

City of Flagler Beach Community Redevelopment Agency

Fiscal Year 2015-2016 Annual Report



March 28, 2017

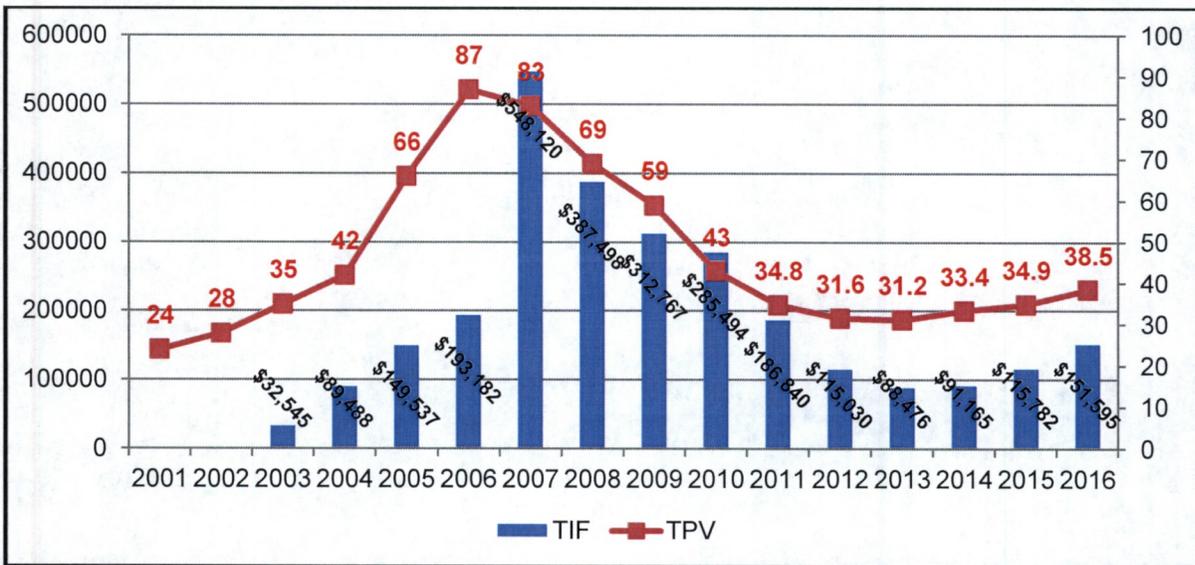
A Message from the City Manager

Fiscal Year 2015-2016 (abbreviated **FY16**) encompasses October 1, 2015 through September 30, 2016. For the city's Community Redevelopment Agency, FY16 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 14 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 three 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 continues to improve. This fiscal year, like last year, there was no need for additional support from the General Fund. In fact, the city can now develop a CRA Capital Improvement Plan that will include an annual maintenance program to take care of our existing infrastructure.

Fortunately, in FY16, revenue exceeded expenditures by \$36,270.

Our existing programs will continue:

- Pedestrian Wayfinding Signs
- Parking Needs outside of Special Events
- First Friday Event, Potential Modifications
- Revive the Business Ambassador Program
- Economic Development Task Force

Programs to implement:

- Stormwater Maintenance
- Assessment of Underground Utilities for Repair
- Veterans Park: Underground electrical and irrigation improvements
- Veterans Park: Solar Trees (stations provide free electrical and recharging service)
- Bike Rental Program
- Golf Cart Taxi Service
- Improvements to the Boardwalk Area

In conclusion, I am grateful to the citizens for their support, and appreciate their passion and love for this gem that we call home. I pledge to continue to implement programs in the CRA that will make Flagler Beach a place where residents can take pride, tourists will continue to visit, and businesses will enjoy a healthy profit.

FLAGLER BEACH IS A GREAT PLACE TO CALL HOME!

Larry M. Newsom
City Manager
March 28, 2017

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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	Jane Mealy
Vice-Chairman	Marshall Shupe
Commissioner	Rick Belhumeur
Commissioner	Kim Carney
Commissioner	Joy McGrew

Community Redevelopment Agency Staff

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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 2015- 2016 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. This FY, 15 new signs were installed. 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.)

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. Ad-Hoc 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. While the smart phone webpage did not come to fruition this past year, the MOAs were implemented during our Fourth of July weekend with great success.



III. First Friday “Music in the Park”

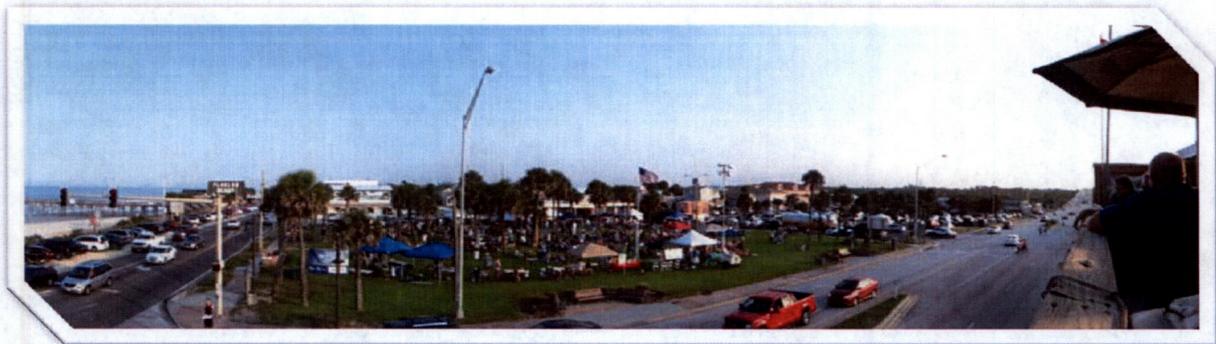
On the evening of the first Friday of every month, the City hosts its “Music in the Park” event at Veterans Park, centrally located at the intersection of State Routes A1A and 100. The event attracts residents and visitors to the district and its downtown businesses, showcasing our local shops and restaurants, 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 2015 through September 2016

Date	Theme	Entertainment	Activity
October 2	Fall Festival	Anthony Wild and the Suspects	Pink Army Flag Raising Pumpkin Carving
November 6	Fun in the Park	JW Gilmore & The Blues Authority	
December 4	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 (Musical group performances had to be Cancelled due to weather.)
January 1	New Year's Street Dance	Linda Cole	Free Hot Apple Cider Booth
February 5	Tropical Winter in the Park	Highway 1	
March 4	Rock n Roll in the Park	Class of 69 Band	Pinewood Derby
April 1	Spring in the Park	Endless Summer	
May 6	Rock n Roll in the Park	Mercury 49s	Sidewalk Chalk Art
June 3	Summer in the Park	J. W. Souther	Photo Contest
July 1	Freedom in the Park	Soul Fire	Tie Dye Tee Shirts
August 5	Dancing in the Park	Halo Violation	Cardboard Castle Building
September 2	Carnival in the Park	Southern Chaos	

IV. Business Ambassador Program

FY16 marks the sixth 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. The Ambassador Team includes a member of the Economic Development Task Force, a member of the City Commission, the City Manager, City Planner, City Engineer, and City Building Inspector.

Next year a Best Practices review program will be implemented. Anyone who wants to submit a business application will be required to attend a pre-application review. The City webpage will have a registration process for scheduling an appointment to discuss or review their plans, at no cost to the applicant. City staff representing the Land Development Code, Building Code, and the City Engineer will be in attendance.

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 41% of the 2006 peak,
- TIF Revenues are 22% of the 2007 peak,
- Capital Project Debt remains at \$1,122,602,
- 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.

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.

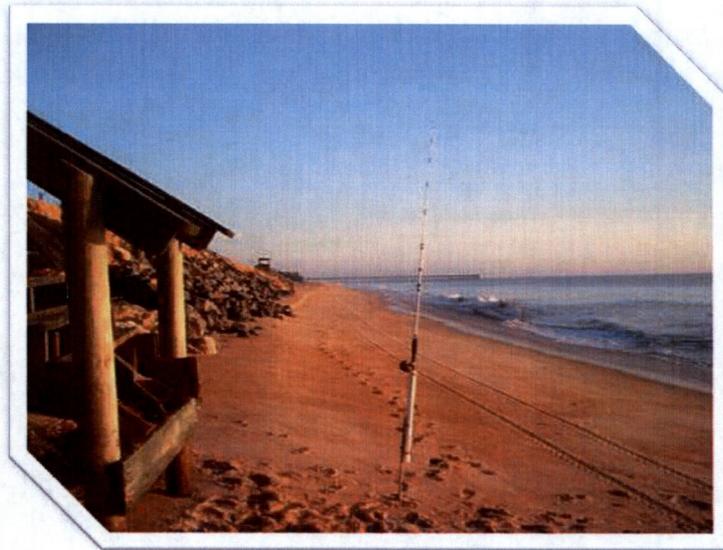
We look forward to working with the EDTF this next fiscal year as they put forth their recommendations on how to achieve this goal. This cooperative effort could prove to include some of the most important tasks undertaken by the City and the CRA in recent history.

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 **39** permits for single family residences, generating \$163,650 in permit fees. 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.

Our goal is as stated: to provide a maintenance program for the CRA and implement future multi-modal projects.



Early morning light captures a lone fishing pole south of the Flagler Beach Pier. ATV tracks, left by the ever vigilant Volunteer Turtle Patrol, attest to the city's commitment to protect endangered sea turtles.



**City of Flagler Beach
Community Redevelopment Agency
Statement of Revenues, Expenditures, and
Changes in Fund Balances
September 30, 2016**

Revenues

Ad Valorem Taxes	48,046	
CRA-Ad Valorem Taxes (County)	81,057	
CRA-Ad Valorem Taxes (EFMCD)	2,415	
Wayfinder Signs	0	
Interest Income	0	
Revenues Total		131,518

Expenditures

CRA Director (City Manager)	12,595	
Audit	3,000	
Legal	140	
Operating Supplies	1,400	
Membership Subscription Dues	175	
Interest Loan from General Fund	2,851	
Debt Service - Principal	53,000	
Debt Service - Interest	22,087	
Expenditures Total		95,248

Net of Revenue and Expenditures **36,270**

Fund Balance Start of FY, 10.01.13 -4,335

Fund Balance End of FY, 09.30.14 **31,936**

***NOTE: These are Unaudited schedules.



**City of Flagler Beach
Community Redevelopment Agency
Balance Sheet
September 30, 2016**

Assets

Cash	151,594	
Total Assets		151,594

Liabilities and Fund Balance

Liabilities:		
Accounts Payable	1,400	
Due to the General Fund	118,258	
Total Liabilities		119,658
Fund Balance:		
Reserved, designator for Unassigned	31,936	
Total Fund Balance		31,936
Total Liabilities and Fund Balance		151,594

***NOTE: These are Unaudited schedules.