

**2016 CITY OF GULF BREEZE, FL
COMMUNITY REDEVELOPMENT AREA ANNUAL REPORT**

FY2016 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 2016 were as follows:

Matt Dannheisser, Mayor and Chairperson

Joseph Henderson, Mayor ProTem and Vice Chairperson

Renee Bookout, Councilwoman

Cherry Fitch, Councilwoman

David G. Landfair, Councilman

Cherry Fitch, Councilwoman

FY2016 Community Redevelopment Agency Staff

Edwin. A. Eddy, City Manager

City of Gulf Breeze

1070 Shoreline Drive

Gulf Breeze, Florida 32561

(850) 934-5115

eaeddy@gulfbreezefl.gov

Curt Carver, Deputy City Manager

City of Gulf Breeze

1070 Shoreline Drive

Gulf Breeze, Florida 32561

(850) 203-6033

ccarver@gulfbreezefl.gov

Prepared by

Samantha D. Abell, Deputy City Manager

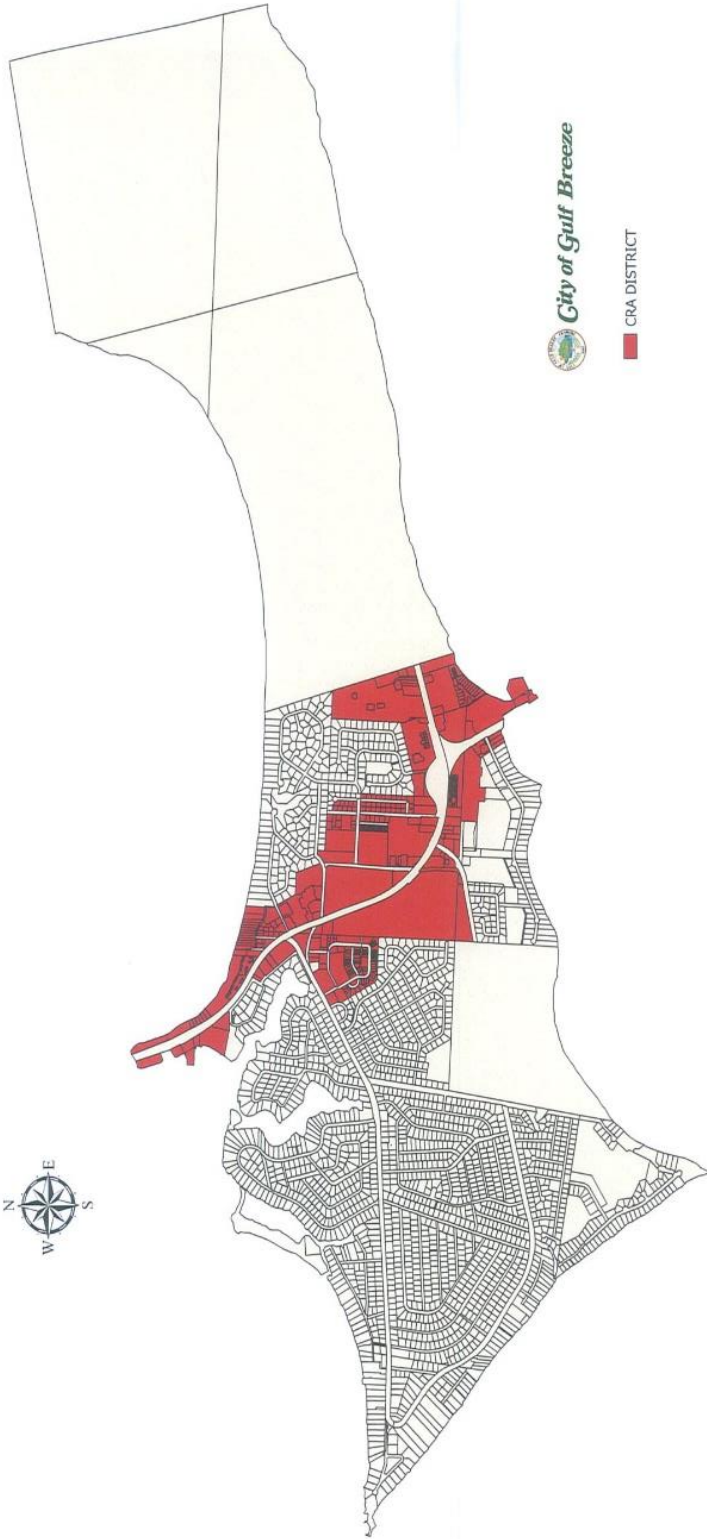
City of Gulf Breeze

1070 Shoreline Drive

Gulf Breeze, Florida 32561

Community Redevelopment Area Map

COMMUNITY REDEVELOPMENT AREA MAP



 *City of Gulf Breeze*

 CRA DISTRICT

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.

Since 1990, the CRA Plan has been updated in 2006, 2009 and is in the midst of another for 2017. The 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.

2016 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 and revitalization of the three “catalyst sites” located within the CRA District.
- Mitigate traffic impacts which deter motorists from frequenting local business during peak hours.
- Maintain and protect the quality of life for residents and businesses and encourage mixed-use for livability within the CRA District.
- Create community consensus for future decisions, especially related to the CRA District’s highway corridor.

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.

The Comprehensive Plan amendment was approved in 2015. Corresponding amendments to the City's Land Development Code were subsequently approved to implement the new mixed-use land designation with a performance bonus system for livability amenities within the CRA District.

In 2016, the CRA contracted with WTL+a, a firm located in Washington DC, to complete a market study within the CRA District which included demographic detail and an industry leakage report, in order for the City to focus revitalization strategies on greatest returns. In addition to the market study, WTL+a began work on a market analysis for one of the three catalyst sites: East Gate. The East Gate catalyst site entails redeveloping an under-utilized retail strip center for the purpose of expanding the two largest employers in the City, both located adjacent to the strip center: Baptist Hospital and AppRiver.

Also in 2016, VHB continued to progress on the CRA Plan Update, including detail related to traffic congestion and proposed improvements, redevelopment projects, and infrastructure needs. The CRA Plan update is expected to be complete the first half of 2018.

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, given that two of the catalyst sites include the top 7 employers and are land-locked due to adjacent structural challenges;
- Visibility on US 98 and contribution to traffic congestions;

- Need for revitalization, or potential for change, due to under-utilization.

In 2015, developers purchased the dilapidated property from the City under a development agreement to build medical office space.

In 2016, the developer demolished the property and all approvals and permits were granted for the construction of new medical office space which will include Henghold dermatology and Baptist Healthcare professionals. Construction is expected to be completed in late 2017, early 2018.

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.

The AREF lab construction was completed in 2015. November 2016, AREF provided a report for years 2015 and 2016. The report includes economic impact metrics, a description of AREF's clinical research studies since July 2014, and educational courses and conferences administered by AREF. The economic impact metrics provided by AREF show that the AREF programs, as well as growth from the Gulf Breeze Hospital and the Andrews Institute, are significant economic multipliers for the City and County in terms of the growing number of employees, payroll, and ad valorem taxes.

The amount of estimated annual impact from visits to the Gulf Breeze Hospital Campus was \$13,127,300 in 2014, \$18,874,420 in 2015, and \$19,475,366 in 2016, which are increases of 44% in 2015 and 3% in 2016.

The AREF report details educational conferences which draw national audiences to Gulf Breeze, and the creation of nationwide programs and partnerships. Two of the programs detailed are: (1) The Andrews Fellowship Program, a 12-month program which offers exposure to all areas of orthopaedics and sports medicine to fellows under the guidance of Andrews Institute physicians, and (2) The Eagle Fund, a program developed in partnership with AREF and EXOS, world leaders in sports medicine and human performance. The 4-6 week program is administered through AREF for the purpose of supporting active duty wounded or injured members of the Special Operations community.

FY 2016 CRA Expenditures

In 2016, the CRA Urban Core Fund received \$637,413 as the County's tax increment contribution and \$199,300 from the City's contribution for a total \$836,713.

The CRA expended nearly \$200,000 for professional and contract services including WTL+a and VHB, as well as landscapers for beautification of the Highway 98 corridor.

The CRA continued its “safe streets” program with \$53,000 in street lighting expenditures as a deterrent to crime in proximity to local business.

Capital improvement expenses totaled nearly \$150,000 for further beautification of the CRA urban corridor.

The CRA expended \$300,000 for CRA community policing and emergency response within the CRA District.

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