

**CITY OF BROOKSVILLE
COMMUNITY REDEVELOPMENT AGENCY
ANNUAL REPORT
for the
2011-2012 FISCAL YEAR**



Filed: March 6, 2013

*The cover photo shows an “AFTER” picture of the Lowman Law Building at 31 S. Main Street. This property went through a complete renovation in 2011-2012 which was partially funded by the Community Redevelopment Area Commercial Property Improvement Matching Grant Program. See page 8, Exhibit “A” of this report for more photos.

HISTORY:

In 1999, the City of Brooksville formally instituted a Community Redevelopment Area (CRA) in its downtown core. In accordance with Chapter 163, F.S., the City adopted Ordinance No. 590 and Resolution No. 98-18, which delineate and establish the CRA, the Tax Increment Financing (TIF) District, the Community Redevelopment Agency and the related Agency Trust Fund. The City also adopted a Community Redevelopment Plan (CRP) for this area as well as a Revitalization Plan that addresses the entire City. Florida Statutes and the City's Ordinance No. 590 provide for all applicable taxing authorities within the Project Area to pay into the Trust Fund each year, the incremental increase of tax revenues produced by the taxing authority's millage rate that is applied to the increase in total assessed value over the assessed value amount set by the established base year. Ordinance No. 590 established the base tax year as 1998. The following table represents the TAX INCREMENT FINANCING BILLING HISTORY through the 2012 calendar year:

| <i>TIF Billing Year</i> | <i>Date Billed</i> | <i>Assessed Value Increment over base year</i> | <i>City of Brooksville TIF Amount</i> | <i>City Millage Rate</i> | <i>Hernando County TIF Amount</i> | <i>County Millage Rate</i> | <i>Annual TIF Revenue Subtotal</i> | <i>Cumulative TIF Revenue Subtotal</i> |
|-------------------------|--------------------|--|---------------------------------------|--------------------------|-----------------------------------|----------------------------|------------------------------------|--|
| 1999 | 12/08/99 | \$55,260.00 | \$419.98 | 8.0000 | \$455.14 | 8.6695 | \$875.12 | \$875.12 |
| 2000 | 10/25/00 | \$233,144.00 | \$1,771.89 | 8.0000 | \$1,865.00 | 8.4204 | \$3,636.89 | \$4,512.01 |
| 2001 | 11/01/01 | \$2,132,735.00 | \$16,208.79 | 8.0000 | \$17,060.56 | 8.4204 | \$33,269.35 | \$37,781.36 |
| 2002 | 11/25/02 | \$2,902,420.00 | \$22,058.39 | 8.0000 | \$24,789.22 | 8.9904 | \$46,847.61 | \$84,628.97 |
| 2003 | 10/21/03 | \$4,280,409.00 | \$32,531.11 | 8.0000 | \$36,494.62 | 8.9747 | \$69,025.73 | \$153,654.70 |
| 2004 | 10/25/04 | \$5,086,492.00 | \$38,029.16 | 7.8700 | \$44,578.67 | 9.2254 | \$82,607.83 | \$236,262.53 |
| 2005 | 10/13/05 | \$5,883,236.00 | \$41,918.06 | 7.5000 | \$50,947.76 | 9.1156 | \$92,865.82 | \$329,128.35 |
| 2006 | 10/12/06 | \$6,880,577.00 | \$49,024.11 | 7.5000 | \$56,316.29 | 8.6156 | \$105,340.40 | \$434,468.75 |
| 2007 | 10/22/07 | \$6,944,362.00 | \$41,713.74 | 6.3230 | \$46,449.82 | 7.0409 | \$88,163.56 | \$522,632.31 |
| 2008 | 11/04/08 | \$10,393,781.00 | \$59,925.86 | 6.0690 | \$69,284.54 | 7.0168 | \$129,210.40 | \$651,842.71 |
| 2009 | 10/16/09 | \$8,402,952.00 | \$48,447.64 | 6.0690 | \$56,013.75 | 7.0168 | \$104,461.39 | \$756,304.10 |
| 2010 | 10/06/10 | \$7,126,453.00 | \$43,125.73 | 6.3700 | \$47,504.66 | 7.0168 | \$90,630.39 | \$846,934.49 |
| 2011 | 10/18/2011 | \$7,089,377.00 | \$42,901.36 | 6.3700 | \$47,958.61 | 7.1209 | \$90,859.97 | \$937,794.46 |
| 2012 | 10/05/2012 | \$5,793,796.00 | \$36,327.10 | 6.6000 | \$41,249.43 | 7.4943 | \$77,576.53 | \$1,015,370.99 |
| TOTAL | | | \$474,402.92 | | \$540,968.07 | | | |

STAFFING:

The City of Brooksville provides management, planning and financial services to the CRA for an annual fee. Additionally, in November 2010, the Community Redevelopment Agency hired a consultant to update the Community Redevelopment Plan (CRP) and assist with implementing CRP Goals, Objectives and project plans.

MEETINGS:

The CRA met three times during the 2011-2012 fiscal year on November 7, 2011, August 6, 2012 and September 26, 2012. Minutes for the meetings are on file in the office of the City Clerk.

CRA staff and its' consultant continue to attend and participate in monthly meetings with the Brooksville Vision Foundation Stakeholders Council (a private non-profit corporation whose purpose is to work side-by-side with local partners to promote and implement positive economic redevelopment in Brooksville). A primary mission of the Stakeholders Council is to establish a vision plan for the City as well as provide a forum for community input and projects.

CRA staff and consultant held a Community Stakeholder Workshop on April 7, 2011, to obtain input and feedback from property and business owners within the CRA in conjunction with the CRP update. Additional meetings were held in August 2012 with the Community Redevelopment Agency, and follow-up meetings were held with individual Agency members to further modify and update the CRP. The updated CRP was adopted by the Agency and the City Council on January 7, 2013.

On December 8, 2011, the Brooksville Vision Foundation hosted a reception at the Brooksville Country Club specifically inviting property and business owners from the Community Redevelopment Area (CRA). The reception included a presentation on the CRA exterior improvement grant program and was a great inducement to produce willing applicants and partners to invest in their property within the CRA.

PROJECTS:

In the year 2000, the City/CRA initiated a Main Street Revitalization Project, which included four blocks of Main Street from Fort Dade Avenue to just south of Liberty Street. Funding was obtained through CDBG-CR & MPO Enhancement Fund grants leveraged with local revenues. The project included placing utilities (electric, cable, phone, etc.) underground, installing decorative brick pavers and crosswalks, landscaped bulb-outs at the intersections, old-style street lights, tree

planting, benches and trash receptacles. The project was completed in 2004. The City subsidized the CRA with matching funds for this project in the amount of \$150,000. A payment schedule was proposed for reimbursing the City for this loan as well as management fees that accumulated in the early years of the CRA. As part of the budgeting process for the 2008-2009 fiscal year, the City put the money previously allocated for the above-referenced debt service (\$8,975 plus all future year debt service for this loan) back into the CRA TIF trust fund to be used for redevelopment purposes. Forgiving this debt obligation effectively converted the balance of future year debt service (in the amount of \$192,383) into future year revenues that may be used for redevelopment activities as outlined in the Community Redevelopment Plan.

CRA staff administer a commercial exterior improvement grant program (initially adopted/implemented June 1, 2009) to benefit properties located within the redevelopment area. To date, ten business properties have taken advantage of this grant program. The CRA anticipates more businesses taking advantage of this program as the economy recovers and the capability for private property investment improves with it. Exhibit "A" displays "before and after" pictures of the Lowman Law property on S. Main Street that showcases a project that utilized the CRA grant program.

As previously noted, a planning/design consultant was selected by the Community Redevelopment Agency in the latter part of 2010 to update the Community Redevelopment Plan and subsequently move forward with assisting the CRA in implementing future projects. The CRA Plan update was completed on January 7, 2013. An important component of the Plan update was the inclusion of a five-year Capital Improvement Program (CIP). The CIP targets close to \$900,000 worth of projects and improvements over the next five years which may be leveraged with other funding sources and investments to make significant improvements within the downtown district.

The updated Community Redevelopment Plan now specifies several projects, including a Downtown Beautiful Program (which augments the existing grant program and encourages private-public partnerships to improve and enhance the "look" and "feel" of the CRA area). Other projects specified within the Plan provide for the development of a Recreation and Stormwater Master Plan for the CRA; planning for and installing gateway improvements and wayfinding signage; developing cultural event and business recruitment and retention programs; developing a CRA webpage; and further provides for the development of a parking improvement plan.

FINANCIALS:

Revenues Expenses Report - By Period

615 - Community Redevelopment Agency

10/01/2011-09/30/2012

| | | <u>Actual</u> | <u>Budget - Revised</u> | <u>Variance \$ - Revised</u> |
|-------------------------------|-----------------------------------|------------------|-------------------------|----------------------------------|
| Taxes | | | | |
| 40000 | Ad Valorem Taxes | 90,859.97 | 84,649.00 | 6,210.97 |
| | Total Taxes | 90,859.97 | 84,649.00 | 6,210.97 |
| <hr/> | | | | |
| Grants from Other Local Units | | | | |
| 47000 | Grants from Other Local Units | 0.00 | 0.00 | 0.00 |
| | Total Grants from Local Units | 0.00 | 0.00 | 0.00 |
| <hr/> | | | | |
| Interest Earnings/ Dividends | | | | |
| 48890 | Miscellaneous Revenues | 58.44 | 300.00 | (241.56) |
| 48810 | Interest Earnings/Dividends | 728.73 | 900.00 | (171.27) |
| 48811 | Interest SBA | 0.00 | 0.00 | 0.00 |
| | Total Interest Earnings/Dividends | 787.17 | 1,200.00 | (412.83) |
| <hr/> | | | | |
| | Total Revenues | 91,647.14 | 85,849.00 | 5,798.14 |
| <hr/> | | | | |
| Operating Expenses | | | | |
| 53200 | Accounting & Auditing | 0.00 | 0.00 | 0.00 |
| 53400 | Other Contractual Services | 27,950.00 | 27,950.00 | 0.00 |
| 54800 | Advertising Activitoes | 110.00 | 500.00 | 390.00 |
| 55210 | Operating Supplies | 0.00 | 0.00 | 0.00 |
| 55400 | Books Subscription Membershp | 740.00 | 475.00 | (265.00) |
| | Total Operating Expenses | 28,800.00 | 28,925.00 | 125.00 |
| <hr/> | | | | |
| Other Services & Charges | | | | |
| 54900 | Other Current Charges | 15.00 | 100.00 | 85.00 |
| 55500 | Uncapitalized Equipment | 0.00 | 0.00 | 0.00 |
| 55630 | Improvements Other Than Building | 0.00 | 100,000.00 | 100,000.00 |
| 55650 | Construction in Progress | 10,585.53 | 250,000.00 | 239,414.47 |
| 58300 | Other Grants & Aids | 35,046.50 | 100,000.00 | 64,953.50 |
| | Total Other Services & Charges | 45,647.03 | 450,100.00 | 404,452.97 |
| <hr/> | | | | |
| | Total Expenditures/Expenses | 74,447.03 | 479,025.00 | 404,577.97 |
| <hr/> | | | | |
| | Net income/(Net Loss) | 17,200.11 | (393,176.00) | 410,376.11 |
| <hr/> | | | | |

BALANCE SHEET:

Balance Sheet Per Fund

615 - Community Redevelopment Agency

As of 09/30/12

| | | <u>Prior Year</u> | <u>Current Year</u> | <u>Current Year Change</u> |
|--|-----------------------------------|--------------------------|--------------------------|----------------------------|
| Cash | | | | |
| 10008 | Cash - Certificate of Deposit | 29,452.27 | 29,785.47 | 333.20 |
| 10009 | Cash - CRA Money Market | 426,103.72 | 471,910.84 | 45,807.12 |
| 10011 | Cash- CRA Checking Account | 85.00 | 0.00 | (85.00) |
| 10701 | Interest & Dividends Receivable | 212.95 | 0.00 | (212.95) |
| Total Cash | | <u>455,853.94</u> | <u>501,696.31</u> | <u>45,842.37</u> |
| Total Assets | | <u>455,853.94</u> | <u>501,696.31</u> | <u>45,842.37</u> |
| Other Liabilities | | | | |
| 20101 | Due to General Fund - 001 | 0.00 | 0.00 | 0.00 |
| 20131 | Due to CDBG (Redevelopment) - 131 | 0.00 | 0.00 | 0.00 |
| Total Other Liabilities | | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| Total Liabilities | | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| Equity | | | | |
| 30060 | Fund Balance- Unreserved | 455,853.94 | 455,853.94 | 0.00 |
| Total Equity | | <u>455,853.94</u> | <u>455,853.94</u> | <u>0.00</u> |
| Total Liabilities and Fund Balance/Retained Earnings | | <u>455,853.94</u> | <u>455,853.94</u> | <u>0.00</u> |

This Annual Report of the City of Brooksville Community Redevelopment Agency is being filed with the office of the City of Brooksville City Clerk and the Brooksville Community Development Department, consistent with the requirements of Section 163.356(3)(c), Florida Statutes. The Report provides a summary of CRA activity through the 2011-2012 fiscal year. The report is a compilation of information obtained from public records and staff acting on behalf of the CRA. If there are any questions concerning the City of Brooksville Community Redevelopment Agency, please contact the City's Community Development Department at (352) 540-3810.

This report has been officially filed with the local government on March 6, 2013.

Sincerely,

Bill Geiger

Bill Geiger

CRA Executive Director

pc: City of Brooksville Council/Community Redevelopment Agency Members
T. Jennene Norman-Vacha, City Manager
Janice Peters, City Clerk
Thomas Hogan, City Attorney
Stephen Baumgartner, Director of Finance
George Zoettlein, Dir., Off. of Mngmt. & Budget/Hernando County
Taxing Authority
CRA file

ATTACHMENTS:

Exhibit "A" – Lowman Law Property "Before & After" Pictures & List of Successful Grant Projects Completed to Date

Exhibit "B" – City of Brooksville Historic District/Community Redevelopment Area (graphic)

Exhibit "C" – "Community Redevelopment Agencies: What, When and How"; a publication of the Florida Redevelopment Association

EXHIBIT "A"

*Community Redevelopment Agency Commercial Property Improvement Matching Grant Program
31 S. Main Street*

BEFORE



AFTER



*Community Redevelopment Agency Commercial Property Improvement Matching Grant Program
31 S. Main Street*

BEFORE

AFTER

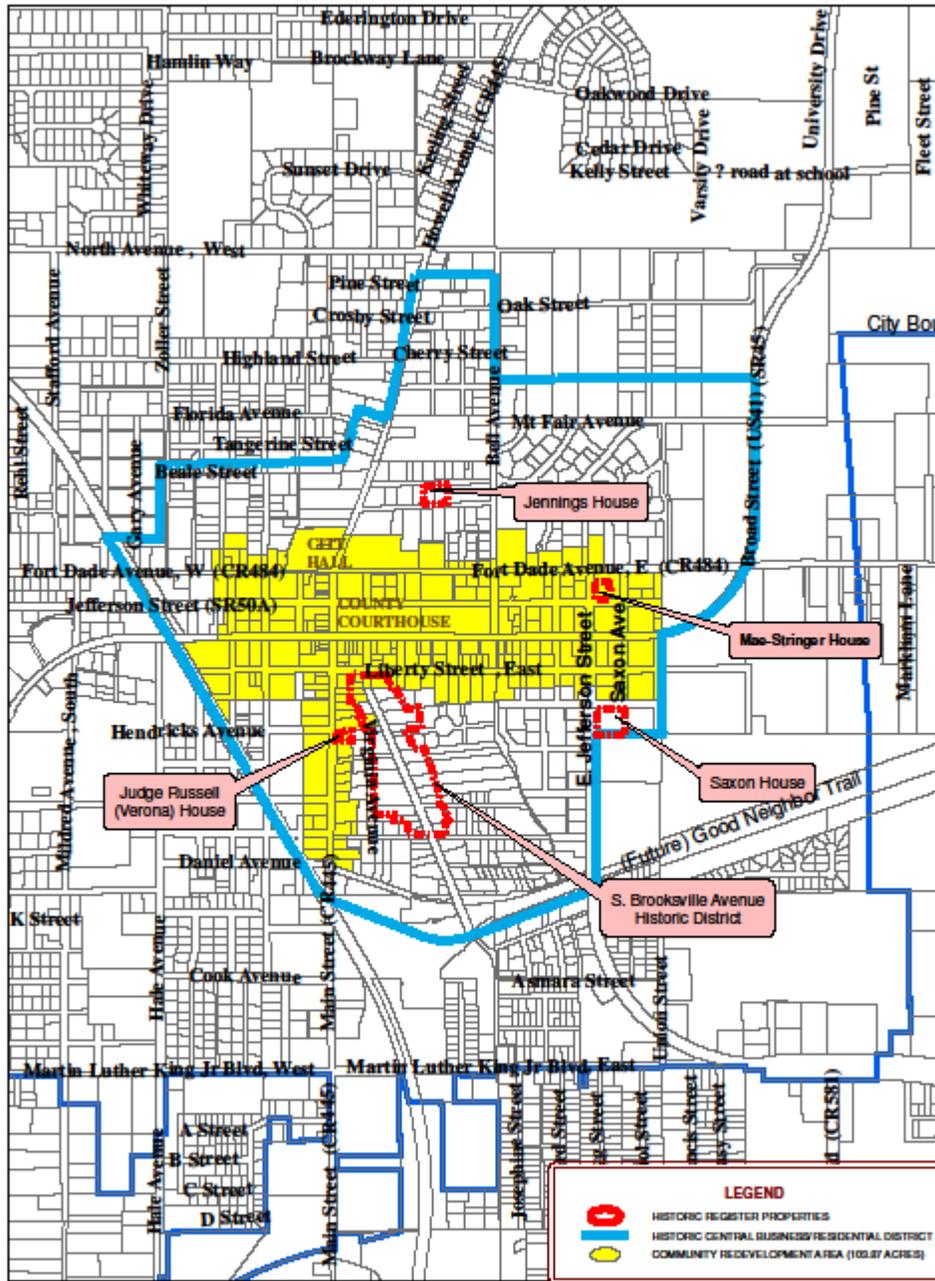


LIST OF SUCCESSFUL GRANT APPLICANTS

| <u>#</u> | <u>NAME</u> | <u>ADDRESS</u> | <u>DESCRIPTION</u> | <u>BID AMT</u> | <u>GRANT AMT</u> | <u>APPROVED</u> | <u>PAID</u> | <u>COMMENTS</u> | <u>IN EZ</u> |
|---------------|--|---------------------------------|--|----------------------------|---------------------------|-----------------|-------------------------|-----------------|--------------|
| 1 | Anna Smith (Comm. Bldg.) | 318 N Broad St | parking lot, painting | \$9,886.98 | \$4,943.49 | 2/19/2010 | 4/20/2010 Ck # 0522 | Complete | No |
| 2 | Lynn Mountain / Manuel LLC | 161 E Jefferson St | parking lot, painting, landscaping, shutters | \$4,206.76 | \$2,103.38 | 10/28/2010 | 3/11/2011 Ck # 0529 | Complete | No |
| 3 | Joseph Lowman / Lowman Properties | 31 S Main St | balcony, drainage, ADA ramp, painting | \$55,800.00 | \$10,000.00 | 5/10/2011 | 6/4/12 Ck # 0541 | Complete | Yes |
| 4 | Mark Browning / Browning Ins. Co. | 1 N Main St | painting, awning | \$13,810.00 | \$5,000.00 | 2/22/2012 | 4/12/2012 Ck # 0537 | Complete | Yes |
| 5 | Robert Riley/ Pronto Cleaners | 104 S Main St | new roof, new siding | \$44,250.00 | \$10,000.00 | 4/23/2012 | 7/13/2012 Ck #0543 | Complete | Yes |
| 6 | Darlene Wylie - White Daisy Salon & Spa | 414 E Liberty St | pressure wash, painting | \$5,100.00 | \$2,550.00 | 3/23/2012 | 5/15/2012 Ck # 0540 | Complete | Yes |
| 7 | James Tsacrios / Mallis Brothers Construction | 12 N Broad St / 15 S Main St | window replacement on 2nd story | \$10,560.50 | \$5,000.00 | 4/17/2012 | 5/7/2012 Ck # 0539 | Complete | Yes |
| 8 | Richard Tombrink, Jr./The Tilted Cup | 200 W Fort Dade Ave | pr. wash/paint roof, ext. walls, shutters, front porch; trim tree | \$7,664.00 | \$3,832.00 | 5/24/2012 | 10/15/2012 Ck # 0547 | Complete | Yes |
| 9 | Patricia Bechtelheimer /Westover's Flowers & Gifts | 510 E Liberty St | parking area repaving; new shingled roof | \$40,238.48 | \$10,000.00 | 6/22/2012 | 12/27/2012 Ck # 0549 | Complete | Yes |
| 10 | Adele Vansciver /Women's Club | 131 S Main St | driveway & sidewalk repairs | \$4,993.00 | \$2,496.50 | 6/25/2012 | 8/20/12 Ck # 0545 | Complete | Yes |
| TOTALS | | | | <u>\$196,509.72</u> | <u>\$55,925.37</u> | | | | |

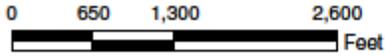


**EXHIBIT "B" - CITY OF BROOKSVILLE
HISTORIC DISTRICT/COMMUNITY REDEVELOPMENT AREA**



LEGEND

- HISTORIC REGISTER PROPERTIES
- HISTORIC CENTRAL BUSINESS/RESIDENTIAL DISTRICT
- COMMUNITY REDEVELOPMENT AREA (100.87 ACRES)



*Base map information provided by the Hernando County Property Appraiser's office.
Map created by the Brooksville Community Development Department.
Disclaimer: This map is intended for planning purposes only, and should not be used to determine the precise location of any feature shown thereon.
A:\Data\Map Project\CRA_HISTORIC_12122008.mxd

EXHIBIT “C”

Community Redevelopment Agencies: What, When, and How

CRAs, as they are known, are quite common, but often there are many questions in the minds of those who don't work with them every day. How are they authorized? Who oversees them? What is involved in their operation? How are they funded? This article is intended to simply answer those questions. It also summarizes the legislation passed in session 2002 relating to CRAs. For further information, please contact Carol Westmoreland of the Florida Redevelopment Association at cwestmoreland@flcities.com or call (850) 222-9684 ext. 115.

What is a Community Redevelopment Area or District?

Under Florida law (Chapter 163, Part III), local governments are able to designate areas as Community Redevelopment Areas when certain conditions exist. Since all the monies used in financing CRA activities are locally generated, CRAs are not overseen by the state, but redevelopment plans must be consistent with local government comprehensive plans. Examples of conditions that can support the creation of a Community Redevelopment Area include, but are not limited to: the presence of substandard or inadequate structures, a shortage of affordable housing, inadequate infrastructure, insufficient roadways, and inadequate parking. To document that the required conditions exist, the local government must survey the proposed redevelopment area and prepare a Finding of Necessity. If the Finding of Necessity determines that the required conditions exist, the local government may create a Community Redevelopment Area to provide the tools needed to foster and support redevelopment of the targeted area.

There are currently 178 Community Redevelopment Areas in the State of Florida. The designation is used by Florida cities of all sizes, from Jacksonville and Tampa to Madison and Apalachicola. Many familiar locations, such as Church Street in Orlando, Ybor City in Tampa and the beachfront in Ft. Lauderdale are successful examples of Community Redevelopment Areas.

What is a Community Redevelopment Agency?

The activities and programs offered within a Community Redevelopment Area are administered by the Community Redevelopment Agency. A five-to-seven member CRA “Board” created by the local government (city or county) directs the agency. The Board can be comprised of local government officials and or other individuals appointed by the local government. Although one local government may establish multiple CRA districts, there generally may be only one CRA Board. Each district must maintain separate trust funds, and expend those funds only in that district.

What is a Community Redevelopment Plan?

The Community Redevelopment Agency is responsible for developing and implementing the Community Redevelopment Plan that addresses the unique needs of the targeted area. The plan includes the overall goals for redevelopment in the area, as well as identifying the types of projects planned for the area.

Examples of traditional projects include: streetscapes and roadway improvements, building renovations, new building construction, flood control initiatives, water and sewer improvements, parking lots and garages, neighborhood parks, sidewalks and street tree

plantings. The plan can also include redevelopment incentives such as grants and loans for such things as façade improvements, sprinkler system upgrades, signs, and structural improvements. The redevelopment plan is a living document that can be updated to meet the changing needs within the Community Redevelopment Area; however, the boundaries of the area cannot be changed without starting the process from the beginning.

What is Tax Increment Financing?

Tax increment financing is a unique tool available to cities and counties for redevelopment activities. It is used to leverage public funds to promote private sector activity in the targeted area. The dollar value of all real property in the Community Redevelopment Area is determined as of a fixed date, also known as the “frozen value.” Taxing authorities, which contribute to the tax increment, continue to receive property tax revenues based on the frozen value. These frozen value revenues are available for general government purposes. However, any tax revenues from increases in real property value, referred to as “increment,” are deposited into the Community Redevelopment Agency Trust Fund and dedicated to the redevelopment area.

It is important to note that property tax revenue collected by the School Board and any special district are not affected under the tax increment financing process. Further, unlike in some states, Florida taxing entities write a check to the CRA trust fund, after monies are received from the tax collector. In California, the increment is sent to the CRAs directly out of collected county tax revenues, before they are distributed to each taxing entity.

The tax increment revenues can be used immediately, saved for a particular project, or can be bonded to maximize the funds available. Any funds received from a tax increment financing area must be used for specific redevelopment purposes within the targeted area, and not for general government purposes.

How does the CRA Process Work?

A public meeting begins the designation process. Several steps will have to be accomplished before the Community Redevelopment Area becomes a reality. These steps are briefly outlined below.

I. Adopt the Finding of Necessity. This will formally identify the blight conditions within the targeted area and establish the area boundary.

II. Develop and adopt the Community Redevelopment Plan. The plan addresses the unique needs of the targeted area and includes the overall goals for redevelopment in the area, as well as identifying specific projects.

III. Create a Redevelopment Trust Fund. Establishment of the Trust Fund enables the Community Redevelopment Agency to direct the increase in real property tax revenues back into the targeted area.

The Florida Legislature addressed CRAs in 2002 from an intergovernmental point of view, to strengthen the ability of cities and counties to manage CRA creation, notices and term issues. Disputes between cities and counties involving CRAs can be resolved locally by interlocal agreements, and should be, since they usually involve growth management issues other than just funding.

Florida Redevelopment Association Legislative Position

The FRA supports the ability of local governments to create and effectively use community redevelopment agencies to redevelop and revitalize their urban areas. This includes the use of tax increment financing. They further support local control and disposition of any disputes between local governments over the use of such agencies and financing. The Florida Redevelopment Association is available for technical assistance, legislative advocacy and redevelopment educational resources.

For copies of current or past bills, statutes or further legislative information, you may visit www.leg.state.fl.us or call the FRA at (800) 616-1513 ext. 115.

About the FRA

The Florida Redevelopment Association (FRA) is dedicated to the revitalization and preservation of Florida's communities. Operated under a contract with the Florida League of Cities in Tallahassee, its purpose is to promote the improvement of downtowns and other urban areas through redevelopment and development activities under the Florida Statutes; encourage Florida's communities to create a healthy mix of affordable workforce and market rate housing; and provide a forum for networking, training and technical assistance; be an advocate for its membership; and monitor legal and legislative issues. The FRA currently has more than 300 public and business agency members.

Summary

CRAs are a specifically focused financing tool for redevelopment. CRA Boards do not establish policy for the city or county - they develop and administer a plan to implement that policy. The CRA acts officially as a body distinct and separate from the governing body, even when it is the same group of people. The CRA has certain powers that the city or county by itself may not do, such as establish tax increment financing, and leverage local public funds with private dollars to make redevelopment happen. The CRA term is limited to 30 years, 40 years if extended. After that time, all revenues (presumably much increased from the start of the CRA) are retained by each taxing entity that contributed to the CRA trust fund.