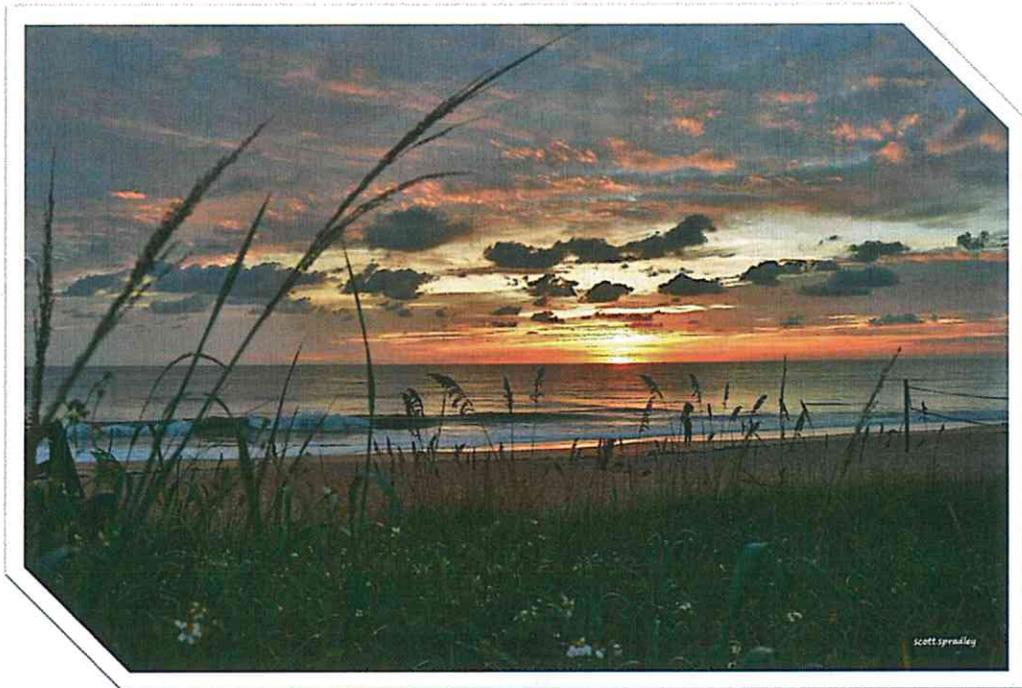


City of Flagler Beach Community Redevelopment Agency

Fiscal Year 2014-2015 Annual Report



March 17, 2016

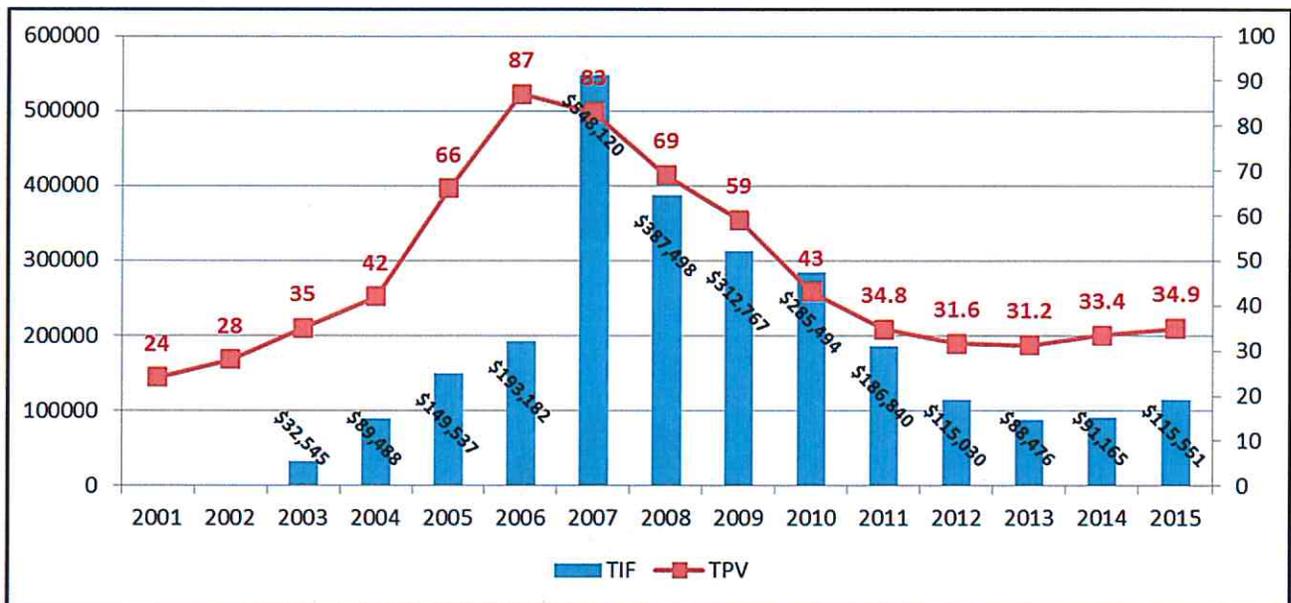
A Message from the City Manager

Fiscal Year 2014-2015 (abbreviated **FY15**) encompasses October 1, 2014 through September 30, 2015. For the City's Community Redevelopment Agency, FY15 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 marks 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 five years that followed. The last two years, however, have seen a small but steady increase in the TIF.



The red line graph tracks the **Taxable Property Values (TPV)**, in millions of dollars, beginning at the base year of 2001. Since its inception in 2001, all 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 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.

Fortunately, in FY15, revenue exceeded expenditures by \$19,814.

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

- Advance the Pedestrian Wayfinding Signage initiative,
- Assess the unique challenges presented by 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 Business Ambassador Program, and
- Commission the Economic Development Task Force (EDTF) to develop options and recommendations to increase the property tax base within our CRA.

In conclusion, I wish to express my gratitude to the Flagler Beach City Commission for their invitation to be the new city manager. Because my career began January 4, 2016, this report reflects the improvements and accomplishments of our current staff and my predecessor. In last year's report, Mr. Campbell referred to Flagler Beach as a "gem or jewel" and I couldn't agree more. I promise to continue to ensure the CRA is a thriving and exciting place for residents and tourists, and a wonderful place to live, to visit, and to start a business. "Flagler Beach is a great place to call home."



Larry M. Newsom
City Manager
March 17, 2016

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Community Redevelopment Agency Board

The Flagler Beach City Commission serves as the Community Redevelopment Agency Board. Members for FY15 were:

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

Community Redevelopment Agency Staff

Larry M. Newsom
City Manager

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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 tourists 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 2014- 2015 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. Business response to the initiative has been a great success.

FY14 marked the first full year of the Wayfinding Program, and saw an additional 33 sign blades installed. In FY15, 7 new signs were installed, bringing the total to 62. Each sign costs the advertised business \$100 for the first year, with a \$45 maintenance fee for each subsequent year. (Our salt air environment, combined with rainy days, can result in a sandy dusting of the blades, which need to be wiped down every so often.)

Because fees are pro-rated, FY15 netted the CRA \$3,175.

In 2013, 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 still 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.

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.

The Committee met for two and a half years. Their final recommendations were presented during a special meeting to the City Commission on April 30, 2015, and included four options:

1. Take no action;
2. Impose time limits on spaces to encourage all-day beach goers who would typically park on Oceanshore Boulevard to use other lots, i.e., possibly lots on South Flagler Avenue if the city's maintenance building is demolished;
3. Implement paid parking for non-residents and residents alike;
4. Implement paid parking for non-residents, and allow residents to purchase an annual pass for a small fee to cover administrative costs.

The Commission agreed to accept the findings of the parking committee, but made no decision on which option to choose, other than a directive to staff to continue to examine how paid parking would work and how best to iron out differences that might arise between residents and businesses.

Progress made since that April meeting includes a plan to establish a link on the city webpage to a map with information on availability of parking spaces using a smart phone device; a Memorandum of Agreement with Santa Maria del Mar Catholic Church for use of their parking lot during special events, with golf carts ferrying guests to and from; and a Memorandum of Agreement with the owner of the Food Lion shopping plaza for use of their parking lot, with county buses transporting families beachside for Fourth of July and other major events.



III. First Friday “Music in the Park”

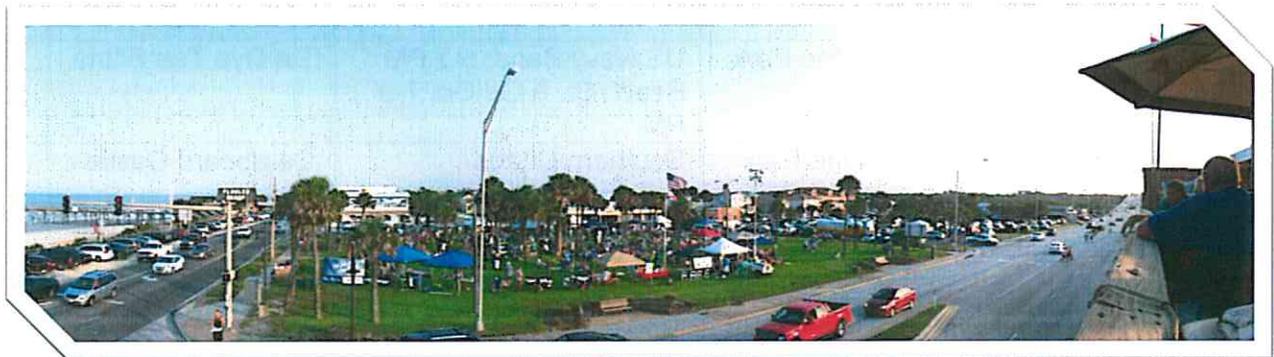
On the evening of the first Friday of every month, the City hosts its “Music in the Park” event at Veterans Park, centrally located at the intersection of State Routes A1A and 100. The event attracts residents and visitors to the district and its downtown businesses, showcasing our local shops and restaurants,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

A range of musical talent is featured, with special activities at each First Friday (see chart on next page).

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. But as we know from experience, Mother Nature is capricious. Three of our First Fridays had to be cancelled due to rain: October (called at 7 PM), March, and August, while January and February were poorly attended due to high wind chill.



First Friday Features, October 2014 through September 2015

Date	Theme	Entertainment	Activity
October 3*	Fall Festival	J Collins Country Music	Pink Army Flag Raising Bed Races
November 7	Fun in the Park	JW Gilmore & The Blues Authority	Chili Cook Off Contest (activity cancelled due to lack of interest)
December 5	Holiday at the Beach	Wadsworth 1 st Grade Singers; Old Kings Dancers; SEASCS Choir; FPCHS Choir; FPCHS Marching Band and Starlets	Lighting of the Park Pictures with Santa
January 2	New Year's Street Dance	Live Requests by DJ Chris	Whipped Cream Contests and Prizes
February 6	Tropical Winter in the Park	Linda Cole & Pat D'Aguanno's Duplicity playing "America's Song Book"	Hot Cider Pub
March 6*	Rock n Roll in the Park	Rick Levy & Falling Bones Party Rock 60s Garage Band	Pinewood Derby
April 3	Spring in the Park	Highway 1 Parrot Head Party	Pinewood Derby
May 1	Rock n Roll in the Park	Liquid Jade High Energy Hits of the 50s, 60s, and 70s	Sidewalk Chalk Art
June 5	Summer in the Park	Steam the Band R&B Dance Party	Rain Gutter Regatta
July 3	Freedom in the Park	US Navy Band, 5-7 PM Beach St. A Go Go, 7-9 PM	Tie Dye Tee Shirts
August 7*	Dancing in the Park	Southern Chaos	Cardboard Castle Building
September 5	Carnival in the Park	Halo Violation	Tie Dye Tee Shirts

* Cancelled

IV. Business Ambassador Program

FY15 marks the fifth 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.

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 40% of the 2006 peak,
- TIF Revenues are 21% of the 2007 peak,
- Capital Project Debt remains at \$1,202,985,
- The balloon payment that was due March 1, 2019 is no longer an issue. The Revenue Note was refinanced in 2015 at an interest rate of 2.53% for 15 years.
- 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

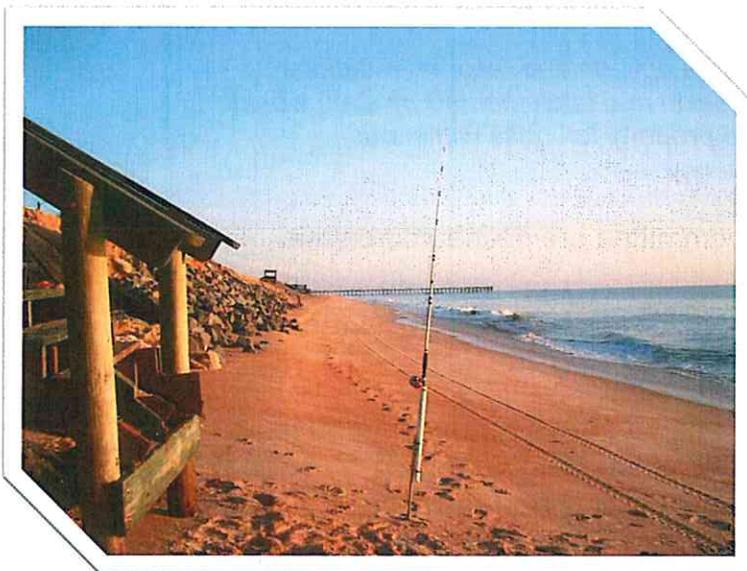
commercial building owners and real estate agents oriented toward starting a business and understanding “change of use” in zoning; scrutinizing city-owned properties for best and highest use; expansion of the Mixed-Use Overlay District; and the aforementioned parking issues.

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. There are bright spots on the horizon, however. The City’s economy continues to recover from the collapse of the housing market due to an increase in property sales and construction. The Building Department issued **33** permits for single family residences this past fiscal year, with estimated building values in excess of **\$10 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.



Early morning light captures a lone fishing pole and ATV tracks left by the ever vigilant Volunteer Turtle Patrol, south of the Flagler Beach Pier.



City of Flagler Beach
Community Redevelopment Agency
Balance Sheet
September 30, 2015

Assets

Cash (Operating)	165,968	
Total Assets		165,968

Liabilities

Accounts Payable	5,079	
Due to General Fund	7,580	
Due to Capital Projects	0	
Due to Utility Fund	432	
Due to Sanitation Fund	216	
Due to Stormwater Fund	13,945	
Payroll Payable	550	
Loan Due to General Fund	142,501	
Total Liabilities		170,302

Fund Balances

Total Fund Balance	(4,334)
 Total Liabilities and Fund Balance	 165,968

***NOTE: These are Unaudited schedules.



City of Flagler Beach
Community Redevelopment Agency
Statement of Revenues, Expenditures, and
Changes in Fund Balances
September 30, 2015

Revenues

Ad Valorem Taxes	44,022	
CRA-Ad Valorem Taxes (County)	69,419	
CRA-Ad Valorem Taxes (EFMCD)	2,110	
Other Funding Sources	14,500	
Interest Income	0	
Revenues Total		130,052

Expenditures

CRA Director (City Manager)	11,094	
Professional Services	14,019	
Audit	3,000	
Legal	140	
Membership Subscription Dues	175	
Interest Loan from General Fund	2,794	
Debt Service - Principal	46,000	
Debt Service - Interest	33,017	
Expenditures Total		110,238

Net of Revenue and Expenditures **19,814**

Fund Balance Start of FY, 10.01.14 **(24,148)**

Fund Balance End of FY, 09.30.15 **(4,334)**

***NOTE: These are Unaudited schedules.

