

EXECUTIVE SUMMARY



To: Bahama Village Redevelopment Advisory Committee (BVRAC)

Through: Mark Finigan, Assistant City Manager
Donald Leland Craig, AICP, Planning Director

From: Nicole Malo, Planner II

Meeting Date: June 7, 2012

RE: Future Community Projects and Programs Discussion

Background

This report is in response to recent BVRAC Member request to discuss potential future projects for Tax Increment Finance Funding (TIFF) that may be recommended to the Community Redevelopment Agency for the upcoming 2013 cycle. Members agreed to provide their own project recommendations for discussion in addition to considering staff recommendations. As discussed at the April 5, 2012 meeting, the BVRAC will direct staff to gather information for recommendation to the CRA from the BVRAC for three agreed upon projects.

It is the responsibility of staff to inform the CRA Boards of potential leveraging opportunities available to them and to recommend future projects consistent with the 2010 CRA Plan. Therefore, staff has prepared a list of potential projects that the BVRAC may wish to consider for future TIF funding recommendations. With this report, it is staff's goal to provide information for projects that are feasible, affect the greatest public good, enhance the quality of life for the local community, take advantage of leveraging opportunities, and that create the most investment return to the Fund while alleviating blight. A brief analysis is provided for each potential project that includes the location, scope of work, affected user groups, cost efficiency, return on investment, and facilitation/feasibility of the project.

The backup documentation included with this report is intended to help guide your consideration of potential future projects. The attachments include a spread sheet that summarizes the types of projects that have been funded by the BVRAC to date and the Bahama Village Guiding Principles and Objective Criteria extracted from the CRA Plan. As you are aware, the Bahama Village CRA was established for a period of 30 years in 1998. The table provided below shows the annual available increment for the TIF Fund since inception. This year the amount of available funds will be significantly larger than past years due to the BCCLT property sales return. Although the CRA was created fourteen years ago there has been a decline in growth since 2005. This is an important fact

to bear in mind while considering potential future projects because the way in which the fund is spent can influence greater returns to the fund.

BVTIF Annual Increment	
1998	\$ 71,867
1999	\$ 111,507
2000	\$ 177,087
2001	\$ 258,299
2002	\$ 295,774
2003	\$ 347,958
2004	\$ 398,633
2005	\$ 636,436
2006	\$ 738,116
2007	\$ 938,368
2008	\$ 853,162
2009	\$ 839,150
2010	\$ 728,317
2011	\$ 602,459
2012	\$??
2013 + BCCLT property returns	Approximately \$ + xxx

While reviewing this list of potential projects, the Committee should consider whether or not to prioritize projects that will pay back into the fund through capital gains, allocating loans, or through long term investments. It is important to note that there is very limited opportunity for the growth potential of the fund due to the size constraints of the BVCRA; although, the limited growth of the BVTIFF is attributable to various factors including:

1. Limited availability of undeveloped land;
2. BCCLT Land Purchases;
3. 2008 Market drop; however, according to the Key West Realtors Association property values within the CRA have been rebounding;
4. Investment in projects and programs that are non-tax contributors;
5. Large amount of Affordable Housing Restrictions (non-tax contributors);
6. Residential properties homestead exemption - Save Our Homes annual tax assessment caps (non-tax contributors).

With the help of information provided by the Florida CRA and other longstanding Community Redevelopment Organizations throughout the state of Florida staff has identified several relevant mechanisms that are available and commonly used to build the size of TIF Funds as follows:

1. Land Acquisition:
 - Vacant land acquisition for development sale or lease.
 - Developed land to make available for lease.
2. Provide Loans.
3. Parking fee collection.

To leverage the TIFF in order to make the best use of the available funding CRA's take advantage of grant opportunities, administer loans, form public and private partnerships and Bond out for large acquisition projects. Land acquisition requires long term investment towards a debt service obligation. Larger CRA's offer small business loans that may be possible if paired with other loan opportunities; however, due to undeveloped city small business loan program and small CRA staff this approach is not recommended by staff.

Recommended Projects

1. **2010 Bahama Village Connectivity Project**

Consider Partnering with City to implement portions of the 2010 Bahama Village Connectivity Project, an existing streetscape improvements plan based on significant community input that can optimize efficiency by utilizing existing plans, estimated budget and design. Things to consider regarding this option are as follows:

Scope of work – Project plan currently considers improvements to Petronia, Geraldine, Southard, Virginia, Olivia, Amelia and Angela Streets and Truman Avenue. The plan includes everything from drainage improvements to parking, paving, sidewalks, signage, landscaping, lighting, and street furniture. In some cases the improvements are most efficient and are inextricably linked (based on location of required infrastructure improvements), in other cases smaller improvements may be possible. Please see the attached budget.

Location – Project scope typically includes up to 3-5 street blocks.

Affected user groups - Impacts are widespread, provides safe pedestrian connectivity, parking improvements, shade and beautification for all street users, residents and visitors alike.

Facilitation – This project would require limited additional coordination because community input has been gathered to date and plans are complete.

Cost Efficiency and return on investment – Because the plans and budget have already been completed by the city, cost is limited to construction. Petronia Street completion estimates \$1 million. In addition street improvements may indirectly increase property values.

Cost Commitment - Estimated \$1 million Estimated obligation 1-3 years of full increment depending on size of scope.

2. **Residential Home Improvements Program**

Consider partnering with existing organizations that administer home improvements programs including Habitat for Humanity (HFH) and the Mayors Revolving Loan Program.

Scope of work – Structural, interior and yard improvements based upon existing programs structures.

Location – Qualified residential properties throughout the CRA district.

Affected user groups – Residential home owners in the CRA district, potential to improve a significant amount of deteriorating homes.

Facilitation – Further coordination with MRLF and HFH is required; however, the program is existing, and well respected, and would be responsible for operations.

Cost Efficiency and return on investment – Because the proposal includes utilizing existing programs and has the potential to leverage different types of grant opportunities including the Community Block Grant, historic preservation grants, and local resources such as the Community Foundation of the Florida Keys and the Historic Preservation Society the cost efficiency is very high. Further, the proposal should consider loans and/or donations.

Cost Commitment – Varied, flexible.

3. **Institutional Programs and Infrastructure Improvements**

Consider improvements to existing institutional programs and facilities such as the Frederic Douglas Gym complex or the Fort Street Music room that are heavily used by the community as a whole.

Scope of work – Enhancing funding for existing afterschool programs in need or dilapidated structures.

Location- Existing facilities throughout the district.

Affected user groups – Families throughout the district.

Facilitation – Consider planning for improvements to the Frederic Douglass Gym in tandem with the proposed recreation center at the Truman Waterfront in order to provide complimentary, not duplicated facilities.

Cost Efficiency and return on investment – There are no existing proposals for redevelopment of existing institutional structures in the district. Although the

property value may increase based on site improvements, investing in these structures or programs would likely be a donation.

Cost Commitment – Varied, unknown. May require multi-year commitment.

4. **Paid Parking Plan with/or Residential Parking Enforcement Program**

Consider a multi-faceted parking improvement approach that creates increment.

Scope of work – Establish and fund a parking enforcement program that is limited to the CRA boundary where ticket fees can be put back into the enforcement and improvements program (signage, painting) or the TIFF. Identify areas within the district to add parking meters. Consider using any lots for mixed long-term residential parking program and a short-term metered parking program. Parking fees are collected back into the TIFF. Further, data collected by the parking enforcement attendant can be utilized to help create a comprehensive parking plan for the district in the future.

Parking is in high demand and should be given equal value to its worth. Sound planning practice recognizes the value of limited parking and charges for it; however, the impacts of any on-street metered parking program on free residential parking area availability must be considered.

Location – Throughout the district.

Affected user groups – Parking improvements protect residents throughout the village. Parking improvements also help guide visitors.

Facilitation – The existing BV Connectivity Project Plan has identified parking within the district and some of these resources can be used for this project. Additional data is required to consider on-street parking areas that may be appropriate for metering. This parking proposal requires limited planning or development. Further, a residential parking enforcement officer should be hired through the City of Key West.

Cost Efficiency and return on investment – Highly cost efficient, very little development is required.

Cost Commitment – Minimal. Potential to create 1-2 jobs. Enforcement officer salary less than \$40,000. Should require multi-year commitment.

5. **Independent or Joint Land Acquisition**

Consider vacant or developed land for purchase through a Bond and/or joint venture with partners.

Scope of work - Vacant lands can be purchased and developed for commercial space or housing, utilized as parking lots with the parking fees reverting to BVTIF, or

maintained as open space. Developed sites (residential or commercial) can be leased out providing opportunities for return.

Location – Opportunities may include Petronia Street vacant lot; Existing commercial space for sale; or residential properties that may be in foreclosure.

Affected user groups – Limited to Investment opportunity for BVTIFF.

Facilitation – Significant staff coordination including identifying property, property and bond acquisition etc. Established organizations such as Habitat for Humanity also have residential purchasing programs that should be considered.

Cost Efficiency and return on investment – Land acquisition provides tangible asset opportunity that will grow with time. Land has holding value and can also create increment if used for paid parking, or leased out. This is a long term cost commitment typically associated with a debt service through a bond; returns are long term.

Cost Commitment – Varied. \$250,000 +. Multi-year year commitment.

6. **Community Garden** –

Consider using vacant lands as community gardens.

Scope of Work – Limited to identifying vacant properties willing to donate the land for short-term or long-term gardens. Community members interested in gardening can utilize the space. Local non-profits or community organizations should be responsible for organization element.

Location – Vacant lands available and willing to participate throughout the district.

Affected user groups – Residents living within the district that are interested.

Facilitation – Identification and permission of land use is required. Minimal additional staff coordination. Staff is aware that there are individuals interested in running a community garden program.

Cost Efficiency and return on investment – Cost investment is likely limited to initial soil preparation and watering fees. Return on investment may be measured in flowers and vegetables!

Cost Commitment – Likely multi-year year, minimal commitment to maintenance.

Summary

In summary, although many of these potential projects may not create a direct principle return to the fund, there are numerous opportunities to leverage the fund by using existing plans and/or partnering with other funding organizations. Further, many of the proposed

projects will create improvements that can be enjoyed by a large portion of the population.

You will notice that only one of the projects suggested for funding includes a program. This is because to date, the funded programs have affected a very limited handful of individuals while simultaneously creating a large amount of work for staff. Therefore, while considering future projects the Committee should consider limiting contributions to programs that are not supported by for a period of time until the fund has the opportunity to grow.

Attachments: Bahama Village Guiding Principles and Objective Criteria, 2010 CR Plan
TIF Application White Board
Probable Construction Cost Budget, 2010 BV Connectivity Project