

City of Flagler Beach Community Redevelopment Agency

Fiscal Year 2013-2014 Annual Report



March 10, 2015

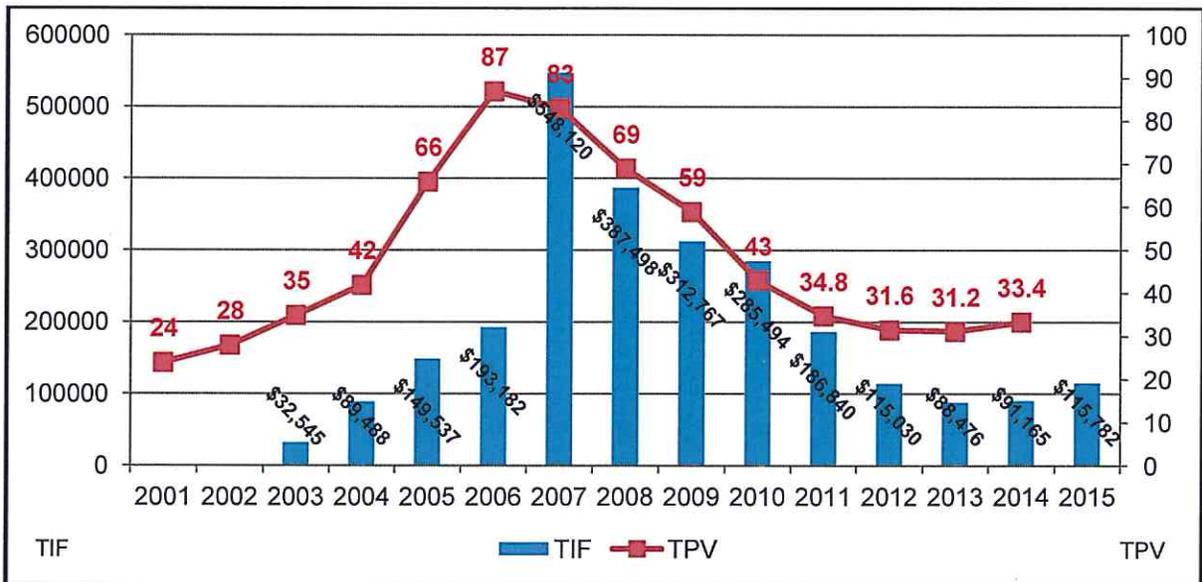
A Message from the City Manager

Fiscal Year 2013-2014 (abbreviated **FY14**) encompasses October 1, 2013 through September 30, 2014. For the City's Community Redevelopment Agency, FY14 continued to be a challenge from a financial perspective. Staff spent most of the year striving to make improvements while closely monitoring the financial health of our Trust Fund.

The CRA is funded by Tax Increment Financing (TIF), a unique tool that allows the City to leverage public funds to promote redevelopment improvements in the private sector. The dollar value of all real property within the Community Redevelopment Area is determined as of a fixed date, also known as the "frozen value." Flagler Beach's frozen property value, assessed in 2001, is \$24,154,210.

Frozen value revenues are available for General Government purposes. However, tax revenues from increases in real property value, that is, amounts above the frozen value, are referred to as "increment" revenue. Increment revenue is deposited in the CRA Trust Fund, which is dedicated to the redevelopment area.

The blue bar graph below depicts the highs and lows of the TIF over the past 13 years. The year 2007 represents the height of the real estate bubble. The inevitable burst of that bubble is reflected in the precipitous drop in 2008, with steady declines in the six years that followed. The good news is there has been a slight upswing the last two years, with 2015 dollars exceeding 2012.



The red line graph tracks the Taxable Property Values, in millions of dollars, beginning at the base year of 2001. Since its inception in 2001, all the values below \$24,154,210 are available to the City for General Government Purposes.

The depressed revenue stream equates to less money to operate the CRA, to develop incentives or grants, or to pay back loans. To conserve funds, the CRA was forced to eliminate its Director position in 2012 and re-assign those agency duties to me, the City Manager. In addition, we were forced to be conservative when drawing from the operating budget to cover only those debt obligations from previous capital projects, for utilities within our recently completed streetscape areas, and for the required financial audit of the CRA Fund itself. Even so, it was necessary to dip into the Trust Fund Reserves again this year in the amount of \$23,405 to balance the budget in FY14.

In spite of the aforementioned financial constraints, the CRA was able to:

- Advance the Pedestrian Wayfinding Signage initiative,
- Persevere in pursuing the unique challenges presented to the Ad-Hoc Parking Committee,
- Maintain First Friday Music in the Park, our monthly City-hosted event,
- Continue to assist new and existing businesses through the Ambassador Program, and
- Commission the Economic Development Task Force (EDTF) to develop options and recommendations to increase the property tax base within our CRA.

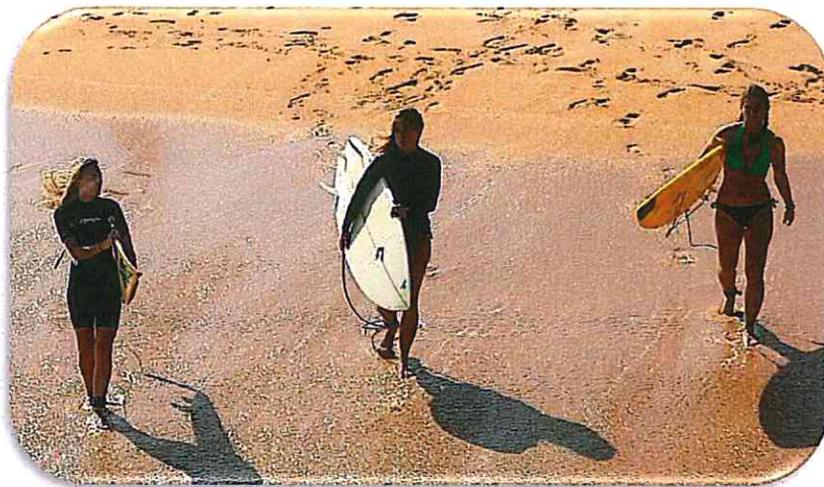
As I begin my fifth year as City Manager, I have often overheard people refer to our City as “a gem” or “a jewel.” One need only approach Flagler Beach from the Atlantic Intracoastal Waterway bridge and catch that first glimpse of sparkling blue water, coquina-colored strand of beach, and picturesque homes and businesses, to know how fitting a description that is. From our past accomplishments and our future opportunities in the CRA, I am optimistic that Flagler Beach will continue to sparkle.

Bruce C. Campbell
City Manager
March 26, 2015



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Community Redevelopment Agency Board

The Flagler Beach City Commission serves as the Community Redevelopment Agency Board. Members for FY14 were:

Mayor	Linda Provencher
Chairman	Kim Carney
Vice-Chairman	Marshall Shupe
Commissioner	Joy McGrew
Commissioner	Jane Mealy
Commissioner	Steve Settle

Community Redevelopment Agency Staff

City Manager Bruce C. Campbell

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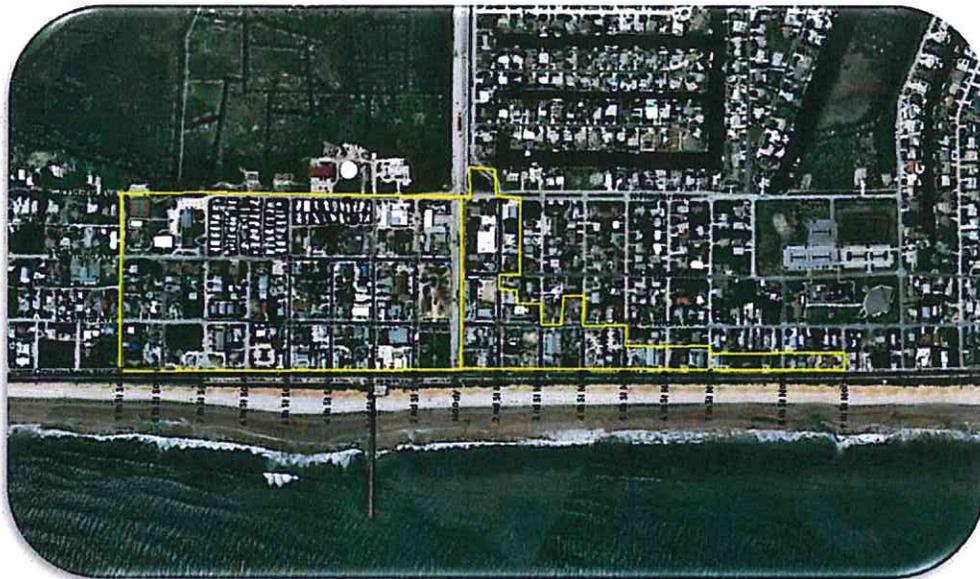


History of the Community Redevelopment Agency

In 1969, the Florida Legislature passed the Community Redevelopment Act as a means for local communities to conserve, rehabilitate, or redevelop an area that constitutes an economic and social liability, as a result of a decrease in the tax base. Through Ordinance 2002-12, the City Commission of Flagler Beach officially designated itself the Community Redevelopment Agency, pursuant to Section 163.387 of the Florida Statutes.

The core downtown area was generally described as bounded by North 9th Street on the north, South 9th Street on the south, Oceanshore Boulevard (SR A1A) on the east, and Flagler Avenue on the west. South of Moody Boulevard, the boundary is a perfect rectangle, but north of Moody Boulevard (SR 100), the boundary is uneven, stepping down from Flagler Avenue toward SR A1A. The area was selected for revitalization due to an inadequate street layout, shortage of parking, and general deterioration of structures.

Over the years, the Community Redevelopment Plan has been revised as major initiatives have been completed. Utilities have been moved underground, sidewalks have been redone, streets have been repaved, stormwater systems have been constructed, and the number of parking spaces has increased through the purchase of vacant lots. Wickline Park has been upgraded with lighting and picnic tables, decorative street light posts have been added, and the number of Wayfarer signs directing residents and tourist to downtown businesses has increased, to name just a few of the more recent improvements.



CRA Boundaries (shown in yellow) are approximate.

Major Goals and Objectives

Each goal includes specific objectives.

Goal 1. Overall Redevelopment

Establish downtown Flagler Beach as a focal point for the community and to attract visitors from the entire region and beyond.

Objective 1.1. Implement the downtown master plan and architectural design guidelines through streetscaping and roadway design.

Objective 1.2. Encourage a viable downtown continuing to bring special events and music to downtown and keeping community stakeholders involved.

Objective 1.3. Continue to explore the opportunities to redevelop Block 9 (Moody Subdivision) as a high-end, mixed-use private property that will contribute exponentially to the tax rolls.

Goal 2. Overall Image

Increase the visibility, identity, and unity of the downtown through physical design, promotion, uniform store hours, and improved signage.

Objective 2.1. Seek to create public-private partnerships to develop a marketing strategy and business recruitment / retention strategy for the CRA area.

Objective 2.2. Promote a unified advertising campaign for downtown retailers by establishing a coordinated online Welcome Packet, Parking Map, and Business Directory in partnership with other local organizations.

Goal 3. Environmental

Create an attractive, safe and comfortable environment conducive to activities during the day and evening.

Objective 3.1. Maintain city services for sidewalk maintenance and streetscapes. Continue to encourage building improvements by property owners.

Objective 3.2. Produce information with community events to be held in the CRA. Continue to hold / host special community activities and events in the downtown to draw visitors, tourists and community members to the CRA.

Objective 3.3. The CRA shall encourage and promote the use of its parks for recreation for all ages by continuing to apply for FRDAP grants and funding opportunities.

Objective 3.4. Encourage the visual enhancement program through the elimination of visual pollution and by screening surface parking areas with landscaping or other means, and assist in the creation of ordinances that will enforce these types of enhancements.

Objective 3.5. Encourage the elimination of blighted structures in order to improve appearance of vacant lots / parcels by taking inventory and proactive Code Enforcement efforts.

Goal 4. Funding

To seek additional funding sources for CRA projects. The CRA is empowered to use its monies as matching funds, regardless of what entity applies for the grant, provided the proceeds of the grant will be used to further the redevelopment plan within the redevelopment area.

Goal 5. Transportation

Provide an integrated transportation and parking system to and within the downtown area.

Objective 5.1. Develop an effective marking and management system for the current parking system in conformance with the Master Plan and Design Guidelines.

Objective 5.2. Continue to implement the Downtown Master Plan and the Design Guidelines related to parking and overflow within the CRA.

Objective 5.3. Continue to explore the possibility of paid parking while taking into consideration the need to seek majority acceptance from local business owners and residents.

Objective 5.4. Add public parking on South Flagler Avenue, implement off-site parking area map, and provide information regarding the movement of people about downtown.



FY 2013- 2014 Achievements

I. Pedestrian Wayfinding Sign Program

In February 2013, the City launched the Pedestrian Wayfinding Sign Program to direct visitors and residents, motorists and pedestrians alike, to businesses in our CRA.

FY14 marked our first full year of the Wayfinding Program. Business response to the initiative has been a great success, with an additional 33 sign blades installed in FY14. This brings the total to 74 signs, an increase of 80%. At \$100 a sign per business, the City has netted \$2,567.50 this fiscal year. (Some fees were pro-rated.)

Our colorful Wayfinder Signs caught the eye of the Florida Planning and Zoning Association, which awarded the City, the Chamber of Commerce, and Joseph Pozzuoli, Architect (the designer) a trophy for "Outstanding Innovation & Design." We're very proud of that!



From left to right: The FPZA trophy, a Wayfinder post with a full complement of signs on one side, and space for more businesses on the reverse.

First Friday Features, October 2013 through September 2014

Date	Theme	Entertainment	Activity
October 4	Fall Festival	Swanky Mo's Revue	Corn Hole Toss
November 1	Fun in the Park	Navy Band Southeast's T.G.I.F.	Bed Race (November 2)
December 6	Holiday at the Beach	Indian Trails Middle School; Flagler-Palm Coast High School Choir	Lighting of the Park Pictures with Santa
January 3	New Year's Block Party	Beach Street A G0o-Go	Time Capsules
February 7	Tropical Winter in the Park	Steam	Pinewood Derby
March 7	Jazz in the Park	Liquid Jade	Pinewood Derby
April 4	Spring in the Park	Beach Street A G0o-Go	Easter Egg Hunt (March 8) Pictures with Easter Bunny
May 2	Rock n Roll in the Park	Steam	Corn Hole Toss
June 6	Summer in the Park	Nickoloff	Cardboard Castle Building
July 4	Freedom in the Park	7 th Street Band	Rain Gutter Regatta
August 1	Jazz in the Park	Liquid Jade	Chalk Art
September 5	Carnival in the Park	Steam	Corvette Cruise-In



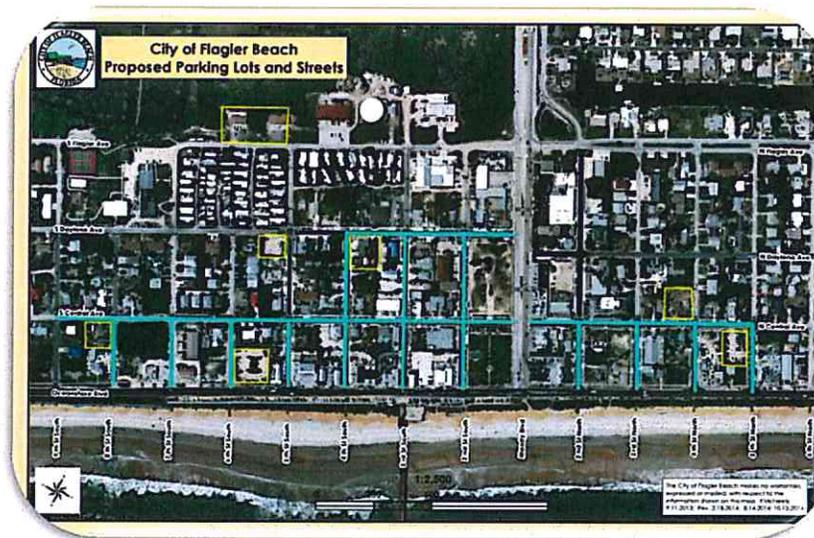
II. Parking Committee

An Ad-Hoc Parking Committee was formed in January 2013 to address two issues: parking capacity throughout the City, and the potential of paid parking as an alternate source of revenue. Currently, parking is free, and when the weather is especially nice or there is a major event, motorists to the beach and pier can overwhelm the parking areas, occasionally taking spaces intended for patrons of our CRA businesses.

Parking is undoubtedly one of the most basic elements in maintaining a viable downtown retail center, and if there is adequate capacity, allows for the expansion of retail activity. The Parking Committee has discovered just how complex an issue parking can be, especially when stakeholders (residents, tourists, and businesses) become involved in open “round table” discussions.

The Committee has been meeting for two years, and recently extended its term of appointment for another six months. Their final recommendations are expected this next fiscal year, but preliminary suggestions are leaning toward instituting a master parking plan with time limited - paid parking along SR A1A, at City-owned public lots (yellow), and along street rights-of-way (blue). The Committee’s recommendations will ultimately be reviewed and decided upon by the City Commission.

The “pro” aspect of this plan would mean a higher turnover of parked vehicles along with a significant revenue stream from both parking and its enforcement. The “con” is that it requires an initial dollar investment; it may affect employees of local businesses; and if not implemented properly, it could lead to increased parking in residential rights-of-way. These are just some of the issues the committee must grapple with in making their recommendations.



III. First Friday “Music in the Park”

On the evening of the first Friday of every month, the City hosts its “Music in the Park” event at Veterans Park, centrally located at the intersection of State Routes A1A and 100. The purpose, of course, is to attract residents and visitors to the district and its businesses, showcasing our local shops and restaurants, and thereby encouraging people to return the next week to spend “new dollars.”

This last year featured a range of musical talent, from rock n roll to country to jazz. Perhaps the biggest draw of the year was the November 2013 appearance of the *U.S. Navy Band Southeast’s TGIF*, always a local favorite.

Rotary Club is a Food Court mainstay, selling hamburgers, hot dogs, and funnel cakes, while various city and county restaurants take turns supplying a variety of menu options. A section of the park is devoted to the Kids Zone, where children can romp safely inside a roped off area featuring a bounce house, balloon-shaping clown, face painting, and an ice cream truck.

To ensure there is plenty of space for those with lawn chairs desirous of a clear view of the band stand, non-food vendors are lined up along Central Avenue between South 2nd and 3rd Streets. This encourages visitors to traverse the street, and exposes them to brick and mortar businesses south of Veterans Park.

Restaurants and shops on all four sides of the park swell to capacity when there is plenty of sunshine and pleasant temperatures. But as we know all too well, Mother Nature is capricious. Four of our First Fridays had to be cancelled in FY14 due to rain: September, January, February, and May.



IV. Business Ambassador Program

FY14 marks the fourth consecutive year of the Business Ambassador Program, created to assist both existing business owners looking to expand or relocate, and new businesses considering opening shop in Flagler Beach. Members of the Ambassador Team include the Flagler Beach Chamber Council Chairman and a local entrepreneur with experience working in the City. Representing the City is a member of the City Commission, the City Planner, the City Manager, and our Customer Service Representative.

In the relaxed setting of the City Manager's office, the Ambassadors listen as the business owner explains his or her business proposal. Based on the specifics of type and location, the prospective owner is provided with relevant information on ordinances, zoning, permitted uses, building and parking requirements, inspections, and procedures for securing a Local Business Tax Receipt. Equally important is a detailed explanation of the proper order of steps to ensure a smooth transition of the business owner's vision from inception to completion.

A round table discussion ensues, with the goal of delivering "A- Level" customer service, saving the business time and money. The Ambassador Program has met with and assisted forty-six businesses city-wide in the last four years. This has led to improvements valued at over \$5.5 million, and the creation of 300+ new jobs.



V. Goal Statement to the Economic Development Task Force

In response to the financial challenges facing our CRA Trust Fund, the CRA Board and City Commission provided a new goal statement to the Economic Development Task Force (EDTF):

To develop a comprehensive list of options and recommendations that if accepted by City Commission and implemented by staff, would eventually lead to an increased property tax base within our Community Redevelopment Agency.

. Some of the challenges facing the EDTF committee are delineated below:

- CRA Taxable Values are 36% of the 2006 peak,
- TIF Revenues are 23% of the 2007 peak,
- Capital Project Debt remains at \$1,242,063,
- A balloon payment of \$716,711 is due March 1, 2019 as part of the Revenue Note,
- A continuance of our current financial condition will require the CRA to borrow from the City's General Fund to operate and service the debt.

The EDTF has accepted the challenge of the Goal Statement and has been considering a range of viable solutions, including educational workshops for commercial building owners and real estate agents oriented toward starting a business and understanding "change of use" in zoning; scrutinizing city-owned properties for best and highest use; expansion of the Mixed-Use Overlay District; and the aforementioned parking issues.

We look forward to working with the EDTF this next fiscal year as they put forth their recommendations on how to achieve this goal. This cooperative effort could prove to include some of the most important tasks undertaken by the City and the CRA in recent history.



Looking Ahead

The next fiscal year will continue to present a challenge to our CRA, due to the financial condition of our CRA Trust Fund. It is notable that our projected TIF Revenues are nearly equal to the amount of debt service requirements from completed capital improvement projects.

There are bright spots on the horizon, however. The City's economy is recovering from the collapse of the housing market due to an increase in existing property sales and new construction. The Building Department issued 21 permits for new single family residences this past fiscal year, with estimated building values in excess of \$5.5 million. Real estate values are on the upswing and are expected to continue on that trajectory. Eventually, these improvements will be the impetus for an increase in our finances.

In the meantime, staff remains committed to pursuing opportunities to enhance our CRA and, as always, continues to focus on making the agency the best it can be.



The rising sun is framed by the North 4th Street Overlook at our newly extended boardwalk.



City of Flagler Beach
Community Redevelopment Agency
Balance Sheet
September 30, 2014

Assets

Cash (Operating)	272,171	
Total Assets		272,171

Liabilities

Due to General Fund	155,806	
Due to Capital Projects	2,151	
Due to Utility Fund	432	
Due to Sanitation Fund	216	
Due to Stormwater Fund	108	
Due to Agency Bank Account	50	
Laon Due to General Fund	139,707	
Total Liabilities		298,470

Fund Balances

Total Fund Balance	26,299
 Total Liabilities and Fund Balance	 272,171

***NOTE: These are Unaudited schedules.



**City of Flagler Beach
Community Redevelopment Agency
Statement of Revenues, Expenditures, and
Changes in Fund Balances
September 30, 2014**

Revenues

Ad Valorem Taxes	35,817	
CRA-Ad Valorem Taxes (County)	53,646	
CRA-Ad Valorem Taxes (EFMCD)	1,702	
Wayfinder Signs	2,568	
Interest Income	28	
Revenues Total		93,761

Expenditures

Audit	3,000	
Contractual Services	12,074	
Telephone	106	
Utilities	19,765	
Repairs and Maintenance	440	
Other Current Charges	217	
Office Supplies	153	
Membership Subscription Dues	200	
Interest Loan from General Fund	2,739	
Debt Service - Principal	44,000	
Debt Service - Interest	34,214	
Transfer to Capital Fund	256	
Expenditures Total		117,164

Net of Revenue and Expenditures **23,403**

Fund Balance Start of FY, 10.01.13 -2,895

Fund Balance End of FY, 09.30.14 **-26,300**

***NOTE: These are Unaudited schedules.