

COMMUNITY REDEVELOPMENT AGENCY CITY OF NEW PORT RICHEY, FL



FYE 2019

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 2018 – 2019 are as follows:

Robert Marlowe, Chairman

Jeff Starkey, Board Member

Chopper Davis, Board Member

Peter Altman, Board Member

Matt Murphy, Board Member

CRA STAFF

Debbie L. Manns, CRA Executive Director

Charles Rudd, Economic Development Director

Amanda Napier, Sr. Assistant to the CRA Director & Economic Development Director

Earl Hahn, Development Services Director

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

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, 2018 through September 30, 2019. 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 preserve and enhance the redevelopment district's tax base through development activities and the establishment of public-private partnerships.

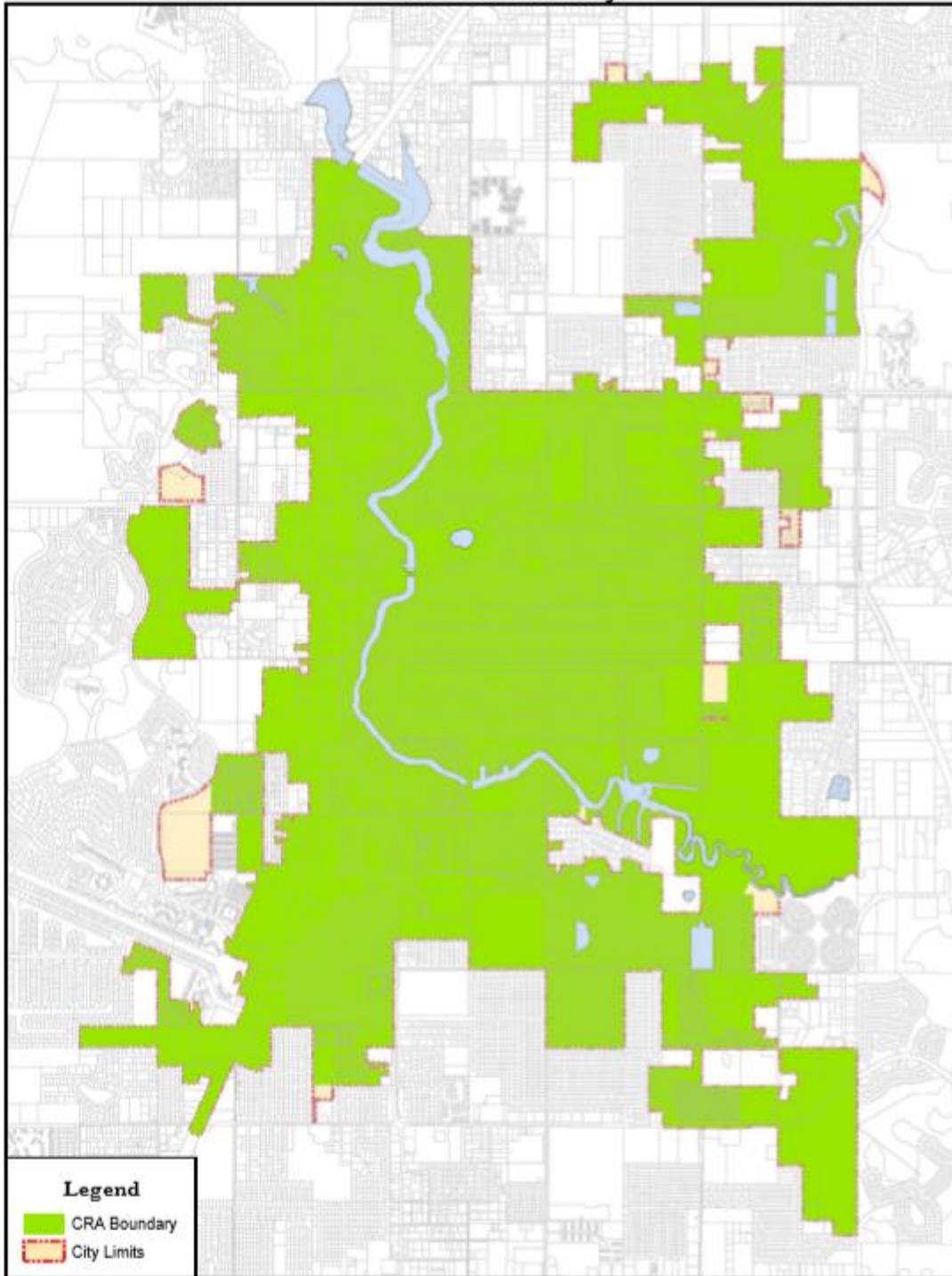
Redevelopment endeavors are implemented through a public body, which is known as a community redevelopment agency. Community redevelopment agencies have the ability to utilize a designated funding tool, known as Tax Increment Financing, which is available to cities and counties for redevelopment activities. 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

CRA Boundary



FY2018 – 2019 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. The CRA has been working hard at activating projects impacted by the Great Recession.

Hacienda Hotel

Listed on the National Historic Register, the Hacienda has received \$2.1 million in matching-grant historic preservation funds. These funds have been instrumental in laying the ground work to secure a hotel operator. Purchased in 2014, the Hacienda is currently undergoing additional renovations with the expectation the boutique hotel will open late 2020. The completed restoration efforts will bring the property as close to the original Hacienda when it opened in 1927 as possible. A total of 42 rooms are planned. There will be a restaurant and hospitality venue. Once open, the Hacienda will serve as tourist destination and economic driver to support downtown business owners.



Main Street Landing

Main Street Landings is a mixed-use project started in 2004. Following one of the worst hurricane seasons in Florida history and the subsequent Great Recession, the project sat idle for over 10 years. As part of a development agreement to complete the project, the CRA incentivized the project with \$1.475 million in CRA funds. The CRA also abated permit fees and a portion of the impact fees. The nearly complete building is expected to be open in fiscal year 2020. Main Street Landings will house 80 upscale residential and 14 commercial units. Located in the CRA Gateway District, the owner's investment in the property exceeds \$20 million and will generate new property tax revenues as well as supporting downtown businesses with new households in close proximity.



The Central

The Central, previously known as The Residences of Orange Lake, has commenced. Like the Main Street Landings redevelopment effort, The Central will consist of 80+ luxury apartments. Construction will occur in two phases. The initial phase will include major streetscape improvements to Central Avenue. The CRA incentivized this project using property tax rebates, permitting credits and impact fees abatement. At an estimated completed cost of \$14 million, The Central will generate over \$5.4 million in additional property taxes over the depreciable life of the building. Additionally, the project will serve to further define New Port Richey as a walkable community and great place to live.



Urban Core/Downtown Redevelopment

The Urban Core, at year's end, had an 85% occupancy, housing a diverse mix of businesses ranging from professional offices, art galleries, boutiques, personal services, restaurants and microbreweries. Rent rates for the most desirable locations have improved significantly, ranging from \$12 to \$16 per square feet. Higher rent revenues help support the owners desire to reinvest in their properties. We are seeing significant improvement in the city's downtown business districts, largely the results of the investment made by the CRA and capital improvements provided by the city in regard to Sims Park and Orange Lake.



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. Incentives are designed to leverage private capital investments into commercial properties. During the fiscal year, the CRA aided 14 owners, expending \$112,182.92 in grant funds.



CRA Plan Update and Studies

In fiscal year 2019, the CRA completed and adopted the update of the CRA plan. The CRA held a series of roundtable meetings to gather input from residents and worked with Kimley-Horn & Associates to complete the update. As part of the update, the CRA sunset was extended to 2049. Additionally, the CRA adopted an amendment to the CRA Plan to include details of the types of redevelopment activities and projects that would be undertaken to achieve the goals of the plan.

Budgeted Projects and Actual Expenditures

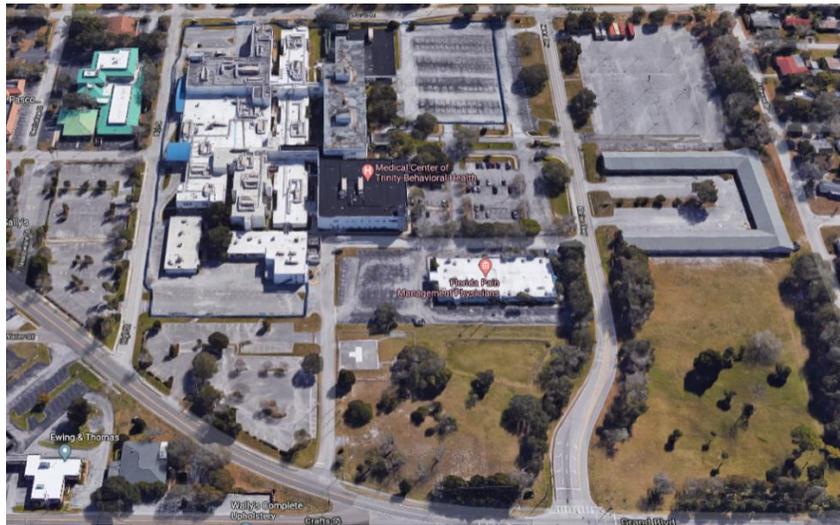
<u>Description</u>	<u>2019 Original Budget</u>	<u>2019 Actual</u>
Repairs - Hacienda Hotel	3,500.00	-
Repairs - OLD Post Office	2,500.00	3,228.07
Other Charges - Misc	5,000.00	12,378.29
Hacienda Hotel Restoration	475,000.00	368,832.15
Neighborhood Improvements	20,000.00	-
Main St. Landing	1,475,000.00	-
Railroad Square Improvements	-	12,247.00
Debt Service	886,890.00	1,276,770.00
Redevelopment Incentives	200,000.00	160,507.87
Itemized disbursements		
Grant - 5,771.72	Grant - 2,540.02	Grant - 2,011.25
Grant - 21,547.26	Grant - 1,615.00	Grant - 759.50
Grant - 2,300.94	Grant - 1,029.28	Grant - 2,291.50
Grant - 2,500.00	Grant - 2,835.00	Grant - 50,000.00
Grant - 5,000.00	Grant - 25,000.00	Grant - 2,002.46
Grant - 6,000.00	Grant - 4,527.50	Grant - 2,500.00
Grant - 2,390.00	Grant - 425.00	Grant - 4,900.50
Grant - 2,500.00	Grant - 1,750.00	Grant - 6,000.00
Grant - 2,300.94		
	<u>2019 Original Budget</u>	<u>2019 Actual</u>
Residential Incentives	50,000.00	37,005.29
Itemized disbursements		
Grant - 10,000.00	Grant - 7,000.00	Grant - 6,600.00
Grant - 7,395.00	Grant - 2,374.29	Grant - 3,636.00
Original Assessed Real Property Value of CRA District		366,405,811
Assessed Real Property Value as of January 1, 2019		523,581,168
Total amount expended for affordable housing for low-income and middle-income residents.		37,005.29

Redevelopment Targets from the 2019 Redevelopment Plan:

The Community Redevelopment Agency continues to make progress achieving the goals of the Redevelopment Plan. The 2019 Redevelopment Plan Update was adopted mid-year. Consequently, a number of programs will be funded in the next fiscal year.

Former Community Hospital Site and surrounding area.

Plans are in place for the next fiscal year to quantify and market the area as a branded commercial district within the City, working in conjunction with the Four Leaf Advisors and the HCA administration.



US 19 Corridor

Significant progress has been made on both immediate beautification efforts along US 19 as well as regulatory changes that will enhance the corridor over time. CRA staff have been working closely with prospective developers and property owners along US 19.

Through an FDOT Enhancement Grant, the medians on US 19 have been landscaped with Crepe Myrtles, shrubs and ground cover.

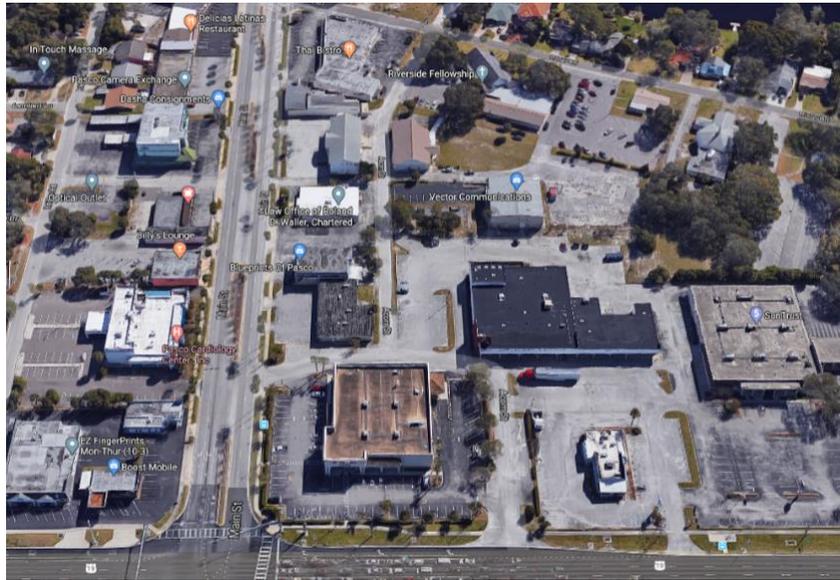


Staff also drafted and City Council approved an ordinance regulating the motels along the corridor to limit long-term stays in facilities that were not intended for this use.

An ordinance regulating landscaping and product placement at used car dealerships is also in the approval process. There is also an ordinance that will regulate outdoor displays under development.

US 19 Corridor: Rivergate Area and Main Street Gateway.

The Rivergate area has received significant attention and plans for this area are set to come to fruition in the first and second quarters of the next fiscal year. This will include redevelopment of the corner of Main Street and US 19 as well as the redevelopment of other parcels on this block. The Main Street Gateway area has seen significant improvement with the near completion of the Main Street Landings project, which will spur redevelopment in the surrounding area.



US 19 Corridor: Southgate Center and Magnuson Inn Area.

The CRA has been in discussion with the Southgate Center management for the addition of several more outparcels. Adjustments to the City's parking code will be required to take into account alternative transit such as buses and bicycles.



A new tenant for the former Leverocks restaurant location has been identified and CRA incentive programs will play a role in the redevelopment of this important anchor for this area.



US 19 Corridor: Riverside Inn/North Riverfront Area

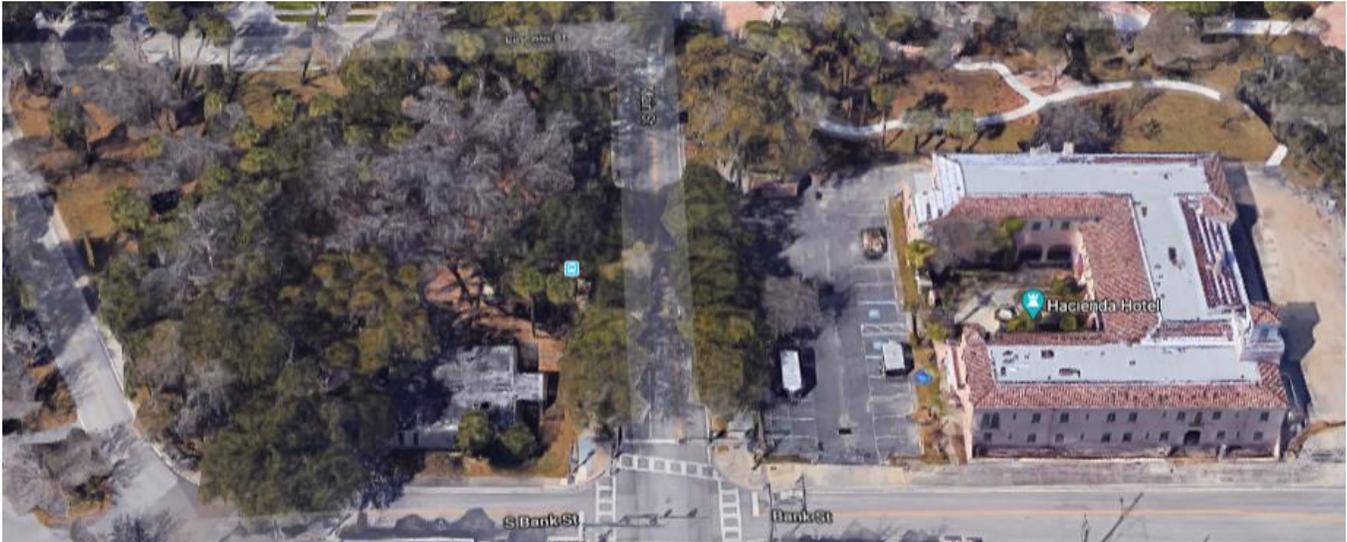
Significant work has gone into the approval of an underpass for the Cotee River Bridge to allow golf cart traffic to pass between New Port Richey and Port Richey. To date, the funding necessary and the final approval have not been achieved but Staff will continue work to make this important connection.



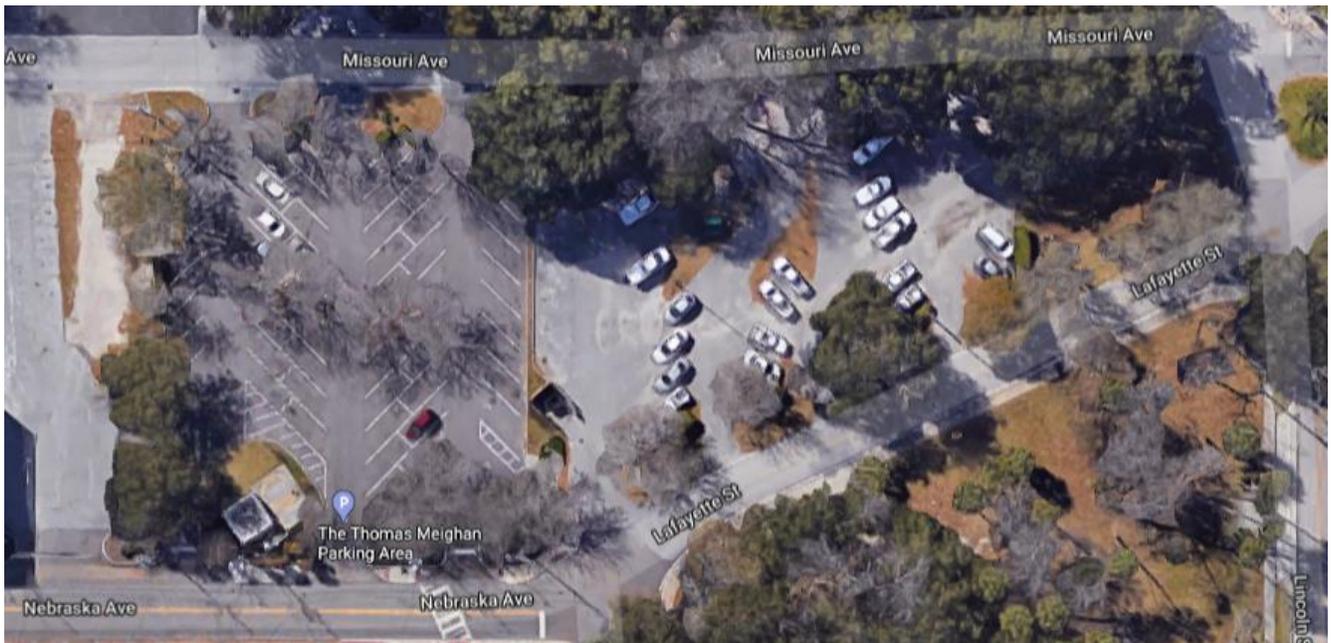
Downtown Main Street/Hacienda Hotel

Significant progress has been made on the redevelopment of the Hotel. See the “Major Highlights” section for details.

CRA staff has met with the adjacent property owner to discuss potential redevelopment of this 1.7 acre vacant site. A proposal is anticipated in the Spring of the next fiscal year.



The CRA Staff has also negotiated control of the County parking lot on Nebraska and both the City and County parking lots will be reconstructed into more efficient parking.



Gateway Area Infrastructure Plan: Drainage and Parking

Shared parking and storm water facilities will be part of the negotiations and design.

City Owned Boat Ramp and Parking: Redesign for efficiency and mixed-uses

Preliminary inquiries and appraisals are underway for expansion of the boat ramp facilities.

Boar Ramp Area Redevelopment: Redesign for efficiency and mixed-uses

An RFP for redevelopment of this important site will be issued in the next fiscal year.

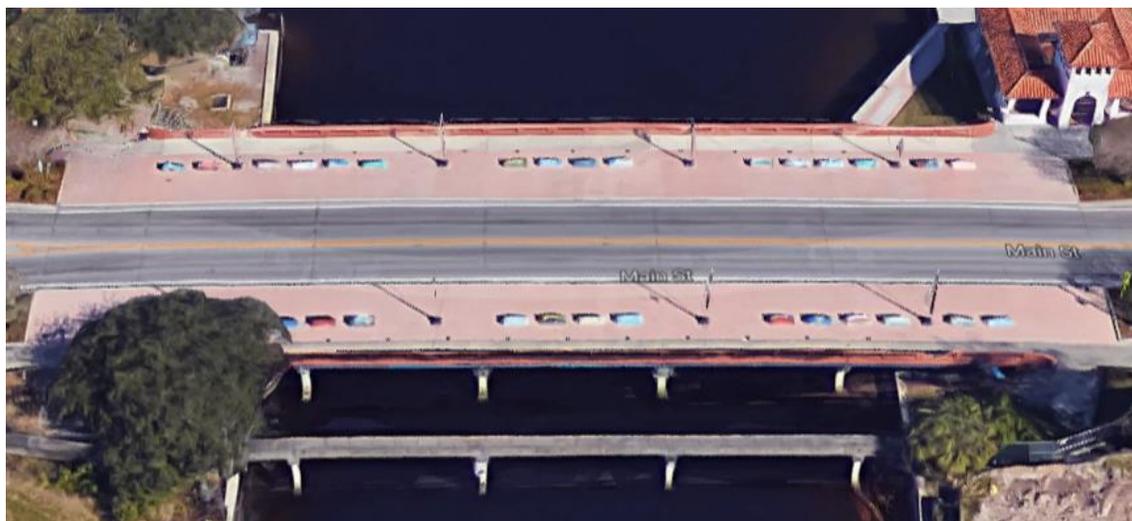
**Data Communication Network**

This item has been included in the CIP of the CRA and will be funded over a three year period.

Streetscape Enhancements

Improvements were made to the Cotee River Bridge on Main Street with the addition of lighting under the bridge, removal of the concrete benches, the addition of traditional metal benches and potted palm trees and the painting of the bridge.

Before



After



Alley Rehabilitation

The City Council held a workshop on this issue and further study is needed. Another workshop is forthcoming.

Bicycle/Trail Routes: Grand Boulevard: Marine Parkway to Madison Street

Preliminary designs are being formulated by Public Works to gain direction from the CRA Board as to the design and location within the right-of-way for the trail.

Corridor Improvements: Madison Avenue – Massachusetts Avenue to Main Street, Sidewalks/Landscape/Lighting

The Madison Avenue project has been completed.

Tourism Facilities: Recreation Enhancements – Docks/Boat Ramps/River Taxis, Athletic Training Facilities – Olympic/Competition Sized Swimming Pool

The kayak launches and seawall repairs have been completed.

Housing Programs:

Owner-Occupied Rehabilitation Loan Program:

\$10,000 loan to address code violations and health and safety issues. 0% interest and loan payments are deferred while property remains applicants primary homestead residence. Household income must not exceed 120% of area median income. This program has not yet been enacted.

Owner-Occupied Rehabilitation Deferred Payment Loan Program:

\$10,000 loan to address code violations and health and safety issues. 0% interest and loan payments are deferred while property remains applicants primary homestead residence. Household income must not exceed 80% of area median income. This program has not yet been enacted.

Business Incentive Grants

\$160,507.87 in grants funds distributed of \$200,000 budgeted for the following programs:

Commercial Property Façade and Exterior Improvement Grant

50% match, max. \$5,000/address, \$10,000/property

Business Façade and Exterior Improvement Grant

50% match, max. \$2,500. New, expanded or relocated businesses, 75% match, max. \$6,000

Leasehold Improvement Grant

50% match, max. \$2,500. New, expanded or relocated businesses, 75% match, max. \$6,000

Upper Floor Residential Grant

50% match, max. \$7,500

Commercial Façade Improvement Grant

50% match, max. \$25,000

Commercial Interior Build-out Grant

50% match, max. \$25,000

Commercial Rent Reimbursement Grant

50% of base rent, max. \$1,250 per month, max. \$15,000 distributed in four quarterly payments.

Commercial Real Estate Redevelopment Grant

Minimum investment of \$500,000, 20% match, max. \$100,000

Commercial Real Estate, Infill and Business Expansion Grant

20% match, max. \$100,000

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 and property sales, back into the redevelopment activities within the CRA district. Below is the CRA's Statement of Revenues, Expenditures, and Changes in Fund Balance, as of September 30, 2019:

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

For the Year Ended September 30, 2019
(UNAUDITED)

REVENUES	
Tax Increment Financing	\$ 1,133,053
Grant revenue	275,000
Miscellaneous revenues	<u>45,740</u>
TOTAL REVENUES	1,453,793
EXPENDITURES	
Current	
General government	<u>1,089,281</u>
TOTAL EXPENDITURES	<u>1,089,281</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>364,512</u>
OTHER FINANCING SOURCES (USES)	
Transfers in	1,338,110
Transfers out	<u>(1,592,640)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(254,530)</u>
NET CHANGE IN FUND BALANCE	109,982
FUND BALANCE - BEGINNING OF YEAR	<u>(5,015,890)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ (4,905,908)</u></u>

Below is a summary of the CRA's Balance Sheet at September 30, 2019.

COMMUNITY REDEVELOPMENT AGENCY OF NEW PORT RICHEY, FL
BALANCE SHEET
September 30, 2019
(UNAUDITED)

ASSETS

Cash and pooled cash, cash equivalents, and investments	\$ 1,870,509
Accounts receivable, net	23,900
Due from other governments	225,000
Redevelopment properties held for resale	<u>2,613,000</u>

TOTAL ASSETS	<u><u>\$ 4,732,409</u></u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Accounts payable	\$ 141,718
Accrued liabilities	1,500
Advances from other funds	<u>9,495,099</u>

TOTAL LIABILITIES	<u>9,638,317</u>
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FUND BALANCE

Unassigned:	
Redevelopment	<u>(4,905,908)</u>

TOTAL FUND BALANCE	<u>(4,905,908)</u>
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TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 4,732,409</u></u>
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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 that have been acquired are located in economically distressed areas of the City. The properties are valued at \$2,613,000 at September 30, 2019.
- In FY 2014, the City advanced the CRA funds to pay off debt. Under the terms and conditions of the agreement, the CRA will begin repayment in FY2020-2021. At September 30, 2019, the advance totaled \$9,495,099.
- The negative fund balance is directly related to the Advance between the Agency and the City, mentioned above. The Agency's fund balance will remain negative until it begins paying back the Advance in FY2020-2021.