



TALLAHASSEE
**Community
Redevelopment
Agency**

**CITY OF TALLAHASSEE
COMMUNITY REDEVELOPMENT
AGENCY**

FY 2014 ANNUAL REPORT

(October 1, 2013 to September 30, 2014)

**Prepared by the
City of Tallahassee Community Redevelopment Agency
March 12, 2015**

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CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY

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AGENCY STAFF

Roxanne M. Manning, AICP
Executive Director

Rick McCraw, AICP
Program Director

Sherri Baker, AICP
Principal Redevelopment Planner

Stacey Peter
Administrative Specialist II

Charles Hubbard
Community Redevelopment Planner

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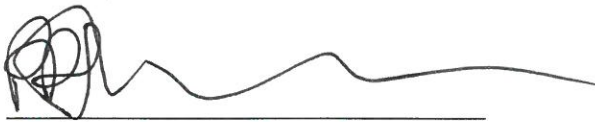
PREFACE AND APPROVALS

The City of Tallahassee Community Redevelopment Agency FY 2014 Annual Report covers the period from October 1, 2013 through September 30, 2014. The report contains a review of the redevelopment agency, a description of the FY 2014 adopted budget and budget close-out, a listing of major FY 2014 accomplishments, a map of the redevelopment area, and the FY 2014 Financial Statements. This annual report has been prepared in accordance with Chapter 163.356(3)(c), Florida Statutes, and may not be in conformance with generally accepted accounting principles.

The financial statements for the City of Tallahassee Community Redevelopment Agency, prepared in conformance with generally accepted accounting principals, are included in the City of Tallahassee's Comprehensive Annual Financial Report for FY 2014. The City's financial statements were audited by the certified public accounting firms of Thomas Howell Ferguson and Law Redd Crona & Munroe, and are expected to receive an unmodified opinion.

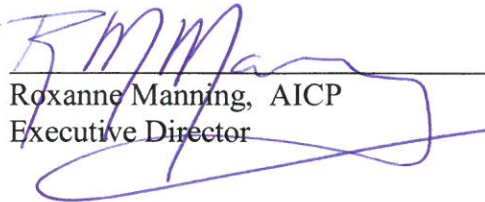
The City of Tallahassee Community Redevelopment Agency FY 2014 Annual Report has been approved this 12th day of March, 2015.

CITY OF TALLAHASSEE



Patrick Twyman,
Accounting Services Manager

TALLAHASSEE COMMUNITY
REDEVELOPMENT AGENCY



Roxanne Manning, AICP
Executive Director

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**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
OVERVIEW AND FY 2014 ACCOMPLISHMENTS**

The City of Tallahassee Community Redevelopment Agency (CRA) was created in August 1998. The CRA Board was established in September 1998, and the Board membership was amended in September 2002 and October 2007. The CRA Board consists of the City of Tallahassee Mayor, the four City Commissioners and four members of the Leon County Commission. In FY 2014, the CRA consisted of four full-time employees and one part-time employee. Starting in FY 2014, the CRA Executive Director became a full-time position. Prior to the start of FY 2014, the Executive Director also served as the Director to the City's Department of Economic and Community Development. The City of Tallahassee provides the CRA with professional and technical services such as, but not limited to, accounting services, procurement services, in-house legal services, treasurer-clerk services and information systems services.

Greater Frenchtown/Southside Community Redevelopment Area

The Greater Frenchtown/Southside Community Redevelopment Area consists of three distinct geographic sections and is comprised of over 1,450 acres of residential, office, commercial/retail, industrial, and green/open space land uses, all conveniently located near downtown Tallahassee. Included within the boundaries of the redevelopment area are thirteen neighborhood communities; seven major commercial/retail areas including sections of Tennessee Street, Tharpe Street, North and South Monroe Streets, Gaines Street, Lake Bradford Road and South Adams Street; and numerous mixed-use areas. In addition, the redevelopment area borders parts of the Florida A&M University (FAMU) and the Florida State University (FSU). Extensive city infrastructure, including water, sewer, electricity and gas, are available throughout the redevelopment area.

The City Commission adopted the Greater Frenchtown/Southside Community Redevelopment Plan (formerly known as the Tallahassee Community Redevelopment Plan) and established the Greater Frenchtown/Southside Community Redevelopment Trust Fund in June 2000.

Downtown District Community Redevelopment Area

The Downtown District Community Redevelopment Area consists of approximately 440 acres located in downtown Tallahassee, between the northern and southern portions of the Greater Frenchtown/Southside Community Redevelopment Area. The Downtown District is comprised of five sub areas with distinct land uses, physical characteristics and functions. These sub areas are: (1) North Monroe Street, (2) the Downtown Core, (3) Franklin Boulevard, (4) Gaines Street, and (5) Capital Cascades. Land uses in the Downtown District include residential, office, commercial/retail, light industrial, and green/open space. The entire area is serviced by city infrastructure, including water, sewer, electricity, and gas.

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The City Commission adopted the Downtown Community Redevelopment Plan and established the Downtown District Community Redevelopment Area Trust Fund in June 2004. Funding of the Downtown District, as well as any expansion of existing redevelopment districts or establishment of new redevelopment districts is governed by the *“Interlocal Agreement Among the City of Tallahassee, Leon County, and the Community Redevelopment Agency of the City of Tallahassee Regarding the Creation and Operations of the Downtown District Community Redevelopment Area and the Expansion of the Community Redevelopment Area”*, (the *Interlocal Agreement*) dated June 23, 2004, and amended on October 4, 2007 and February 9, 2009.

A map outlining the boundaries of the two redevelopment areas is located on page 30 of this report.

Summary of FY 2014 CRA Performance

A primary measure of the CRA’s performance is the impact projects have on property values. The CRA’s investment in local projects and programs is intended to enhance the value of the property tax base by reducing blight and encouraging high quality development. The CRA enjoyed a variety of successes in FY 2014, many of which generated increased property values and additional revenue for the Agency. The projects range from the completion of three major redevelopment projects that are projected to add more than \$40 million in new taxable value to the tax rolls in 2015, the construction and purchase of 172 public parking spaces on Gaines Street, the purchase of The Shelter and Frenchtown Renaissance Community Center, and approval of the exchange of the CRA-owned O’Connell property to FSU for cash and the transfer of the Firestone/Bloxham Annex properties and 715 West Gaines Street. Specific projects, expenditures and results are described in greater detail within this report.

The CRA uses various criteria to evaluate potential projects, including both the economic and community impact of investments. Some of the criteria include:

- The removal of blighted properties and anticipated increase in property values.
- The projected Internal Rate of Return for major projects.
- The impacts of CRA-sponsored improvements on adjacent properties.
- The number and types of special events of events completed each year.
- The increase in affordable housing units in the redevelopment districts.

At the March 2015 CRA Board meeting, staff will propose an expanded set of measures which may include:

- Level of CRA assistance as a percentage of total project cost/private investment.
- A minimum increase of 20 percent in property values for large scale developments.
- Estimated number of local construction jobs for projects greater than \$500,000.
- Estimated number of permanent jobs created by businesses moving into projects,

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- Averaging \$1.50 in private investment for each CRA dollar committed under the commercial façade program.
- Number of recipients in business 3 and 5 years after receiving CRA assistance.
- Percentage of targeted funds committed within the target area each year.

Staff will work with the CRA Board to adopt an expanded set of performance measures and implement them during the FY 2015 budget year.

FY 2014 BUDGET OVERVIEW

The goal of the CRA is to create and implement strategies that use a combination of public and private resources to facilitate redevelopment which enhances the built environment and strengthens local economic conditions within each redevelopment district. To meet this goal the CRA seeks projects that help reduce or eliminate the development and spread of blight. Individual projects and policies are supported based on the specific conditions and needs identified within the GFS Community Redevelopment Plan and the DT Community Redevelopment Plan. Areas where the CRA concentrates redevelopment efforts includes, but is not limited to commercial development, affordable housing, infrastructure, transportation, neighborhood and housing improvements, the promotion of mixed-use developments and promotional and special events.

In FY 2014, the CRA received \$2,311,000 in income: \$2,093,000 in tax increment payments and \$218,000 in other fund payments and adjustments (loan payments, interest, fair value of investments, etc.) as described in the financial statements starting on page 31. This includes \$1,414,000 in tax increment payments for the Greater Frenchtown/Southside Community Redevelopment Area (GFS District) and \$679,000 for the Downtown District Community Redevelopment Area (DT District).

FY 2014 saw a significant improvement in property values over the decline that began in 2008 to 2009 as part of the recession. The \$2,093,000 in tax increment revenue reflects a decrease of \$42,000, or approximately 1.95 percent, from the tax increment payments received by both redevelopment districts in FY 2013. There was essentially no reduction in taxable value (approximately 0.26 percent) within the GFS District and a reduction of approximately 6.26 percent within the DT District. This is the lowest change in tax increment value in either redevelopment area since property values began to decrease, and reflects an overall improvement in property values. Some of this improvement can be attributed to CRA investments in key redevelopment areas, such as the Gaines Street area, which has resulted in increased developer interest in both redevelopment districts. A recent analysis by the Tallahassee Leon County Planning Department indicates that the properties in the Gaines Street area increased approximately 71 percent in value between 2008 and 2014. Most of this increase in value is attributable to large scale, mixed use development projects.

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Analysis of Taxable Value, 2008 - 2014			
Tax Year	2008	2014	Growth in Taxable Value, 2008-2014
Gaines Street District	\$87,940,122	\$150,373,835	71.0%
DIA Outside of Gaines Street District	\$207,432,809	\$195,325,922	-5.8%

One example of the impact of the CRA’s investment in large scale development is the ad valorem revenue impact created by the Onyx at 444 College Ave. The CRA invested \$1,606,780 in the project. The property tax generated by the parcel, prior to redevelopment, is \$14,487. The estimated property tax after redevelopment is estimated at \$517,669. The local and state sales tax impact of the project is estimated at \$370,480.

Another important impact of CRA investment in large scale development projects is the generation of private financial investment in the local Tallahassee community. For example, the Onyx is expected to generate at least \$32,000,000 in construction spending, along with the creation of 596 construction jobs (at least 80% local) and 49 permanent local jobs.

Similarly, an estimate of the total private investment generated by new construction in the Gaines Street area places expected private investment at over \$300 million dollars as of January 2015.

In FY 2014, the CRA approved, committed and/or spent approximately \$10.2 million in prior, current and future fiscal year funds in support of various programs and projects, including administrative and operating expenses. A description of the major FY 2014 approvals and expenditures within each redevelopment district is provided below.

Finally, as outlined in the Interlocal Agreement governing the funding of the DT District, the CRA also has access to one-cent of the tourist development tax which is specifically collected and held by the Leon County for debt service, construction and operational expenses directly related to the proposed Tallahassee Performing Arts Center. The CRA received no tourist development tax funds in support of the proposed performing arts center in FY 2014. During the fiscal year, the CRA returned \$6,000 in earned interest to Leon County, leaving a \$0.00 fund balance.

A. General:

FY 2014 CRA Administrative and Operating Expenses: \$511,284. For FY 2014, the CRA Board committed \$734,033 in GFS and DT District funds towards the administrative and operating expenses of the CRA. The actual administrative and

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operating expenses were \$511,284. This covered the full costs of the CRA's Executive Director, Program Director, Senior Community Redevelopment Planner, Administrative Assistant II, one part-time employee, and the general operating expenses of the CRA. In addition, a portion of the salary and benefits of the Director of the City's Department of Economic and Community Development were also funded by the CRA as part of the CRA's transition to a stand-alone department. The administration expenses were shared between the two redevelopment areas, with the GFS District accounting for \$366,576, or nearly 71.7 percent of the expense, and the DT District accounting for \$144,708, or approximately 28.3 percent of the expense. The \$222,749 remaining in the administrative and operating budget at the end of the fiscal year was transferred to the FY 2014 GFS Master Project (\$106,764) and the FY 2014 DT Master Project (\$115,985).

B. Major Expenditures and Commitments in the Greater Frenchtown/Southside Community Redevelopment Area (GFS District):

1. Refund of Municipal Services Taxing Unit (MSTU) Based Tax Increment to Leon County: \$56,485. Chapter 163.387(1)(a) and (b), Florida Statutes, requires the tax increment to be calculated based on the amount of ad valorem taxes levied each year by the City and County. As a result, the County's FY 2014 contribution included \$56,485 in tax increment based on the County's Emergency Medical Services (EMS) MSTU. Following receipt of the tax increment, the CRA Board approved the refund of the EMS MSTU-based tax increment to Leon County.
2. GFS Commercial Façade Improvement Grant Program: \$163,254. In 2006, the CRA established the Commercial Façade Improvement Program, which provides grants of up to \$50,000 for repairs/renovations to the exterior of commercial structures located in the GFS District. Applicants must match any requested grant funds dollar for dollar. Funds are available for both owner-occupied and renter-occupied commercial properties. In FY 2014 the CRA committed \$200,000 towards this program within the GFS District and awarded \$163,254 to four commercial renovation projects.
 - a. Proof Brewery - \$33,993 to assist in the renovation of a vacant warehouse at 644 McDonnell Drive in Railroad Square. The renovations started and were completed in FY 2014.
 - b. Earley's Kitchen - \$29,261 to assist in the renovation of a vacant commercial building at 1458 S. Monroe Street. The renovations started and were completed in FY 2014.
 - c. Adam Barhdi - \$50,000 to assist in the renovation of a vacant commercial building at 505 W. Georgia Street into a restaurant. The renovations were started in FY 2014 but were not completed by the end of the fiscal year.
 - d. Garages on Gaines - \$50,000 to assist in the renovation of vacant warehouse space at 603 W. Gaines Street into multiple retail spaces. The renovations were not started by the end of the fiscal year.

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The \$36,746 remaining in this program at the end of the fiscal year was transferred to the FY 2014 GFS Master Project. A summary of commercial façade improvement projects completed in FY 2014 is provided starting on page 22 under Major Accomplishments.

3. GFS Commercial Painting Grant Program: \$28,655. This program was established in FY 2008, and provides commercial property owners and tenants in the GFS District with up to \$5,000 in grant funds to help paint the exterior of a commercial building that is viewable by the public; no match is required. In 2012 the program was expanded to include murals. In FY 2014 the CRA committed \$30,000 towards this program within the GFS District. During the fiscal year six grant applications totaling \$28,655 were approved - one on South Monroe Street, one on West Brevard Street and four in Railroad Square. Four of the painting projects were completed during the fiscal year. The \$1,345 remaining in this program at the end of FY 2014 was transferred to the FY 2014 GFS Master Project. A summary of FY 2014 commercial painting grant program projects starts on page 24 under Major Accomplishments.

4. GFS Retail Incentives Loan Program: \$25,000. The program provides eligible applicants with up to \$50,000 in low-interest loans with a term of not more than 10 years. The funds may be used by the applicant for owner/tenant improvements; the purchase and installation of furnishings, fixtures and equipment (FFE); and exterior features such as signage. In FY 2014 the CRA committed \$150,000 in support of this program within the GFS District. A single loan of \$25,000 was awarded to Earley's Kitchen to assist in the interior build out of a vacant commercial building into a cafeteria-style restaurant. The renovations were completed by the end of the fiscal year.

In July, the CRA Board decided to end the loan program over concerns with having staff make loan recommendations and monitor loan payments. The \$125,000 remaining in this program at the end of the fiscal year was transferred to the FY 2014 GFS Master Project. A summary of FY 2014 retail incentive loan projects starts on page 26 under Major Accomplishments.

5. GFS Promotional/Special Events Grant Program: \$34,418. This program was established in FY 2010 and provides grants of up to \$5,000 to not-for-profit organizations who sponsor promotional or special events in the GFS District that promote the goals and objectives of the GFS Community Redevelopment Plan. The CRA committed \$35,000 to this program in FY 2014. This was the first year that applications were scored and ranked on a competitive basis; prior year grant funds were awarded on a first-come-first-served basis. During the fiscal year seven events received a total of \$34,418 in grant funds.
 - a. The Vocal Arts Network's Community Healing Days, \$5,000.

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- b. The All Saints District Community Association's All Saints District Festival, \$4,992.
- c. The Tallahassee Film Society's Sci-Fi Film Series, \$5,000.
- d. The Railroad Squares Shops & Studios' ArtiGras Festival, \$5,000.
- e. Tallahassee Food Network's 1st Annual Frenchtown Food & Cultural Arts Celebration, \$5,000.
- f. The Sharing Tree's Green Arts Festival, \$4,425.
- g. The John G. Riley Museum's The Season of Emancipation: A Walk Through Living History, \$5,000.

The \$582 in funds remaining in this program at the end of the fiscal year was transferred to the FY 2014 GFS Master Project. A summary of the FY 2014 promotional/special events grant program events starts on page 19 under Major Accomplishments.

- 6. Loan Guarantee Program: \$50,000. The Board approved \$50,000 for the development and implementation of a loan guarantee pilot program. Staff proposed establishing a loan guarantee test pilot program for the GFS District with a local bank. The concept was for the CRA to provide funds to a bank which would use the funds to guarantee loans within the GFS District at a 10:1 ratio, with the bank loaning ten dollars (\$10.00) for every dollar provided by the CRA. As an example, \$50,000 in CRA funds would be used to guarantee \$500,000 in loan funds for small business owners/operators located within the GFS District. The loan guarantee program was not implemented in FY 2014, but the CRA Board continued the funds into FY 2015 as part of the FY 2015 budget. If this program is successful, it could be expanded to the DD Community Redevelopment Area and similar loan guarantee arrangements could be made with other local lenders.
- 7. Affordable Housing Program: \$200,000. Originally budgeted at \$200,000, the affordable housing funds were to be leveraged with funds from the City of Tallahassee's Affordable Housing Division for (1) emergency owner-occupied home repairs, \$100,000; (2) for the construction of three new affordable homes, \$50,000; and (3) the remaining \$50,000 set-aside for other affordable housing needs. Only the \$50,000 for the construction of three new affordable homes was spent during FY 2014. The remaining \$150,000 was continued into FY 2015 and will be leveraged with additional CRA affordable housing funds and funds from the City's Affordable Housing Division to redevelop up to eleven (11) residential properties in the South City community. A summary of the FY 2014 affordable housing accomplishments starts on page 27 under Major Accomplishments.
- 8. Tallahassee Urban League Building: \$8,071. In 2012 the CRA approved \$70,914 in grant funds to assist the Tallahassee Urban League with a major renovation of their building on Old Bainbridge Road. The CRA-funded improvements included the installation of a metal roof covering the glass dome, upgrades to the HVAC

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system, stucco removal/repair, installation of new windows and one entrance door, and exterior painting. During the renovations additional roof damage and needed repairs were discovered. In November 2013 the CRA Board approved \$8,071 in additional funds to reimburse the Tallahassee Urban League for the unanticipated roof repairs.

9. Art Alley: \$23,000. In January the Board approved a \$23,000 grant request to help cover the cost to install lighting and related expenses, such as conduit, fixtures, timers and sensors for the Art Alley Project. The project will transform an old city alleyway that connects Gaines Street with St. Francis Street into a well-designed, pedestrian friendly walkway. The CRA funds will compliment \$55,500 in grant funds from the National Fish and Wildlife Foundation – Wells Fargo Foundation and the City of Tallahassee. City staff with the Department of Environmental Policy and Energy Resources is also working to raise \$11,500 in community contributions and in-kind services for a total project cost of approximately \$90,000. The project was in design at the end of FY 2014.

10. District Joint Ventures, LLC – Block and Deck Payment: \$1,317,279. In July 2012, the CRA approved providing District Joint Ventures, LLC, the developer, with \$5,399,500 grant funds, as well as up to \$216,000 worth of CRA-controlled capacity credit in the Coal Chute Stormwater Pond in support of the Deck and Block developments. The development consists of two mixed-use apartment condominiums with extensive retail space on Gaines Street: the Deck, on the former Salie property and the Block, on the former Ferguson property. Approximately \$2.7 million of the CRA funds were approved for the purchase of up to 174 public parking spaces in the two developments. Construction began in early 2013 and was completed in August 2014. An initial payment of \$1,368,750 was made in June 2013 at 50 percent completion of the public parking spaces. In December and September 2014, the final public parking space payments totaling \$1,317,279 were made upon completion and delivery of 172 public parking spaces to the CRA. The remaining \$2.7 million in grant funds that were used to help offset retail development, public plaza improvement and design upgrade expenses will be provided through the reimbursement of the annual tax increment generated by the development once it is added to the tax rolls in 2015. The two developments are projected to add approximately \$32.3 million in new taxable value for the CRA starting in 2015. A summary of the project is provided starting on page 18 under Major Accomplishments.

11. Union Hotel Group: \$20,000. In 2012 the CRA Board approved \$359,000 in grant and loan funds to the Union Hotel Group for the renovation of the former Holiday Inn Select on West Tennessee Street into a Four Points Hotel by Sheraton. As part of the grant payments the CRA agreed to provide the developer with grant payments of \$20,000 the first year the hotel improvements were reflected on the tax rolls (2013) and the \$25,000 the second year the improvements were reflected on the tax rolls (2014). The \$20,000 grant payment

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was made in FY 2014. When the GFS District was established, the hotel had an assessed value of \$4.3 million. At the time of the renovations the assessed value had decreased to \$2.2 million. When the renovated hotel was added to the tax rolls in 2013 the assessed value had increased to \$6.0 million, adding \$1.7 million in new taxable value for the CRA. The 2014 assessed taxable value has increased to \$6.6 million.

12. Purchase of Shelter and Frenchtown Renaissance Community Center: \$1,950,900. In November 2013 and April 2014 the CRA Board approved the purchase of The Shelter and Frenchtown Renaissance Community Center properties for \$1,950,900. The properties are used to provide overnight shelter (The Shelter) and daytime services (the Frenchtown Renaissance Community Center) for homeless individuals and families. The purchase of the properties is part of a larger effort to relocate these services to the new, Comprehensive Emergency Services Center under construction outside the Frenchtown community. The funds from the property sale are being used to help construct the new center and purchase furnishings and equipment for the new shelter space. In May the CRA purchased the Frenchtown Renaissance Community Center properties (three parcels) for \$945,300. In June the CRA purchased The Shelter parcels (three parcels) for \$1,005,600. The funds for the purchase came from prior year land acquisition funds and the closing of several non-performing grants and completed contracts. The properties are being leased back to the sellers while the new comprehensive facility is under construction, with a planned opening of Spring 2015. The CRA plans to offer the properties for redevelopment once they are vacated in mid-2015.

13. Management of CRA-Owned Public Parking Spaces by District Joint Venture, LLC. In June the CRA Board agreed to enter into an agreement that would allow District Joint Venture (DJV) to manage and maintain the 172 public parking spaces in the Block and Deck developments. Under the terms of the agreement, the CRA pays DJV \$3,600 per quarter plus capital expenses for all maintenance services except the multi-station parking meters. Although the parking facility lease agreement was effective in August, the CRA's first quarterly payment is not due until April 15, 2015. The DJV has also entered into an agreement with the CRA to lease 25 of the public parking spaces in the Deck development for select retail operators. Under the terms of the agreement, DVJ pays the CRA \$50 per space monthly or \$1,250 per month, with a 10 percent increase in the rental rate at each 5-year renewal period. No income or payments were made under these agreements in FY 2014.

14. FY 2013 GFS Land Acquisition, Development and Related Expenses and FY 2014 GFS Master Project: \$949,946. These funds are used to support the full spectrum of land acquisition, development and related expenses, including, but not limited to: the purchase of developed and/or vacant properties for purposes of assemblage and sale, the actual development/redevelopment of properties,

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environmental assessments and/or remediation of contaminated properties, and related land acquisition costs, such as appraisals, surveys and legal fees; and other projects as approved by the CRA Board. The funds will also be used to cover some of the CRA contractual expenses and new projects in FY 2015, as outlined in the FY 2015 CRA budget. Specific offers to purchase any property are brought to the CRA Board for final approval.

The FY 2014 Balance Sheet and Income Statement for the Frenchtown/Southside Community Redevelopment Area are located on pages 33 and 34 of this report.

C. Major Expenditures and Commitments in Downtown District Community Redevelopment Area (DT District):

1. DT Commercial Façade Improvement Grant Program: \$100,000. The CRA Board originally established the DT Commercial Façade Program in 2008, which provides grants of up to \$50,000 for repairs/renovations to the exterior of commercial structures located in the DT District. The program requirements are the same as those for the GFS District: applicants can receive grants of up to \$50,000 for repairs/renovations to the exterior of commercial structures, applicants must match any requested grant funds dollar for dollar, and grant funds are available for both owner-occupied and renter-occupied commercial properties. During FY 2014 the CRA committed \$150,000 towards this program and awarded \$100,000 to two commercial renovation projects.
 - a. Jamaica Palms - \$50,000 for exterior renovations of the Jamaica Palms, an apartment that is being turned into an extended stay boutique hotel at 302 West Georgia Street. The renovations were not started by the end of the fiscal year
 - b. The Doubletree Hotel - \$50,000 for exterior improvements to the Doubletree Hotel at 101 South Adams Street. The renovations were not started by the end of the fiscal year

The \$50,000 remaining in this program at the end of the fiscal year was transferred to the FY 2014 DT Master Project. A summary of commercial façade improvement projects completed in FY 2014 is provided starting on page 22 under Major Accomplishments.

2. DT Commercial Painting Grant Program: \$0. This program was established in FY 2008, and provides commercial property owners and tenants in the DT District with up to \$5,000 in grant funds to paint the exterior of a commercial building that is viewable by the public; no match is required. The CRA committed \$15,000 in support of this program in FY 2014. No commercial property owners in the DT District took advantage of this program during the fiscal year. The \$15,000 in program funds was transferred to the FY 2014 DT Master Project at the end fiscal year.

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3. DT Retail Incentives Loan Program: \$0. The DT Retail Incentives Loan Program provides eligible applicants with up to \$50,000 in low-interest loans with a term of not more than 10 years. The funds may be used by the applicant for owner/tenant improvements, the purchase and installation of FFE and exterior features such as signage. The CRA committed \$125,000 towards this program for FY 2014, but no loans were awarded before the CRA Board decided to end the program in July. The \$125,000 was transferred to the FY 2014 DT Master Project.

4. DT Promotional/Special Events Program: \$35,000. An objective of the DT Redevelopment Plan is the support of promotional/special events within the redevelopment area. The DT promotional/special events program is managed by the Tallahassee Downtown Improvement Authority, which contributed an additional \$30,000 to the program. A total of eight grants were awarded, as listed below.
 - a. The Tallahassee Community Chorus' Second Annual Sound of Music Sing-A-Long, \$1,000.
 - b. The Minority Alliance for Advocating Community Awareness and Action's 4th Annual World AIDS Day, \$500.
 - c. Tallahassee New Year's Eve Celebration, \$8,750.
 - d. The Martin Luther King Dare to Dream Association's MLK Dare to Dream Festival, \$2,000.
 - e. The Journey to Dance's Dance with the Soul: What's Going On – A Marvin Gaye Tribute, \$500.
 - f. The Tallahassee Irish Society's Saint Patrick's Day Celebration, \$4,500.
 - g. Springtime Tallahassee's Springtime Tallahassee Festival, \$8,750.
 - h. The LeMoyne Center for the Visual Arts' Chain of Park Art Festival, \$9,000.

A summary description of these events is provided starting on page 21 under Major Accomplishments.

5. DT Trolley: \$75,000. With the emergence of the Gaines Street area, Downtown, and Midtown as destination locations the City of Tallahassee created the Rhythm Route in the fall of 2013 to alleviate parking constraints and improve connectivity between all three districts. As part of the FY 2014 CRA budget, the CRA Board provided StarMetro with \$75,000 to partially fund the first-year operation of the Rhythm Route. During the fiscal year, the Rhythm operated on Friday and Saturday nights from 5:00 PM-3:00 AM at 20 minute intervals. By the end of the fiscal year, average ridership was 643 boardings per month, with stronger ridership generally during the months when the universities are in session. Based on the success of the program in FY 2014, StarMetro is securing trolleys to be placed on the route in FY 2015.

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6. DT District Juror Bus: \$0. As part of the *Interlocal Agreement* between the CRA, the City of Tallahassee and Leon County that governs the Downtown District, as described on page 2 of this report, the CRA agreed to assist the Leon County Clerk of Courts in addressing Leon County juror parking needs. This is accomplished by providing potential and selected jurors with passes on StarMetro buses from either a bus stop near their residence or the C.K. Steele Plaza to the Leon County Courthouse and back. For FY 2014 the CRA committed \$1,000 to this program. No jurors requested bus fare reimbursements during the fiscal year, and the \$1,000 in program funds were transferred to the FY 2014 DT Master Project at the end fiscal year.
7. Word of South Festival of Literature and Music - \$75,000. In November the CRA Board approved \$75,000 in grant funds for the proposed Word of South Festival of Literature and Music on April 11 and 12, 2015 in Cascade Park. The intent of the Festival is to combine performances from literature and music in a new and innovative way, featuring authors and musicians working together on collaborative performances. The grant funds are provided over two years, with the first payment made in April 2014 and the second payment made in FY 2015.
8. Renovation of the Old Electric Building - \$816,789. In January the CRA Board approved \$816,789 in CRA grant funds for the renovations and stabilization to the shell of the City's Old Electric Building within Cascade Park as part of the proposed Edison Restaurant. This was the culmination of a two-year effort to find a suitable restaurant tenant for the property, which started with the CRA Board approving funds in November 2011 if a suitable tenant could be found. During this time the City negotiated with an initial tenant who eventually provided the development rights to Cascade Holdings, LLC, who proposed to operate the Edison Restaurant in the building. During the negotiations with Cascade Holdings, LLC, the City identified additional renovations needed to bring the building to a leasable state. In October 2013 the City Commission approved up to \$1.3 million in funding for those additional renovations, bringing the total amount of grants funds available for renovations to \$2.1 million. At the end of the fiscal year, the City was negotiating the final terms of the agreement with Cascade Holding, LLC. During the negotiations, and prior to the end of the fiscal year, the CRA approved the use of \$80,742 of the grant funds to remove graffiti from the building exterior, make minor improvements along the landscaping adjacent to the building and remove the bricks from the original window inserts to assist in measuring the new window dimensions.
9. The Onyx at 444 College Ave - \$1,606,780. In February, the CRA Board approved \$1,606,780 in financial assistance to the developer of 444 College Avenue, a mixed-use student residential development on approximately 2.6 acres of vacant land near FSU. The development will consist of 219 residential units (a mix of studio and one, two, three and four-bedroom units), 11,903 square feet of

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retail space and a 309 space parking garage with 38 public/retail parking spaces. The funds requested from the CRA will be used to assist in the design and build-out of the retail space, improved stormwater conveyance, placement of electric lines underground, enhanced exterior treatments, and hardscape and landscape improvements. There are no upfront costs to the CRA; grant funds will be provided once the development is completed and added to the tax rolls. The developer will receive a payment of 75 percent of the annual tax increment generated from the development until the \$1,606,780 in grant funds are paid or the term of the CRA expires, whichever occurs first. Construction began during the summer of 2014 and is scheduled to be completed in August 2015. The development has an estimated post-construction taxable value of between \$26 and \$32 million, and is projected to generate between \$4.2 and \$5.2 million in new tax increment for the CRA over the life of the Agency.



Artist Rendering of the Onyx at 444 College Avenue

10. Before I Die - \$1,254. Not all projects supported by the CRA Board are large or have major financial returns. Many are much smaller and the returns can be financial or community based. In March the CRA Board approved financial support of up to \$1,500 to two local high school students to place a “Before I Die” outdoor blackboard in the Doug Burnette Park in the DT District. The actual expenses were \$1,254. The “Before I Die” blackboard invites visitors to the park to describe a major accomplishment they wish to reach in their life. The blackboard is monitored on a regular basis, with new comments recorded and placed online by the students. Originally intended as a temporary attraction, the “Before I Die” blackboard remains in the park and continues to attract visitors.

11. Railyard Lofts at CollegeTown - \$600,000. In July the CRA Board approved \$600,000 in financial assistance in support of the Railyard Lofts at CollegeTown. The development will consist of 13,300 square feet of ground floor retail space and 42 two-bedroom, two-bathroom condominiums. The CRA funds will be used

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towards (1) the undergrounding of electric lines along the pedestrian/bike path from Lorene Street west to Woodward Avenue, (2) the undergrounding of electric lines along the pedestrian/bike path from Lorene Street east to Gay Street, (3) landscape and streetscape improvements in public areas, and (4) the purchase of approximately 11,080 square feet of City right-of-way in what was formerly a CSX spur line. The CRA will reimburse the developer the cost of placing the electric lines from Loren Street east to Gay Street when that has been completed. The remainder of the funds, approximately \$468,000, will be provided through the refund of 80 percent of the annual tax increment generated by the project once it has been added to the tax rolls. The project has an estimated post-construction value of \$10.7 million, and is projected to generate approximately \$1.8 million in new tax increment for the CRA. Site preparation was underway at the end of the fiscal year.

12. KaiserKane Tennessee & Monroe, LLC - Gateway Tallahassee Payment - \$358,400. In April 2010 the CRA approved \$1,447,661 in grant funds for the development of the Gateway Tallahassee. In December 2012, the CRA entered into an agreement with KaiserKane Tennessee & Monroe, LLC, the developer, for the development of the 37,000 square-foot, mixed-use building that includes approximately 17,000 square-feet of retail space and 20,000 square-feet of office space located on the northeast corner of Tennessee and Monroe Streets. Under the terms of the agreement, the CRA provided the developer with \$537,600 in grant funds to assist in construction costs, and up to \$910,061 through lease support payments and the reimbursement of annual tax increment generated by the project once it is added to the tax rolls. Construction began in early 2013 and was completed in April 2014. Walgreens immediately occupied 13,500 square-feet of the retail space; other tenants include a law firm and an insurance company. In FY 2014, the CRA approved two grant payments from the project escrow account totaling \$358,400, which represent the final up-front grant payments. Based on the recent sale of the Walgreens space by the developer, the development is projected to add more than \$13 million in new taxable value to the DT District in 2015. A summary of the Gateway project is provided starting on page 18 under Major Accomplishments.

13. Cascade Park Improvement Payment: \$220,000. In November 2010, the CRA Board approved \$1,100,000 in funding for the initial phase of construction for Cascade Park. The funds are provided in five equal, annual payments of \$220,000, starting in FY 2010. The Capital Cascade Park is a 4.25 mile urban linear trail that will mitigate stormwater runoff, transforming a community eyesore into a community asset that will also promote economic development opportunities downtown and within the City's Southside neighborhoods. The park opened in March 2014. The FY 2014 payment of \$220,000 is the final of five payments due from the CRA.

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14. Seminole Boosters, Inc. - College Town Development and Parking Lease Payment: \$350,000. In November 2010 the CRA Board agreed to provide the Seminole Boosters, Inc. and their development partners with \$2,382,045 in grant assistance for the development of College Town, a mixed-used development with approximately 44,000 square-feet of retail space and 72 residential units located on the southeast corner of the intersection of Madison Street and Woodward Avenue. The CRA funds were used to help cover some of the costs of various infrastructure improvements, including tap fees, undergrounding of overhead electrical lines, stormwater upgrades, and streetscape improvements. Construction began in early 2012 and was completed in July 2013. The CRA assistance includes upfront grant assistance of \$550,000, with the remaining funds provided through five annual payments of \$366,409 once the project is added to the tax rolls and generates tax increment. The CRA made two grant payments totaling \$350,000 in FY 2012 and 2013. The third, and final, upfront grant payment of \$200,000, was made in October 2013. College Town was added to the tax rolls in 2014 and added approximately \$13.7 million in new taxable value to the DT redevelopment area starting in FY 2015.

In April 2013 the CRA approved the long-term lease (25 years) of 15 parking spaces within the College Town development for \$150,000 for use by the public. The lease sub-agreement was executed on October 1, 2013 and the \$150,000 parking lease payment was made later in the month.

15. FY 2013 DT Land Acquisition, Development and Related Expenses and FY 2014 DT Master Project: \$634,490. These funds are used to support the full spectrum of land acquisition, development and related expenses, including, but not limited to: the purchase of developed and/or vacant properties for purposes of assemblage and sale, the actual development/redevelopment of properties, environmental assessments and/or remediation of contaminated properties, and related land acquisition costs, such as appraisals, surveys and legal fees; and other projects as approved by the CRA Board. The funds will also be used to cover some of the CRA contractual expenses and new projects in FY 2015, as outlined in the FY 2015 CRA budget. Specific offers to purchase any property are brought to the CRA Board for final approval.

The FY 2014 Balance Sheet and Income Statement for the Downtown District Community Redevelopment Area is located on pages 35 and 36 of this report.

As noted earlier, in addition to the tax increment funds, the Downtown District also has access to one-cent of the tourist development tax collected by the County. The details on the collection, maintenance and use of these funds are contained in the interlocal agreement governing the DT District. The funds are collected and maintained by the County, and are dedicated exclusively for costs associated with debt service, construction and operating expenses of a proposed performing arts center within the DT District. These funds are provided to the CRA as needed during the fiscal year. In FY 2014, the

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CRA received no tourist development tax funds in support of the proposed performing arts center. During the fiscal year, the CRA returned \$6,000 in earned interest to Leon County, leaving a \$0.00 fund balance.

The FY 2014 Balance Sheet and Income Statement for the CRA-related Tourist Development Funds held by the CRA is located on pages 37 and 38 of this report.

FY 2014 MAJOR ACCOMPLISHMENTS

The CRA enjoyed a variety of successes in FY 2014, including:

- An agreement to exchange the O’Connell property with FSU for \$960,000 in cash and the transfer of FSU controlled property valued at \$4.8 million.
- The addition of three major redevelopment projects (College Town, The Catalyst and 601 South Copeland) to the tax rolls in 2014, adding approximately \$56.9 million in new taxable value for the DT District in FY 2015.
- The completion of the Gateway office-commercial development at the northeast corner of Tennessee and Monroe Streets. The development is projected to add more than \$13 million in new taxable value to the DT District in 2015.
- The completion of the Block and Deck mixed-use student residential developments on Gaines Street. The developments are projected to add \$32.3 million in new taxable value to the GFS District in 2015.
- The start of the 444 College Avenue, a mixed-use student residential development on approximately 2.6 acres of vacant land on College Avenue in the DT District.
- The construction of three new affordable housing units in the Southside.
- Support to 15 promotional and special events in both redevelopment districts.
- Multiple small commercial façade, commercial painting and retail loan projects in both redevelopment districts.

Further details of the major FY 2014 CRA accomplishments are described below.

1. Exchange of O’Connell Property with FSU. In June the CRA Board authorized staff to negotiate and enter into an agreement with FSU to sell the CRA-owned O’Connell property to FSU for \$5.8 million, in the form of \$960,000 in cash and the transfer of three FSU properties with appraised values of \$4.8 million. The three properties that will be transferred to the CRA are the Firestone parcel, the Bloxham Annex parcel and 715 West Gaines Street. The Firestone and Bloxham Annex parcels are located in the DT District. When these properties are sold for redevelopment the funds from the sale will be deposited in the GFS District Trust Fund. The agreement was executed in August, but the sale was not approved by the Florida Cabinet acting as Trustees for the Internal Trust Fund by the end of the fiscal year. The closing is scheduled to take place in 2015.

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At the time of the agreement, FSU was still developing their vision for the O'Connell property, which is adjacent to the Donald L. Tucker Civic Center and is controlled by FSU. The development options being considered include the possible relocation of the College of Business and the development of retail space on the O'Connell property, redevelopment of the Civic Center property and streetscape changes to Madison Street, all part of FSU's Madison Mile concept.

2. College Town, The Catalyst and 601 South Copeland Added to the Tax Rolls. All three developments were completed in August or September 2014. Collectively, these developments have added 281 residential units with 827 beds and approximately 48,000 square feet in retail space to the Gaines Street area in the past three years. The developments were originally projected to add \$31.7 million in new taxable to the DT District, but when the improved properties were added to the tax rolls in 2015, the first year increase in the assessed taxable value was \$56.9 million, a 79.5 percent increase over the projected values.



College Town



The Catalyst



601 South Copeland

All three projects will receive grant payments or reimbursement of some of the tax increment generated by the improvements. The amount varies from \$180,000 for 601 South Copeland to \$1.8 million for College Town. The greater than

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projected increase in taxable values will enable the CRA to identify uncommitted funds for other projects in the DT District sooner than expected.

The success of these projects has led to additional development within the Gaines Street area. This includes College Town Phase II which will add 89 new residential units, 202 beds and 21,130 square feet of retail/restaurant and 3,300 square feet of office space; and the expansion of the Deck which will add 80 new residential units, 260 beds and 3,144 square feet of retail space. These projects are being constructed without any CRA assistance.

3. Completion of the Gateway Tallahassee Development. In April 2010, the CRA approved \$1,447,661 in grant funds for the development of the Gateway Tallahassee, a 37,000 square-foot, mixed-use building with approximately 17,000 square-feet of retail space and 20,000 square-feet of office space. Construction began in early 2013 and was completed in April 2014. Walgreens immediately occupied 13,500 square-feet of the retail space; other tenants include a law firm and an insurance company. The CRA provided \$537,600 in upfront grant assistance prior to and during construction, and will reimburse the developer up to \$910,061 in annual tax increment generated by the project once it is added to the tax rolls. Based on the recent sale of the Walgreens space by the developer, the development is projected to add more than \$13 million in new taxable value to the DT District in 2015.



The Gateway

4. Completion of the Block and Deck Mixed-Use Developments. In July 2012 the CRA Board approved approximately \$5.9 million in financial assistance for the development of the Block and Deck. Located in the GFS District, the Deck and the Block are mixed-use residential developments by District Joint Venture, LLC,

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with a combined 372 residential units (804 beds) and nearly 27,000 square feet of retail space. Construction began in early 2013 and was completed in August 2014. Approximately \$2.7 million of the CRA grant funds were used to purchase 172 public parking spaces (137 spaces in the Deck and 35 spaces in the Block) by the CRA. The parking spaces are available to the public and serve the retailers in the Block and Deck and the entire Gaines Street area. The remaining grant funds will be used to help to offset some of the retail development expenses, public plaza improvements and exterior design upgrades. These funds will be provided through the reimbursement of tax increment annually generated by the improvements. The Block and Deck will be added to the tax rolls in 2015, and will generate tax increment for the CRA starting in FY 2016. The two developments are projected to have a post-construction taxable value of \$34.3 million, an increase of \$32.3 million over the current taxable value.



The Block



The Deck

5. Promotional and Special Events. During the fiscal year, the CRA helped sponsor fifteen (15) promotional and special events in the GFS and DT redevelopment districts. A brief summary of each event by district is provided below.

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GFS District

Community Healing Days: \$5,000 – The Vocal Arts Network was awarded \$5,000 to host a three day event featuring art, music, health education workshops, and health screenings. The event was held October 11 – 13, 2013 at the Southside Arts Complex. An estimated 300 people took part in the weekend events.

All Saints District Festival: \$4,993 – The All Saints District Community Association was awarded \$5,000 for hosting a two-day event which was held on October 31 and November 1, 2013. The event featured Halloween festivities, live music, food, and promotional activities for local businesses. There were approximately 1,000 in attendance for the two nights.

Sci-Fi Film Series: \$5,000 – The Tallahassee Film Society was approved for \$5,000 to showcase a sci-fi film series showing a science fiction film in the form of two showings once a month. All showings took place at the All Saints Cinema (Amtrak Station) and were held from November 2013 through September 2014. There were a total of 15 film showings with over 800 people in attendance.

ArtiGras Festival: \$5,000 – The Shops and Studios of Railroad Square were awarded \$5,000 to host the 5th annual ArtiGras which took place on February 22, 2014 at Railroad Square. The event brings the history and traditions of the original New Orleans Mardi-Gras to Tallahassee. ArtiGras featured a Mardi-Gras atmosphere with food from local food trucks, art work, three stages for musical entertainment and a large parade. Over 1,000 people attended.

Tallahassee Food Network: \$5,000 – The Tallahassee Food Network, Inc. was awarded \$5,000 to host the First Annual Frenchtown Food & Cultural Arts Celebration to take place at the iGrow Youth Farm. The celebration will promote urban agricultural, healthy eating/living, and youth engagement. The event was held on April 12, 2014 with over 200 people in attendance.

Green Arts Festival: \$4,425 – The Sharing Tree was awarded \$5,000 to host a recycled arts and sustainable living festival featuring sustainable living exhibits, recycled arts competition, live music, mural painting and games made from recycled materials. The event was held on April 26, 2014 with approximately 2,000 people in attendance.

The Season of Emancipation: A Walk through Living History: \$5,000 – The John G. Riley Museum was awarded for \$5,000 for hosting a living history celebration featuring a reenactment of a Civil War battle, living history demonstrations, and a parade. The event was held on May 10, 2014 at the Speed Spencer Stevens Park with an over 800 people in attendance.

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DT District

Second Annual Sound of Music Sing-A-Long: \$1,000 – The Tallahassee Community Chorus was awarded \$1,000 for this event which included a sing-a-long to the film The Sound of Music. The event was held at the Challenger Learning Center on October 12 and 13, 2013. There were over 500 people in attendance between the two shows.

4th Annual World AIDS Day: \$500 – The Minority Alliance for Advocating Community Awareness and Action, Inc. was awarded \$500 for this event that included health care access information. The event was held on November 29, 2013 at the Doubletree Hotel. An estimated 125 persons attended the event.

Tallahassee New Year's Eve Celebration: \$8,750 (DIA Tier I event) – The Tallahassee New Year's Eve, Inc. was awarded \$8,750 for hosting the New Year's Eve celebration with fireworks, musical entertainment, and a video projection of New York City's New Year's Eve Ball Drop. The event was held on December 31, 2013 with over 10,000 people in attendance. The entertainment included the Little River Band and local musical artist Royce Lovett.

MLK Dare to Dream Festival: \$2,000 – The Martin Luther King Dare to Dream Association was awarded \$2,000 for the 2014 MLK Dare to Dream Festival. The festival was held on January 20th, and included live music, food and craft vendors, kid's events and historic exhibits. An estimated 1,700 attended the event.

Dance with the Soul: What's Going On – A Marvin Gaye Tribute: \$500 – Journey to Dance, Inc. was awarded \$500.00 for this event that was held on February 15, 2014 at the Donald L. Tucker Civic Center. The tribute included a multi-generational event of dance, poetry, music and song all centered on Marvin Gaye's musical brilliance. There were an estimated 200 persons in attendance.

Saint Patrick's Day Celebration: \$4,500 (DIA Tier I event) – The Tallahassee Irish Society was awarded \$4,500 for hosting the Saint Patrick's Day celebration. The event was held on March 15, 2014 on Kleman Plaza. The entertainment included International singer songwriter Laurie McGhee, and local performer Kroked Kilts as well as a parade on College Ave. There were an estimated 4,000 people in attendance.

Springtime Tallahassee Festival: \$8,750 (DIA Tier I event) – Springtime Tallahassee was awarded \$8,750 for the 2014 Springtime Tallahassee Festival. The festival includes the Grand Parade, Jubilee in the Park, Children's Park and entertainment stages. There were a variety items offered by the arts, crafts, and food vendors especially at the Seafood Festival at Kleman Plaza where the main

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stage featured rising entertainment stars. The festival was held on March 29, 2014 in downtown Tallahassee with an estimated 100,000 people in attendance.

Chain of Parks Art Festival: \$9,000 (DIA Tier I event) – The LeMoyne Center for the Visual Arts was awarded \$9,000 for the 14th annual Chain of Parks Arts Festival. The event is an outdoor festival of high quality, original artwork and entertainment. The festival was held on April 19 and 20, 2014 in the chain of parks on Park Avenue. There were an estimated 45,000 people in attendance.

6. Commercial Façade Improvement Grant Program. In FY 2014 six commercial façade improvement grants were approved. During the fiscal year three façade renovations were completed: one that was approved in FY 2013 and two that were approved in FY 2014. The completed projects are briefly described below. Since the program was implemented in FY 2007, 32 façade improvement applications have been approved, providing \$1.2 million in grant funds for projects with total improvement costs estimated at more than \$7.7 million.

GFS District

Proof Brewery, 644 McDonnell Avenue. In December 2014 the CRA Board approved a \$43,366 grant for façade improvements to a vacant warehouse in Railroad Square that would be completely renovated to house the Proof Brewing Company, a Tallahassee grown micro-brewery business. The façade improvements included an outdoor patio, exterior sectional and service walk-through doors, an overhead door facing the street, signage, cantilevered canopies, exterior lights, replacement of wall panels, and the painting of the building exterior. The actual amount of façade grant funds used was \$33,993. The total cost of exterior and interior improvements was estimated at \$522,500. The renovations were completed in August 2014.



Proof Brewing Company in Railroad Square

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Earley's Kitchen, 1458 South Monroe Street. The CRA Board approved a \$29,261 façade grant in February for the renovation of a vacant commercial building on South Monroe Street into a cafeteria-styled restaurant. The owners conducted a complete renovation of the building exterior including the replacement of exterior wood walls, painting and caulking; the framing and replacement of old plate glass storefront windows and doors with energy efficient windows and doors; the upgrading of the existing parapet located on all sides of the building with modern style metal panels, trim/flashing, aluminum soffit; the addition of signage attached to the building; and a concrete patio on the front of the building for outdoor seating as well as extensive interior renovations and updates. The cost of all exterior and interior renovations is estimated at \$173,629. The renovations were completed in September 2014.

Earley's Kitchen also received a \$25,000 retail incentives loan for interior improvements to the building, which is discussed in more detail in the Retail Incentive Loan Program review below.



Earley's Kitchen

DT District

FSU Colleetown Retail, LLC, 717 South Woodward Avenue: \$50,000. In September 2013 the CRA Board approved a \$50,000 commercial façade improvement grant for exterior renovations to convert a former commercial printing building adjacent to College Town into a retail use. The building underwent major exterior and interior improvements as part of the conversion, and is now an Urban Outfitters store. The exterior renovations included adding cobble pavers; exterior brick refurbishment; a new roof, gable, gutters, and downspouts; exterior stair rails; new storefront openings; storefront glass; landscaping, trees, and irrigation; and front steps/sidewalks. The final cost of the

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exterior and interior renovations is estimated at \$850,000. The renovations were completed in March 2014.



717 S. Woodard Avenue before



717 S. Woodward Avenue after

7. Commercial Painting Grant Program. During the fiscal year six commercial painting grants were approved. Six painting grants were completed in FY 2014, including two that were approved in FY 2013; two of the grants approved in FY 2014 remained open at the end of the fiscal year. The completed projects are briefly described below. Since the program was implemented in FY 2008, the CRA has approved 16 grant applications, providing \$71,343 in grant funds. Images of the completed projects are provided at the end of the painting grant summary.

Pizza Bros, LLC, 507 West Gaines Street: \$4,700. Pizza Bros, LLC, d/b/a Gaines Street Pies, received a painting grant in January 2013. The painting was not completed until April 2014 while the applicant decided whether or not to paint a mural on the side. Eventually, the applicant decided to repaint the building.

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Paul Rutkovsky, 571 West Gaines Street: \$2,845. In June 2013 Paul Rutkovsky was approved for a grant to paint a pine forest mural on the east side of his art gallery at 571 West Gaines Street. The mural was completed in March 2014, and is the only mural painted under the commercial painting grant program.

Gandy Printers, Inc., 1800 South Monroe Street: \$4,900. In March 2014 Gandy Printers was approved for a grant to paint the exterior of their commercial printing building at 1800 South Monroe Street. The project was completed in May 2014.

Beasley and Associates, 630 West Brevard Street: \$3,755. Stephen Beasley was approved for a painting grant in April 2014 for his office building at 630 West Brevard Street. The painting project was completed in September 2014.

Railroad Square, LLC: \$20,000. Four commercial painting grants were awarded to Railroad Square, LLC for 659 and 685 Industrial Drive, 678 McDonnell Drive and 1035 Commercial Drive. The painting of 659 and 685 Industrial Drive was completed in August 2014; the other two painting projects remain open.



Pizza Bros (left) and the mural at 571 W. Gaines Street (right)



Gandy Printers (left) and Beasley and Associates (right)

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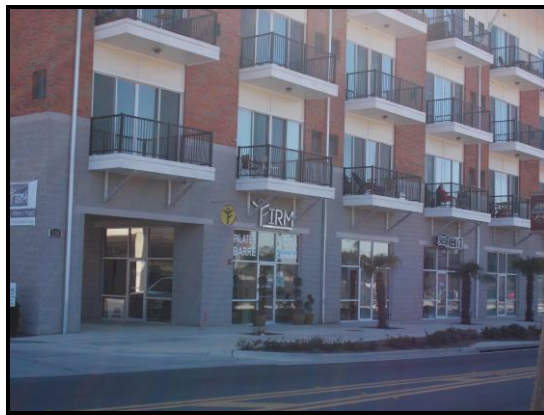


685 Industrial Drive (left) and 659 Industrial Dr. (right) in Railroad Square

8. Retail Incentives Loan Program. In FY 2014 one retail loan application was approved for interior improvements to Earley’s Kitchen on South Monroe Street. Three interior renovations partially funded with retail loans were completed: Earley’s Kitchen, Lucy & Leo’s Cupcakery and the Firm. Lucy & Leo’s and the Firm loans were approved in FY 2013. The three projects, which are briefly described below, received a total of \$85,000 in loan funds for retail improvements, including the purchase of FFE, with an estimated value of \$276,848. In July the CRA Board terminated the retail incentives loan program.

GFS District

The Firm, 833 West Gaines Street. In September 2013 Union Square, LLC, d/b/a The Firm, received a \$50,000 retail loan to help cover the cost of interior renovations and FFE for a 2,000 square foot wellness/fitness/yoga and Pilate’s studio in vacant retail space in the Lofts on Gaines building. The CRA loan funds were supplemented with a cash investment by the applicant, a bank loan and tenant improvements by the property owner. The renovations included interior improvements valued at \$76,900 and FFE valued at \$47,600. The studio opened in April 2014, and created one full-time and eight part-time jobs.



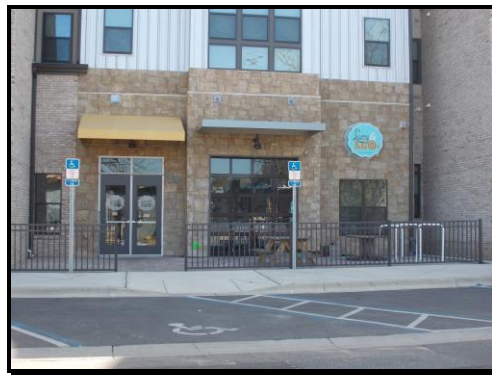
The Firm

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Earley's Kitchen, 1458 S. Monroe Street. In February 2014, James and Anita Morrell received a \$25,000 retail loan for interior improvements and the purchase of FFE for a 3,000 square-foot cafeteria-style restaurant on South Monroe Street. The estimated cost of the interior build-out was \$115,508 with the remaining interior improvement funds provided by a cash investment and FFE from the applicant and a private loan. The applicants also received a \$29,261 commercial improvement façade grant in FY 2014 for exterior improvements to the building. The restaurant opened in September 2014, and has created five full-time and four part-time positions. An image of Earley's Kitchen is provided on Page 23.

DT District

Lucy & Leo's Cupcakery, 631 West Madison Street, #133: \$10,000. In August 2013 Lucy & Leo's Cupcakery received a \$10,000 retail incentives loan to help cover the cost of interior improvements and FFE to convert 862 square feet of vacant retail space in the Catalyst into a cupcake and confections bakery. This is the second location for Lucy and Leo's Cupcakery, and reflects the growing retail market of the Gaines Street area. The cost of the renovations was \$37,240, with the remaining funds provided through a secured line of credit by a bank and tenant improvements by the property owner. The bakery opened in October 2013, and has created one new full-time and three part-time positions.



Lucy & Leo's Cupcakery

9. Affordable/Workforce Housing. As part of the FY 2014 budget the CRA Board approved \$50,000 in financial assistance for the new construction of affordable/workforce rental housing units within the GFS District. The CRA grant funds were leveraged with \$286,556 in HOME funds provided by the City of Tallahassee's Affordable Housing Division to assist in the construction of three single-family, three-bedroom, two-bath homes at 807 Tucker Street, 813 Tucker Street and 2133 Flipper Street, all in the Southside section of the GFS District. Construction of the homes was managed by the Bethel Community Development Corporation, which also owns and rents the properties. The City's Affordable Housing Division provided additional construction oversight, as well as contract and finance management.

**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
FY 2014 ANNUAL REPORT**

Construction of the homes was completed in June 2014, and they were occupied soon after.



807 (left) and 813 (right) Tucker Street



2133 Flipper Street

**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
FY 2014 ANNUAL REPORT**

REAL PROPERTY OWNERSHIP

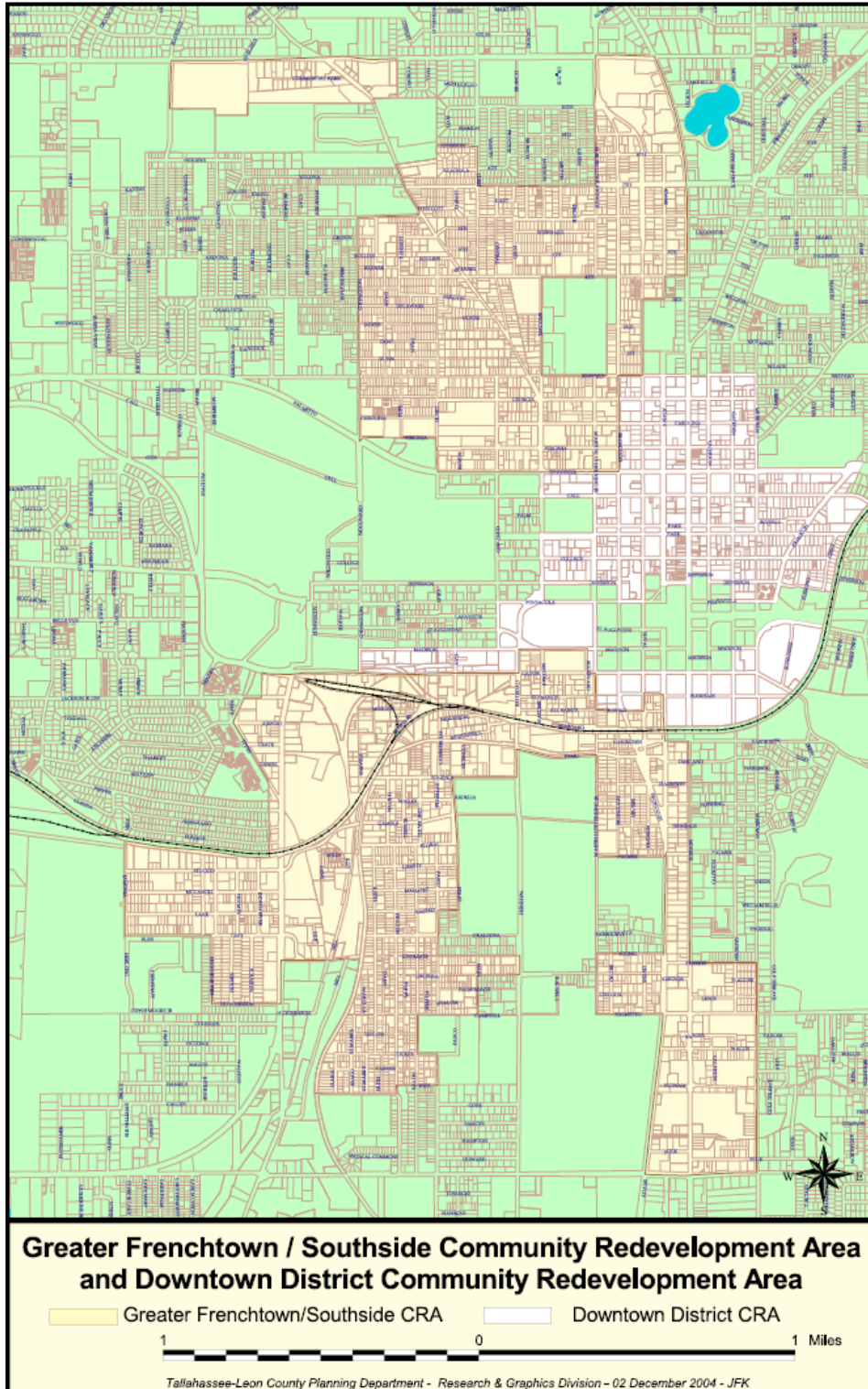
The CRA owned the twelve (12) real properties listed in the table below in FY 2014. This is an increase of eight (8) properties from FY 2013. During the fiscal year the CRA purchased 172 public parking spaces in the Block (35 spaces, 1 unit) and the Deck (137 spaces, 1 unit) residential mixed-use condominiums. The CRA also purchased the six (6) parcels that comprised The Shelter and Nueva Esperanza properties as part of the relocation of homeless services from Frenchtown to the new Comprehensive Emergency Services Center (CESC). At the end of the fiscal year, five of the properties were being leased back to The Shelter and Nueva Esperanza while the CESC is under construction. The properties will be offered for redevelopment in 2015 or 2016. The Floridan Parcel C property, which has been developed as a 102-space parking lot, remains under a long-term lease with the McKibbin Hotel Group, the owner of the hotel. With the exception of 402 West Gaines Street, the remaining parcels are vacant and available for redevelopment.

The CRA did not sell any real property during the fiscal year. During FY 2014, the CRA negotiated the sale of 402 West Gaines Street to FSU for cash and the exchange value of other properties; the closing is scheduled for FY 2015.

Address	Parcel ID #	Use	2014 Assessed Value and Purchase Price
Floridan Parcel C (former StarMetro Site)	2136401370000	Central Core (Parking lot)	\$1,494,115/ \$2,100,000
402 W Gaines St.	2136900078545	Central Core (Vacant)	\$2,323,760/ \$4,650,000
518 W Georgia St.	2136500516165	Central Urban (Vacant)	\$27,000/ \$260,000
604 N Macomb St.	2136500516175	Central Urban (Vacant)	\$6,500/ \$25,000
466 W Tennessee St.	2136500225505	Central Core (Leased)	\$125,175/ See 470 W Tennessee
470 W. Tennessee St.	2136500225510	Central Core (Leased)	\$566,728/ \$1,000,000
431 W Virginia St.	2136500205430	Central Core (Leased)	\$135,167/ See 470 W Tennessee
447 W Virginia St.	2136500215485	Central Core (Leased)	\$8,820/ See 457 W Virginia
457 W Virginia St.	2136500215490	Central Core (Leased)	\$251,498/ \$940,000
465 W Virginia St.	2136500215440	Central Core (Vacant)	\$13,500/ See 457 W Virginia
The Block – Gaines St. (35 public parking spaces)	2135230000010	University Transition (Structured Parking)	\$24,540/ \$516,750
The Deck – Gaines St. (137 public parking spaces)	2136230000010	University Transition (Structured Parking)	\$209,535/ \$2,157,800
Total			\$5,187,338/ \$11,649,550

**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
FY 2014 ANNUAL REPORT**

**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
BOUNDARY MAP**



**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
FY 2014 ANNUAL REPORT**

TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY TRUST FUNDS

FINANCIAL STATEMENTS

FROM OCTOBER 1, 2013 TO SEPTEMBER 30, 2014

**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
FY 2014 ANNUAL REPORT**

FINANCIAL STATEMENT

The annual report provides the City of Tallahassee Community Redevelopment Agency's (CRA) financial statements for the period from October 1, 2013 to September 30, 2014. The financial statements have been prepared to illustrate the financial status of the CRA, as required by Chapter 163.356(3)(c), Florida Statutes, and may not be in conformance with generally accepted accounting principles. The financial statements for the CRA prepared in conformance with generally accepted accounting principals are included in the City of Tallahassee's Comprehensive Annual Financial Report for FY 2014. The City's financial statements were audited by the certified public accounting firms of Thomas Howell Ferguson and Law Redd Crona & Munroe, and are expected to receive an received an unmodified opinion.

FINANCIAL STATUS:

As of September 30, 2014, the CRA had total assets of \$4,354,000: \$3,646,000 in the form of cash and cash equivalents/investments, \$63,000 in securities lending collateral, and \$645,000 in receivables. The CRA had \$80,000 in liabilities, and no long-term debt. At the end of the fiscal year, the total fund balance was \$4,274,000.

The FY 2014 Balance Sheets and Income Statements for the three funds under the CRA (the Frenchtown/Southside Community Redevelopment Trust Fund, the Downtown District Trust Fund and the CRA Tourist Development Tax Fund) are attached.

**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
FY 2014 ANNUAL REPORT**

**COMMUNITY REDEVELOPMENT AGENCY
FRENCHTOWN/SOUTHSIDE COMMUNITY REDEVELOPMENT TRUST FUND
(FUNDS 853, 855 and 856)
BALANCE SHEET
September 30, 2014
(in thousands)**

ASSETS

Restricted Assets:	
Cash and Cash Equivalents/Investments.....	1,547
Securities Lending Collateral.....	27
Receivables:	
Accrued Interest.....	3
Notes.....	595
Total Restricted Assets.....	<u>2,172</u>
Total Assets.....	<u>\$ 2,172</u>

LIABILITIES AND FUND BALANCES

Payable from Restricted Assets:	
Obligations Under Securities Lending.....	27
Accounts Payable.....	13
Total Payable from Restricted Assets.....	<u>40</u>
Total Liabilities.....	<u>40</u>
Fund Balances:	
Restricted for:	
Economic Environment.....	0
Committed for:	
Economic Environment.....	2,132
Total Fund Balances.....	<u>2,132</u>
Total Liabilities and Fund Balances.....	<u>\$ 2,172</u>

**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
FY 2014 ANNUAL REPORT**

**COMMUNITY REDEVELOPMENT AGENCY
FRENCHTOWN/SOUTHSIDE COMMUNITY REDEVELOPMENT TRUST FUND
(FUNDS 853, 855 and 856)**

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

**For the Fiscal Year Ended September 30, 2014
(in thousands)**

Revenues:	
Ad Valorem Taxes.....	418
Intergovernmental	996
Net Investment Earnings.....	50
Net Increase (Decrease) In The Fair Value of Investments.....	(5)
Miscellaneous Revenues.....	43
Total Revenues.....	<u>1,502</u>
Expenditures:	
Current:	
Economic Environment.....	3,954
Total Expenditures.....	<u>3,954</u>
Excess of Revenues Over (Under) Expenditures.....	<u>(2,452)</u>
Other Financing Sources (Uses):	
Transfers Out.....	0
Total Other Financing Sources (Uses).....	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses.....	<u>(2,452)</u>
Fund Balances - October 1.....	4,585
Fund Balances - September 30.....	<u>\$ 2,133</u>

**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
FY 2014 ANNUAL REPORT**

**COMMUNITY REDEVELOPMENT AGENCY
DOWNTOWN DISTRICT COMMUNITY REDEVELOPMENT TRUST FUND
(FUNDS 858, 859 and 860)
BALANCE SHEET
September 30, 2014
(in thousands)**

ASSETS

Restricted Assets:

Cash and Cash Equivalents/Investments.....	2,099
Securities Lending Collateral.....	36
Receivables:	
Accrued Interest.....	4
Notes.....	43
Total Restricted Assets.....	2,182
 Total Assets.....	 \$ 2,182

LIABILITIES AND FUND BALANCES

Payable from Restricted Assets:

Obligations Under Securities Lending.....	36
Accounts Payable.....	4
Total Payable from Restricted Assets.....	40
 Total Liabilities.....	 40

Fund Balances:

Restricted for:	
Economic Environment.....	0
Committed for:	
Economic Environment.....	2,142
Total Fund Balances.....	2,142
 Total Liabilities and Fund Balances.....	 \$ 2,182

**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
FY 2014 ANNUAL REPORT**

**COMMUNITY REDEVELOPMENT AGENCY
DOWNTOWN DISTRICT COMMUNITY REDEVELOPMENT TRUST FUND
(FUNDS 858, 859 and 860)**

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2014
(in thousands)**

Revenues:	
Ad Valorem Taxes.....	307
Intergovernmental	372
Net Investment Earnings.....	24
Net Increase (Decrease) In The Fair Value of Investments.....	1
Miscellaneous Revenues.....	111
Total Revenues.....	<u>815</u>
 Expenditures:	
Current:	
Economic Environment.....	594
Total Expenditures.....	<u>594</u>
 Excess of Revenues Over (Under) Expenditures.....	 <u>221</u>
 Other Financing Sources (Uses):	
Transfers Out.....	(75)
Total Other Financing Sources (Uses)	<u>(75)</u>
 Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses.....	 146
Fund Balances - October 1.....	1,995
Fund Balances - September 30.....	<u>\$ 2,141</u>

**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
FY 2014 ANNUAL REPORT**

**COMMUNITY REDEVELOPMENT AGENCY
TOURIST DEVELOPMENT TAX FUND
(FUND 857)
BALANCE SHEET
September 30, 2014
(in thousands)**

ASSETS

Restricted Assets:

Cash and Cash Equivalents/Investments.....	0	
Total Restricted Assets	<u>0</u>	
Total Assets	<u>\$ 0</u>	

LIABILITIES AND FUND BALANCES

Payable from Restricted Assets:

Obligations Under Securities Lending.....	0	
Accounts Payable.....	--	
Advances from Other Funds.....	<u>--</u>	
Total Payable from Restricted Assets	<u>0</u>	
Total Liabilities	<u>0</u>	

Fund Balances:

Restricted for:		
Economic Environment.....	0	
Committed for:		
Economic Environment.....	<u>0</u>	
Total Fund Balances	<u>0</u>	
Total Liabilities and Fund Balances	<u>\$ 0</u>	

**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
FY 2014 ANNUAL REPORT**

**COMMUNITY REDEVELOPMENT AGENCY
TOURIST DEVELOPMENT TAX FUND
(FUND 857)
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2014
(in thousands)**

Revenues:	
Ad Valorem Taxes.....	0
Miscellaneous Revenues.....	(6)
Total Revenues.....	(6)
Expenditures:	
Current:	
Economic Environment.....	0
Total Expenditures.....	0
Excess of Revenues Over (Under) Expenditures.....	(6)
Other Financing Sources (Uses):	
Transfers Out.....	0
Total Other Financing Sources (Uses).....	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses.....	(6)
Fund Balances - October 1.....	6
Fund Balances - September 30.....	\$ 0

**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
FY 2014 ANNUAL REPORT**
