\$53,655	\$53,655	\$53,655	\$53,655	\$53,655
<b>Total</b>	<b>\$1,626,722</b>	<b>\$2,105,159</b>	<b>\$2,584,088</b>	<b>\$2,242,355</b>	<b>\$2,298,009</b>	<b>\$2,373,248</b>
<b>Available Project Funds/Cash on Hand (as of 23 June 2014)</b>						
FY 2013 GFS Land Acquisition, Development and Related Expenses	\$502,149					
FY 2014 GFS Land Acquisition, Development and Related Expenses	\$185,059					
O'Connell Land Sale	\$560,000					
<b>Total</b>	<b>\$1,247,208</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Available for Project Funding (less Other Income)</b>	<b>\$2,745,388</b>	<b>\$1,976,617</b>	<b>\$2,056,010</b>	<b>\$2,136,990</b>	<b>\$2,219,591</b>	<b>\$2,303,843</b>
<b>FY 2015 Expenses and Commitments<sup>2</sup></b>						
Salaries and Operating Expenses	(\$379,707)	(\$391,098)	(\$402,831)	(\$414,916)	(\$427,364)	(\$440,184)
CRA Liability Insurance	(\$13,500)	(\$13,500)	(\$13,500)	(\$13,500)	(\$13,500)	(\$13,500)
EMS MSTU Refund to Leon County	(\$59,858)	(\$78,974)	(\$82,146)	(\$85,381)	(\$88,681)	(\$92,048)
Deck and Block Public Parking Management Fee	(\$14,400)	(\$14,400)	(\$14,400)	(\$14,400)	(\$14,400)	(\$14,400)
Deck and Block Condo Insurance Expense	(\$4,500)	(\$4,500)	(\$4,500)	(\$4,500)	(\$4,500)	(\$4,500)
Deck and Block Public Parking Operational and Capital Expenses	(\$2,900)	(\$2,900)	(\$2,900)	(\$2,900)	(\$2,900)	(\$2,900)
Deck and Block Pay Station Lease Fees (Oct - Dec 2014)	(\$13,500)	\$0	\$0	\$0	\$0	\$0
Deck and Block Pay Station Purchase Fee (January 2015)	(\$30,000)	\$0	\$0	\$0	\$0	\$0
Four Points Hotel Renovation (Final Grant Payment)	(\$35,000)	(\$35,000)	(\$35,000)	(\$35,000)	(\$35,000)	(\$35,000)
FY 2015 Promotional and Special Events Grant	(\$578,365)	(\$540,372)	(\$555,277)	(\$570,597)	(\$586,345)	(\$602,532)
<b>Total</b>	<b>\$2,167,023</b>	<b>\$1,436,245</b>	<b>\$1,500,733</b>	<b>\$1,566,393</b>	<b>\$1,633,246</b>	<b>\$1,701,311</b>
<b>Funds Available for Capital Projects</b>						
<b>Proposed FY 2015 Programs and Projects<sup>3</sup></b>						
Unclassified Contractual Services (FY 15 Proposed)	(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)
Demolition of Shelter and Renaissance Comm Center Properties (FY 15 Proposed)	(\$75,000)	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)
Commercial Façade Improvement Grant (FY 15 Proposed)	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)
Commercial Exterior Painting Program (FY 15 Proposed)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)
Retail Incentives Loan Program (FY 15 Proposed)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)
Affordable Housing	\$0	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)
District Joint Venture (NAP) East and West (anticipated from FY 2016 to FY 2022)	\$0	(\$376,800)	(\$388,603)	(\$400,761)	(\$413,283)	(\$490,954)
Loan Guarantee Program	\$0	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)
Frenchtown Market Pavilion (Not Approved)	(\$500,000)					
Inspiration Station (Not Approved)	(\$518,000)					
South Towne Mall Renovations/Landscaping (Not Approved)	(\$200,000)					
Additional Virginia/Tennessee Street Property Purchases (Not Approved)						
South Monroe Street Property Purchases (Not Approved)						
<b>Total</b>	<b>(\$1,698,000)</b>	<b>(\$1,031,800)</b>	<b>(\$1,043,603)</b>	<b>(\$1,055,761)</b>	<b>(\$1,068,283)</b>	<b>(\$1,145,954)</b>
<b>Uncommitted Funds</b>						
	\$469,023	\$404,445	\$457,130	\$510,632	\$564,963	\$555,357

Notes:  
 1. Based on Preliminary Taxable Value provided by Leon County Property Appraiser on July 1, 2014. This value is subject to change when Final Taxable Value issued.  
 2. Based on existing contractual agreements and operating agreements.  
 3. Proposed FY 2015 program funding and for further discussion

**Downtown District Community Redevelopment Area**  
**Draft FY 2015 Operating and Capital Budget with Projected Outyear Income/Expenses**  
 (as of July 1, 2014)

	FY 2015 Preliminary	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected
<b>Income</b>						
Tax Increment <sup>1</sup>	\$1,251,120	\$1,339,532	\$1,598,057	\$1,667,112	\$1,737,548	\$1,809,392
Other Income:						
Aloft Hotel Parking Lot Lease Payments	\$100,980	\$100,980	\$100,980	\$107,712	\$111,078	\$111,078
Marriott RI Retail Incentives Loan Payments	\$5,863	\$5,863	\$5,863	\$5,863	\$5,863	\$5,863
Lucy and Leo's Cupcakery Loan Payments	\$2,167	\$2,167	\$2,167	\$2,167	\$2,167	\$2,167
<b>Total</b>	<b>\$1,360,131</b>	<b>\$1,448,543</b>	<b>\$1,707,068</b>	<b>\$1,782,855</b>	<b>\$1,856,657</b>	<b>\$1,926,333</b>
<b>Available Project Funds/Cash on Hand (as of 23 June 2014)</b>						
FY 2013 DD Land Acquisition, Development and Related Expenses	\$269,633					
FY 2014 DD Land Acquisition, Development and Related Expenses	tbd					
<b>Total</b>	<b>\$269,633</b>	tbd	tbd	tbd	tbd	tbd
<b>Total Available for Project Funding (less Other Income)</b>	<b>\$1,520,753</b>	<b>\$1,339,532</b>	<b>\$1,598,057</b>	<b>\$1,667,112</b>	<b>\$1,737,548</b>	<b>\$1,809,392</b>
<b>FY 2015 Expenses and Commitments<sup>2</sup></b>						
Operating Expenses	(\$321,709)	(\$331,360)	(\$341,301)	(\$351,540)	(\$362,086)	(\$372,949)
CRA Liability Insurance	(\$11,500)	(\$11,500)	(\$11,500)	(\$11,500)	(\$11,500)	(\$11,500)
College Town	(\$366,409)	(\$366,409)	(\$366,409)	(\$366,409)	(\$366,409)	(\$366,409)
The Catalyst	(\$194,892)	(\$199,908)	(\$205,050)	(\$61,950)		
601 South Copeland	(\$50,000)	(\$50,000)	(\$50,000)	(\$30,000)		
Gateway Tallahassee (202 East Tennessee Street)	(\$159,315)	(\$198,106)	(\$48,825)	(\$44,709)		
Word of South Literature Festival	(\$37,500)					
Downtown Promotional/Special Events Program	(\$35,000)	(\$35,000)	(\$35,000)	(\$35,000)	(\$35,000)	(\$35,000)
Downtown Juror Bus	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)
<b>Total</b>	<b>(\$1,177,325)</b>	<b>(\$1,193,283)</b>	<b>(\$1,059,085)</b>	<b>(\$902,108)</b>	<b>(\$820,568)</b>	<b>(\$464,867)</b>
<b>Funds Available for Capital Projects</b>	<b>\$343,428</b>	<b>\$146,249</b>	<b>\$538,972</b>	<b>\$765,004</b>	<b>\$916,980</b>	<b>\$1,344,525</b>
<b>Proposed FY 2015 Programs and Projects</b>						
Unclassified Contractual Services	(\$20,000)					
Downtown Commercial Façade Improvement Grant Program	(\$125,000)	(\$75,000)	(\$125,000)	(\$125,000)	(\$125,000)	(\$125,000)
Downtown Commercial Exterior Painting Grant Program	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)
Downtown Retail Incentives Program	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)
Implementation of LWLP Study	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)
Firestone and Bloxham Site Development	(\$75,000)					
444 College Avenue		(\$140,000)	(\$145,980)	(\$149,016)	(\$152,113.19)	(\$155,272)
<b>Total</b>	<b>(\$335,000)</b>	<b>(\$140,000)</b>	<b>(\$365,980)</b>	<b>(\$389,016)</b>	<b>(\$342,113)</b>	<b>(\$345,272)</b>
<b>Uncommitted Funds<sup>3</sup></b>	<b>\$8,428</b>	<b>\$6,249</b>	<b>\$152,992</b>	<b>\$375,987</b>	<b>\$574,867</b>	<b>\$999,253</b>

Notes  
 1. Based on Preliminary Tax Roll Values provided by Leon County Property Appraiser on July 1, 2014. This value is subject to change when the Final Taxable Values are issued.  
 2. Based on existing contractual agreements and operating agreements  
 3. Proposed FY 2015 program funding.

**Agenda Item Details**

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Meeting	Jul 10, 2014 - CRA Board Meeting
Category	4. Policy Formation & Direction
Subject	4.04 Program and Project Updates – Roxanne Manning, Tallahassee Community Redevelopment Agency
Access	Public
Type	Discussion

**Public Content**

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Verbal Update.

**Administrative Content**

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