

City of Gulf Breeze Community Redevelopment Agency FY2014 Annual Report



Prepared by
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FY2014 Community Redevelopment Agency Board

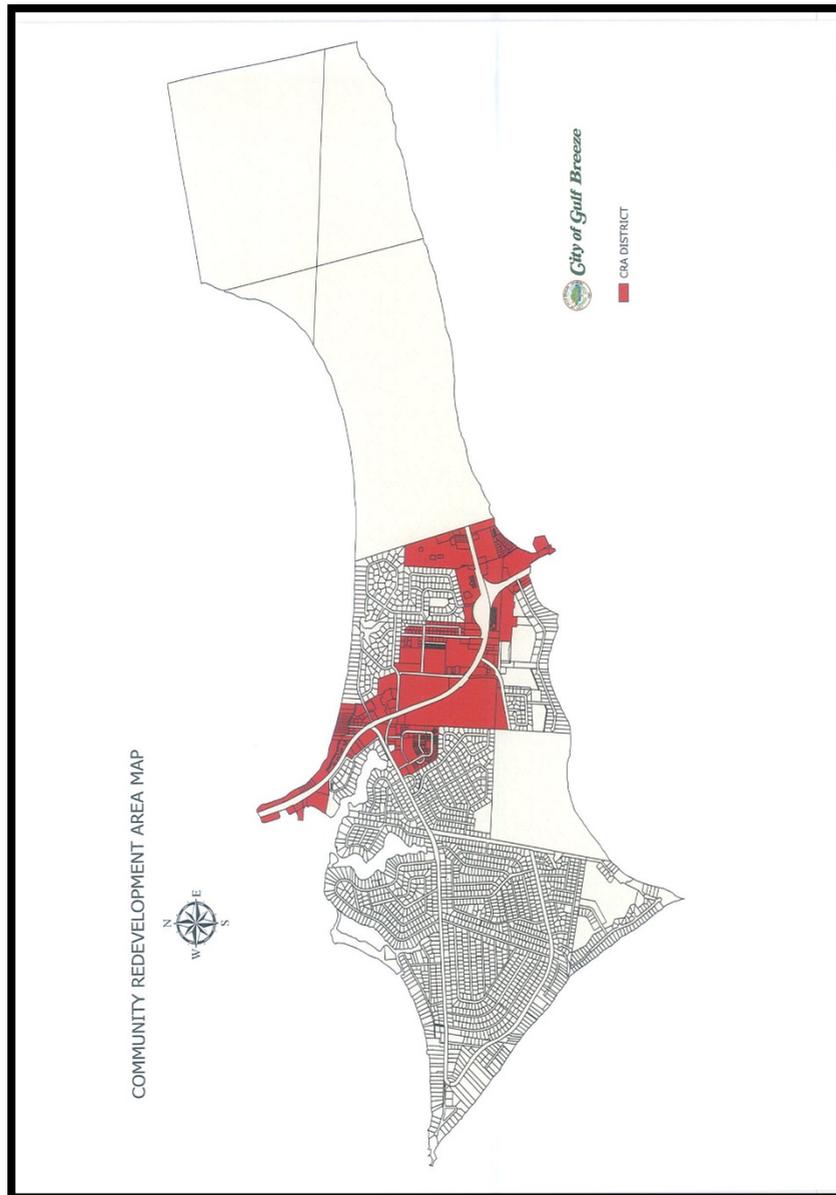
Pursuant to Resolution No. 18-89, the City Council of the City of Gulf Breeze serves as the Community Redevelopment Agency Board and is vested with all rights, powers, duties, privileges and immunities vested in a community redevelopment agency by the Community Redevelopment Act, FS § 163.330 et seq. The members of the Community Redevelopment Agency Board for FY 2014 (October 1, 2013 to September 30, 2014) were as follows:

- Beverly H. Zimmern, Mayor
- J.B. Schluter, Mayor ProTem
- Joseph Henderson, Councilman
- David G. Landfair, Councilman
- Cherry Fitch, Councilwoman

FY2014 Community Redevelopment Agency Staff

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Community Redevelopment Area Map



Community Redevelopment Agency History

Before Gulf Breeze was incorporated in 1961 it witnessed significant commercial growth and investment along US 98 (Gulf Breeze Parkway). This growth consisted of a variety of retail centers, service stations, office complexes, restaurants, and

motels. There were no standards or guidelines in place to discourage the "strip commercial" pattern that resulted, nor was there an attempt to establish or nurture a "downtown" or "city center" identity.

In an effort to create a sustainable downtown community and to address high vacancy rates in retail and office units along Gulf Breeze Parkway, the City of Gulf Breeze proposed the delineation of a redevelopment area along this corridor, which served as the economic and, to some extent, social core of the City. To administer the activities and programs offered within the redevelopment area the City created a Community Redevelopment Agency in December of 1989.

The Gulf Breeze CRA is approximately 393 acres in size, about 13% of the City's acreage, and is comprised of approximately 410 parcels. The CRA is located along the entire corridor of Gulf Breeze Parkway within the City limits, beginning at the south side of the Pensacola Bay Bridge and extending at various depths northeast and southwest of the highway to the City's eastern limits. The CRA also includes the Pensacola Beach Road corridor south of Gulf Breeze Parkway, which forms the approach to the Bob Sikes Bridge to Pensacola Beach.

The need for a CRA was established in 1989 based on the Finding of Necessity documentation required pursuant to Chapter 163, Florida Statutes. This document continues to act as the foundation for blight determination within the CRA and the elimination of these blighting characteristics remains the primary focus for redevelopment activities. Many of the blighting characteristics have been addressed to some degree since the time the CRA was established in 1989; however, some issues have not been addressed, or have not been addressed fully, so the need continues to exist.

The City of Gulf Breeze adopted its first redevelopment plan in 1990 to "...assist the City with addressing the early signs of blight identified in 1989 and to stimulate economic development within the community redevelopment area." The City's 1990 comprehensive plan states that "...much of the commercial core suffers from underutilization and aesthetically poor architecture."

Concurrent with the Agency being created in 1989, the City Council was appointed as the Board of the Community Redevelopment Agency. Subsequently, a Redevelopment Plan was developed and adopted following several public hearings. The Redevelopment Plan established the goals for implementing revitalization of the core downtown area.

The CRA Plan has been updated in 2006 and again in 2009. In order to ensure that an orderly plan of growth would be followed, the Gulf Breeze Community Redevelopment Agency directed that the 1990 CRA Plan be updated. Based on community input and visioning that began in March 2006 and culminated in July 2008, this updated plan evaluates the CRA's physical and economic conditions and the challenges and opportunities facing the community.

Redevelopment strategies and critical tasks are included in this update that will enable the City of Gulf Breeze to stimulate and encourage economic development, provide increased public amenities, improve pedestrian safety and effectively manage redevelopment within the CRA in order to realize the City's vision and long-term community goals. Short-term (up to five years) and long-term (up to ten years) capital improvements projects are identified as a means to address these issues in a way that will maximize leveraging of local, state and federal resources in the implementation of this plan.

Since 1989, the City has been proactive in addressing the issues in the Redevelopment Plan and several major initiatives have been completed over the past ten years. Most noticeable is the median landscaping, decorative fencing, establishment of the Community Redevelopment design guidelines and urban design standards, and designation of four major CRA Gateway Districts.

2014 Community Redevelopment Achievements

Master Plan

The City approved a Most Livable City Plan in July of 2013. The origins of this planning process arose from a recognition of changing economic conditions, uncertain future transportation impacts from the proposed reconstruction of the Pensacola Bay Bridge and the need to diversify and strengthen the local economy. The objectives of this planning process were:

- Create a long-term vision for economic development.
- Mitigate traffic impacts.
- Maintain and protect the quality of life for residents and businesses.
- Create community consensus for future decisions.

In 2014 the City retained VHB to work on an amendment to the City's Comprehensive Plan to ensure that the goals, objectives and policies of the plan reflected the City's Vision and Mission Statement and the 2013 Most Livable City Plan. A Steering Committee was established and community stakeholder input was obtained. Through the course of numerous public meetings, the Comprehensive Plan amendment was developed and refined. Two key elements of the amendment included:

- The creation of a new mixed use development zoning district that is intended to provide for a mixture of office, retail, business, education facilities and high density residential. This land use would only be permitted in the CRA.

- The establishment of target height zones within the mixed use development land use that would increase permitted building heights to 45 or 60 feet based on an identified overlay district within in the CRA. Increases in height would be subject to a special exception approved by the City Council and the implementation of certain design criteria.

On August 4, 2014 the City held a public hearing on a proposed ordinance to adopt the amendment. At that same time, the amendment was transmitted to various state agencies for appropriate review. The only agency to respond was the Department of Education and the proposed Comprehensive Plan amendment was revised in response.

Approval of the Comprehensive Plan amendment is scheduled for December 2014 or January 2015. Corresponding amendments to the City's Land Development Code will be needed to implement these changes. That is expected to be completed during the first half of 2015. The City expended \$108,185 in CRA funds during the year on this effort. Additional funding will be necessary to complete the Code changes in FY 15.

Strategic Property Acquisition

On May 19, 2014, the Board of Directors authorized the purchase of a parcel that was located in one of the Gateway Districts of the CRA. It was also located in the East Gate Catalyst Site. Catalyst Sites were identified in the Most Livable City Plan as a strategic area for public and/or private reinvestment to encourage redevelopment. They were intended to "jump start" or catalyze change within the community. By identifying Catalyst Sites, the City has the opportunity to plan proactively. The following factors were used in identifying such sites:

- Market Potential
- Visibility on US 98
- Potential for change

While the property contained a small office complex, its value was more strategic due to its location at the entrance of the City and its proximity to the Gulf Breeze Hospital/Andrews Institute Complex. The property was also located in an area that was recognized in the City's Most Livable City Plan as being critical to develop a transportation element that could create a corridor to convey traffic parallel to US 98, thereby potentially reducing traffic on a section of US 98 that had been identified as exceeding current capacity.

While the purchase of the property was predicated on its strategic value, interim benefits were also considered. These included:

- The use of the existing complex to temporarily function as a City Hall Annex.
- The development of the site as a Compressed Natural Gas (CNG) distribution facility.
- The lease of the complex for private reinvestment as Class B office space.

A contract for the purchase of the property was finalized on August 4, 2014. The final purchase price and expenses totaled \$430,685.00, which was paid from the CRA.

Andrews Institute Development Assistance

Andrews Institute opened in Gulf Breeze in 2007 and has since gained a reputation as a world-class provider of orthopedic and sports medicine. As part of their mission, Andrews Institute performs research in preventing sports injuries and seeks funding opportunities to provide the highest quality care to wounded military personnel. Andrews Institute is located adjacent to Gulf Breeze Hospital and together comprise a comprehensive Medical Campus located in the CRA. The Campus pays over \$313,000 in ad valorem real estate taxes on an annual basis. Andrews Institute and Gulf Breeze Hospital employ approximately 750 people and have a total annual payroll of \$44,700,000. Andrews Institute alone employs 279 persons with an annual payroll of \$26,000,000. It is estimated that the annual impact from visits to the Campus is over \$13,000,000.

On July 14, 2014 the City entered into a development assistance agreement with Andrews Institute. The agreement provided for the City to contribute \$350,000 toward the construction and equipping of a Regenerative Tissue Lab at the newly formed Andrews Research and Education Foundation (AREF). The AREF Lab will be one of the first labs in the US to research and formulate procedures in regenerative medicine. The purposes of the contribution include:

- Maintaining the Andrews Institute at the forefront of the treatment of musculoskeletal injuries and diseases.
- Continuing the research at AREF that originally commenced with the opening of the Andrews Institute.
- Continuing the growth of AREF, Andrews Institute and the entire medical campus as an economic and employment base for the City and surrounding region.

The agreement provided for two contributions of \$175,000 at certain milestones. The first milestone was the commencement of construction of the lab. The second milestone was when construction was completed and the lab equipped. In addition, the development assistant agreement provided that certain economic and

employment conditions be maintained and increased over time at both Andrews Institute and Gulf Breeze Hospital. These conditions included:

- 3% annual growth in employment, payroll and ad valorem taxes.
- Maintaining all current primary services for at least 10 years.
- Maintaining the AREF lab for 10 years.
- Payment of 5% of any royalties, license fees or other compensation received by AREF for the use of Intellectual Property developed by the lab.

Construction of the lab began prior to year end and the City made the first contribution of \$175,000 under the terms of the agreement. The AREF lab is expected to be completed in the first quarter of 2015.

FY 2014 CRA Expenditures

Total unaudited revenues and expenses and the CRA balance sheet are attached.

CITY OF GULF BREEZE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL -
URBAN CORE REDEVELOPMENT SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2014

Exhibit VI

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Taxes	\$ 568,112	\$ 568,110	\$ 568,110	\$ -
Miscellaneous	-	1,350	1,350	-
Total revenues	568,112	569,460	569,460	-
Expenditures:				
Current:				
General government	268,050	516,574	516,574	-
Capital outlay	224,827	430,685	430,685	-
Total expenditures	492,877	947,259	947,259	-
Excess (deficiency) of revenues over (under) expenditures	75,235	(377,799)	(377,799)	-
Other Financing Sources (Uses):				
Transfers in	177,090	183,829	183,829	-
Transfers out	492,877	(252,325)	(252,325)	-
Total other financing sources and (uses)	669,967	(68,496)	(68,496)	-
Net change in fund balances	\$ 745,202	\$ (446,295)	(446,295)	\$ -
Fund Balances:				
Beginning of year			711,122	
End of year			\$ 264,827	

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

CITY OF GULF BREEZE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2014

Exhibit IV - A

	General	Urban Core Redevelopment	Non-Major Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 2,322,453	\$ 568,110	\$ -	\$ 2,890,563
Licenses and permits	392,538	-	-	392,538
Intergovernmental	2,434,281	-	-	2,434,281
Charges for services	311,099	-	-	311,099
Fines and forfeitures	106,484	-	720,270	826,754
Investment earnings	11,844	-	-	11,844
Miscellaneous	772,665	1,350	29,431	803,446
Total revenues	<u>6,351,364</u>	<u>569,460</u>	<u>749,701</u>	<u>7,670,525</u>
Expenditures:				
Current				
General government	1,514,858	516,574	-	2,031,432
Public safety	2,393,081	-	679,217	3,072,298
Transportation	328,318	-	-	328,318
Economic environment	136,168	-	-	136,168
Culture and recreation	1,382,952	-	-	1,382,952
Capital outlay	518,148	430,685	-	948,833
Debt service				
Principal	184,800	-	-	184,800
Interest	396,336	-	-	396,336
Total expenditures	<u>6,854,661</u>	<u>947,259</u>	<u>679,217</u>	<u>8,481,137</u>
Excess revenues over (under) expenditures	<u>(503,297)</u>	<u>(377,799)</u>	<u>70,484</u>	<u>(810,612)</u>
Other Financing Sources (Uses):				
Transfer in	1,666,347	183,829	-	1,850,176
Transfer out	(195,705)	(252,325)	(2,530)	(450,560)
Total other financing sources (uses)	<u>1,470,642</u>	<u>(68,496)</u>	<u>(2,530)</u>	<u>1,399,616</u>
Net change in fund balances	967,345	(446,295)	67,954	589,004
Fund Balances:				
Beginning of year	<u>6,742,668</u>	<u>711,122</u>	<u>526,717</u>	<u>7,980,507</u>
End of year	<u>\$ 7,710,013</u>	<u>\$ 264,827</u>	<u>\$ 594,671</u>	<u>\$ 8,569,511</u>

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