



**CITY OF TALLAHASSEE
COMMUNITY REDEVELOPMENT
AGENCY**

FY 2010 ANNUAL REPORT

(October 1, 2009 to September 30, 2010)

**Prepared By The
City of Tallahassee Community Redevelopment Agency
March 2011**

**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
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TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY

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Michael K. Parker
Executive Director

Roxanne Manning, AICP
Program Director

Rick McCraw, AICP
Community Redevelopment Coordinator

Sherri Baker, AICP
Senior Community Redevelopment
Planner

Rick Fausone
Senior Community Redevelopment Planner

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PREFACE AND APPROVALS

The Tallahassee Community Redevelopment Agency FY 2010 Annual Report covers the period from October 1, 2009 through September 30, 2010. The report contains a review of the redevelopment agency, a description of the FY 2010 budget, a listing of major FY 2010 accomplishments, a map of the redevelopment area, and the FY 2010 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 2010. The City's financial statements were audited by the certified public accounting firm of Carr Riggs & Ingram, and received an unqualified opinion.

The Tallahassee Community Redevelopment Agency FY 2010 Annual Report has been approved this 18th day of March, 2011.

CITY OF TALLAHASSEE



Richard G. Feldman, CPA,
Accounting Services Manager

TALLAHASSEE COMMUNITY
REDEVELOPMENT AGENCY



Michael K. Parker,
Executive Director

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**COMMUNITY REDEVELOPMENT AGENCY OVERVIEW
AND
FY 2010 ACCOMPLISHMENTS**

The Tallahassee Community Redevelopment Agency (the Agency) was created in August 1998. The Agency Board was established in September 1998, and was amended in September 2002 and October 2007. The Agency Board consists of the City of Tallahassee Mayor, the four City Commissioners and four members of the Leon County Commission. In FY 2010, the Agency consisted of three full-time employees, one part-time employee and an executive director. The City of Tallahassee covered most of the costs of the Executive Director, who also serves as the Assistant Director to the City's Department of Economic and Community Development, and part of the costs of one full-time employee, and provided the Agency with other professional and technical 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 and the Florida State University. 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 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*”, 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 13 of this report.

FY 2010 Budget Overview

The Agency received \$2,886,756 in tax increment payments from the City of Tallahassee and Leon County in FY 2010. These payments included \$2,108,139 for the Greater Frenchtown/Southside Community Redevelopment Area and \$778,617 for the Downtown District Community Redevelopment Area. This was a reduction of \$777,943, or approximately 26.9 percent, from total tax increment payments received by both redevelopment districts in FY 2009. Individually, the Greater Frenchtown/Southside Community Redevelopment Area received approximately 25.6 percent less in tax increment in FY 2010 than it received in FY 2009. The Downtown District Community Redevelopment Area received approximately 30.7 percent less. The reduction in tax increment is a direct result of the downturn in the housing and commercial property values and the economic recession that started in 2007.

In addition to the tax increment payments, the Downtown District Community Redevelopment Area earned \$91,800 in parking lease payments from the McKibbin Hotel Group (MHG), the developer of the aloft Hotel. In accordance with the property sales and development agreement between the City of Tallahassee, the Agency and MHG, these lease payments are not received by the Agency, but are credited against the developer’s cost of constructing the parking lot leased by the hotel, up to a maximum of \$275,000. The Agency will begin receiving the parking lot lease payments in August, 2012 when the credit against the parking lot construction costs is complete.

Finally, as outlined in the interlocal agreement governing the funding of the Downtown District, the Agency also has access to one-cent of the tourist development tax collected and held by the county for projects directly related to the proposed Tallahassee Performing Arts Center. The Leon County Clerk of Courts manages the disbursement of these funds. The Agency did not receive any tourist development tax funds in FY 2010.

The goal of the Agency is to formulate and implement strategies using public and private resources to eliminate the conditions that cause the development and spread of blight within both redevelopment areas. Individual projects and policies are supported based on the specific conditions and needs identified within the Greater Frenchtown/Southside

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Community Redevelopment Plan and the Downtown District Redevelopment Plan, respectively. Areas where the Agency concentrates redevelopment efforts include commercial development, affordable housing, infrastructure, transportation, neighborhood improvements, and the promotion of mixed-use developments.

In FY 2010, the Agency spent or committed approximately \$11.0 million in current, prior and future fiscal year funds in support of various programs and projects, including administrative and operating expenses. A description of the FY 2010 commitments and expenditures within each redevelopment district is provided below.

A. General:

1. FY 2010 Agency Administrative and Operating Expenses: \$382,012. This allocation covered the full costs of the Agency's Program Director, Community Redevelopment Coordinator and one part-time employee, as well as the general operating expenses of the Agency. In addition, a portion of the salary and benefits of the CRA Executive Director and one Senior Community Redevelopment Planner were also funded by the Agency. Both these positions are also partially funded through the City of Tallahassee. Chapter 163, Florida Statutes, provides for the use of tax increment funds to pay for costs associated with administering and implementing activities consistent with an approved redevelopment plan. The funds spent on Agency administration and operations represent approximately 13 percent of the revenue received by the Agency in FY 2010. The administration expense was shared between the two redevelopment areas, with the Greater Frenchtown/Southside Community Redevelopment Area accounting for \$249,199, or nearly 65 percent of the expense, and the Downtown District Community Redevelopment Area accounting for \$132,813, or approximately 35 percent of the expense.

B. Greater Frenchtown/Southside Community Redevelopment Area:

1. Refund of Municipal Services Taxing Unit (MSTU) Based Tax Increment to Leon County: \$87,475. 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 each taxing authority. As a result, the County's FY 2010 contribution included \$87,475 in tax increment based on the County's Emergency Medical Services (EMS) MSTU. As part of the budgeting process, the Agency Board approved the refund of the MSTU-based tax increment to Leon County.
2. Purchase of Former O'Connell Property: \$4,650,000. In January, the Agency acquired the five-acre, vacant parcel, located south of the Civic Center, from the City for \$4.65 million. The Agency made a down payment of \$1,606,053, and will pay the balance in three equal, annual payments of \$1,014,649 starting in FY 2011. The purchase allows the Agency to market and develop the site, possibly as

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a conference center and hotel. During the last quarter of the fiscal year, following a request for proposal process, a review committee interviewed four firms with extensive experience in marketing and feasibility analysis of conference centers and hotels. Based on the reviews and presentations, the committee recommended the Agency select HVS Convention, Sports & Entertainment Facilities Consulting to analyze the former O'Connell property for a conference center and associated hotel. Agreement negotiations with HVS were underway at the end of the fiscal year, but the Agency Board had not yet approved the agreement.

3. Promotional and Special Events Program: \$20,000. A key objective of the Greater Frenchtown/Southside Community Redevelopment Plan is the support of promotional/special events within the redevelopment area. In February, the Agency Board approved \$20,000 to help sponsor such events. There was a lot of community interest in the program, but the Agency did not receive any applications during the fiscal year. During an end of year review of the program requirements, staff noted that many of the organizations in the Greater Frenchtown/Southside Community Redevelopment Area do not have extensive experience in applying for and managing grant funds. As a result, during FY 2011, Agency staff will work with the City's Human Services Division, Department of Economic and Community Development, and other community-based organizations, to help identify individuals and organizations that may be able to assist groups within the redevelopment area in applying for and managing the promotional/special events funds.

4. Commercial Façade Improvement Grants: \$83,079. In 2007, the Agency 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 either the Greater Frenchtown/Southside Community Redevelopment Area. Applicants must match any requested grant funds dollar for dollar. Funds are available for both owner-occupied and renter-occupied commercial properties. During FY 2010 the Agency Board awarded \$83,079 to three commercial renovation projects: Watch Me Grow (\$29,236), a daycare facility at 431 West Virginia Street; Voodoo Dog (\$3,753), a restaurant at 805 South Macomb Street; and Tallahassee Triad (\$50,000), a retail store (the former Frame Shop) at 1300 North Monroe Street. The grant funds were matched with nearly \$210,000 in owner/tenant funded construction for total construction costs of more than \$290,000. Please note that the \$83,079 committed to the three façade projects is not counted as part of the \$10.6 million the Agency committed in FY 2010 since these funds are from a program the Agency funded in FY 2007. The façade improvements for the Voodoo Dog Restaurant were not complete at the end of the fiscal year. Details on Watch Me Grow and Tallahassee Triad commercial façade renovations are described in the section on FY 2010 Accomplishments, starting on page 8 of this report.

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5. Land Acquisition, Development and Related Expenses: \$2,319,822. These funds are used to support the full spectrum of land acquisition, 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. Specific offers to purchase any property are brought to the Agency Board for final approval.

The FY 2010 Balance Sheet and Income Statement for the Frenchtown/Southside Community Redevelopment Agency is located on pages 16 and 17 of this report.

C. Downtown District Community Redevelopment Area:

1. Expansion of Downtown the Commercial Façade Improvement Grants Program: \$150,000. The Agency Board originally established the Downtown Commercial Façade Grant Program as a pilot program in 2008, limiting it to the north side of Gaines Street, between Woodward Avenue and Railroad Avenue. In October 2009, the Agency Board approved expanding the program to the entire Downtown District Community Redevelopment Area, and added \$150,000 in funding for a total of \$200,000 in available funding for FY 2010. The program requirements are the same as those for the Greater Frenchtown/Southside Community Redevelopment Area: 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 2010, the Agency Board awarded \$94,383 of the approved funds for two façade renovations. Lewis and Whitlock Architects received \$50,000 towards the \$210,000 renovation of the former Salvation Army building at 206 W. Virginia Street to house their firm. The Florida Commerce Credit Union received \$44,383 to assist in the \$169,418 renovation of the former People's First Bank at 107 E. College Avenue into a downtown branch of the credit union. The façade and interior renovations were not complete for either grant recipient at the end of the fiscal year.
2. Funding for Capital Cascade Park: \$1,100,000. In November, the Agency Board approved \$1,100,000 in funding for the initial phase of construction for Capital Cascade Park. The funds will be 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 is the centerpiece of the Blueprint 2000 program. The total estimated cost of the park, including amenities, is \$33,500,000. Blueprint has committed \$30,200,000 to the project, leaving a shortfall of \$3,300,000. The CRA funds will assist in reducing that shortfall.

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3. Civil Rights Commemorative Sidewalk: \$60,000. In February, the Agency committed \$60,000 to the design and installation of a civil rights commemorative sidewalk at the corner of South Monroe Street and Pensacola Street, near the former McCrory's department store. Beginning in February, 1960, sit-ins at segregated lunch counters and sidewalk protests were held at McCrory's, Woolworth's and Sear's. The protests continued until 1963 when the McCrory's lunch counter, along with other restaurants and theaters, was opened to all patrons. The commemorative sidewalk is intended to recognize the 50th anniversary of the start of the protests, as well as the trials and triumphs of the protestors. The Agency funding will cover the cost to design and fabricate panels for a 50-foot linear sidewalk at the corner of South Monroe Street and Pensacola Streets. This will be the first phase of a proposed 300-foot project, with subsequent phases funded through non-profit and private fundraising efforts. At the end of the fiscal year, a local citizen committee, many of whom participated in the protests, was working on a design for the sidewalk, which will include prefabricated terrazzo panels with commemorative brass inlays fabricated by the FSU Master Craftsman Program. The panels will be installed by the city's Public Works Department.

4. Downtown Promotional and Special Events Program Funding: \$20,000. A key objective of the Downtown District Community Redevelopment Plan is the support of promotional/special events within the redevelopment area. In February, the Agency Board approved \$20,000 to help sponsor such events. During the fiscal year, all the downtown promotional funds were awarded, with the Tallahassee Writer's Association, Springtime Tallahassee, the Junior League of Tallahassee and the Downtown Improvement Authority receiving grant funds. Details on the downtown promotional/special events held by these organizations are described in the section on FY 2010 Accomplishments, starting on page 8 of this report.

5. Downtown Retail Incentives Program: \$150,000. A challenge for the Agency has been attracting retailers to the downtown district. To help address this challenge, in April the Agency Board approved \$150,000 in funding for the Downtown Retail Incentives Loan Program. Under the terms of the program, retailers that locate or expand within the downtown district are eligible to apply for up to \$50,000 in the form of a low-interest interest loan, with a maximum term of 10 years at the prime interest rate. In June, the Agency Board approved an application from the developer/owner of the Marriott Residence Inn on Gaines Street to use program funds to build out the retail space on the first floor of their building for the Utrecht Art Supply Store, which wanted to move from East Tennessee Street to Gaines Street. Details on the use of the retail incentives program funds to assist in the relocation of the Utrecht Art Supply Store are described in the section on FY 2010 Accomplishments, starting on page 8 of this report.

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6. Gateway Tallahassee, LLC Project: \$1,447,661. Gateway Tallahassee, LLC is the owner/developer of the partially vacant parcel on the northeast corner of the intersection of Tennessee and Monroe Streets. They plan to demolish the remaining structure and develop this corner with a 37,000 square-foot, mixed-use building that will include approximately 17,000 square-feet of retail space and 20,000 square-feet of office space. The developer has a commitment from Walgreens to occupy 13,500 square-feet of the retail space. In April, the Agency approved providing Gateway Tallahassee, LLC, with \$537,600 in grant funds to assist in construction costs, and to rebate up to \$910,061 in annual tax increment payments generated by the project to help with additional construction costs and to cover a portion of any lease revenue shortfalls they may experience during the first two years of operation. Construction of the development had not started by the end of the fiscal year.

7. Gaines Street Tree Project: \$10,000. In September, the Agency provided the Council on Culture and the Arts with a grant of \$10,000 to oversee the selection of artwork that will be part of a larger effort to protect and highlight a large oak tree on city-owned property between Duval and Bronough Streets. A solicitation of artwork proposals was issued in September; selection of an artist will take place in FY 2011.

8. Land Acquisition, Development and Related Expenses: \$599,438. These funds are used to support the full spectrum of land acquisition, 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. Specific offers to purchase any property are brought to the Agency Board for final approval.

The FY 2010 Balance Sheet and Income Statement for the Downtown District Community Redevelopment Area is located on pages 18 and 19 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 Downtown District Community Redevelopment Area. The funds are collected and maintained by the County, and are dedicated exclusively for costs associated with a Performing Arts Center to be located within the Downtown District. These funds are provided to the Agency as needed during the fiscal year. No tourist development tax funds were provided to the Agency during FY 2010. In FY 2009 the Agency provided \$562,496 in tourist development tax funds to cover the staffing and operational expenses of the Florida Center for Performing Arts and Education, Inc., a nonprofit organization established in 2006 to promote and develop the performing arts center. These funds were sufficient to cover staffing and operational expenses for FY 2010 as well.

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The FY 2010 Balance Sheet and Income Statement for the CRA-related Tourist Development Funds held by the Agency is located on pages 20 and 21 of this report.

FY 2010 Major Accomplishments

The Agency enjoyed a variety of successes in FY 2010. Some of these involved the funding of projects that will bring new developments to the redevelopment areas, such as Gateway Tallahassee project described above. Other accomplishments involved the completion of projects and other efforts the Agency had been working on during FY 2009 or sooner. Included in this category are a variety of promotional and special events, the completion of a very low-income housing renovation project, residential landscape improvements, the renovation of four commercial properties, and the introduction of a new retail business to the downtown. These projects are described below.

1. Promotional and Special Events. The Agency provided funding to eight in the downtown district during FY 2010. The recipients of the grant funds were the Tallahassee Writer's Association, \$700; the Junior League of Tallahassee, \$10,000; Springtime Tallahassee, \$2,500; and the Downtown Improvement Authority, \$6,800 for four events. The types and focus of the events ranged significantly. The 2010 Tallahassee Writer's Association Book Festival brought local and national writers, book lovers and literary agents to downtown Tallahassee for a two-day conference and workshop. The Junior League of Tallahassee's 2010 Jingle Jubilee attracted 68 vendors from across the country and shoppers from throughout the region for a three-day shopping event whose profits will benefit a variety of community-based programs sponsored by the Junior League. Springtime Tallahassee, an event that is recognized throughout the Southeast, attracted more than 13,000 visitors from throughout the region to an event that encompasses much of the downtown, and includes a seafood festival on Kleman Plaza. On a smaller scale, the Downtown Improvement Authority hosted a Summer Bijou Theater that turned Kleman Plaza into an outdoor family-oriented theater.

2. Affordable and Workforce Housing Projects. The development of affordable and workforce housing is a primary objective of the Agency. Since 2003, the Agency has assisted in the construction of 107 affordable and workforce housing units. This includes the 93-unit Goodbread Hills affordable apartment development, 10 single-family homes and 4 townhomes. In addition to new construction, starting in FY 2009, the Agency began providing financial assistance for existing home renovations. During FY 2010, Rainbow Rehab, a not-for-profit group of volunteers who renovate one to two homes each year for very low-income, first-time home buyers, completed the renovation of a single-family home located at 668 West 5th Avenue. The CRA-funded rehabilitation of the home included new electrical wiring and fixtures, new plumbing and fixtures, a new HVAC system, new roof, new windows, along with repairs to the flooring, interior walls, kitchen and bath. The home was placed on the market in June 2010, and remained unsold at the end of the fiscal year.

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668 West 5th Ave - Before



668 West 5th Ave - After

3. Residential Landscape Program. In FY 2010, the Agency partnered with four local nurseries to offer a residential landscape program designed to assist property owners and renters in making landscape improvements to their property. The program awarded \$250.00 to 80 households within the Greater Frenchtown/Southside Community Redevelopment Area. The 80 recipients, who were selected from a pool of 235 total applicants, received a landscape \$50.00 consultation by a horticulturalist/arborist from the nursery of their choice. Following the consultation, each homeowner was given a \$200 gift certificate which could be used to purchase plants and planting materials from that nursery. At the end of the program, Agency staff conducted a survey on the impact of the program in which 17 recipients (21 percent) responded. Of these respondents, 65 percent rated their experience with the program as positive, 24 percent indicated they had not bought landscaping yet but planned to do so “soon”, 6 percent (one respondent) was neutral on the program, and 6 percent had decided not to participate in the program. The program will not be funded in FY 2011 while Agency staff reviews the program for ways to improve it.



Landscaping Improvements - Before



Landscaping Improvements - After

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4. Commercial Façade Improvement Grant Program: During the fiscal year, the four commercial façade renovations described below were completed within the Greater Frenchtown/Southside Community Redevelopment Area. The commercial façade improvement program is one of the Agency's most popular programs. Since the first façade renovation was funded in FY 2007, the Agency has awarded \$603,273 in grant funds for 15 façade renovations with total project costs in excess of \$2,400,000. At least 12 of the façade renovations have also involved major interior renovations to the buildings. These major renovations have also helped bring four new businesses to the redevelopment areas with the establishment of two new restaurants, a tavern, and an architecture firm. A façade renovation that will soon be underway will help convert vacant warehouse space into three new retail locations. A description of the CRA-funded renovations completed in FY 2010 is provided below.

- a. Bella Bella. Bella Bella is an Italian restaurant at 123 East 5th Street. Assisted by Agency grant funds of \$48,794, the owner undertook a major interior and exterior renovation of the restaurant, including expansion of the restaurant's seating area. The total cost of the renovations was estimated at \$157,000. The exterior improvements included new lighting, adding stucco-covered parapets, improving signage, and a mural on an exterior wall that serves as a distinct landmark in the mid-town area. See before and after images on page 11.
- b. Venture East. Venture East, LLC was the developer of a vacant commercial property at 1304 North Monroe Street. Using \$50,000 in façade improvement grant funds from the Agency, the developer undertook an extensive \$400,000 renovation that transformed a vacant eyesore into the Krewe de Gras Tavern and the Crepevine Restaurant, both of which have become popular mid-town destinations. See before and after images on page 11.
- c. Watch Me Grow. Located at 431 W. Virginia Street, Watch Me Grow is a daycare facility in the heart of the Greater Frenchtown area. The owner undertook a major renovation of the property, completing \$64,485 in renovations that were matched with \$29,486 in Agency grant funds for total renovation costs of \$93,811. Exterior improvements included applying stucco to the exterior of the building, painting the exterior, removal and replacement of rotted fascia, installation of new lighting, installation of a new sign, and replacement of doors and windows.
- d. Tallahassee Triad. Tallahassee Triad was the developer who bought and renovated the former Frame Shop at 1300 North Monroe Street. The developer was matched the \$50,000 in Agency commercial façade grant funds with over \$240,000 in his own funds for a \$292,000 renovation that turned an underutilized retail store into the House of Style, a popular clothing and accessory store. See before and after images on page 11.

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Bella Bella - Before



Bella Bella - After



Krewe de Gras/Crepevine - Before



Krewe de Gras/Crepevine - After



House of Style - Before



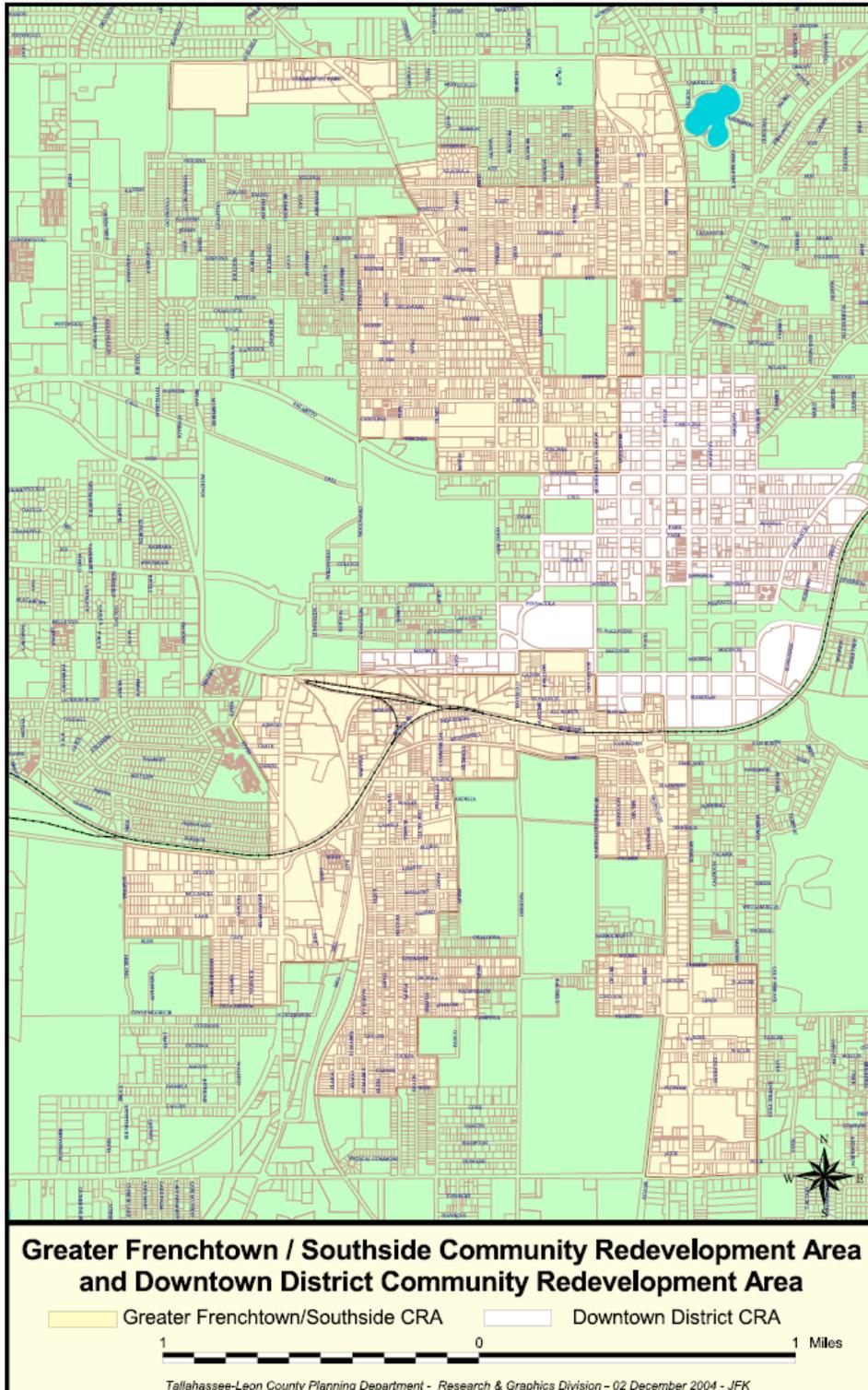
House of Style - After

5. Downtown Retail Incentives Loan Program. In June, the Agency Board approved a \$50,000 retail incentives loan application from Tallahassee RI, LLC, the developer/owner of the Marriott Residence Inn on Gaines Street. The developer

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planned to use the funds to build out the 4,400 square-feet of unfinished retail space on the first floor of their building for the Utrecht Art Supply Store, which wanted to move from East Tennessee Street to Gaines Street. Under the terms of the agreement, Tallahassee RI, LLC received a \$50,000, 10-year loan at 3.25 percent annual interest. Repayment of the loan begins 30 days after the build out receives a Certificate of Occupancy from the City's Growth Management Department. Renovations were underway at the end of the fiscal year, and were expected to be completed by November, 2010.

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TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY TRUST FUNDS

FINANCIAL STATEMENTS

FROM OCTOBER 1, 2009 TO SEPTEMBER 30, 2010

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FINANCIAL STATEMENT

The annual report provides the Tallahassee Community Redevelopment Agency's financial statements for the period from October 1, 2009 to September 30, 2010. The financial statements have been prepared to illustrate the financial status of the Community Redevelopment Agency, 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 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 2010. The financial statements were audited by the certified public accounting firm of Carr Riggs & Ingram, and received an unqualified opinion.

FINANCIAL STATUS:

As of September 30, 2010, the Tallahassee Community Redevelopment Agency had total assets of \$9,758,000: \$9,261,000 in the form of cash, \$437,000 in securities lending collateral, and \$60,000 in receivables. The Agency had \$456,000 in liabilities, and no long-term debt. At the end of the fiscal year, the total fund balance was \$9,302,000.

The FY 2010 Balance Sheets and Income Statements for the three funds under the Community Redevelopment Agency (the Frenchtown/Southside Community Redevelopment Trust Fund, the Downtown District Trust Fund and the CRA Tourist Development Tax Fund) are attached.

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**COMMUNITY REDEVELOPMENT AGENCY
FRENCHTOWN/SOUTHSIDE COMMUNITY REDEVELOPMENT TRUST FUND
BALANCE SHEET
September 30, 2010
(in thousands)**

ASSETS

Restricted Assets:	
Cash and Cash Equivalents/Investments.....	\$ 7,006
Securities Lending Collateral.....	331
Receivables:	
Accrued Interest.....	26
Total Restricted Assets.....	<u>7,363</u>
Total Assets.....	<u>\$ 7,363</u>

LIABILITIES AND FUND BALANCES

Payable from Restricted Assets:	
Obligations Under Securities Lending.....	\$ 331
Accounts Payable.....	12
Advances from Other Funds.....	0
Total Payable from Restricted Assets.....	<u>343</u>
Total Liabilities.....	<u>343</u>
Fund Balances:	
Reserved for:	
Projects.....	3,858
Encumbrances.....	648
Total Reserved.....	<u>4,506</u>
Unreserved/Undesignated.....	2,514
Total Fund Balances.....	<u>7,020</u>
Total Liabilities and Fund Balances.....	<u>\$ 7,363</u>

**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
FY 2010 ANNUAL REPORT**

**COMMUNITY REDEVELOPMENT AGENCY
FRENCHTOWN/SOUTHSIDE COMMUNITY REDEVELOPMENT TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2010
(in thousands)**

Revenues:	
Ad Valorem Taxes.....	\$ 647
Intergovernmental	1,373
Interest Earned.....	223
Securities Lending Income.....	2
Net Increase (Decrease) In The Fair Value of Investments.....	51
Total Revenues.....	<u>2,296</u>
 Expenditures:	
Current:	
Economic Environment.....	2,216
Securities Lending:	
Interest.....	2
Agent Fees.....	0
Debt Service:	
Interest.....	0
Total Expenditures.....	<u>2,218</u>
 Excess of Revenues Over (Under) Expenditures.....	 <u>78</u>
 Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses.....	 78
 Fund Balances - October 1.....	 6,942
 Fund Balances - September 30.....	 <u><u>\$ 7,020</u></u>

**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
FY 2010 ANNUAL REPORT**

**COMMUNITY REDEVELOPMENT AGENCY
DOWNTOWN DISTRICT COMMUNITY REDEVELOPMENT TRUST FUND
BALANCE SHEET
September 30, 2010
(in thousands)**

ASSETS

Restricted Assets:

Cash and Cash Equivalents/Investments.....	\$	2,244
Securities Lending Collateral.....		106
Receivables:		
Accrued Interest.....		9
Customers.....		25
Total Restricted Assets.....		2,384
Total Assets.....	\$	2,384

LIABILITIES AND FUND BALANCES

Payable from Restricted Assets:

Obligations Under Securities Lending.....	\$	106
Accounts Payable.....		7
Advances from Other Funds.....		0
Total Payable from Restricted Assets.....		113
Total Liabilities.....		113

Fund Balances:

Reserved for:		
Projects.....		1,111
Encumbrances.....		90
Total Reserved.....		1,201
Unreserved/Undesignated.....		1,070
Total Fund Balances.....		2,271
Total Liabilities and Fund Balances.....	\$	2,384

**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
FY 2010 ANNUAL REPORT**

**COMMUNITY REDEVELOPMENT AGENCY
DOWNTOWN DISTRICT COMMUNITY REDEVELOPMENT TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2010
(in thousands)**

Revenues:	
Ad Valorem Taxes.....	\$ 352
Intergovernmental	427
Net Investment Earnings.....	71
Securities Lending Income.....	1
Net Increase (Decrease) In The Fair Value of Investments.....	15
Miscellaneous Revenues.....	25
Total Revenues.....	891
Expenditures:	
Current:	
Economic Environment.....	410
Interest.....	0
Agent Fees.....	0
Debt Service:	
Interest.....	0
Principal Retired.....	--
Total Expenditures.....	410
Excess of Revenues Over (Under) Expenditures.....	481
Other Financing Sources (Uses):	
Operating Transfers In.....	0
Total Other Financing Sources (Uses).....	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses.....	481
Fund Balances - October 1.....	1,790
Fund Balances - September 30.....	\$ 2,271

**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
FY 2010 ANNUAL REPORT**

**COMMUNITY REDEVELOPMENT AGENCY
TOURIST DEVELOPMENT TAX FUND
BALANCE SHEET
September 30, 2010
(in thousands)**

ASSETS

Restricted Assets:

Cash and Cash Equivalents/Investments.....	\$	11
Total Restricted Assets.....		11
 Total Assets.....	 \$	 11

LIABILITIES AND FUND BALANCES

Payable from Restricted Assets:

Accounts Payable.....		0
Total Payable from Restricted Assets.....		0
 Total Liabilities.....		 0

Fund Balances:

Reserved for:

Projects.....		464
Encumbrances.....		0
Total Reserved.....		464
Unreserved/Undesignated.....		(453)
Total Fund Balances.....		11

Total Liabilities and Fund Balances.....	\$	11
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**CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
FY 2010 ANNUAL REPORT**

**COMMUNITY REDEVELOPMENT AGENCY
TOURIST DEVELOPMENT TAX FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2010
(in thousands)**

Revenues:	
Bed Tax Funds.....	--
Intergovernmental	--
Interest Earned.....	--
Net Investment Earnings.....	--
Securities Lending Income.....	--
Net Increase (Decrease) In The Fair Value of Investments.....	--
Miscellaneous Revenues.....	1
Total Revenues.....	<u>1</u>
 Expenditures:	
Current:	
Economic Environment.....	--
Total Expenditures.....	<u>--</u>
 Excess of Revenues Over (Under) Expenditures.....	 <u>1</u>
 Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses.....	 1
Fund Balances - October 1.....	10
Fund Balances - September 30.....	<u><u>\$ 11</u></u>