

COMMUNITY REDEVELOPMENT AGENCY CITY OF NEW PORT RICHEY, FL



FY2015 – 2016

Annual Report

“Proud of Our Progress”

Community Redevelopment Agency City of New Port Richey, FL

ANNUAL REPORT

BOARD OF DIRECTORS

The City of New Port Richey's City Council serves as the Community Redevelopment Agency's Board of Directors. The members for Fiscal Year 2015 – 2016 are as follows:

Robert Marlowe, Chairman, Mayor

Bill Phillips, Vice Chairman, Deputy Mayor

Judy DeBella Thomas, Board Member

Jeff Starkey, Board Member

Chopper Davis, Board Member

CRA STAFF

Debbie L. Manns, City Manager, CRA Executive Director

Mario Iezzone, Economic Development Director

Joyce Haasnoot, Sr. Assistant to the CRA Director & Economic Development Director

Lisa L. Fierce, Development Services Director

Timothy P. Driscoll, City Attorney

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Financial data has been provided by Crystal S. Feast, Finance Director.

MISSION STATEMENT

It is the mission of the Community Redevelopment Agency (CRA) to nurture an environment that supports the growth and retention of businesses, increases property values, and enhances the quality of life for New Port Richey residents.

PURPOSE OF THIS REPORT

This annual report is required by Florida Statute, Chapter 163.356(3)(c), the governing statute for all community redevelopment agencies across the state, and covers redevelopment activities from October 1, 2015 through September 30, 2016. The statute also requires the report to contain a complete financial statement of assets, liabilities, income and operating expenses, amount of tax increment funds collected and a record of key accomplishments for the fiscal year.

OVERVIEW

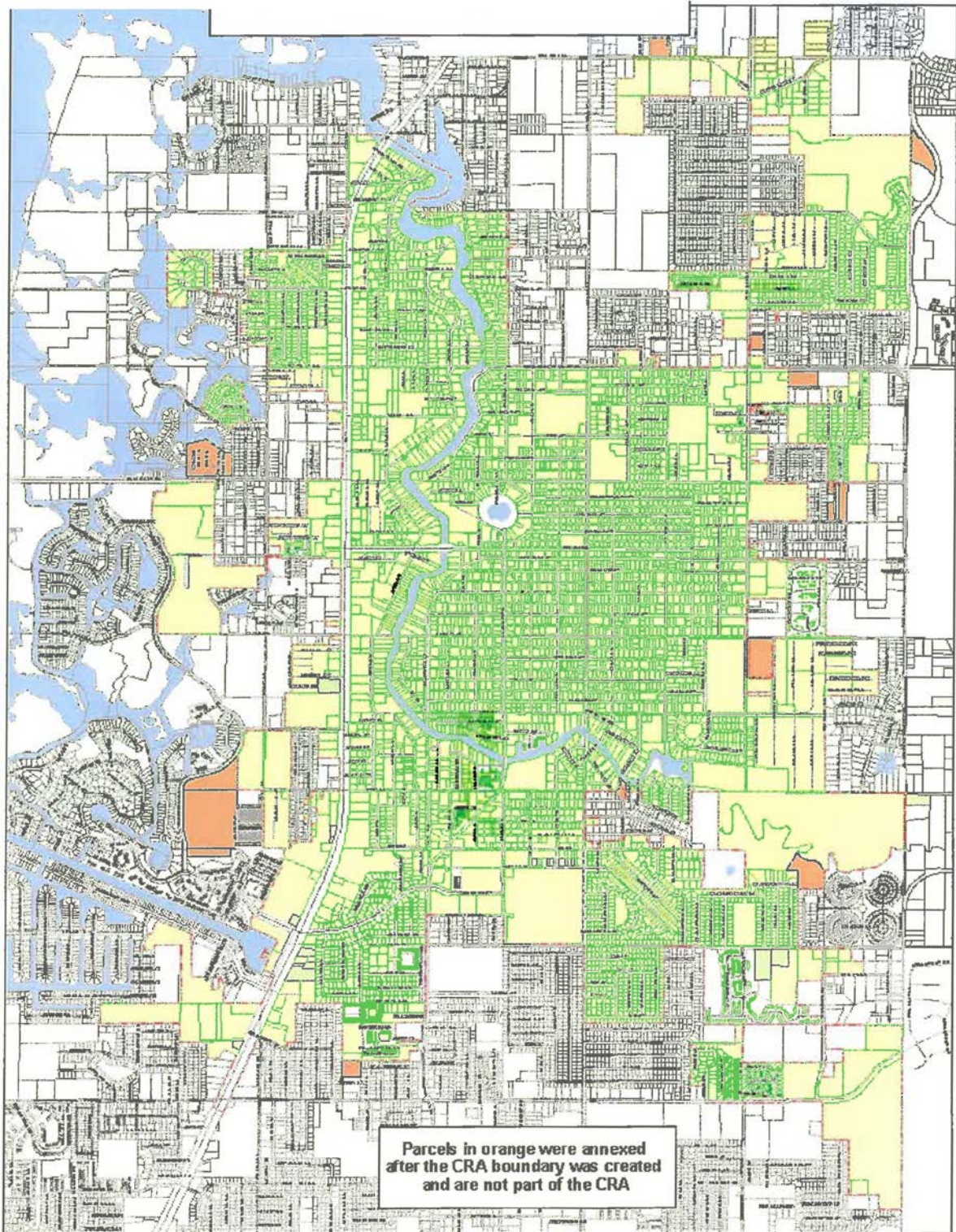
Authorized by Chapter 163, Part III, Florida Statutes, a community redevelopment agency is created to guide redevelopment activities that are designed to return properties to their highest and best use and to improve the economic vitality of a specially designated area, rendering it more appealing for private sector investment. When properly administered, the general purpose of a community redevelopment agency is to reserve and enhance the redevelopment district's tax base through development activities and the establishment of public-private partnerships.

Redevelopment endeavors are implemented through a public body, which is known as a community redevelopment agency. Community redevelopment agencies have the ability to utilize a designated funding tool, known as Tax Increment Financing, which is available to cities and counties for redevelopment activities. Tax Increment Financing is used to leverage public funds to promote private-sector activity in the denoted area or areas. When established, the dollar value of all real property in a redevelopment district is determined as of a fixed date, also known as the "frozen value." Taxing authorities that contribute to the redevelopment district continue to receive property tax revenues based on the frozen value, and these frozen value revenues are available for general government purposes. However, any revenues from increases in real property value, referred to as "increment," are deposited into a community redevelopment agency trust fund and are allocated to the redevelopment district.

Under the authority of Chapter 163, Part III, Florida Statutes, the New Port Richey City Council established the City of New Port Richey Community Redevelopment Agency on November 15, 1988 as a dependent special district to guide the City in its redevelopment efforts.

The CRA boundaries were originally established in 1988 and included the central business district or urban core of the City and some surrounding neighborhoods. In 2001, The City expanded its CRA boundaries to include all properties within the city limits.

CRA DISTRICT



FY2015 – 2016 Major Highlights

The redevelopment of our community is a central focus of the Community Redevelopment Agency. It is the responsibility of the Agency to plan, coordinate, and facilitate the City’s efforts to attract, retain, and grow businesses and jobs.

Hacienda Hotel

By the end of the fiscal year, the Hacienda Hotel, a CRA asset, completed the first phase of its building stabilization and historic preservation efforts. The scope of work included over \$1 million in historic preservation funds. The CRA has applied for an additional \$550,000 in funding from the Florida Division of Historical Resources, which would include a match of \$400,000 pledged by the CRA.



Main Street Landing

During the fiscal year, the CRA successfully negotiated a development agreement to complete Main Street Landings. Started in 2005, this project was to serve as an economic catalyst to downtown redevelopment. However, the project was impacted by the several hurricanes that passed, and a significant rise in construction material costs. Main Street Landings will house 80 upscale residential units and 14 new commercial units. The expected completion date is between June and August of 2018.



Residences of Orange Lake

During the fiscal year, the CRA worked on securing a sales agreement for the development of the Residences of Orange Lake. The property, formerly known as the First Baptist Church site, was purchased by the CRA in 2005. However, the recession of 2008 impaired its marketability. This project will include a total of 85 residential units to be developed within three phases. The design will feature unified architecture, traditional layout and well-landscaped common areas. As part of the City's effort to increase the number of new dwellings in the Downtown, this development will foster increased demand for goods and services provided downtown, including the existing and recently-opened restaurants and retail businesses, as well as a wider range of businesses in the future. Providing more residential options downtown and generating demand for commercial spaces is key to making downtown a complete urban center where people live, work, shop and socialize.

Business Incentive Grants

Business incentive grants are an integral part of the activities of the CRA because they help to revitalize and bring new life, as well as new investment, into the City of New Port Richey. During the fiscal year, the CRA aided 48 commercial property owners and granted approximately \$220,000.

New Commercial Businesses and Job Creation

The CRA remains continuously mindful of one of the most basic principles set forth to guide redevelopment agencies – preservation and expansion of the tax base through increasing economic development opportunities. The CRA understands that, in order to achieve this goal, it is important to not only recruit new businesses, but also to provide outreach and frequent contact to the existing business community.

During the fiscal year, the following businesses were established or relocated to New Port Richey :

- My Network One
- People Places
- White Heron Tea Room
- New Port Richey Florist
- Blow Hair Studio
- Home Instead Senior Care
- Breton's Handcrafted Soap
- Sno Shack
- Vintage Chickabees
- Ceci's Salon

FINANCIAL REPORT

The CRA funds its programs and projects primarily through Tax Increment Financing (TIFs). Each fiscal year, the CRA reinvests its TIF dollars, along with other revenue from sources such as grants, bond financing, and property sales, back into the redevelopment activities with the CRA district. Below is the CRA's Statement of Revenues, Expenditures, and Changes in Fund Balance, as of September 30, 2016:

COMMUNITY REDEVELOPMENT AGENCY OF NEW PORT RICHEY, FL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended September 30, 2016

(UNAUDITED)

REVENUES

Taxes	\$ 657,421
Grant revenue	749,997
Miscellaneous revenues	<u>11,277</u>

TOTAL REVENUES 1,418,695

EXPENDITURES

Current	
General government	1,523,325
Debt service	
Principal retirement	10,984,000
Interest and fiscal charges	<u>218,894</u>

TOTAL EXPENDITURES 12,726,219

EXCESS OF REVENUES OVER (UNDER) EXPENDITURES (11,307,524)

OTHER FINANCING SOURCES (USES)

Transfers in	12,013,955
Transfers out	<u>(981,628)</u>

TOTAL OTHER FINANCING SOURCES (USES) 11,032,327

NET CHANGE IN FUND BALANCE (275,197)

FUND BALANCE - BEGINNING OF YEAR (4,990,418)

FUND BALANCE - END OF YEAR \$ (5,265,615)

During Fiscal Year 2015 – 2016, the CRA paid off Redevelopment Revenue Bond, Series 2005A and Series 2005B. \$522,794 went toward administrative costs. \$1,523,325 went toward redevelopment activities, such as renovations to the Hacienda Hotel, management of the City's Business Incubator, and business incentive grants.

Below is a summary of the CRA's Balance Sheet at September 30, 2016.

COMMUNITY REDEVELOPMENT AGENCY OF NEW PORT RICHEY, FL	
BALANCE SHEET	
September 30, 2016	
(UNAUDITED)	
ASSETS	
Cash and pooled cash, cash equivalents, and investment:	\$ 420,060
Accounts Receivable, net	2,177
Redevelopment properties held for resale	<u>3,241,550</u>
TOTAL ASSETS	<u>\$ 3,663,787</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES:	
Accounts payable	\$ 15,648
Accrued liabilities	3,593
Advances from other funds	8,866,530
Unearned revenues	<u>(997)</u>
TOTAL LIABILITIES	<u>8,884,774</u>
FUND BALANCE	
Unassigned:	
Redevelopment	<u>(5,220,987)</u>
TOTAL FUND BALANCE	<u>(5,220,987)</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,663,787</u>

Items of significance in the above Balance Sheet include:

- The CRA has purchased real estate with the intent of reselling to qualified private-sector purchasers to enable the properties to be redeveloped. The properties are valued at \$3,241,550 at September 30, 2016.
- The City advanced the CRA funds in FY 2014 to pay off debt. Under the terms and conditions of the agreement, the CRA doesn't have to begin paying back the advance until Fiscal Year 2020. At September 30, 2016, the advance totaled \$8,866,530. The negative fund balance disclosed above is directly related to this advance.