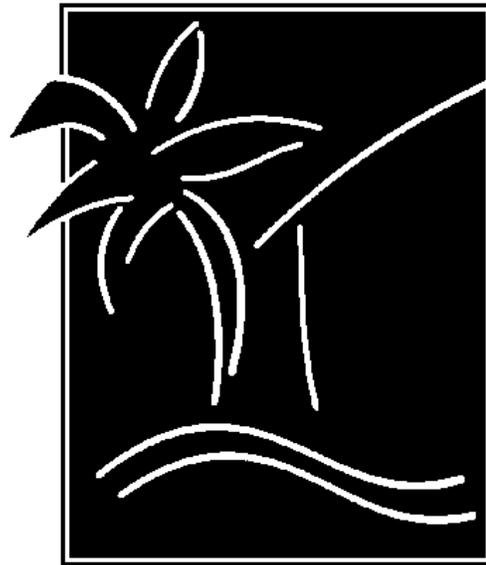


CITY OF NEW SMYRNA BEACH

ANNUAL PROGRESS

2005 REPORT



COMMUNITY REDEVELOPMENT AGENCY

CITY OF NEW SMYRNA BEACH
COMMUNITY REDEVELOPMENT
AGENCY

LINDA DeBORDE, CHAIRPERSON

STEVE DENNIS, VICE-CHAIRPERSON

DOUGLAS HODSON

JAMES KOSMAS

THOMAS WHEELER

CYNTHIA LYBRAND

CHARLES BELOTE

SHANNON LEWIS, CRA DIRECTOR

NOELEEN FOSTER, CRA COORDINATOR

CITY OF NEW SMYRNA BEACH

CITY COMMISSION

JAMES VANDERGRIFT, MAYOR

LAWRENCE SWEETT, VICE MAYOR

WILLIAM ROGERS, COMMISSIONER

JAMES HATHAWAY, COMMISSIONER

LYNNE PLASKETT, COMMISSIONER

FRANK ROBERTS, CITY MANAGER

A BRIEF HISTORY

In the mid-1980's the business and government communities in New Smyrna Beach recognized that there was a need to address the declining business climate in the older core commercial areas of the City. The City Commission appointed a task force of business and property owners to examine the economic condition of the City's commercial core and recommend actions to address the problems. The Downtown Redevelopment Task Force met in late 1984 and early 1985 before recommending the City Commission establish a Community Redevelopment Agency under the provisions of Chapter 163. The City Commission accepted the recommendation and directed that work begin on the establishment of the agency.

Over the next several months the task force and consultants developed a finding of necessity that established the justification for the district, delineated the district boundaries, and prepared a master plan to guide the redevelopment efforts in the district. The City Commission adopted these documents in July of 1985 thus establishing the New Smyrna Beach Community Redevelopment Agency. Over the years the efforts of the CRA have resulted in major capital investment from the public sector and a corresponding investment from the private sector. Total assessed value in the district has been multiplied many times over the past eighteen years with the current contribution to the CRA Trust Fund from tax increment revenues exceeding \$2,350,000 for the 2005 fiscal year and is expected to be over \$3,000,000 for the 2006 fiscal year.

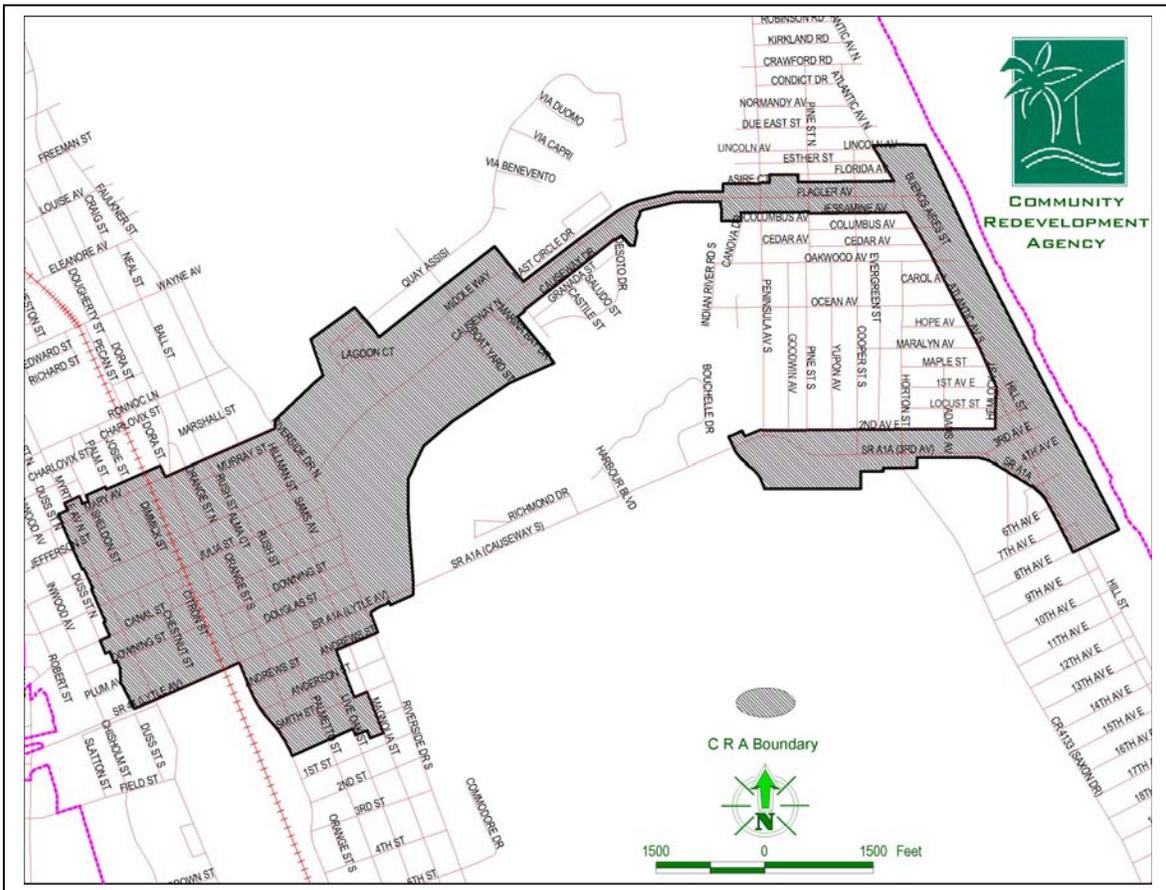
Revenue growth is important only to the extent that it contributes to the redevelopment objectives. Capital improvements are the items that generate the most attention and excitement, but the selection of projects must complement the overall goals as they are presented in the master redevelopment plan. The CRA began its building program by acquiring land and developing parking lots to support the existing business areas. These modest first efforts have been followed by large-scale park and streetscape projects, but the CRA has continued to invest in smaller improvements where these will yield results.

In 1995, the agency undertook a review of its original redevelopment plan along with an overall review of agency operations. An outside consultant not involved with the original development of the program conducted this review. After a period of study involving City Commission, CRA Board and public participation, an updated redevelopment plan was issued. This plan confirmed the capital projects in the original plan were still valid, suggested some additional projects, and recommended the CRA direct its primary attention to capital projects in support of its core mission of economic development. The revised redevelopment plan has now become the guiding document for the CRA program.

The next step in the evolution of the CRA District came in 2000 when the first major expansion of the district boundaries was made. The CRA expanded its area west of U.S. 1 to about three times its original size. The CRA conducted a finding of necessity to qualify the additional land area and prepared an amendment to the Redevelopment

Plan to identify projects and other improvements that are needed in the area. The City Commission approved the expansion, and the CRA has subsequently undertaken the initial phases of the improvement program for this area.

In addition to capital projects the CRA has endeavored to improve the ability of its merchants to do business by collaborating with other groups to provide low cost training on a variety of business topics. We have invested in studies of the local market to support business recruitment efforts, and we have created matching grant programs to encourage private investment. Also, support programs have been developed to help mitigate the business impacts from streetscape construction and an unparalleled year of hurricanes. In all of our work we have supported the local merchants associations, including MainStreet, as a vital partner in these efforts. The objective has been to have not only a quality physical environment but to make our businesses as successful as possible.



2005 HIGHLIGHTS ...

CITY MARINA RENOVATION

The City of New Smyrna Beach's 42-slip public marina on the Atlantic Intracoastal Waterway was built in the 1940's, reconstructed in 1967, and is currently undergoing renovations that began in 2002. It is the closest public marina in a safe, sheltered location to the Ponce DeLeon Inlet and has a high public demand. The current reconstruction project includes a complete replacement of existing docks and seawall, timber pilings, concrete decking, a pump out station and a new ADA compliant building. Over 10% of the slips will be for transient use with a potential for future expansion.

Funding for the 1.85 million dollar project came from a joint venture that included a grant from FIND for \$420,000, a grant from The Port Authority for \$300,000, a grant from DEP for \$21,000, a grant from Saint Johns Water Management District for \$45,000 and direct funding from the CRA at \$1.064 million.

This project proved to be a difficult one for the CRA. Construction was initiated in June 2004 with the anticipated completion date to be mid 2005, which had to be pushed back to early 2006. After the hurricanes hit in fall 2004, permitting of the project was delayed extensively with the City building department as they focused on issuing hurricane relief building permits. The delay of the project permit resulted in the need for the contractor to remobilize after the demolition was completed and then encountered major site complications.

A massive coquina shelf was found while drilling to install support pilings. The more the CRA's contractor drilled, the more solid coquina he encountered affecting each piling that was installed. Again, this delay slowed the project down significantly.

When the contractor initiated installation of the storm water management facilities on site, he encountered yet another major issue, which was underground petroleum contamination. The contamination likely resulted from an old underground fuel tank that was removed from the site in the early 1990's. Further testing found the site had about 250 cubic yards of contaminated soil, which had to be removed to a properly designated hazardous waste disposal site and replaced with clean fill. Universal Engineering identified the contamination as diesel and developed a response and mitigation plan.

As a result, the contractor abandoned work on the storm water facilities and shifted to the installation of the seawall. Progress on the project continued until the contamination issue shut the project down entirely pending resolution. As a result of the repeated construction delays, material expenses increased.

WESTSIDE AREA PHASE II - MARY AVENUE DEMONSTRATION PROJECT

In July 2004, GAI Consultants completed an analysis to study the Westside Neighborhood facilities. The report outlined an improvement strategy generated from the

current inventory and analysis phases of the Westside Area Infrastructure Study. They categorized needed improvements into three areas: immediate improvements needed for safety reasons, short-term improvements for level of service reasons, and routine improvements consistent with public works practices. In addition, each improvement was given a priority ranking of high, moderate or low.

Based on the findings, the improvements that ranked highest in priority were upgrading the fire protection system by adding or relocating fire hydrants, street paving improvements in specific areas, sidewalk improvements, installation of additional lights, some street signage replacements and the creation of a gateway feature along with a streetscape.

After analyzing the report findings and area needs, the CRA Board and staff chose to begin improvements along Mary Avenue, as it appeared the best location to begin a demonstration project. Improvements on Mary Avenue will create an attractive gateway entry from US-1, provide for on street parking, enhanced lighting, sidewalk upgrades and a bike path that will serve as a connection for the master bike/pedestrian path plan across the City and ultimately, the across the County.

With the assistance of local residents and community members, GAI Consultants presented a variety of alternatives for Mary Avenue improvements and developed a design that allows for nested parking, decorative lighting, landscaping and a bike/pedestrian walkway. In addition, the CRA has selected decorative streetlights from those the Utilities Commission utilizes and they will be responsible for maintenance. The Utilities Commission will be contracting separately for potable water and wastewater system improvements.

Design and permitting will begin in February with an estimated completion date of June 2006. The bidding and approval process could take place from June through August with construction beginning in September 2006. If all goes well, construction should be completed in April 2007.

WEST CANAL STREETScape

The key project for next year will be the West Canal Streetscape design. We are waiting for FDOT to forward an approved LAP Agreement to enable us to undertake the design. FDOT has awarded \$94,000 for the design of the West Canal Streetscape this year and are adding an additional \$840,000 for construction elements, including the canal liner drainage program. An inflationary cost increase has been requested.

As in the case of East Canal Street, the City/CRA will be responsible for the maintenance of improvements and streetscape elements. In addition to the LAP Agreement, the CRA has prepared a Design/Build Request for Proposals for the streetscaping and the canal-lining project. Proposals will be due early 2006 and will be short listed to a minimum of three qualified firms by a committee comprised of City staff, a CRA Board member and a community stakeholder. The top ranked teams will present to the CRA Board who will make a recommendation to the City Commission.

Once the contract is executed and a more definitive timeline established, we will begin public meetings and correspondence to ensure open communication with the businesses and residents impacted by the future construction. The design/build team will be required to assist us with these endeavors.

SOUTH ORANGE AVENUE & ORANGE AVENUE PARKING LOT DESIGN

The Orange Avenue Street Improvements project will be coordinated with the Orange Avenue Parking Lot Upgrades. An unusually high ground water condition has become a major issue on this project and must be coordinated with the St. Johns River Water Management District. GAI has developed strategy to move forward with this difficult issue.

FAULKNER STREET PARKING LOT

The CRA and Mr. Robert Wiley, the building owner, came to a general agreement on the conceptual plans to upgrade the Faulkner Street parking lot. The concept has been reviewed with the tenants and a plan has been developed to design and implement the project with a minimum of disruption. Lighting, electric systems, drainage, layout, paving, hardscape and landscaping specifications have been developed and are on schedule to be bid out in March 2006. Staff was advised by the affected businesses that the construction of the parking lot improvements would be least disruptive if it was done in May or September to minimize the impact.

NORTH CAUSEWAY AREA STUDY

Based on the North Causeway Area Study, the CRA Board recommended an amendment to the CRA Master Plan. This amendment has been approved by the City Commission and sent to the State for final approval and incorporation. This amendment is important as the CRA can only implement programs and projects included in the redevelopment plan.

The City Commission has also approved the scope of work to begin the comprehensive plan amendment for the former wastewater treatment plant site. The next step is to amend the land development code to include the specific amendment proposed for the zoning classifications. Then, revision of the North Causeway design guidelines would occur to include the elements recommended by the North Causeway Area Study and the elements incorporated into the City's land development regulations. Development of revised guidelines could be done concurrently with the proposed ordinance amendments.

The final step would be to initiate improvements to the North Causeway right-of-way.

HOSPITAL DISTRICT STUDY

The CRA Board and City Commission recently voted to move forward with efforts to conduct a Hospital District Planning Study and advertise for requests for qualifications. The study will focus on a sub-district of the CRA that is experiencing development issues and impacts on existing neighborhoods that provide some options and opportunities for redevelopment.

The purpose of the proposed Hospital District Study is to identify specific needs of that sector of the redevelopment area as the needs may have changed from the initial plan and to recommend specific improvement projects. These projects will then be amended into the redevelopment plan. The CRA will endeavor to work jointly with the hospital to identify growth needs and allied functions.

Using this information, the CRA can conduct a review of existing and future land use patterns in order to determine the best way to accommodate these needs. The CRA will identify impacts on adjacent neighborhoods and seek methods to mitigate any negative impacts that are identified. A number of recommendations will ultimately be made regarding land use designations, development code recommendations and specific capital projects. Looking at the growth needs of the hospital, the demands for other types of commercial activity, parking needs, housing needs and neighborhood preservation has been a long-term goal of the CRA.

FLAGLER BOARDWALK REPAIRS

The CRA has spent a great deal of time, effort and resources to create a positive, attractive environment on Flagler Avenue and Flagler Boardwalk. The Flagler Avenue Boardwalk is one of the most popular and widely used CRA projects in the City; however, due to harsh environmental conditions there are a number of major repairs, upgrades and maintenance elements that need to be addressed.

The beach access ramping that was constructed in the central portion of the boardwalk has not withstood the ongoing problems associated with beach erosion, high tides, and storms. The current design was appropriate when the structure was first constructed but because of the damage due to changes to the elevation of the sand and strong wave action, the ramping became a hazard and required removal. As the beach restoration projects are performed and the beach is built back up, the CRA can have the ramping redesigned and rebuilt in a stronger fashion. Palm trees, structural issues, streetlights, benches, railings, stairwells and trashcans have been cleaned, repaired or replaced with a few exceptions.

The big issue is developing a solution for problems surrounding the pavilion, including handicap accessibility, rusting hardware, pigeon control, painting/staining, landscaping, etc. When the pavilion was originally built, 304-grade stainless steel was used for construction. Over the years, this grade of steel has not held up to the local harsh elements of the salt and waves. All of the hardware is rusted, has stained the structure and has become an eyesore on what is otherwise a well-built structure. In addition to replacing and treating the hardware, the CRA will need to re-stain and/or paint the areas of the pavilion that have been marred by rust. Another item that should be considered is

designing a barrier to prohibit the pigeons and other birds from nesting within the structure. An alternative is to look at a possible redesign of the pavilion including the use of higher-grade marine materials.

Landscaping along the boardwalk continues to be a problem due to foot traffic and soil conditions. Rather than utilizing the walkways, many people walk over and on the landscaped areas causing damage to the plants. The CRA has talked with the Parks & Recreation Department and believe that the planting of sea oats could be successful and that additional palms are needed along the sidewalk area.

LIGHTING REPAIRS

The replacement lights and parts were ordered and the bid for electrical services to make lighting repairs to storm damaged lighting systems was awarded in early January. These repairs have proved extremely troublesome but are close to completion.

The North Causeway bollard lights have been completely replaced with a new design resolving many design problems that resulted in the light globes overheating and breaking.

PUBLIC ART

In March 2004, the CRA Board commissioned a work of art by Elsie Shaw, called the Wildcat, to commemorate the Chisholm High School and to be the centerpiece of a Veterans Memorial. The memorial consists of two low walls, lighting, and a flagpole with the Wildcat at the center. The memorial will be located at the Babe James Center, which is on the site of the former Chisholm High School, and will be funded jointly by the CRA and the Chisholm High Alumni Association.

The proposed walls include one for all veterans and Black Veterans of WWII whose names had been lost and painstakingly recovered by the Chisholm Alumni Association. Another wall would be dedicated to the names of former Chisholm High School students. The sculpture base will contain a plaque that will provide information about the former Chisholm School.

The Chisholm High School Wildcat sculpture has been completed and is safely in hibernation until the memorial is completed. The City Engineer has developed the site design, which will be bid out early in 2006.

RIVERSIDE PARK/OLD FORT PARK LANDSCAPING

The Riverside Drive Landscaping Project combines improvements at Old Fort Park and Riverside Park as well as median landscaping. The primary purpose of these projects is to improve the park edge and median areas along Riverside Drive and add additional trees to Riverside Park. This project will also incorporate the marina renovation-landscaping component. This work has yet to be scheduled but eventually the plan calls for the full landscaping of Riverside Drive between the bridges.

SOUTH ATLANTIC AVENUE PHASE II

The CRA has ordered banner bracket arms for the South Atlantic Avenue light fixtures. American Architectural Graphics was contracted to produce 37 aluminum cut outs. These cut outs were to be painted by school kids through the Harris House, who scheduled the painting of the banners into the student curriculum. The Flagler Avenue banners were designed and built on a smaller scale than larger South Atlantic Avenue where a larger size visually works much better. This process will include a final clear coat to seal the paint.

GRANTS & AIDS

The CRA established a Grants and Aids Program to assist existing businesses and organizations in generating positive regional publicity for New Smyrna Beach. This program will also help establish and promote worthy community and business goals intended to increase the flow of business and tourism dollars into the downtown areas.

The CRA will consider funding applications from the private sector as well as non- & not-for-profit agencies. Funds will be allocated on a first come basis based on the individual merit of each project.

Applications will be considered and ranked, based on the following factors:

1. Extent to which the project has publicity potential, with a ranking for local, state, regional, national and specific markets that will be targeted.
2. Extent to which the requesting organization has identified how the activity will enhance the economic vitality of the CRA district.
3. Reasonableness of total project cost and the percentage of funding requested of the CRA.
4. Identification of other private and public funding sources that have been realistically identified and applied for.
5. Information on the history of the organization requesting the grant and the event (if applicable).
6. Number of years the event has taken place.

HURRICANE ADVERTISING CAMPAIGN

The CRA sponsored an advertising campaign called “Shop at Home” that was requested by and coordinated with local business representatives. This campaign generated a great deal of participation, interest and free reruns. The paid campaign ran once a week with the Penny Saver and The Breeze and twice a week for the Observer and the News Journal. The advertising campaign also included spots at the local theatre and local radio stations called the, “Swim with the Dolphins” raffle.

The generous community response this program generated from the local newspapers, radio stations and businesses were wonderful. In addition to the paid spots, the news

print and radio community matched the CRA's lead and reran the adds many times without charge magnifying the recovery efforts even more for the struggling business community. Many took encouragement from this CRA community out reach.

RIVERFEST FESTIVAL – CRA SPONSORSHIP

The CRA helped fund the advertising for the second annual Riverfest Festival, which is a fundraiser for the Marine Discovery Center. Some of the highlights were boat rides, horse and buggy rides, the antique car show, the opening at Arts on Douglas and the highlights of the local restaurants.

The CRA has made some investment in advertising for special events that have gone directly to supporting additional business activity and improving the capabilities of local business people. These "soft" expenditures, while valuable, have never been a significant part of the budget.

This fund has been increased this year to include a grant request for the Marine Discovery Center's Riverfest event for the third and final year. Other projects the CRA Board has provided assistance to include MainStreet, Flagler Avenue Merchants, 3rd Avenue Merchants and the "Shop at Home" advertising campaign.

PROPERTY IMPROVEMENT GRANT PROGRAM

The Property Improvement Grant Program was initiated as a means to assist local businesses and property owners in upgrading their properties by providing a financial incentive for improvements. The program is also intended to direct the individual site design to support the overall design themes contained in the various design guidelines. The program has been very successful on both counts. Most new construction, whether or not it is supported by the CRA, adheres to the key design elements.

By the close of 2005 the total amount of Property Improvement Grants that have been awarded is \$400,845.00

The total amount of corresponding private investment these grants have generated is \$4,529,301.50

FINANCIAL CONDITION

The New Smyrna Beach Community Redevelopment Agency is in sound financial condition. The data presented in these pages shows the Agency's financial condition as of September 30, 2004 as reported in the City's Comprehensive Annual Financial Report. The balance sheet shows that the CRA has assets of over \$4.6 million to support annual operations and planned capital improvements. As noted in the five-year capital improvements schedule included in this report, the CRA has been aggressive in seeking grant funding to support planned improvements as well as relying on tax increment income. The CRA has a very limited current debt level, and all current debt will be retired by 2010.

CRA BALANCE SHEET SEPTEMBER 30, 2004

Assets:

Cash and Cash Equivalents	\$4,619,582
Prepaid Items	<u>\$ 2,597</u>
Total	\$4,622,179

Liabilities and Fund Balances:

Accounts Payable and Other Current Liabilities	\$ 58,230
Reserved for Encumbrances	\$ 218,747
Reserved for Community Redevelopment Projects	<u>\$4,345,202</u>
Total	\$4,622,179

CRA STATEMENT OF REVENUE AND EXPENDITURES

SEPTEMBER 30, 2004

Revenue:

Taxes	\$2,035,511
Miscellaneous	<u>\$ 59,891</u>
Total	\$2,095,402

Expenditures:

Economic Environment ¹	\$ 503,103
Other Financing Sources (Uses)	
Transfers In	\$ 9,100
Transfers Out	\$(461,817)
Excess Revenue over Expenditure and other uses	\$1,139,582

Fund Balance, beginning of year **\$3,424,367**

Fund Balance, end of year **\$4,563,949**

NOTES:

¹ Expenditure for economic environment includes personal services, operating expenses and capital outlay.

² Transfers out include payment to the General Fund and to the Debt Service Fund.