



FINDING OF NECESSITY FOR THE EAST U.S. 192 COMMUNITY REDEVELOPMENT AREA



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Executive Summary

Osceola County has identified an area along the East U.S. 192 corridor that may benefit from the creation of a Community Redevelopment Agency. In accordance with the Community Redevelopment Act of 1969, Chapter 163 Part III, Florida Statutes, a local government must make an area assessment and generate a “finding of necessity”, based on data and analysis, in order to make a determination that “slum” or “blight” exists within the study area. This report includes an executive summary, reference to the Community Redevelopment Act of 1969 and requirements set forth in Chapter 163 of the Florida Statutes, explanation of the study area, the project methodology, an evaluation of blight factors, a study of financial feasibility, and a conclusion of findings.

The initial step when evaluating the appropriateness of an area for designation as a Community Redevelopment Agency is determining the existence of “slum” or “blight” conditions within a designated study area. This study describes the physical and the regulatory requirements within the study area that are associated with blight, as defined by Florida Statutes. The purpose of facilitating this study was to improve an area experiencing decline that would greatly benefit from the assistance of a Community Redevelopment Agency.

Study Area

The study area boundary runs along U.S. 192, west to Boggy Creek Road and east to Partin Settlement Road. The boundary excludes newer development along Neptune Road. This area, consisting of approximately 1,654 acres, was identified as being economically, environmentally, and aesthetically distressed. Much of the area consists of vacant, under-utilized properties that may have environmental constraints.

Florida Statutes

Per Section 163.340(8), Florida Statutes, in order for an area within a county to be considered a Community Redevelopment Area, two or more of the following blight factors must be present. The table below illustrates the blight factors identified in the East U.S. 192 study area.

Blight Factor Required by Statute	Meets Criteria
163.340(8)(a) Defective/Inadequate Transportation Facilities	✓
163.340(8)(b) Depreciating Assess Property Values	✓
163.340(8)(c) Faulty Lot Layout	✓
163.340(8)(d) Unsanitary/Unsafe Conditions	✓
163.340(8)(e) Site Deterioration	✓
163.340(8)(f) Building Density Patterns	✓
163.340(8)(g) Falling Lease Rates	Inconclusive
163.340(8)(h) Tax or Special Assessment Delinquency	Not Analyzed
163.340(8)(i) Vacancy Rates	Inconclusive
163.340(8)(j) Crime Incidents	✓
163.340(8)(k) Fire/Emergency Medical Service Calls	✓
163.340(8)(l) Florida Building Code Violations	Inconclusive
163.340(8)(m) Diversity of Ownership or Defective or Unusual Conditions of Title	Inconclusive
163.340(8)(n) Governmentally Owned Property with Adverse Environmental Conditions	Inconclusive

Blight Factor Summary

All fourteen (14) of the blight factors were analyzed, eight (8) factors were analyzed in depth and met the criteria for blight, and for six (6) factors the data was inconclusive. Therefore, the analysis indicates that the East U.S. 192 study area would benefit from the establishment of a Community Redevelopment Agency to implement redevelopment activities.

ACKNOWLEDGMENTS

The following staff from the Osceola County Community Development Department contributed to the field work, analysis and preparation of this report. These team members represent Code Enforcement, Development Review, GIS Mapping, Current Planning, Transportation Planning and Long Range Planning.

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Introduction

In August of 2009, the East 192 Enhancement Committee, appointed by the Board of County Commissioners, prepared a report that included recommendations for enhancement and redevelopment within a study area defined along the East U.S. 192 corridor. From the analysis presented in the report, the Board of County Commissioners requested County staff to undertake a “finding of necessity” to determine if this area would benefit from the creation of a Community Redevelopment Agency (CRA).

This report has been prepared to fulfill a “finding of necessity” in accordance with the Community Redevelopment Act of 1969, Chapter 163 Part III, Florida Statute. This “finding of necessity” is based on field observation and data and analysis, in order to make a determination that “slum” or “blight” exists within the study area. This report includes an assessment of blight factors, as identified in Section 163.340, Florida Statutes, a summary of financial feasibility, a conclusion of findings, and an appendix of data and analysis, report of financial feasibility by Real Estate Research Consultants (RERC) and photo documentation of the study area.

Community Redevelopment Act of 1969

The Community Redevelopment Act of 1969 (“Act”), Chapter 163 Part III, Florida Statutes, authorizes local governments to establish community redevelopment agencies to improve slum and blighted areas within their jurisdiction. The Act sets forth the legal process by which local governments may establish community redevelopment agencies and provide financing and regulatory processes to undertake the complex task of overcoming the conditions that contribute to the causes of slum and blight in declining areas of the County.

Section 163.335, F.S. – CRA Study Area Determination

Section 163.335, F.S. requires local government desiring to establish a community redevelopment agency to adopt, by resolution, a finding that one or more “slum” or “blighted” areas exist within its jurisdiction and that the rehabilitation, conservation, or redevelopment of such areas is necessary in the interest of the public health, safety, morals or welfare of the residents in the area. Upon adoption of a redevelopment plan, the County’s redevelopment agency can begin implementing the plan, including the creation of a tax increment trust fund for the redevelopment area. The following paragraphs discuss “slum” and “blight” as defined in the Florida State Statute:

Section 163.335(1), F.S. ... slum and blighted areas which constitute a serious and growing menace, injurious to the public health, safety, morals, and welfare of the residents of the state; that the existence of such areas contributes substantially and increasingly to the spread of disease and crime, constitutes an economic and social liability imposing onerous burdens which decrease the tax base and reduce tax revenues, substantially impairs or arrests sound growth, retards the provision of housing accommodations, aggravates traffic problems, and substantially hampers the elimination of traffic hazards and the improvement of traffic facilities; and that the prevention and elimination of slums and blight is a matter of state policy and state concern in order that the state and its counties and municipalities shall not continue to be endangered by areas which are focal centers of disease, promote juvenile delinquency, and consume an excessive proportion of its revenues because of the extra services required for police, fire, accident, hospitalization, and other forms of public protection, services, and facilities.

Section 163.335(2), F.S. ... certain slum or blighted areas, or portions thereof, may require acquisition, clearance, and disposition subject to use restrictions, as provided in this part, since the prevailing condition of decay may make impracticable the reclamation of the area by conservation or rehabilitation; that other areas or portions thereof may, through the means provided in this part, be susceptible of conservation or rehabilitation in such a manner that the conditions and evils enumerated may be eliminated, remedied, or prevented; and that salvageable slum and blighted areas can be conserved and rehabilitated through appropriate public action as herein authorized and the cooperation and voluntary action of the owners and tenants of property in such areas.

Section 163.335(3), F.S. ... powers conferred by this part are for public uses and purposes for which public money may be expended and police power exercised, and the necessity in the public interest for the provisions herein enacted is declared as a matter of legislative determination.

Section 163.335(4), F.S. ... tourist areas or portions thereof which are deteriorating and economically distressed due to building density patterns, inadequate transportation and parking facilities, faulty lot layout, or inadequate street layout, could, through the means provided in this part, be revitalized and redeveloped in a manner that will vastly improve the economic and social conditions of the community.

Section 163.335(5), F.S. ... the preservation or enhancement of the tax base from which a taxing authority realizes tax revenues is essential to its existence and financial health; that the preservation and enhancement of such tax base is implicit in the purposes for which a taxing authority is established; that tax increment financing is an effective method of achieving such preservation and enhancement in areas in which such tax base is declining; that community redevelopment in such areas, when complete, will enhance such tax base and provide increased tax revenues to all affected taxing authorities, increasing their ability to accomplish their other respective purposes; and that the preservation and enhancement of the tax base in such areas through tax increment financing and the levying of taxes by such taxing authorities therefore and the appropriation of funds to a redevelopment trust fund bears a substantial relation to the purposes of such taxing authorities and is for their respective purposes and concerns. This subsection does not apply in any jurisdiction where the community redevelopment agency validated bonds as of April 30, 1984.

Section 163.335(6), F.S. ... there exists in counties and municipalities of the state a severe shortage of housing affordable to residents of low or moderate income, including the elderly; that the existence of such condition affects the health, safety, and welfare of the residents of such counties and municipalities and retards their growth and economic and social development; and that the elimination or improvement of such condition is a proper matter of state policy and state concern and is for a valid and desirable public purpose.

Section 163.335(7), F.S. ... prevention or elimination of a slum area or blighted area as defined in this part and the preservation or enhancement of the tax base are not public uses or purposes for which private property may be taken by eminent domain and do not satisfy the public purpose requirement of s. 6(a), Art. X of the State Constitution.

Section 163.340, F.S. - Finding of Necessity for Blighted Areas

The following paragraph provides the definition of “blighted areas” as defined in Section 166.340(8) of the Florida State Statute, and which are the basis for a Finding of Necessity for a blighted area:

Section 163.340(8), “Blighted area” means an area in which there are a substantial number of deteriorated, or deteriorating structures, in which conditions, as indicated by government-maintained statistics or other studies, are leading to economic distress or endanger life or property, and in which two or more of the following factors are present:

- (a) Predominance of defective or inadequate street layout, parking facilities, roadways, bridges, or public transportation facilities;
- (b) Aggregate assessed values of real property in the area for ad valorem tax purposes have failed to show any appreciable increase over the 5 years prior to the finding of such conditions;
- (c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- (d) Unsanitary or unsafe conditions;
- (e) Deterioration of site or other improvements;
- (f) Inadequate and outdated building density patterns;
- (g) Falling lease rates per square foot of office, commercial, or industrial space compared to the remainder of the county or municipality;
- (h) Tax or special assessment delinquency exceeding the fair value of the land;
- (i) Residential and commercial vacancy rates higher in the area than in the remainder of the county or municipality;
- (j) Incidence of crime in the area higher than in the remainder of the county or municipality;

- (k) Fire and emergency medical service calls to the area proportionately higher than in the remainder of the county or municipality;
- (l) A greater number of violations of the Florida Building Code in the area than the number of violations recorded in the remainder of the county or municipality;
- (m) Diversity of ownership or defective or unusual conditions of title which prevent the free alienability of land within the deteriorated or hazardous area;
- (n) Governmentally owned property with adverse environmental conditions caused by a public or private entity.

Study Area & Project Methodology

In August of 2009, the East 192 Enhancement Committee (“Committee”), appointed by the Board of County Commissioners, prepared a report that included recommendations for enhancement and redevelopment within a study area along the East U.S. 192 corridor. Approximately 1,945 acres in size, the study area defined by the Committee ran along East U.S. 192, from Michigan Avenue in the City limits of Kissimmee extending southeast to the canal abutting the City of St. Cloud. Osceola County staff met to review the report produced by the Committee to discuss an appropriate boundary for the CRA finding of necessity study.

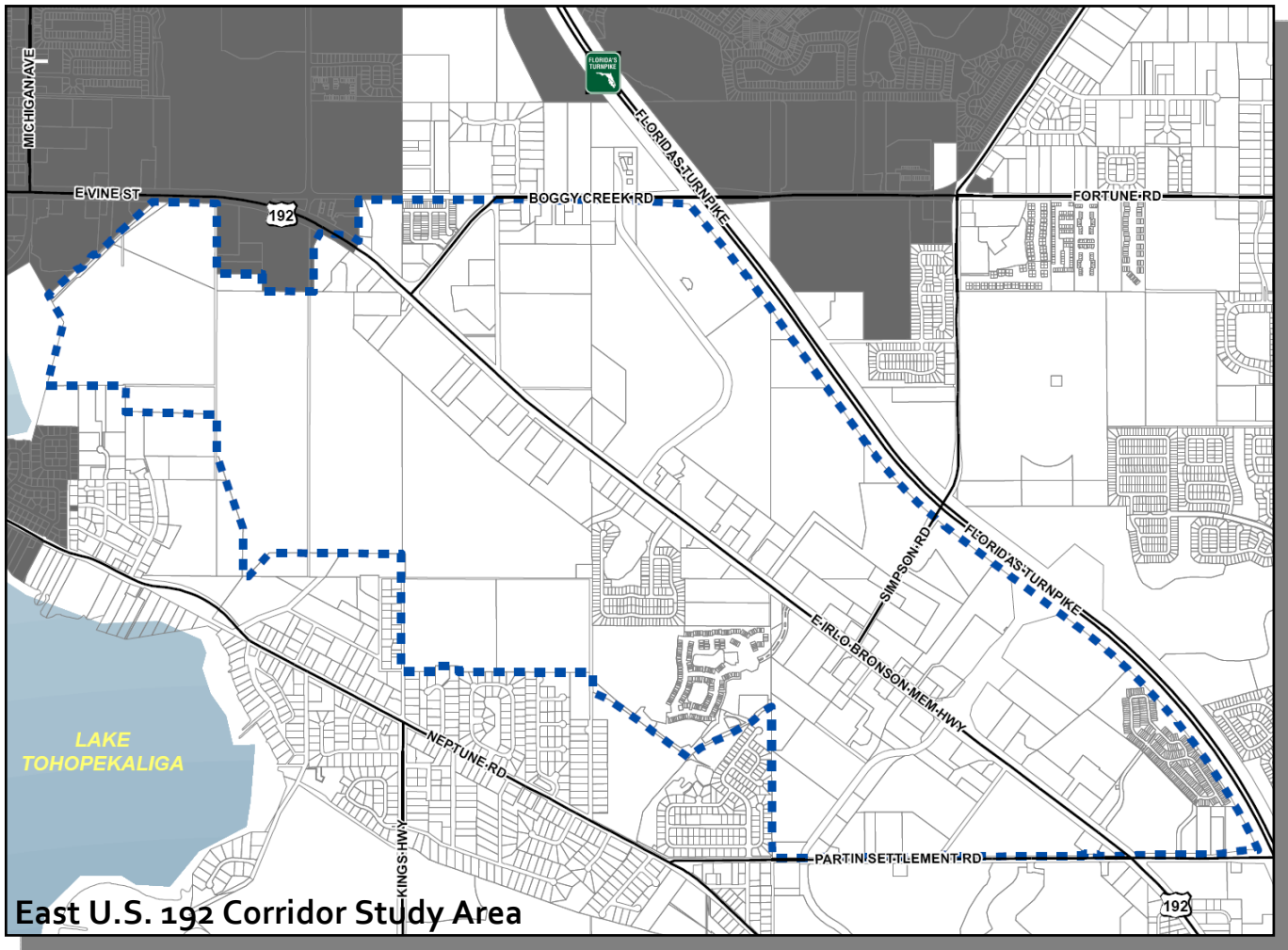
Study Area Description

In the fall of 2010, an interdisciplinary team of County staff discussed areas of concern within unincorporated Osceola County that would qualify as a Community Redevelopment Area. Taking into account the study area boundary defined by the East 192 Enhancement Committee, the team identified the eastern portion of U.S. 192, between the City of Kissimmee and the Ultimate City Limits of the City of St. Cloud, as being economically, environmentally and aesthetically distressed. County staff carefully selected the CRA finding of necessity study area boundary by including areas that were not within a Development of Regional Impact or held limited master planned entitlements. Properties within incorporated City of Kissimmee and St. Cloud were excluded from the study area. Initially the team looked at the area directly surrounding the corridor, but later expanded the study area to a half mile to include available land and transit ridership opportunities on both sides of the corridor. Individual properties were then assessed for inclusion based on opportunities for redevelopment. The boundary excludes new development along Neptune Road. The study area boundary runs along U.S. 192, west to Boggy Creek Road and east to Partin Settlement Road. Much of the area consists of vacant, underutilized properties that may have environmental constraints.

This study area was selected because it conforms to applicable provisions of Section 163.340, Florida Statutes, relating to areas considered for community redevelopment. According to the definition provided by Florida Statute, the area must include a substantial number of deteriorating structures and conditions leading to economic distress, two or more of the fourteen factors must be present to determine blighted conditions exist in the area. This report documents the existence of eight of those factors, establishing that blighted conditions do exist in the recommended East 192 study area.

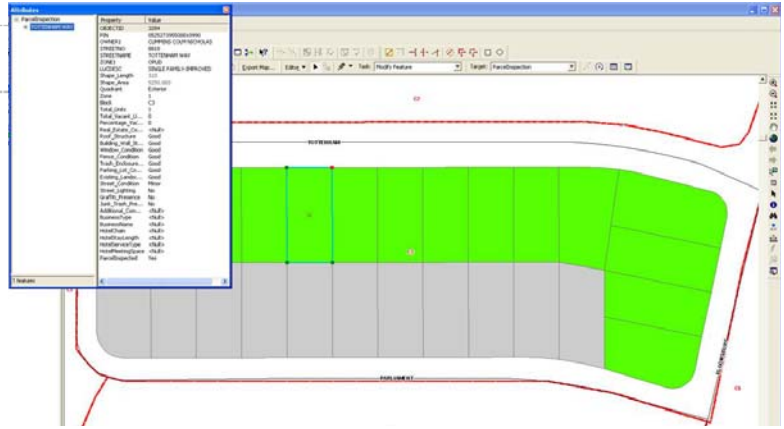
The recommended boundary was determined based on the following criteria:

- Statutory criteria pertaining to site and economic conditions that warrant the use of redevelopment powers provided by Statute;
- Consideration of future development or redevelopment potential based on factors including vacant property and condition of structures;
- Consideration of sound planning principles for continuity of future land use based on zoning-future land use consistency, transportation systems, and the efficient provision of government utilities and services; and
- An enclave lying between the City of Kissimmee and the Ultimate City Limits of the City of St. Cloud.



Project Methodology

Staff conducted detailed field inventory of every property within the East U.S. 192 study area to identify and document existing conditions. In addition to photos taken for each property, staff documented the existing conditions of the property's structures, parking area, landscaping, and graffiti, just to name a few, using ArcView GIS on mobile laptop computers.



Field observers rated various characteristics of each property within the study area that related to the site and building structures. The rate of condition was based on a scaled criteria from “Good to Critical”. Below is an example of the rating scale used during field observation.

- Good:** Needs only normal maintenance (less than 10% requires replacement)
- Minor:** Worn, loose or cracked (10-20% requires replacement)
- Major:** Badly deteriorated and in need of major repair (20-50% requires replacement)
- Critical:** Badly deteriorated, inoperative/ unsafe, complete replacement is required (50% +requires replacement)
- Not Applicable/ Not Present:** Does not present the item in observation



Following the field inventory, each parcel in the study area was individually evaluated through GIS-based analysis with respect to identified physical conditions. In addition to field inventory, an extensive GIS database was provided by the Osceola County GIS Department and the Osceola County Property Appraiser Office. Additional sources were instrumental in determining the blight conditions, including the Osceola County Health Department, Sherriff’s Office, Code Enforcement Office and Fire Rescue/ EMS Office. The following table represents the blight factors and databases used to determine this finding of necessity for blight.

BLIGHT FACTORS ANALYZED

Condition/ Factor Required by Statute	Indicator/Data Source
163.340(8)(a) Predominance of defective or inadequate street layout, parking facilities, roadways, bridges, or public transportation facilities (<i>Defective/Inadequate Transportation Facilities</i>)	Field Inventory/ GIS Analysis
163.340(8)(b) Aggregate assessed values of real property in the area for ad valorem tax purposes have failed to show any appreciable increase over the 5 years prior to the finding of such conditions (<i>Depreciating Assessed Property Values</i>)	Osceola County Property Appraiser Data (2006-11)
163.340(8)(c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness (<i>Faulty Lot Layout</i>)	Field Inventory/ GIS Analysis
163.340(8)(d) Unsanitary or unsafe conditions	Field Inventory/ GIS Analysis
163.340(8)(e) Deterioration of site or other improvements (<i>Site Deterioration</i>)	Field Inventory/ GIS Analysis
163.340(8)(f) Inadequate and outdated building density patterns (<i>Building Denstiy Patterns</i>)	GIS Analysis
163.340(8)(g) Falling lease rates per square foot of office, commercial, or industrial space compared to the remainder of the county (<i>Falling Lease Rates</i>)	Inconclusive
163.340(8)(h) Tax or special assessment delinquency exceeding the fair value of the land (<i>Tax/Special Assessment Delinquency</i>)	Not Analyzed
163.340(8)(i) Residential and commercial vacancy rates higher in the area than in the remainder of the county (<i>Vacancy Rates</i>)	Inconclusive
163.340(8)(j) Incidence of crime in the area higher than in the remainder of the county (<i>Crime Incidents</i>)	Osceola County Sheriff's Office Data (2010)
163.340(8)(k) Fire and emergency medical service calls to the area proportionately higher than in the remainder of the county (<i>Fire/EMS Calls</i>)	Osceola County Fire Rescue/ EMS Data (2010)
163.340(8)(l) A greater number of violations of the Florida Building Code in the area than the number of violations recorded in the remainder of the county (<i>Florida Building Code Violations</i>)	Inconclusive
163.340(8)(m) Diversity of ownership or defective or unusual conditions of title which prevent the free alienability of land within the deteriorated or hazardous area (<i>Unusual Conditions of Title</i>)	Inconclusive
163.340(8)(n) Governmentally owned property with adverse environmental conditions caused by a public or private entity	Inconclusive

Blight Factor Findings

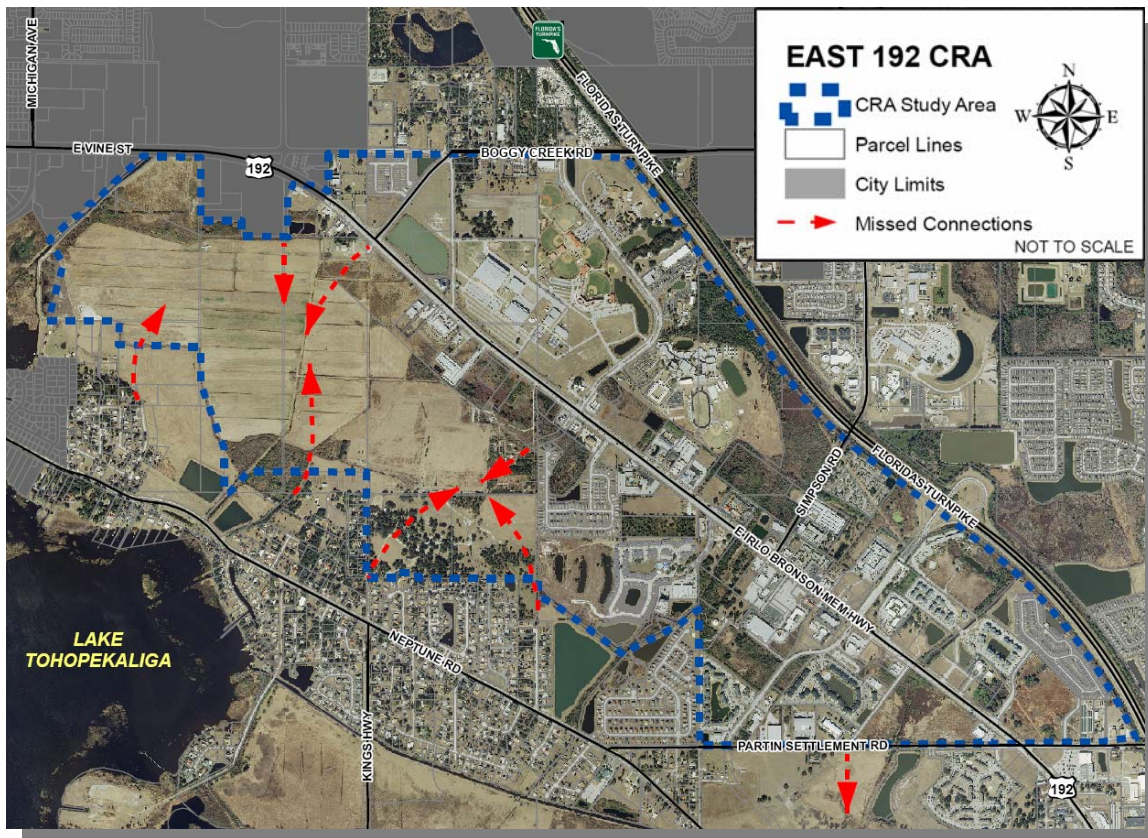
Blight Factor (a) Defective/Inadequate Transportation Facilities

Section 163.340(8)(a), F.S., Predominance of defective or inadequate street layout, parking facilities, roadways, bridges, or public transportation facilities was evident in the study area. The analysis identified deficiencies in roadway connection, public transit, street condition and parking facilities. The culmination of this inadequate infrastructure is evidence of blight. A detailed explanation of each is provided below.



Roadway Connections: U.S. 192 is the major thoroughfare serving the study area. The portion of the corridor between Boggy Creek Road and Shady Lane currently operated at a level of service B, which provides adequate capacity to accommodate the existing development. The portion of the corridor from Shady Lane to Partin Settlement Road is currently operating at a level of service F; meaning it is completely over capacity, functioning poorly, and is evidence of an inadequate roadway system. While the majority of the corridor is able to accommodate the traffic from existing development, traffic is forced to use the U.S. 192 due to the lack of alternative routes. This further illustrates the inadequate transportation system.

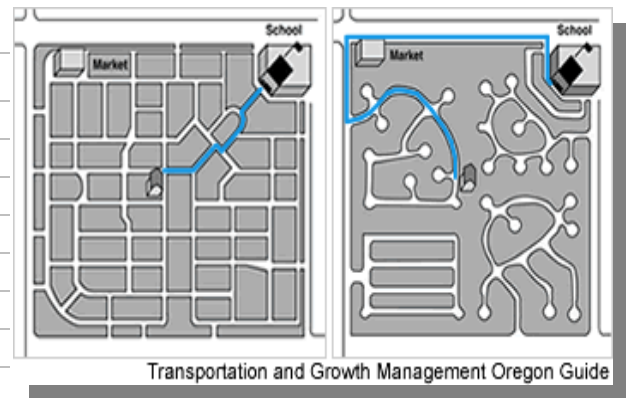
A lack of connectivity and alternative routes force vehicles to use U.S. 192 to reach their designation, resulting in increased congestion on U.S. 192. In analyzing the roadways within the study area, it was apparent that there is a definite lack of connection between U.S. 192 and Neptune Road. The map illustration below shows missed opportunities for connection that could potentially reduce congestion on U.S. 192 and Neptune Road, as well as provide alternative routes. CRA funds could be utilized to make road improvements, enhance transportation facilities, and reduce congestion without adversely impacting existing neighborhoods.



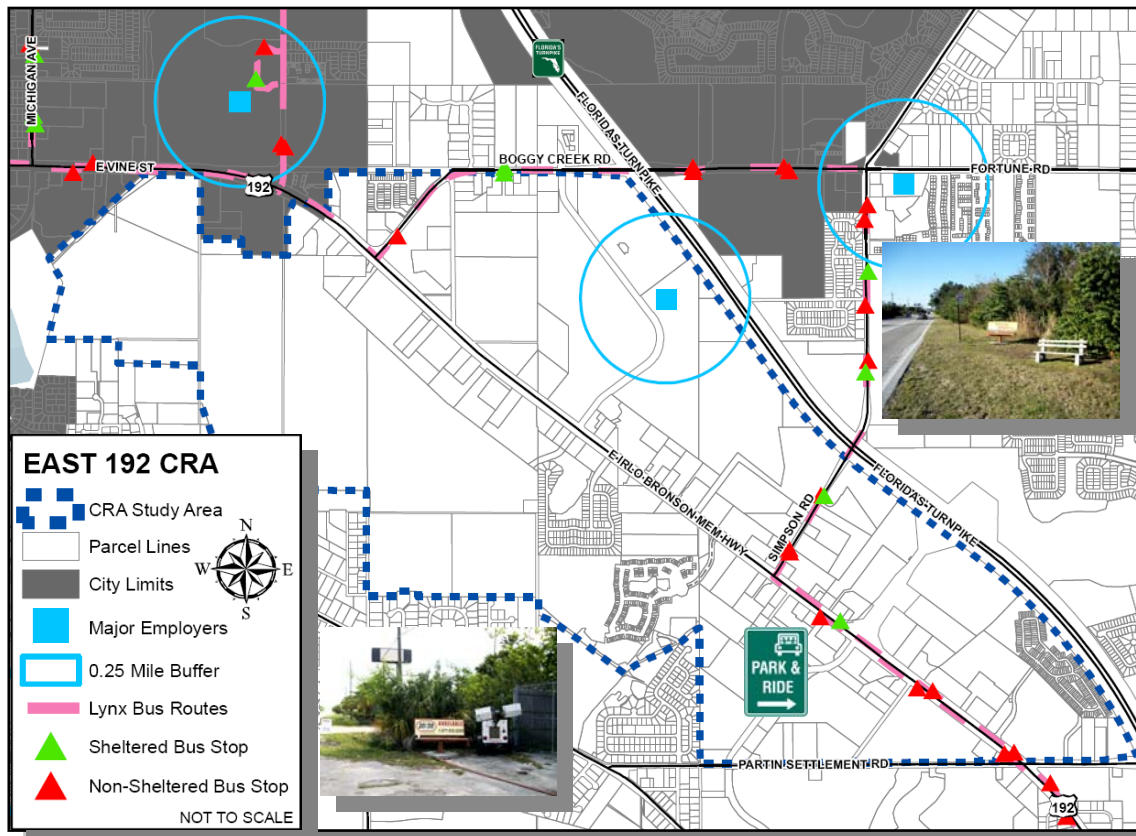
Source: Osceola County Community Development Department, 2011

MISSED OPPORTUNITIES FOR CONNECTION

STREET	SUBDIVISION/AREA
Lind Avenue	Highland Grove Subdivision
Boggy Creek Road	Terminates on U.S. 192
Unopened Right-of-Way	Lake View Oaks Subdivision
Will Barber Road	Going north from Neptune Road
Bill Beck Boulevard	Terminated on U.S. 192
Shawnda Lane	Manor at Shawnda Lane Subdivision
Aeronautical Drive	Terminated on Partin Settlement Road
Unopened Right-of-Way	South side of U. S. 192



Public Transit: The East U.S. 192 corridor is currently served by Lynx Bus #10. The #10 bus frequents each stop every one hour. While bus service does exist within the study area, the frequency of service is not adequate to serve the existing and future needs of the corridor. Bus Rapid Transit (BRT) is an alternative for the corridor to provide more efficient transit options for riders. The more transit opportunities made available, the greater opportunity for increased ridership and growth. The lack of transit options and frequency of stops represents a clear inadequate transportation system.

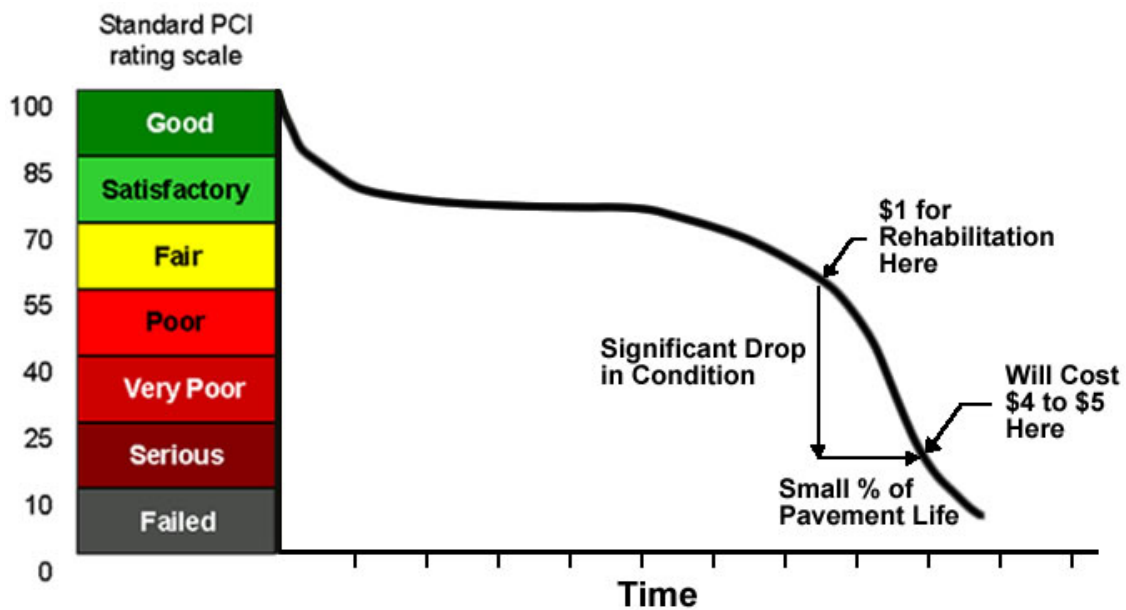


Source: Osceola County GIS, 2011

Osceola County will be participating in an Alternatives Analysis for the U.S. 192 corridor with LYNX and the Federal Transit Administration (FTA). The Analysis will look at ridership potential, evaluate different modes of transportation and estimate project costs for the U.S. 192 corridor. Increasing development and tourism motivates the purpose for the Analysis.



Street Condition: According to the County’s Pavement Condition Index (PCI) on the County maintained roadways within the study area, nearly 17% of all roadway segments within the study area have a PCI rating of “Poor” and 37% have a rating of “Fair”. Roadways are evaluated based on their current conditions using the PCI scale, illustrated graphically below, where a PCI of 100 is a roadway in good condition and a PCI of 0 is in failing condition. The overall weighted PCI for roadways within the study area is sixty-nine (69) which is considered “Fair” condition. Loose gravel, dirt roads and potholes are just a few of the factors that contribute to these poor ratings. These deficiencies in infrastructure are further evidence of the inadequate transportation system.



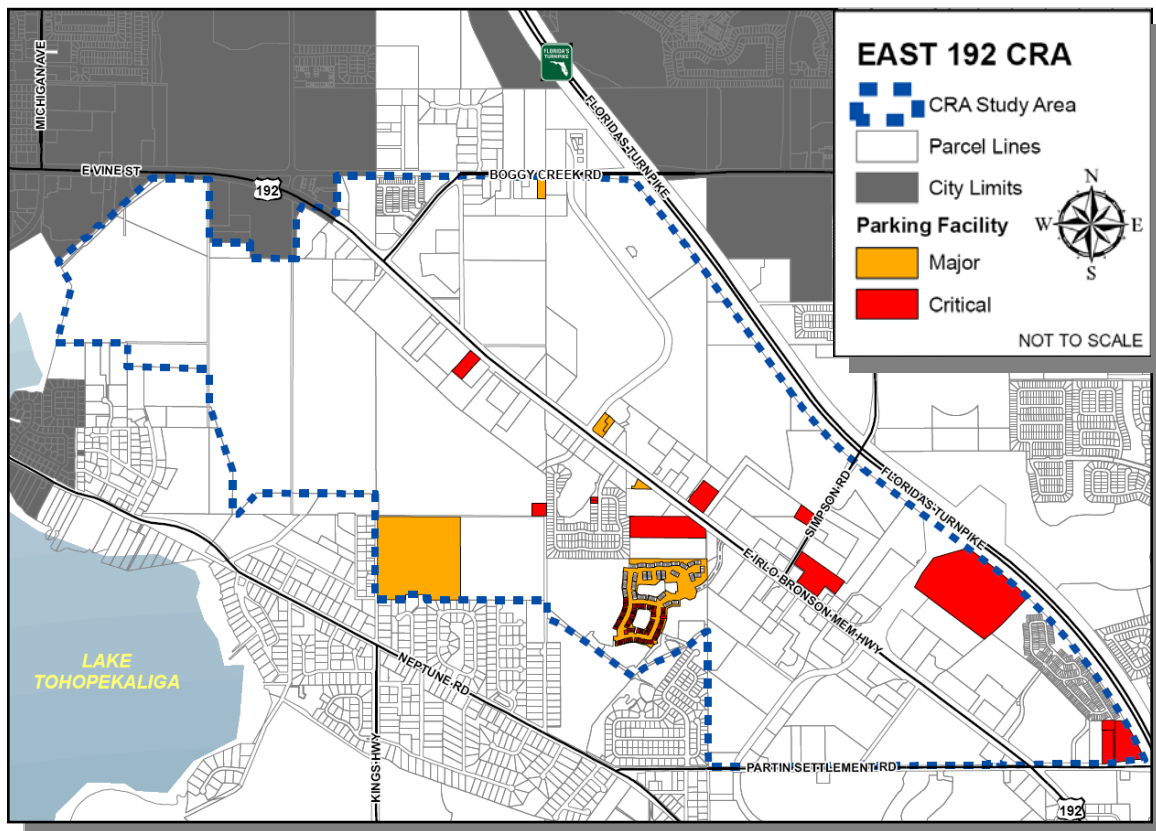
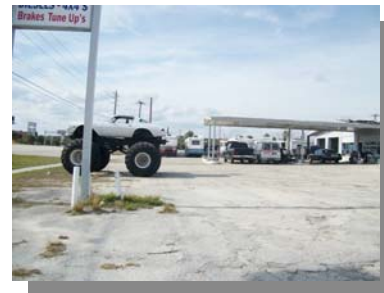
Pavement Condition Index

Source: Osceola County Public Works, 2011

Street Name	From Street	To Street	Rating
Aeronautical Drive	Dead End	Partin Settlement Road	65
Bill Beck Boulevard	Bill Beck Boulevard	Boggy Creek Road	53
Bill Beck Boulevard	Bill Beck Boulevard	Bill Beck Boulevard	58
Bill Beck Boulevard	Bill Beck Boulevard	Bill Beck Boulevard	46
Bill Beck Boulevard	Bill Beck Boulevard	Bill Beck Boulevard	52
Boggy Creek Road	Boggy Creek Road	Boggy Creek Road	79
Boggy Creek Road	Boggy Creek Road	Bill Beck Boulevard	79
Boggy Creek Road	Old Boggy Creek Road	Shadow Oaks Road	80
Boggy Creek Road	Bill Beck Boulevard	Boggy Creek Road	75
Boggy Creek Road	Shadow Oaks Road	Boggy Creek Road	79
Boggy Creek Road	Boggy Creek Road	Boggy Creek Road	88
Boggy Creek Road	Dead End	Old Boggy Creek Road	73
Boggy Creek Road	Boggy Creek Road	Boggy Creek Road	80
Heritage Key Boulevard	Dead End	Dead End	65
Lepic Lane	Shady Lane	Dead End	65
Office Plaza Boulevard	Dead End	Dead End	54
Old Boggy Creek Road	Old Boggy Creek Road	Boggy Creek Road	71
Old Boggy Creek Road	Old Boggy Creek Road	Old Boggy Creek Road	73
Old Boggy Creek Road	Old Boggy Creek Road	Old Boggy Creek Road	57
Partin Settlement Road	Partin Settlement Road	Partin Settlement Road	75
Partin Settlement Road	Partin Settlement Road	Partin Settlement Road	73
Partin Settlement Road	Partin Settlement Road	Partin Settlement Road	77
Partin Settlement Road	Aeronautical Drive	Partin Settlement Road	68
Partin Settlement Road	Shady Lane	Aeronautical Drive	67
Partin Settlement Road	Stroupe Road	Shady lane	65
Shady Lane	Shady Lane	Partin Settlement Road	79
Shady Lane	Lepic lane	Shady lane	82
Shady Lane	Dead End	Shady Lane	73
Shady Lane	Shady Lane	Lepic Lane	84
Shakerag Road	Shakerag Road	Old Boggy Creek Road	61
Shakerag Road	Dead End	Shakerag Road	72
Shakerag Road	Shakerag Road	Shakerag Road	71
Shakerag Road	Shakerag Road	Shakerag Road	71
Simpson Road	Simpson Road	Simpson Road	48
Simpson Road	Dead End	Simpson Road	62

Parking

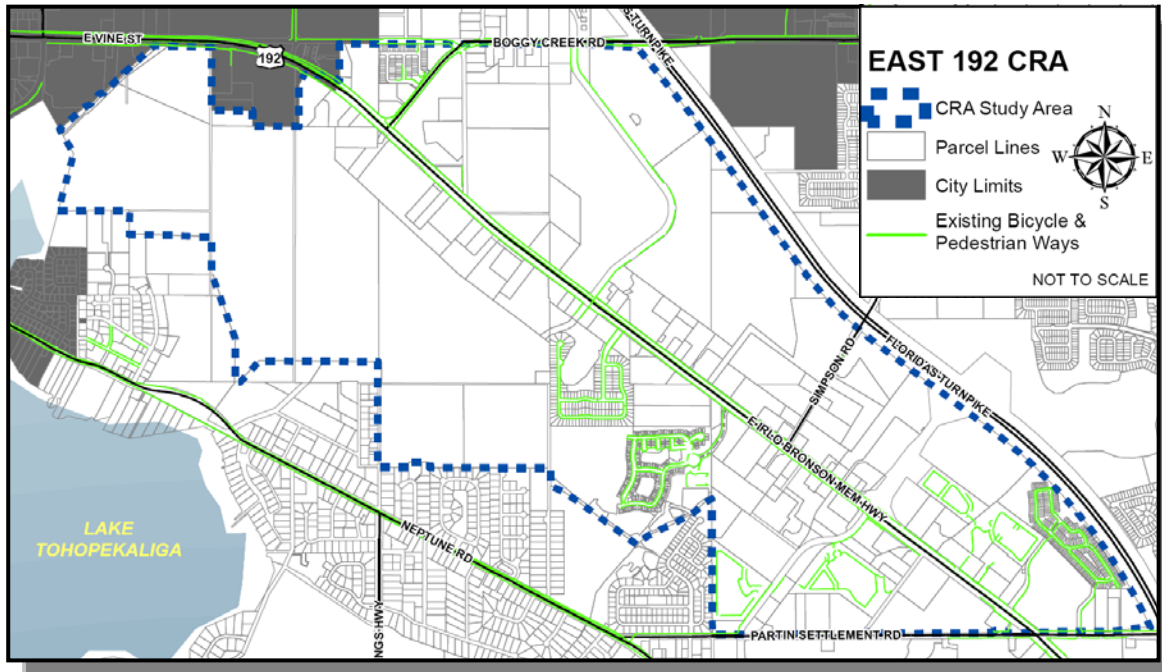
Parking Facilities: A total of 143 parking facilities within the study area were identified as being in either “Major” or “Critical” condition. A total of 192 parking facilities were identified as needing at least minor repair. Many businesses front their parking lots along the East U.S. 192 corridor. This causes an overabundance of asphalt to be the first thing people see as they drive through the area, much of which is currently in “Critical/Major” condition.



Source: Osceola County Field Inventory and GIS, 2011



Sidewalks: Sidewalks provide safety for pedestrians and motorists. The study area shows evidence of defective or inadequate street layout, parking facilities, roadways, bridges, or public transportation facilities. Pedestrian and bicycle paths only exist along U.S. 192, Boggy Creek Road, and Bill Beck Boulevard. While these facilities currently hold the most traffic or connect to existing schools, they should not be the only option for foot and bicycle traffic. Sidewalk connections should be available where development and transit facilities exist. The minimal amount of sidewalks within the study area shows further evidence of the inadequate transportation system.



Source: Osceola County Field Inventory and GIS, 2011



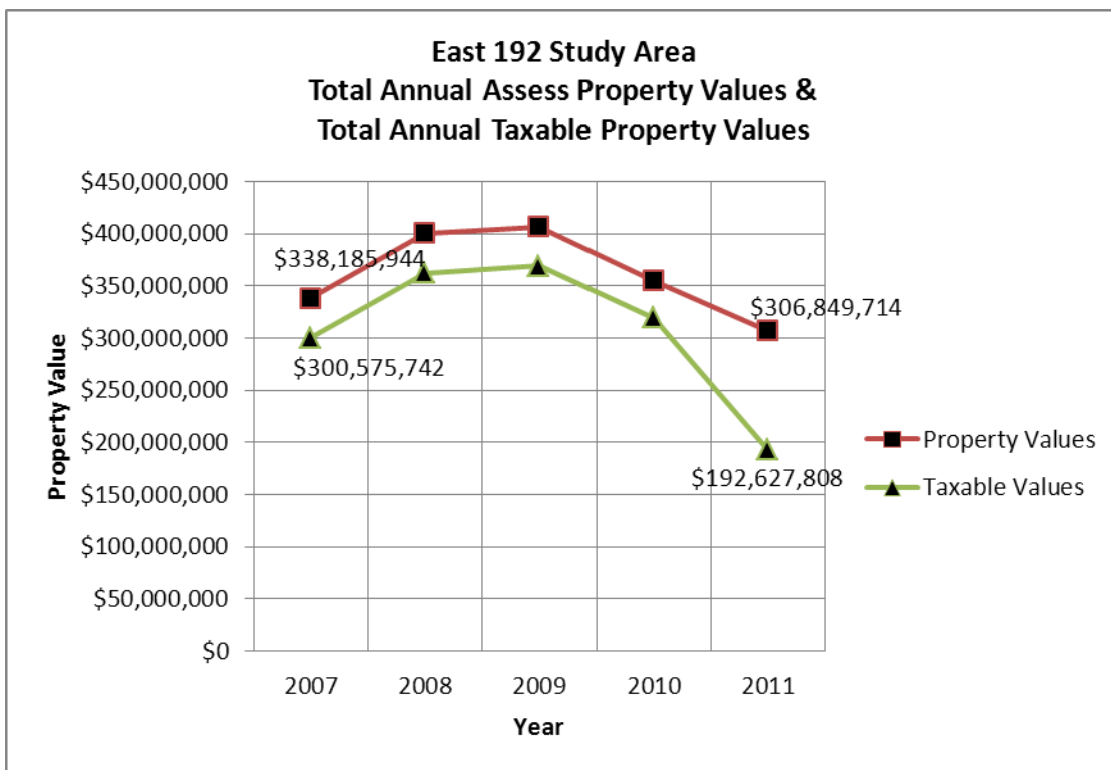
Blight Factor (b) Depreciating Assessed Property Values

Section 163.340(8)(b), F.S., Aggregate assessed values of real property in the area for ad valorem tax purposes have failed to show any appreciable increase over the five years prior to the finding of such conditions.

While property values increased between 2007 and 2009, they, more recently, decreased by 25% between 2009 and 2011. This analysis was completed by obtaining the total assessed values per acre (cumulative summation of values for all properties) for each year, which included all land and buildings within the study area. The 2010 figures from the Osceola County Property Appraiser’s Office indicated there were numerous properties valued at or below \$100,000. The study area includes a number of government-owned properties; therefore an assessment of taxable values per acre was also performed. The total annual assessed and taxable values are included below. The change in values from 2007-2011 is illustrated in the graph below, illustrating an overall decrease in total assessed values of -10% and an overall decrease in total taxable values of -56%.

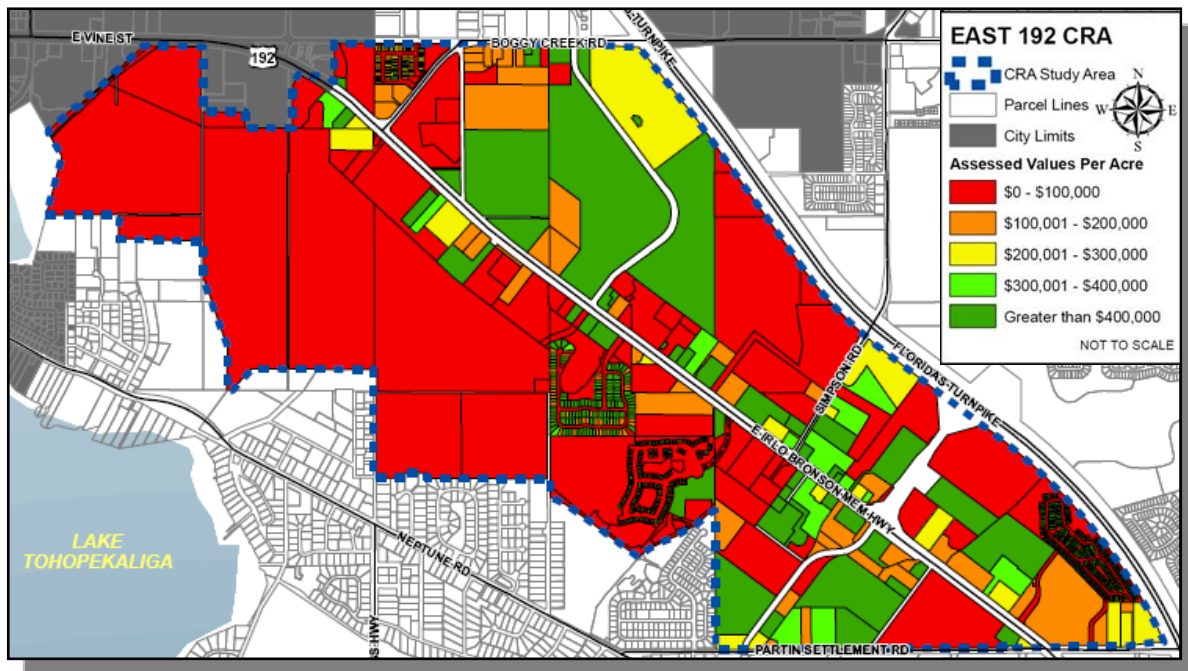
YEAR	TOTAL ASSESSED VALUE
2007	\$338,185,944
2008	\$400,243,815
2009	\$406,916,014
2010	\$354,978,495
2011	\$306,849,714

YEAR	TOTAL TAXABLE VALUE
2007	\$300,575,742
2008	\$362,433,013
2009	\$369,315,912
2010	\$319,313,193
2011	\$192,627,808



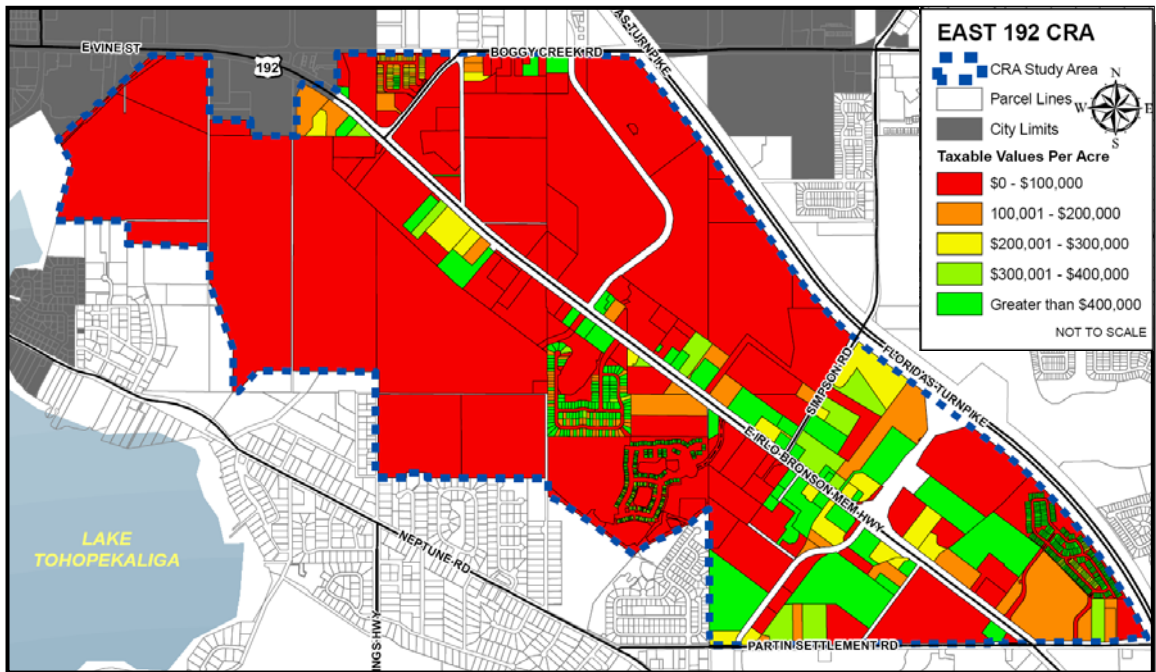
Source: Osceola County Property Appraiser, 2011

Assessed Value per Acre: Property assessments are based on market values and are assessed yearly. Properties within the study area vary in size. Many of the larger, vacant properties are further away from the roadway and have a lower value per acre than those properties with roadway access near or along the East U.S. 192 corridor.



Source: Osceola County Property Appraiser, 2011

Taxable Value per Acre: The taxable value is based upon the preceding years Taxable Value increased or decreased by the Inflation Rate Multiplier. The low taxable values include a number of residential properties with homestead exemptions, including over forty government-owned properties that are tax exempt.



Source: Osceola County Property Appraiser, 2011

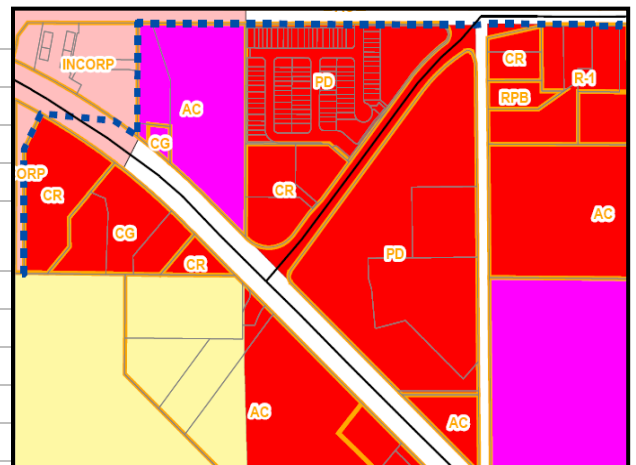
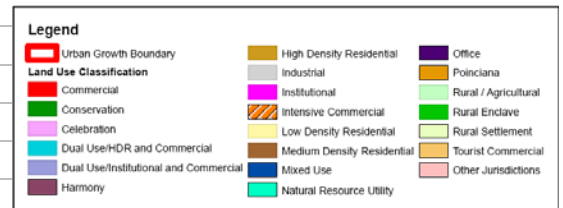
Blight Factor (c) Faulty Lot layout

Section 163.340(8)(c), F.S., Faulty lot layout in relation to size, adequacy, accessibility, or usefulness was evident in the study area. This was determined via analysis of zoning and land use consistency, cross access, landlocked parcels, wetlands, floodplain and topography.

Zoning/Land Use Consistency: Future land use map designations identify the future use of the property that is consistent with the projected future growth and development patterns that are most appropriate for that area. Zoning classifications then provide more specific requirements, such as setbacks, for the property when development is being proposed. Twenty-four properties within the study area have a zoning classification that is not consistent with the future land use map designation. These properties comprise 363 acres of the total 1,654 acres in the study area or twenty-two percent (22%). When proposed development applications are brought forward, the existing zoning district is reviewed for consistency with the future land use designation, pursuant to the Future Land Use Map.

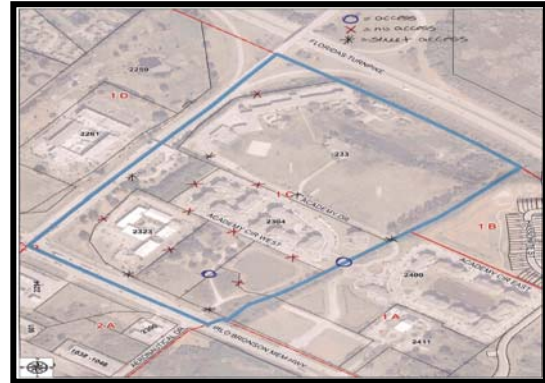
INCONSISTENT FUTURE LAND USE AND ZONING WITHIN THE STUDY AREA

FUTURE LAND USE	ZONING
Institutional	Agricultural Development & Conservation
Institutional	Commercial Restricted Business
Institutional	Agricultural Development & Conservation
Institutional	Agricultural Development & Conservation
Commercial/Low Density Residential	Agricultural Development & Conservation
Institutional	Agricultural Development & Conservation
Low Density Residential	Agricultural Development & Conservation
Commercial/ Low Density Residential	Agricultural Development & Conservation/ Commercial Restricted Business
Commercial	Residential Multiple Family Three
Commercial	Residential Multiple Family Three
Commercial	Residential Multiple Family Three
High Density Residential	Commercial Neighborhood Center
Commercial	Commercial Restricted Business/ Residential Multiple Family Three
Commercial	Agricultural Development & Conservation
Commercial	Rural Development One Acre
Commercial	Agricultural Development & Conservation
Low Density Residential	Agricultural Development & Conservation
Institutional	Agricultural Development & Conservation
Institutional	Agricultural Development & Conservation
Commercial	Rural Development One Acre
Commercial	Agricultural Development & Conservation
Commercial	Rural Development One Acre
Commercial/Low Density Residential	Agricultural Development & Conservation
Institutional	Agricultural Development & Conservation



Cross-Access/ Landlocked Parcels: A number of properties within the study area are landlocked, meaning the property is completely surrounded by land and has no direct roadway access or frontage on a public right-of-way. Approximately twenty-nine (29) properties within the study area are landlocked. Landlocked properties may be undevelopable unless a roadway connection is made.

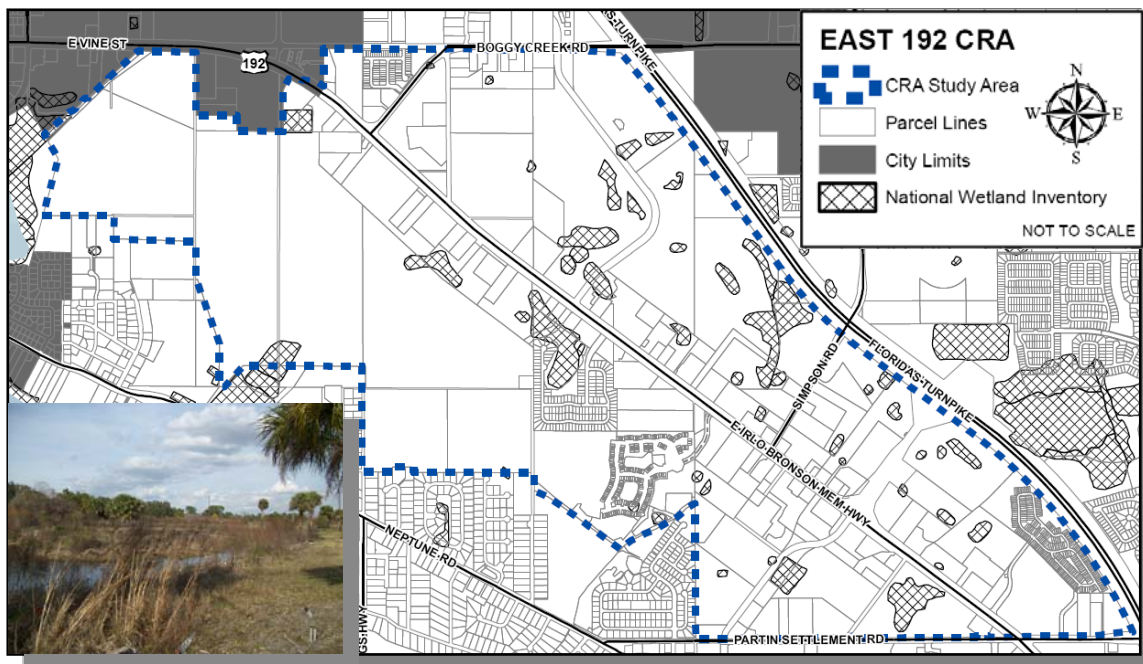
Cross-access is access between abutting properties. When cross-access is not provided, vehicles are forced to utilize the public roadway to access an adjacent or nearby property. This creates increased traffic in the public roadway, resulting in increased congestion. Traffic movements consistently entering and existing the public roadway exacerbate road conditions, slowing public transit and vehicle traffic. This traffic pattern also creates hazards for pedestrians as drivers must cross sidewalks more often than necessary.



Connections can be made to allow vehicles to move between properties without having to re-enter the public street. This creates a safer pedestrian and vehicular environment by providing direct vehicular connections between abutting properties.

The image above illustrates the analysis whereby existing connections were identified with “O” and missing connections were identified with “X”. The deficiency in cross-access limits the accessibility of the properties.

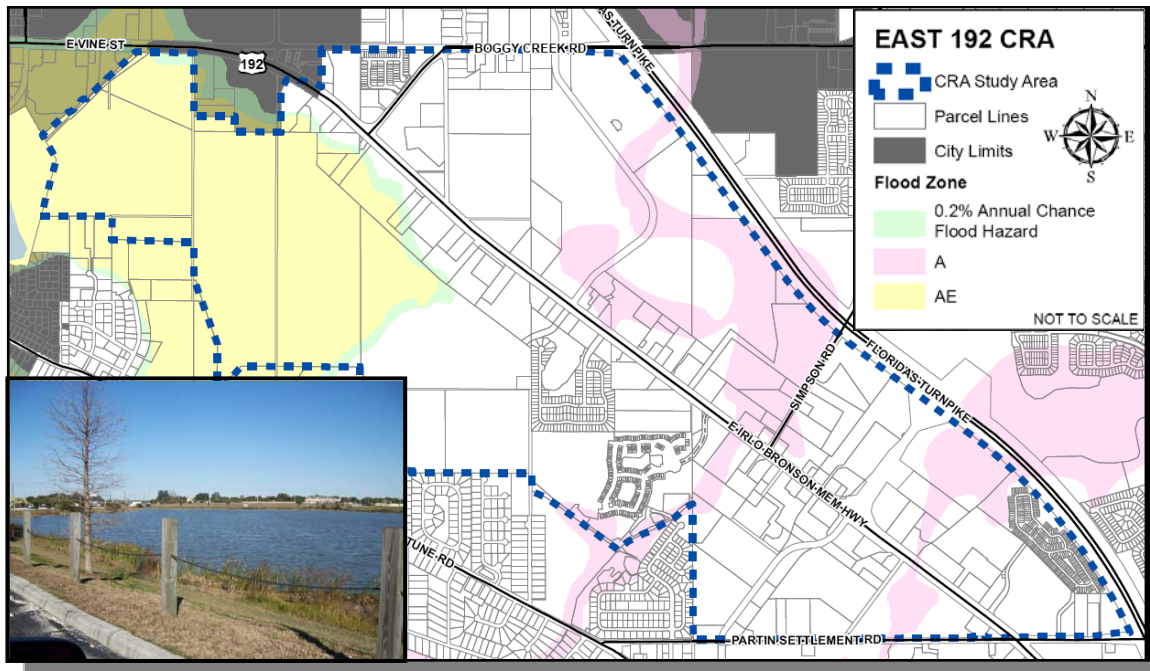
Wetlands: The National Wetlands Inventory, prepared by the U.S. Fish and Wildlife Service, identifies a number of wetlands in the study area. The majority of these wetlands are within Flood Zone A. Wetlands are unsuitable for development. Depending on the classification of the wetland, it can be determined if the wetland can be mitigated. Seventy-three (73) properties within the study area have on-site wetlands that impact the developable area of the lot. The wetlands in the study area further limit the size, adequacy, accessibility and usefulness of the properties.



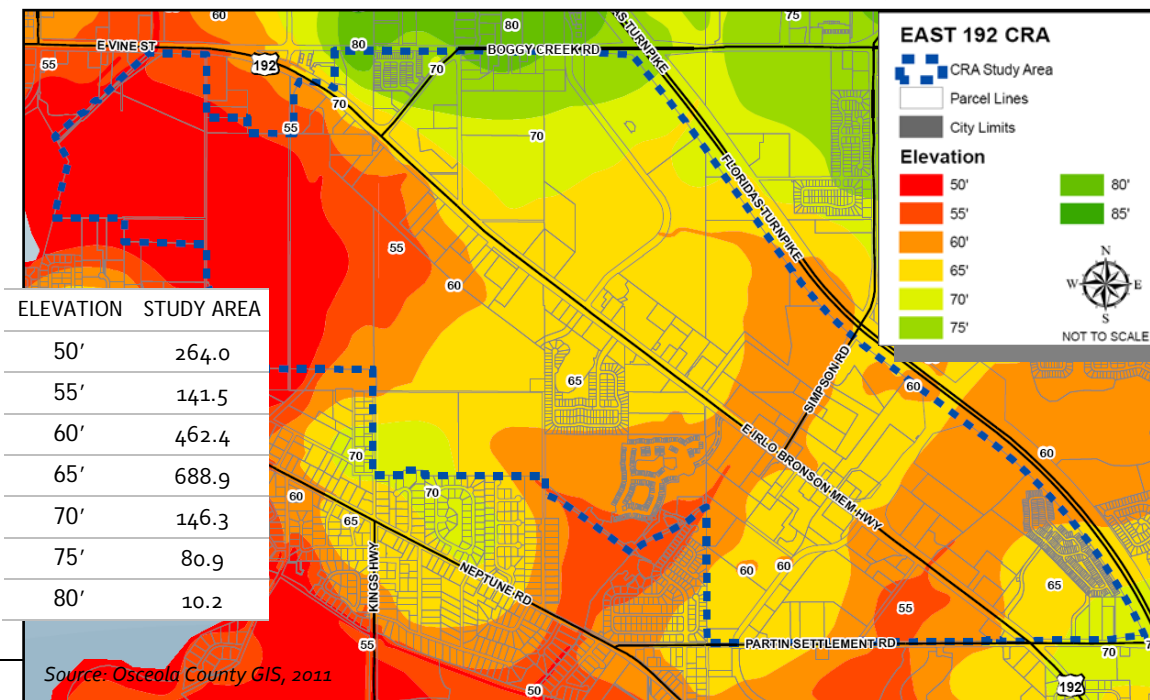
Source: Osceola County GIS and NWI data 1011

Floodplain: Portions of the study area are in a high-risk flood zone. Zones A and AE are hazard areas inundated by 100-year flooding. In other words, the chances of a flood occurring within 100 years are high. Flood insurance is required for development within these zones. For the ninety-five (95) properties within the floodplain, the size, adequacy, and usefulness of the land are negatively impacted. The Floodplain can be filled by adding costly fill dirt and by providing compensation storage at a land ratio of one-to-one per land area filled, but further impacts the size and usefulness of the property. The map below illustrates that much of the existing development within the study area has avoided the floodplain. FEMA maps are currently in the process of being updated which may change the location of some flood prone areas, but will not remove this development constraint.

Source: Osceola County GIS using FEMA data, 2001



Topography: The topography of the study area ranges in elevations from 50' to 80'. Low-lying areas with an elevation below 56' are subject to development complications. According to the map elevations illustrated below, a large portion of the study area (405 acres of land, 25%) is within this low-lying area. Low elevation presents opportunities for flooding and may require costly fill dirt for new development.

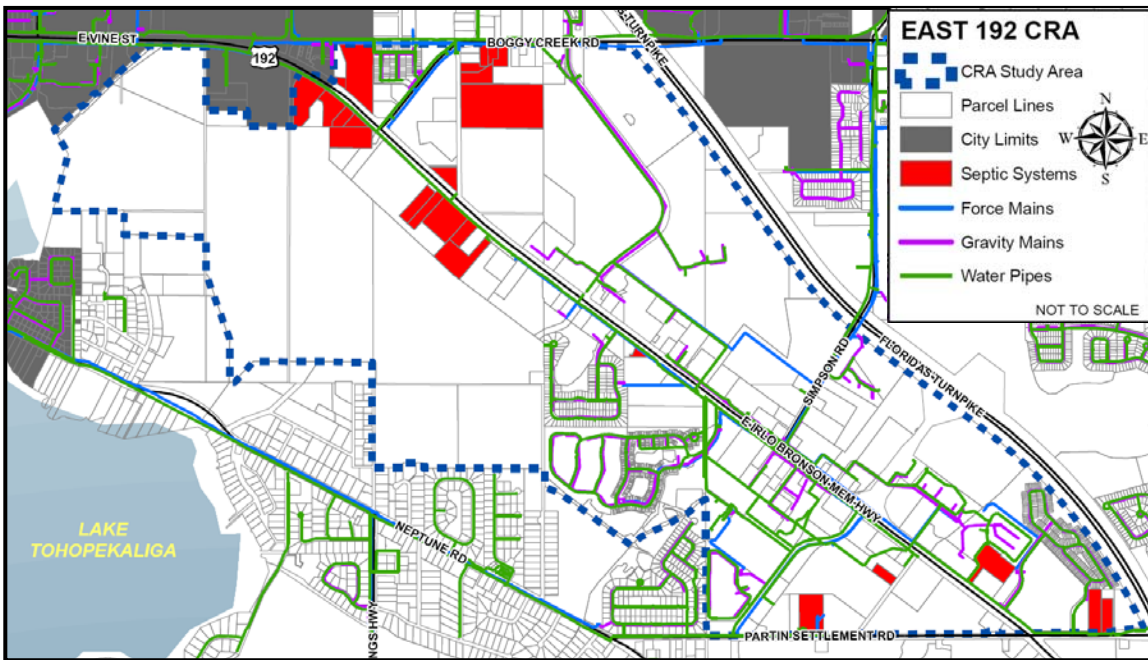


Source: Osceola County GIS, 2011

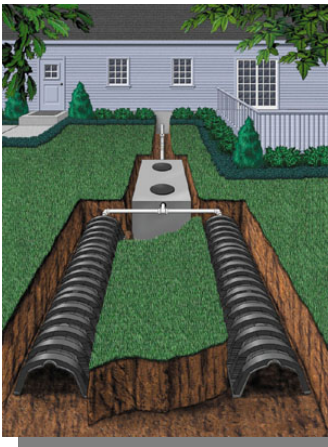
Blight Factor (d) Unsanitary/Unsafe Conditions

Section 163.340(8)(d), F.S., Unsanitary or unsafe conditions are evident in the study area with the use of septic systems, inadequate sidewalk connections, deficient street lighting and with the presence of junk and debris.

Septic Systems: A total of twenty-five (25) properties within the study area are currently using a septic system. Sewer and water lines are currently available to the study area. Using septic in an urbanized area (within the Urban Growth Boundary) limits the value of properties and the potential intensity of future development. Septic systems can only serve small lots. This limits the ability to develop larger lots to serve the area more intense facilities and services. This results in fragmentation of development along the corridor and limits the ability to meet market demand. The properties currently on septic may be required to connect to central sewer and water when future development of the property is requested, or when service is within 200 feet. In addition, septic systems require regular maintenance and related costs. When septic systems are not properly maintained, they may overflow, drain into the stormwater system, lakes or even contaminate drinking water, which creates unsanitary conditions.



Source: Osceola County GIS using FEMA data, 2001





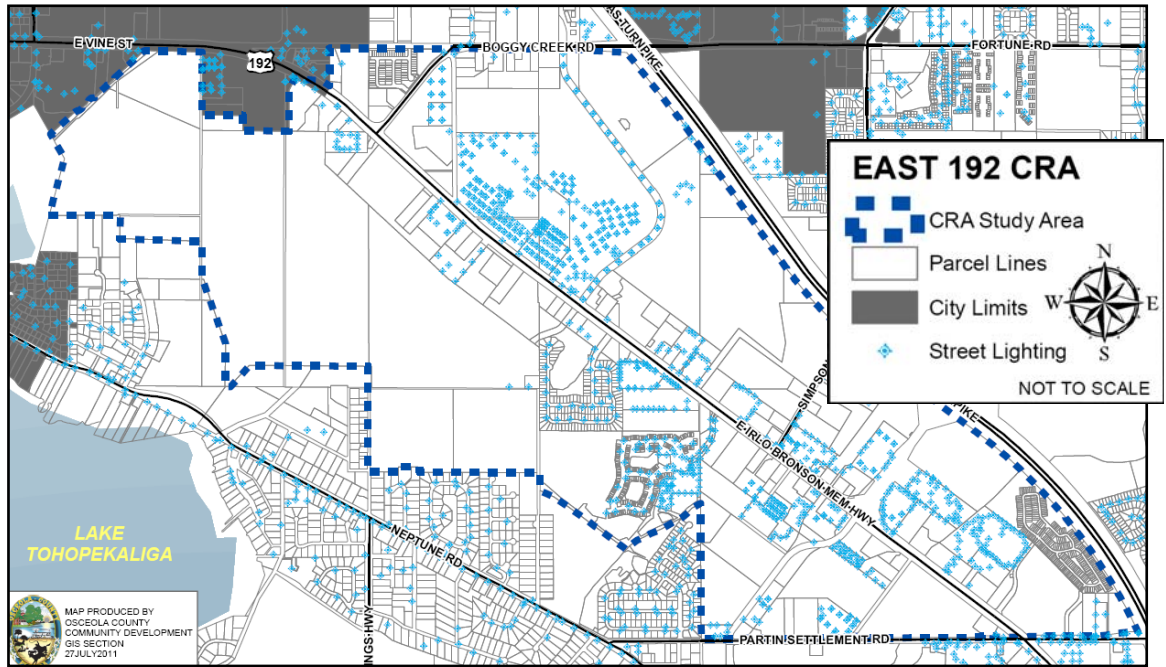
Sidewalks: Sidewalks provide increased safety and mobility to pedestrian and motorists. Providing sidewalks increase transportation options for individuals, lessening the reliance on vehicle trips. Sidewalks can provide pedestrian connectivity where access is not available between properties. With limited sidewalk facilities, pedestrians are forced to use the roadway shoulder, private property or the roadway itself to reach their destination, which creates for an unsafe environment. Sidewalks should be provided near development and public transit facilities.



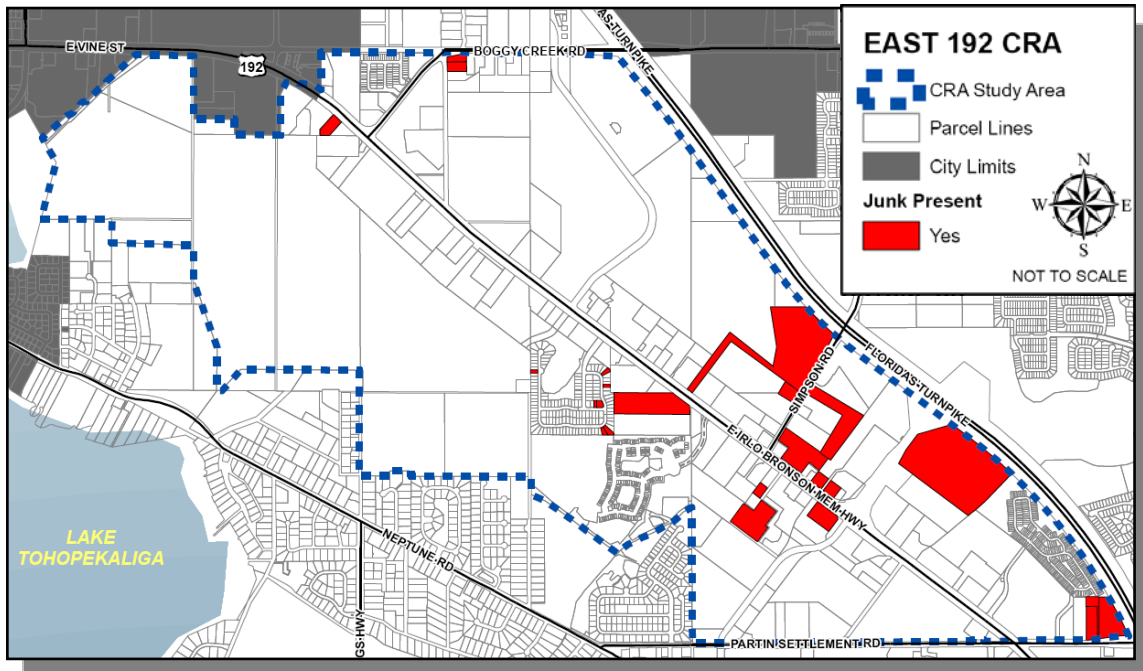
Source: Osceola County Field Observation and GIS, 2011



Street lights: Street lighting increases safety for motorists, pedestrians, and for property owners. Studies have shown that darkness results in a large number of accidents and fatalities, especially those involving pedestrians. A lack of street lighting is often reflected in areas with increased crime. Within the study area the lack of adequate street lighting creates an overall unsafe environment. Crime Prevention through Environmental Design (CPTED) offers guidelines to reduce incidents of crime through good lighting standards. Source: Osceola County Field Observation and GIS, 2011

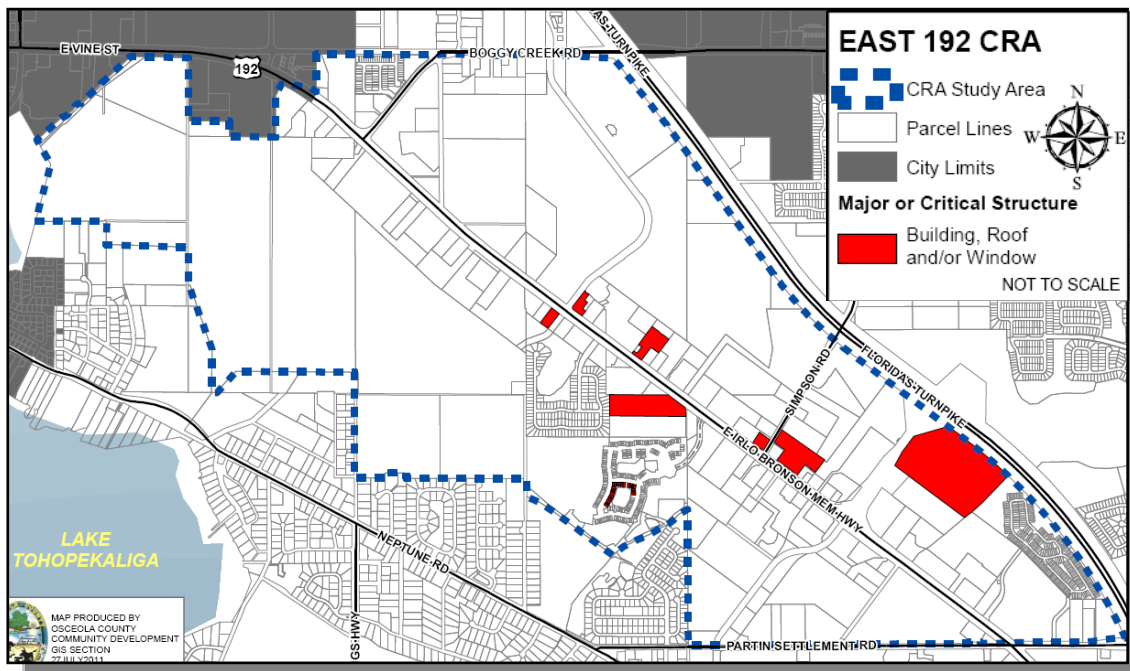


Junk, Trash & Debris: According to field observation, twenty-four (24) properties had evidence of junk, trash and debris. These properties are concentrated in areas with minimal street lighting, and within a highly concentrated crime area. Loose junk and trash creates an unsanitary environment and reduces value.



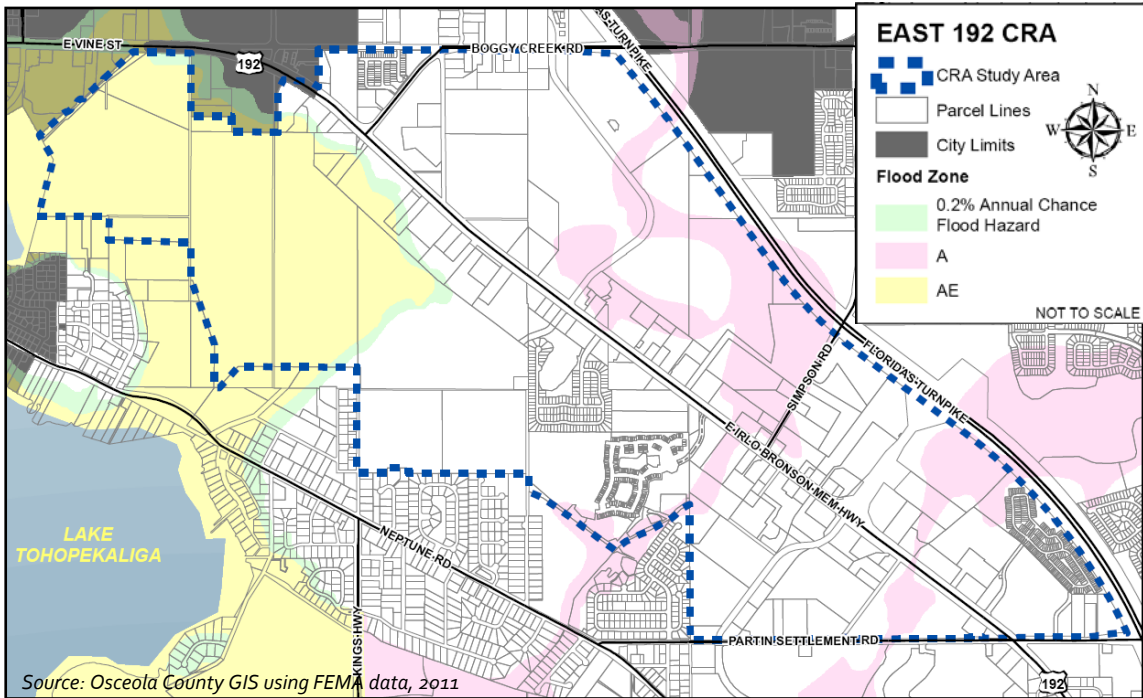
Source: Osceola County Field Inventory and GIS, 2011

Structure Conditions: Properties identified as having building structures in either major or critical condition are typically uninhabitable and a danger to people and animals. Typically these structures are vacant and become an unsafe nuisance to the neighborhood. A number of structures within the study area were found to be in major or critical condition. These structures are badly deteriorated and in need of major repair or replacement, creating unsanitary and unsafe conditions.

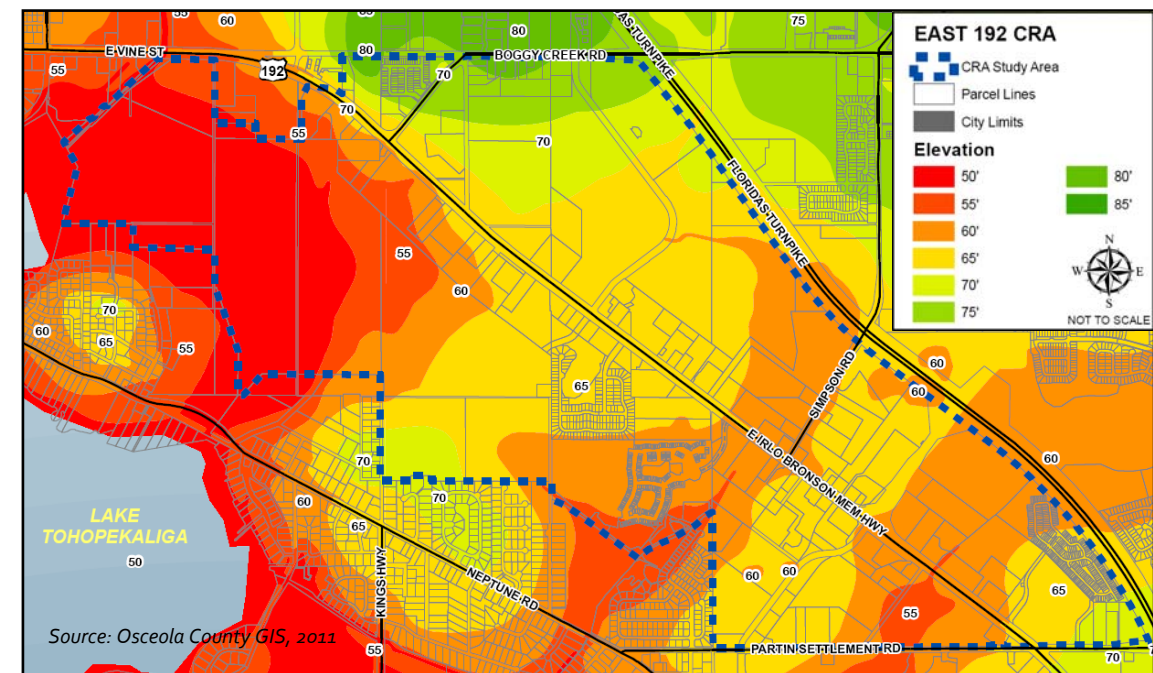


Source: Osceola County Field Inventory and GIS, 2011

Floodplain: Portions of the study area are in high-risk flood zones. Zones A and AE are hazard areas inundated by 100-year flooding. In other words, the chances of a flood occurring within 100 years are high. Flood insurance is required for development within these zones. For the 95 properties within the floodplain, the size, adequacy and usefulness of the land are negatively impacted. Floodplain can be filled by adding costly fill dirt and by providing compensation storage at a land ratio of one-to-one per land area filled, but this further impacts the size of the property. The map below illustrates that much of the development within the study area has avoided the floodplain. FEMA maps are currently in the process of being updated which may change the location of some flood prone areas, but will not remove this development constraint.



Topography: The topography of the study area ranges in elevations from 50' to 80'. Low-lying areas with an elevation below 56' are subject to development complications. According to the map elevations map below, a large portion of the study area (405 acres of land, 25%) is within this low-lying area. Development within these low-lying can contribute to unsafe conditions.



Blight Factor (e) Site Deterioration

Section 163.340(8)(e), F.S., Deterioration of site or other improvements was evident in the study area in assessment of critical building wall, roof, windows, doors, fencing, landscaping and the presence of graffiti, junk and debris.

Building Structure Condition: The condition of building structures in the study area were documented through field observation. Observers rated the building wall, roof, windows and doors of the building structures within the study area. Approximately forty (40) structures were identified as being in critical condition. Structure were individually observed at each property and rated according to their condition. The condition rates were based on the following criteria:

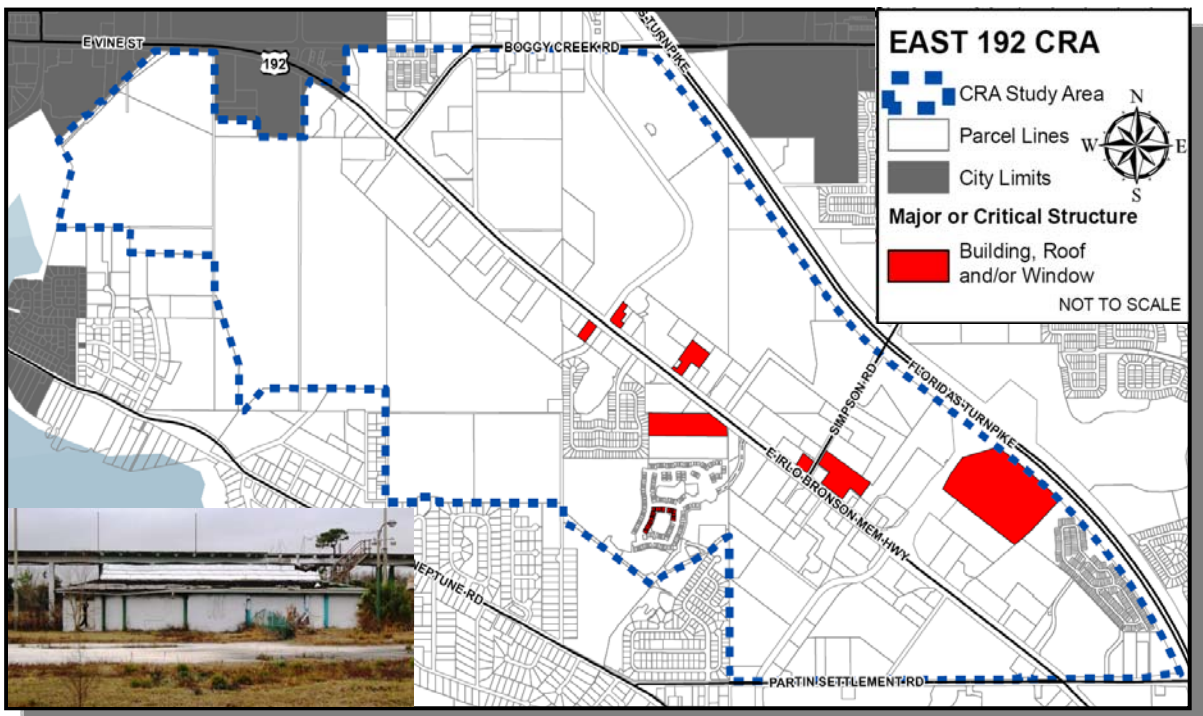
Good: Structure needs only normal maintenance (less than 10% requires replacement)

Minor: Structure is worn, loose or cracked (10-20% requires replacement)

Major: Structure is badly deteriorated and in need of major repair (20-50% requires replacement)

Critical: The structure is badly deteriorated, inoperative or unsafe to the extent that complete replacement is required (50% or more requires replacement)

Not Applicable: A vacant lot – with no existing structure present

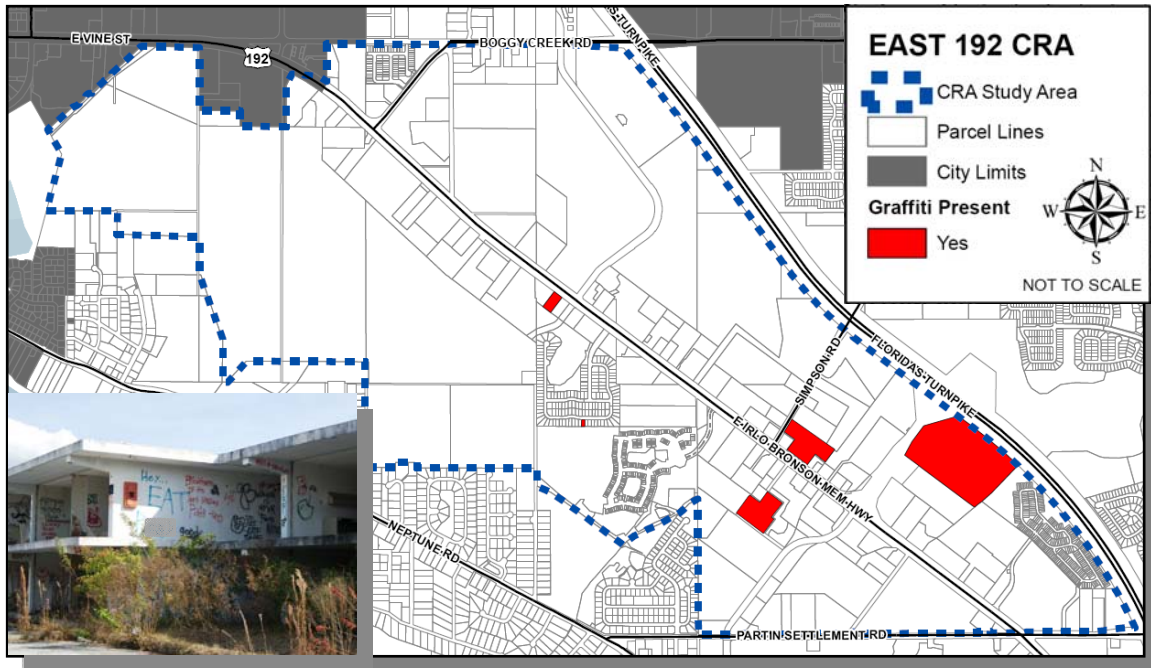


Source: Osceola County Field Inventory and GIS, 2011

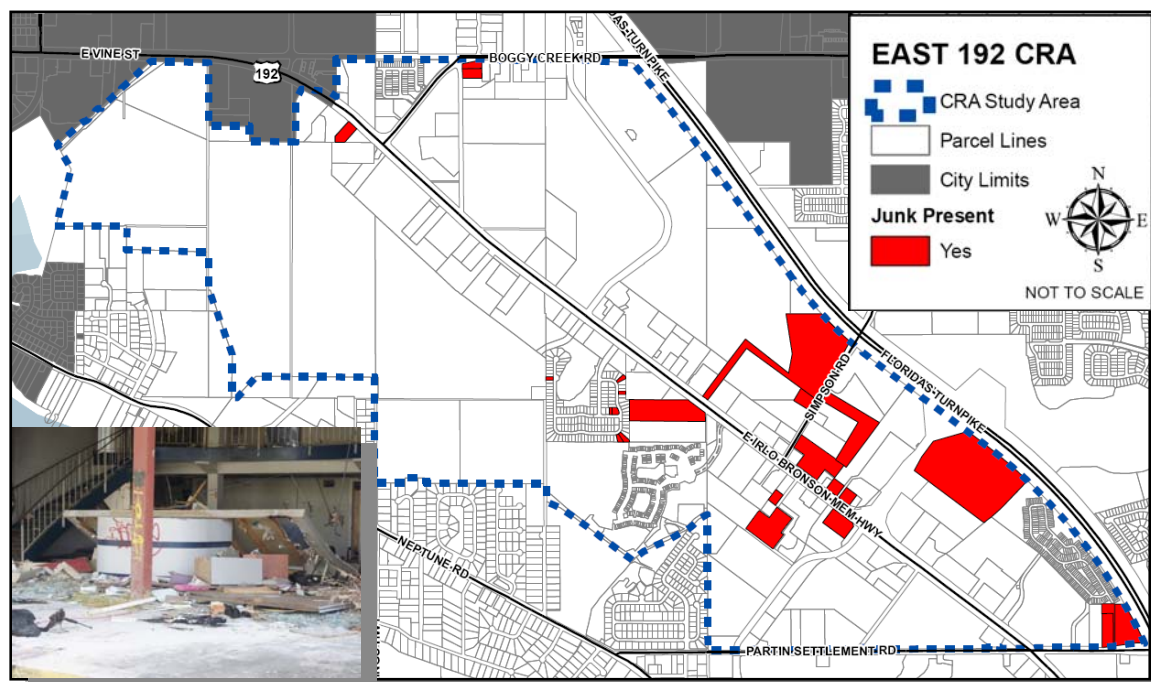
Site Condition: The condition of the properties, not including the building structures, was documented through field observation. Observers rated the fencing, landscaping, and presence of graffiti and debris on the properties within the study area. Approximately forty (40) properties were identified as being in critical condition. Properties were individually observed at each property and rated according to their condition.



Graffiti, vandalism and the presence of junk, trash and debris was identified within the study area. A higher concentration of vandalism and dumping was identified closer to the intersection of U.S. 192 and Simpson Road. Identifying these issues is helpful in determining which areas are in greater distress. These factors are the most obvious indication of site deterioration and blight.



Source: Osceola County Field Inventory and GIS, 2011



Source: Osceola County Field Inventory and GIS, 2011

Fencing was observed in the field inventory for each property within the study area. The condition of existing fencing can determine the level of site deterioration. If the fencing is inoperable or creates an unsafe environment for its purpose, it can be a clear indication of site deterioration and blight.

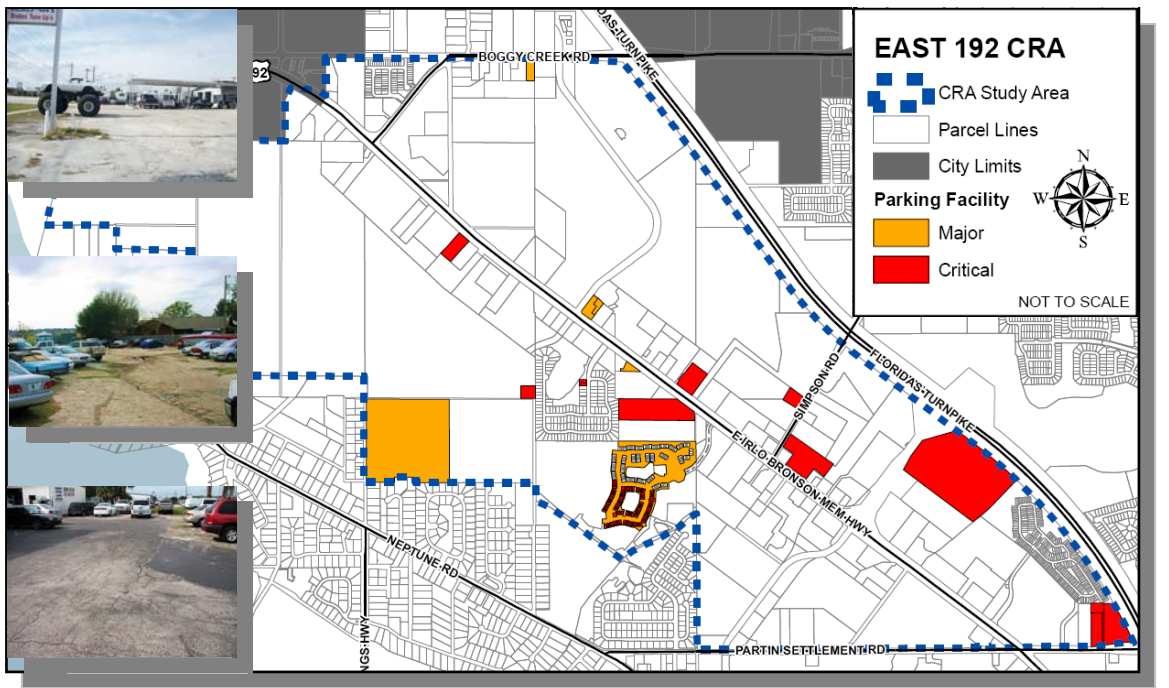


Source: Osceola County Field Inventory and GIS, 2011



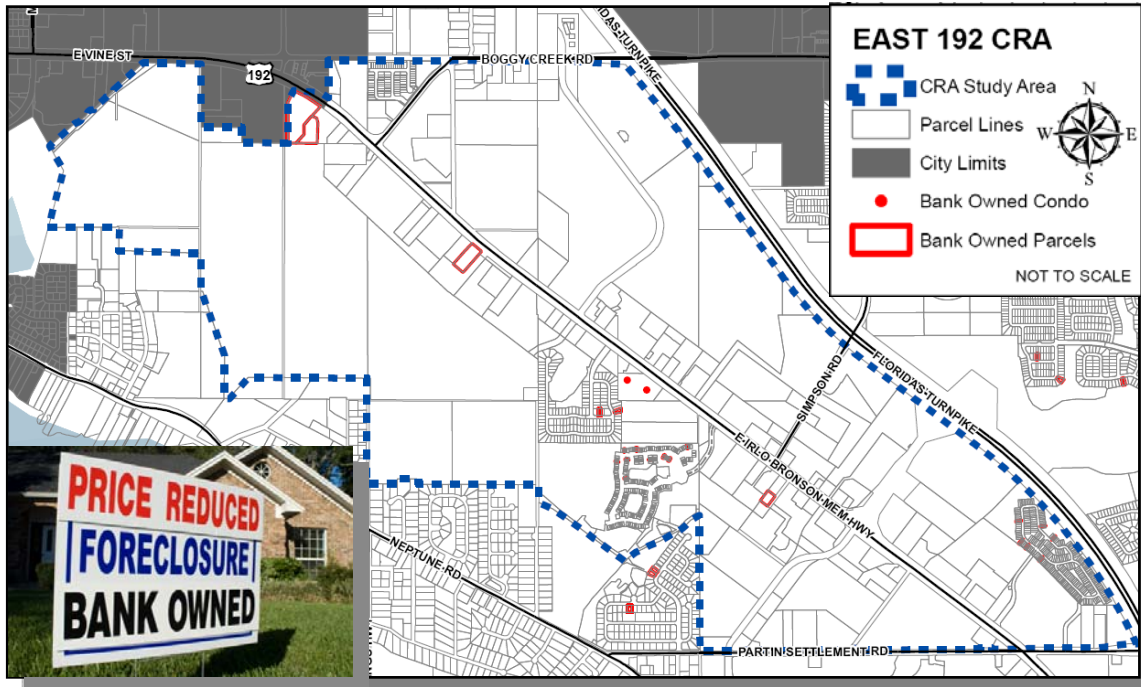
Parking Facilities: A total of 143 parking facilities within the study area were identified as being in either “Major” or “Critical” condition. A total of 192 parking facilities were identified as needing at least minor repair, which illustrates site deterioration. Many businesses front their parking lots along the East U.S. 192 corridor, causing an overabundance of asphalt to be the first thing people see as they drive through the area.

Source: Osceola County Field Inventory and GIS, 2011



FORECLOSURE

Foreclosures: Bank-owned properties and properties in foreclosure are identified within the study in the map illustration below. Twenty-one (21) properties within the study area are bank-owned and two (2) are in a foreclosure process. These properties, once becoming noticeably vacant, become a target for vandalism, vagrant habitation, and dumping. These properties quickly become distressed, as well as reducing the value and safety of the area.



Source: Osceola County Field Inventory and GIS, 2011

Blight Factor (f) Building Density Patterns

Section 163.340(8)(f), F.S., Inadequate and outdated building density patterns was evidence of deficiency within the study area.

The inefficient utilization of a parcel is indicative of the pattern of development for the area. Outdated building patterns are representative of parcels that do not utilize their full potential. Building centered towards the front of the lots, with parking in the rear and multiple uses in a multistory building are examples of how developers can maximize use while initiating a good pattern for development. Funding from a CRA can assist in the development of modern development standards and redevelopment of existing properties with more efficient patterns of development.

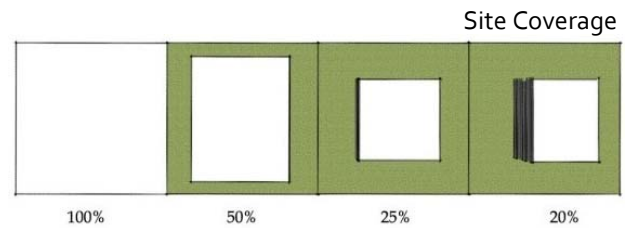
Intensity: Intensity is a measurement of how much a building site can be utilized by structures. Intensity is determined by calculating floor area ratios (FAR). FAR is the relationship between the total floor area of a proposed structure and the gross area of the building site.



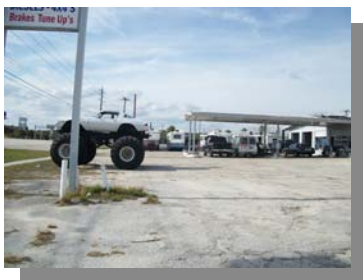
Osceola County Community Development conducted a study to determine how many properties within the study area do not take full advantage of their development allowances. Floor Area Ratio is the ratio of total building floor area to the size of the property. Two-thirds of properties within the study area had building structures that took up less than 25% of the property area.

BUILDING COVERAGE ON LOT

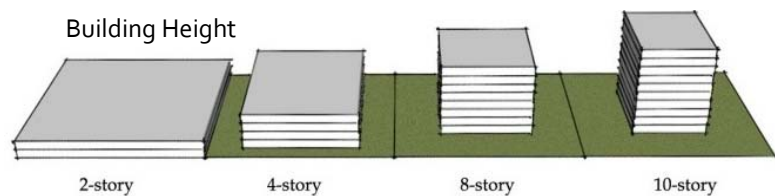
SITE COVERAGE	FAR RANGES	# OF COMMERCIAL LOTS
0-25%	0-0.25	25
26-50%	0.26-0.5	8
51-75%	0.51-0.75	1
76-100%	0.76-1.0	3



Source: Osceola County GIS, 2011



Building Height



Density: Density is defined as the number of residential units permitted per acre. Density is determined by dividing the total number of units by the total site area less right-of-way. Future Land Use is the preferred future vision of the development of land as it relates to use and density. Zoning regulates the current use of the land and development in relation to building size, bulk, density and the way land is used. The table below identifies the zoning district and future land use designation for properties within the study area. A number of properties within the study have zoning districts that are not consistent with the future land use designations which contribute to the inadequate or outdated building and density pattern.



EXISTING DWELLING UNITS/ACRE VERSUS ALLOWABLE DWELLING UNITS/ACRE

Zoning District	Future Land Use Designation	# of Properties
Agricultural Development & Conservation 1 unit per 5 acres	Institutional	7
Agricultural Development & Conservation 1 unit per 5 acres	Commercial	7
Agricultural Development & Conservation 1 unit per 5 acres	Low Density Residential 3-5 units per 1 acre	4
Commercial Restricted Business	Institutional	1
Commercial Restricted Business	Commercial	2
Commercial Restricted Business	Low Density Residential 3-5 units per 1 acre	1
Commercial Neighborhood Center	High Density Residential 13-18 units per 1 acre	1
Rural Development 1 unit per 1 acre	Commercial	2
Residential Multiple Family 1-4 units per acre	Commercial	2

Blight Factor (g) Falling Lease Rates

Section 163.340(8)(g), F.S., Falling lease rates per square foot of office, commercial, or industrial space compared to the remainder of the county. Interviews with local realtors indicated falling lease rates per square foot; however, formal documentation was not available on a countywide basis, therefore the data is deemed inconclusive.

Blight Factor (h) Tax or Special Assessment Delinquency

Section 163.340(8)(h), F.S., Tax or special assessment delinquency exceeding the fair value of the land. Property appraiser data indicated 560 properties that could have potentially unpaid current year tax or special assessment delinquencies, but only one property had a delinquency that exceeded the taxable value. In reviewing the data at this point in time, it would be premature to make a formal determination if tax or special assessment delinquency exceeds the fair value of the land. Therefore, the data is deemed inconclusive.

Blight Factor (i) Vacancy Rates

Section 163.340(8)(i), F.S., Residential and commercial vacancy rates higher in the area than in the remainder of the county. Field observation indicated evidence of residential and commercial vacancies, but the field data was not able to be substantiated or verified with formal reports or documentation with the Leasing Companies or property owners at the time the report was prepared; therefore the data is deemed inconclusive.



Blight Factor (j) Incidence of Crime

Section 163.340(8)(j), F.S., Incidence of crime in the area higher than in the remainder of the county.

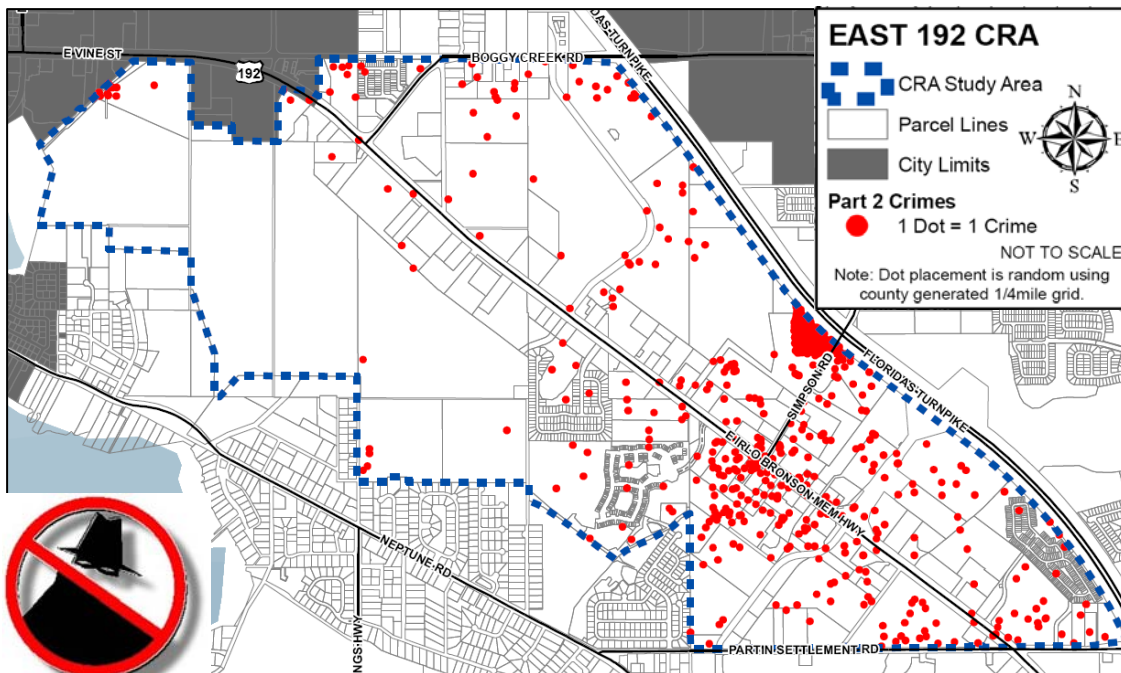
The percentage of crime in an area can be a strong indicator of deteriorating conditions. The Osceola County Sheriff's Office indicated that there were 0.13 crimes per capita within the study area, compared to 0.1 crimes per capita for the County as a whole (*Osceola County Sheriff's Office, 2010*). An incident is considered a crime if a report is prepared. The high percentage of crime in an area may discourage the private sector of investing in redevelopment. Crime is closely related to deteriorating conditions including high unemployment rates, high vacancy rates, and unsafe and unsanitary conditions. Left unaddressed, the crime rates will most likely continue to escalate, making a less desirable environment for growth and development.

The map below illustrates the location of phone calls made that identify incidents of crime. According to the Osceola County Sheriff's Office, a total of 546 phone calls were made to 911 regarding crime incidents within the 2010 calendar year. Incidents are concentrated in areas near the intersection of East U.S. 192 and Simpson Road. A high concentration of calls are identified near the proximity of the Osceola County Corrections facilities. These areas with a higher concentration of crime incidents provides for an unsafe environment.



CRIME INCIDENT PHONE CALLS, 2010

EVENT TYPE	STUDY AREA	COUNTYWIDE
CRIMES	546 calls	20,811 calls



Source: Osceola County Sheriff's Office, 2011



Blight Factor (k) Fire & EMS Calls

Section 163.340(8)(k), F.S., Fire and emergency medical service calls to the study area were documented to be proportionately higher than in the remainder of the county.

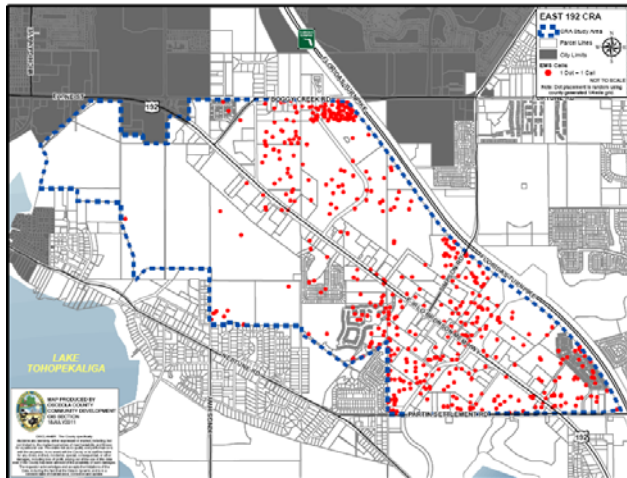
The percentage of fire and emergency medical service calls can be a strong indicator of a blighted area. Over the past year the incidence of fire and emergency medical service calls within the study area was higher than in the remainder of the County. A total of 0.18 calls per capita were reported within the study area, while on 0.13 calls per capital were reported within the County as a whole. This indicates that the study area has a much higher incidence of fire and emergency needs and would be considered a high risk area. A high incidence of fire and emergency medical service calls can coincide with a higher incidence of crime. The data was based on calls where fire and/or medical vehicles were dispatched.

NUMBER OF EMERGENCY SERVICES CALLS IN 2010

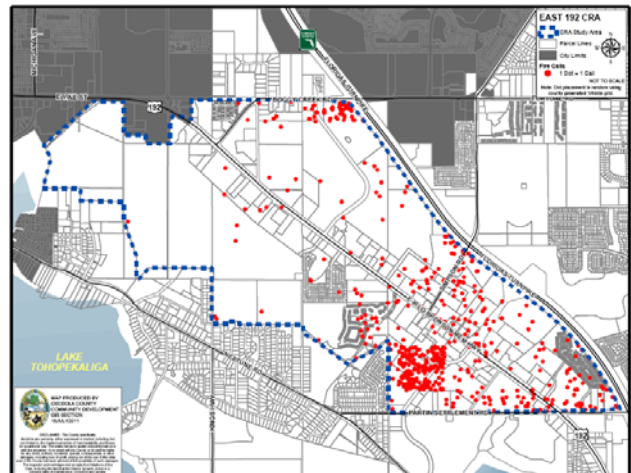
EVENT TYPE	STUDY AREA	COUNTYWIDE
FIRE	384 calls	10,977 calls
EMS	341 calls	14,981 calls

Source: Osceola County Fire Rescue and EMS, 2011

EMERGENCY MEDICAL SERVICE CALLS



FIRE CALLS



Blight Factor (l) Florida Building Code Violations

Section 163.340(8)(l), F.S., A greater number of violations of the Florida Building Code in the area than the number of violations recorded in the remainder of the county. Based on field observation, there was evidence of Florida Building Code violations (see analysis of critical structures in Appendix A), however the observed structures were not formally processed as violations at the time of this report. The data is therefore deemed inconclusive.

Blight Factor (m) Diversity of Ownership or Defective or Unusual Conditions of Title

Section 163.340(8)(m), F.S., Diversity of ownership or defective or unusual conditions of title which prevent the free alienability of land within the deteriorated or hazardous area. Analysis of the Property Appraiser's ownership data indicated a diversity of ownership. Full title searches were not conducted due to time restrictions and unavailable funding resources. The data is therefore deemed inconclusive.

Blight Factor (n) Governmentally Owned Property with Adverse Environmental Conditions

Section 163.340(8)(n), F.S., Governmentally owned property with adverse environmental conditions caused by a public or private entity. County owned properties were cross referenced against the Superfund Sites List including the National Priority List (NPL) and the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) sites. There were no findings of adverse impacts found for the Osceola County parcels within the databases as of the date of this report. A more extensive search may identify sites with adverse impacts. Additional analysis may be considered pending consideration of the historic or existing uses on the properties within the study area. Additional analysis may include research of other state and federal databases including, but not limited to: listings under the Florida Department of Environmental Protection (FEP), Petroleum Clean-Up Program, Leaking Underground Storage Tank (LUST) and the Toxic Substances Control Act (TSCA) site listings. At the time of this report, the data is deemed inconclusive.

Financial Feasibility

Real Estate Research Consultants, Inc. (RERC) prepared several financial scenarios addressing the opportunities for implementing a Community Redevelopment Area (CRA), as defined by Chapter 163, Florida Statutes. The scenarios illustrate potential tax increment revenues that could accrue to the benefit of the area should the CRA be implemented by the County. The analysis, however, is not sufficient to implement the CRA. The analysis illustrates how different sets of assumptions will yield different tax increment conclusions. Together, the various scenarios function as a sensitivity test, indicating a likely range of revenues that might be generated under different circumstances of growth and development.



The discrete scenarios were prepared for analytical purposes and then varied in terms of low, moderate and high projections. The changes in future valuations for purposes of capturing tax increment revenue are compared with the current area's estimated valuations of approximately \$200,000,000 (2010) based on the tax record provided by County staff. In all scenarios the base year at which the taxable value is held constant is 2013.

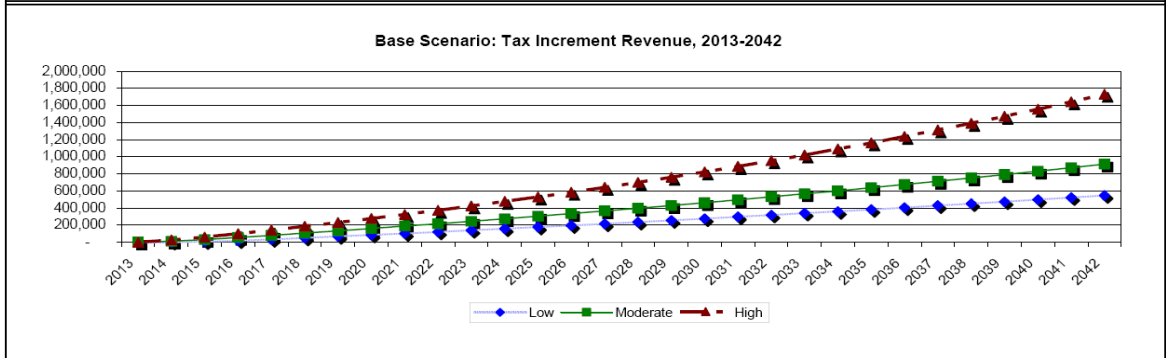
Scenario 1: Baseline

Effectively, Scenario 1 comprises a baseline condition by which the other scenarios and their variations are compared. Historically, there have been some gains in the valuations of the tax base, often without regard to the values or contributions of specific parcels, even though each parcel is periodically reassessed by the County for tax purposes. Excluding growth from new construction, taxable values in the County experience a compounded average annual growth rate of approximately 2.7% between 2005 and 2010. This and other growth evaluations were used to determine the low, moderate and high projects.

In the baseline scenario, the stabilized growth in the underlying base is varied from 1.5% to 3.0% to show how modest changes in the base, net of identifiable or quantifiable construction or development activity, influence the growth of the tax base used for calculating tax increment. With respect to the current economic environment, there is a brief build-up period in each of these variations before the sustainable rates of growth are achieved, which in this scenario, stabilized rates are reached by 2016. These changes in growth percentages lead to the low, moderate and high variations among the projections prepared for this scenario. The figure below illustrates the low, moderate and high projections for this scenario specific to the growth in taxable value and potential tax increment revenue.

Scenario 1: Baseline
Summary of Annual Tax Increment Revenue using Baseline Analysis 2013-2042

CRA Year Tax Year	1 2013	5 2017	10 2022	15 2027	20 2032	25 2037	30 2042	Total
Low								
Taxable Value	\$ 173,356,000	\$ 178,604,000	\$ 192,408,000	\$ 207,278,000	\$ 223,297,000	\$ 240,554,000	\$ 259,145,000	
Base Value	173,356,000	173,356,000	173,356,000	173,356,000	173,356,000	173,356,000	173,356,000	
Annual Increment	-	33,000	121,000	216,000	318,000	428,000	546,000	7,160,000
Moderate								
Taxable Value	191,504,000	204,252,000	225,511,000	248,982,000	274,896,000	303,508,000	335,097,000	
Base Value	191,504,000	191,504,000	191,504,000	191,504,000	191,504,000	191,504,000	191,504,000	
Annual Increment	-	81,000	216,000	366,000	531,000	713,000	914,000	12,181,000
High								
Taxable Value	205,625,000	228,074,000	264,400,000	306,512,000	355,331,000	411,926,000	477,535,000	
Base Value	205,625,000	205,625,000	205,625,000	205,625,000	205,625,000	205,625,000	205,625,000	
Annual Increment	-	143,000	374,000	642,000	953,000	1,313,000	1,731,000	22,126,000



Scenario 2: Use of TAZ Data Prepared for the Targeted Growth

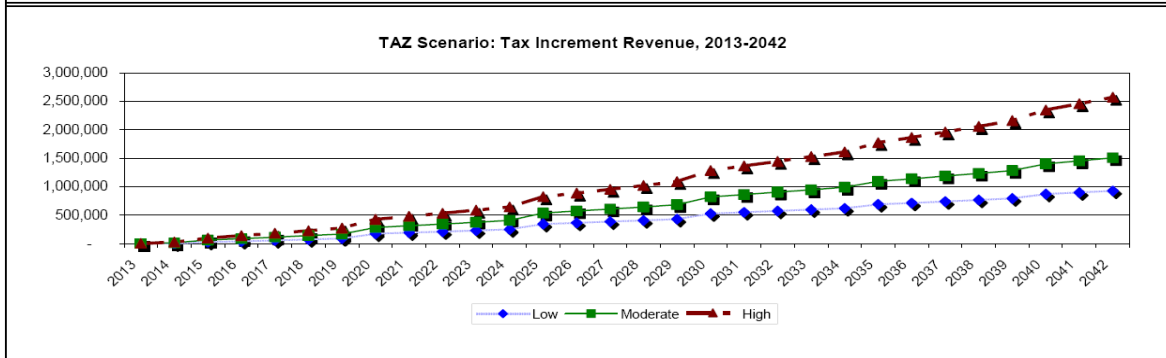
Where the baseline scenario shows some revenue potential over time – caused primarily through growth in underlying valuations without regard to special intervention – Scenario 2 has the expectation that incremental development, when it occurs, will further add to the receipts estimated.

In this scenario, drawing upon the composite analysis of County staff for transportation planning purposes, future employment and population in each Traffic Analysis Zone (TAZ) generally reflect allowable land uses, densities, and known plans. Both the population and employment numbers contained in the TAZ data have been used by RERC to estimate a number of potential dwelling units and some future quantity of non-residential facilities. According to this data, approximately 486,000 SF of commercial and service space may be needed over the next 30 years, in addition to nearly 580,000 SF of industrial space and over 200 residential units. The number of units and inventory of commercial space, in turn, drives assumptions about the valuations of each of these kinds of property, currently and over time.

The values used for the analysis are drawn from a composite of recently constructed properties or projects and do vary modestly across the low, moderate and high projects. The figure below illustrates the low, moderate and high variations for the TAZ scenario specific to the growth in taxable value and potential tax increment revenue.

Scenario 2: TAZ & Target Growth
Summary of Annual Tax Increment Revenue based on TAZ Analysis, 2013-2042

CRA Year Tax Year	1 2013	5 2017	10 2022	15 2027	20 2032	25 2037	30 2042	Total
Low								
Taxable Value	\$ 173,356,000	\$ 182,195,000	\$ 206,541,000	\$ 233,923,000	\$ 263,279,000	\$ 289,593,000	\$ 318,787,000	
Base Value	173,356,000	173,356,000	173,356,000	173,356,000	173,356,000	173,356,000	173,356,000	
Annual Increment	-	56,000	211,000	386,000	572,000	740,000	926,000	12,532,000
Moderate								
Taxable Value	191,504,000	209,293,000	245,320,000	287,047,000	333,368,000	377,766,000	428,258,000	
Base Value	191,504,000	191,504,000	191,504,000	191,504,000	191,504,000	191,504,000	191,504,000	
Annual Increment	-	113,000	343,000	608,000	903,000	1,186,000	1,507,000	20,155,000
High								
Taxable Value	205,625,000	228,074,000	264,400,000	306,512,000	355,331,000	411,926,000	477,535,000	
Base Value	205,625,000	205,625,000	205,625,000	205,625,000	205,625,000	205,625,000	205,625,000	
Annual Increment	-	183,000	532,000	953,000	1,443,000	1,960,000	2,571,000	32,812,000



Scenario 3: Enhanced Share for the Corridor

This is the most aggressive of the three scenarios overall and effectively assumes that some relative share of the County’s likely long-term growth will be placed into service along the targeted corridor. The outcomes of this analysis are potentially departures from those of Scenario 1 and 2 but the effort does reflect some historical benchmarks.

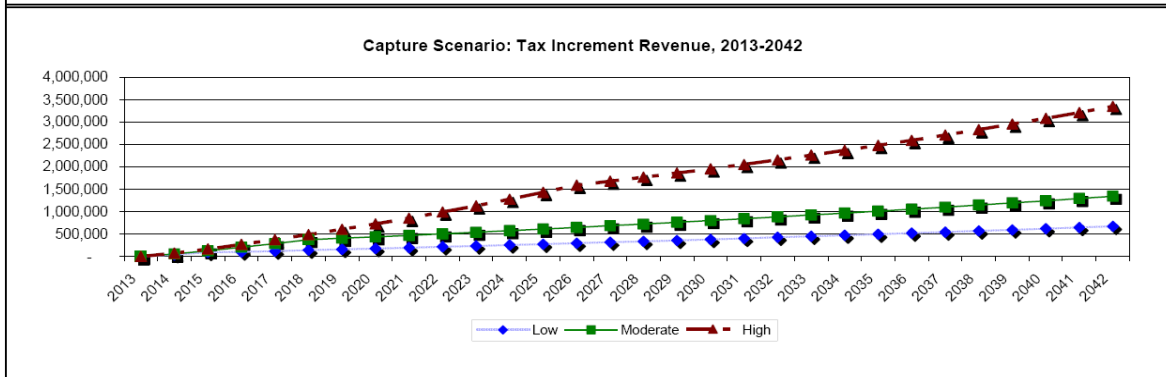
Here the scenario is drawn from the tax rolls which report, by year built, various kinds of housing and non-residential facilities, many of which are not located in this area now but could be assuming all development is distributed relatively equally throughout the County, other things equal. The basis of the distribution reflects a combination of valuations, unit counts, square footage and other indicators.

Unlike Scenario 2, this scenario is not dependent upon specific development forms or land uses but rather it relies on composite and average values at the County level. The variation across the low, moderate and high projections stems primarily from expectations about the level of market penetration of capture which could be achieved in this corridor. According to 2010 property records, the area defined in this analysis comprises just over 1.2% of the total taxable value in the County. The current capture rate was used to benchmark the low, moderate and high variations of this scenario. For example, the low assumes a slight increase in capture of the County’s tax base over the next 30 years whereas the moderate and high projections reflect the special district capturing a greater amount of the overall tax base.

The figure below illustrates the low, moderate and high variations for this scenario specific to the growth in taxable value and potential tax increment revenue.

**Scenario 3: Enhanced Share
Summary of Annual Tax Increment Revenue
based on Increased Capture Rates within the CRA, 2013-2042**

CRA Year Tax Year	1 2013	5 2017	10 2022	15 2027	20 2032	25 2037	30 2042	Total
Low								
Taxable Value	\$ 173,356,000	\$ 192,565,000	\$ 207,447,000	\$ 223,479,000	\$ 240,750,000	\$ 259,357,000	\$ 279,401,000	
Base Value	173,356,000	173,356,000	173,356,000	173,356,000	173,356,000	173,356,000	173,356,000	
Annual Increment	-	122,000	217,000	319,000	429,000	547,000	675,000	10,171,000
Moderate								
Taxable Value	191,504,000	237,157,000	271,192,000	299,418,000	330,581,000	364,988,000	402,977,000	
Base Value	191,504,000	191,504,000	191,504,000	191,504,000	191,504,000	191,504,000	191,504,000	
Annual Increment	-	291,000	507,000	687,000	885,000	1,104,000	1,346,000	21,289,000
High								
Taxable Value	205,625,000	264,816,000	361,815,000	470,284,000	545,188,000	632,022,000	732,687,000	
Base Value	205,625,000	205,625,000	205,625,000	205,625,000	205,625,000	205,625,000	205,625,000	
Annual Increment	-	377,000	994,000	1,685,000	2,161,000	2,714,000	3,355,000	49,413,000



Implementation

RERC data suggests that valuations may be nearing or have reached their floor. While it is not certain, feedback from the Orlando Association of Realtors (locally) and the Case-Shiller Index (nationally) points to some very short-term price stability in the residential market. This stabilization reasonably precedes some firmness in the non-residential market in the foreseeable future. These comments are not suggestive of an imminent valuation recovery but the firming in the residential sector does offer some optimism that an absolute low point could be realized in the next 12 to 24 months.

The significance of this time period relates in part to the timeframe and the calendar necessary to implement the CRA trust account where the tax increment dollars can accrue. This account can only be activated by adoption of implementing the Community Redevelopment Plan (CRP) and adoption of a corresponding trust fund ordinance. RERC recommends that the CRP be adopted by July 1 to capture the base of that specific calendar year. For example, a plan adopted by July 1, 2011 would have established valuations for purposes of calculating tax increment as of January 1, 2011.

Osceola County has already passed the cutoff date to capture 2011 values. The relevant taxable values are - in any case - likely to show substantial decline for 2011 as the final tax bills are mailed. By default, the next cutoff period of relevance is July 2012 which would set the base as of January 2012. It can take as long as six months to meet the various hearing and adoption requirements associated with approving the final CRP and trust fund ordinance. Consequently, July 2012 is not an unreasonable target date for planning purposes.

In 2012, taxable values are likely to drop further but if a fall occurs, it would be lower than declines of recent years with an improved chance of less severe declines in 2013. If the CRP is adopted by 2013, rather

than 2012, there is a possibility that the absolute bottom would be missed. Arguably, it may be better to risk some further declines over 2013 and capture any planned development rather than await further drops and lose any gains that would follow.

RERC recommends the decision to proceed sooner rather than later. This is based on expectations regarding development activity as a comparison among the scenarios seems to suggest. If the prospects of substantial development are favorable, they will offset any declines. If the prospects for additional development seem remote, implementation should be postponed until 2013. In effect, implementing the CRA a year later - in anticipation of another potential decline - allows an additional year of positive valuations toward the end of the CRA life. Stated somewhat differently, a year of loss at the beginning is exchanged for a beneficial year at the end.

Policy consideration should not be ignored to justify more robust, but still speculative, valuations received at a later date. If the policy support for creating a CRA is strong, 2012 as a near term window is not without some advantage. This conclusion is generally consistent with at least two of the scenarios and their variations which show moderate gains even with modest declines occurring in 2013. Certainly, the most conservative path is to wait until July 2013 and measure the outcome of the referendum intended to cap the appreciation rate in taxable values from year-to-year for all properties.

Additional information from the RERC report relating to cycles and land valuations is provided below. On average, there will be cycles over the life of any CRA, bringing drops in valuations, hopefully not below the baseline, but these shifts in taxable valuations are probabilities more than possibilities to be addressed in careful budgeting and planning. The second is that the lifetime of the CRA is limited, and there should be an open dialogue about the length of time to recover any revenues that are not realized initially. If there is an expectation of development, we would not wait until 2013 since these gains would push the base up, and at the same time divert ad valorem revenues which would then be difficult for the trust account to recover. Finally, should the base year valuations erode for any reason, the decline does not incur a legal financial obligation to the CRA. The proceeds that might have otherwise accrued to the CRA are simply never credited to the trust fund. Missed receipts could be a factor in securing debt but few CRAs are financially capable of supporting debt without other credit sources.

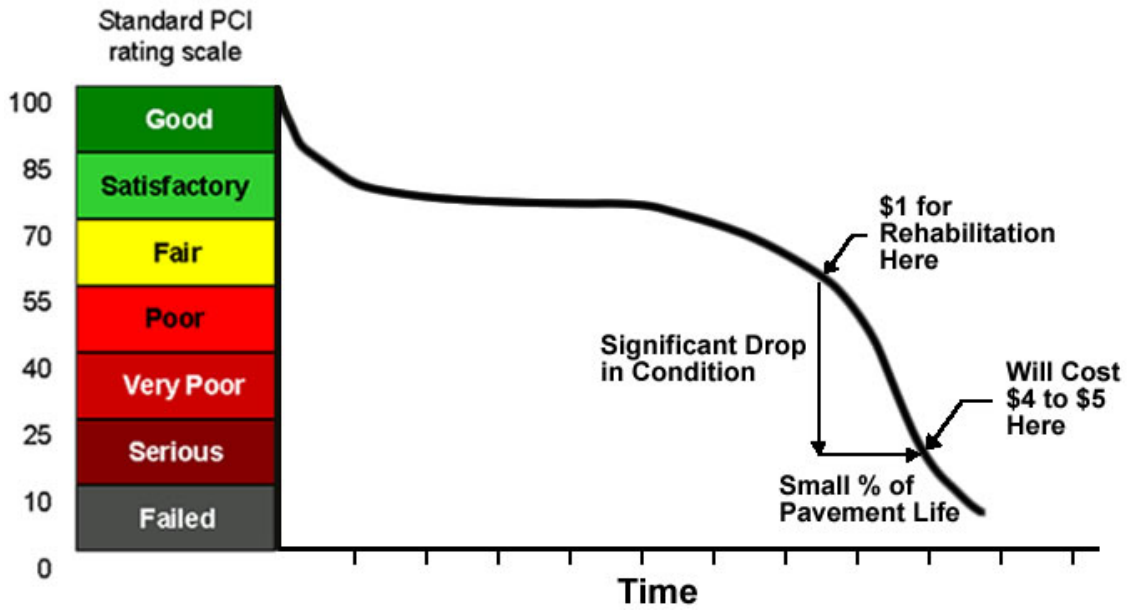
In summary, if there is a reasonably foreseeable round of investment and development, the 2012 target date is recommended. Even with some modest drops in 2013, this target date still seems warranted. As an alternative, if development seems unlikely and leadership opts for a more conservative position, 2013 is worth considering, but delaying beyond 2013 has the risk of missing the absolute bottom of the market.

Appendix A

Blight Factor Analysis

Street Condition

The County keeps a Pavement Condition Index (PCI) on County maintained roadways. The PCI rating identifies which roadways are unsafe and in need of repair. Loose gravel, dirt roads and potholes present defective and inadequate transportation facilities. The chart below illustrates the PCI rating scale used for County maintained roadways.



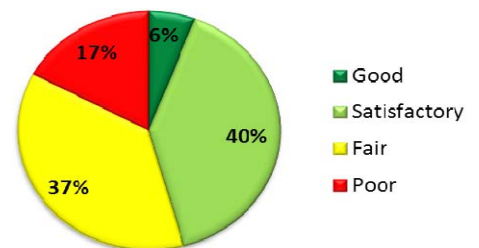
Field Inventory Sample Photos



Pavement Condition Index

Street Name	From Street	To Street	Rating
Aeronautical Drive	Dead End	Partin Settlement Road	65
Bill Beck Boulevard	Bill Beck Boulevard	Boggy Creek Road	53
Bill Beck Boulevard	Bill Beck Boulevard	Bill Beck Boulevard	58
Bill Beck Boulevard	Bill Beck Boulevard	Bill Beck Boulevard	45
Bill Beck Boulevard	Bill Beck Boulevard	Bill Beck Boulevard	52
Boggy Creek Road	Boggy Creek Road	Boggy Creek Road	79
Boggy Creek Road	Boggy Creek Road	Bill Beck Boulevard	79
Boggy Creek Road	Old Boggy Creek Road	Shadow Oaks Road	80
Boggy Creek Road	Bill Beck Boulevard	Boggy Creek Road	75
Boggy Creek Road	Shadow Oaks Road	Boggy Creek Road	79
Boggy Creek Road	Boggy Creek Road	Boggy Creek Road	88
Boggy Creek Road	Dead End	Old Boggy Creek Road	73
Boggy Creek Road	Boggy Creek Road	Boggy Creek Road	88
Heritage Key Boulevard	Dead End	Dead End	65
Lepic Lane	Shady Lane	Dead End	65
Office Plaza Boulevard	Dead End	Dead End	54
Old Boggy Creek Road	Old Boggy Creek Road	Boggy Creek Road	71
Old Boggy Creek Road	Old Boggy Creek Road	Old Boggy Creek Road	73
Old Boggy Creek Road	Old Boggy Creek Road	Old Boggy Creek Road	57
Partin Settlement Road	Partin Settlement Road	Partin Settlement Road	75
Partin Settlement Road	Partin Settlement Road	Partin Settlement Road	73
Partin Settlement Road	Partin Settlement Road	Partin Settlement Road	77
Partin Settlement Road	Aeronautical Drive	Partin Settlement Road	68
Partin Settlement Road	Shady Lane	Aeronautical Drive	67
Partin Settlement Road	Stroupe Road	Shady lane	65
Shady Lane	Shady Lane	Partin Settlement Road	79
Shady Lane	Lepic lane	Shady lane	82
Shady Lane	Dead End	Shady Lane	73
Shady Lane	Shady Lane	Lepic Lane	84
Shakerag Road	Shakerag Road	Old Boggy Creek Road	61
Shakerag Road	Dead End	Shakerag Road	72
Shakerag Road	Shakerag Road	Shakerag Road	71
Shakerag Road	Shakerag Road	Shakerag Road	71
Simpson Road	Simpson Road	Simpson Road	48
Simpson Road	Dead End	Simpson Road	62

Summary: According to the County’s Pavement Condition Index (PCI) on the County maintained roadways within the study area, 17% of all roadway segments within the study area have a PCI rating of “Poor”, and 37% with a rating of “Fair”. The overall weighted PCI for roadways within the study area is 69, considered “Fair” condition. Loose gravel, dirt roads and potholes are just a few of the factors that contribute to these poor ratings. These deficiencies in infrastructure are further evidence of the inadequate transportation system.



Parking Facility Condition

For single family residential, code requires paved parking area for 2 cars; if this was not present, it was rated it accordingly, otherwise, it was rated good.

Good: Parking lot needs only normal maintenance (less than 10% requires replacement)

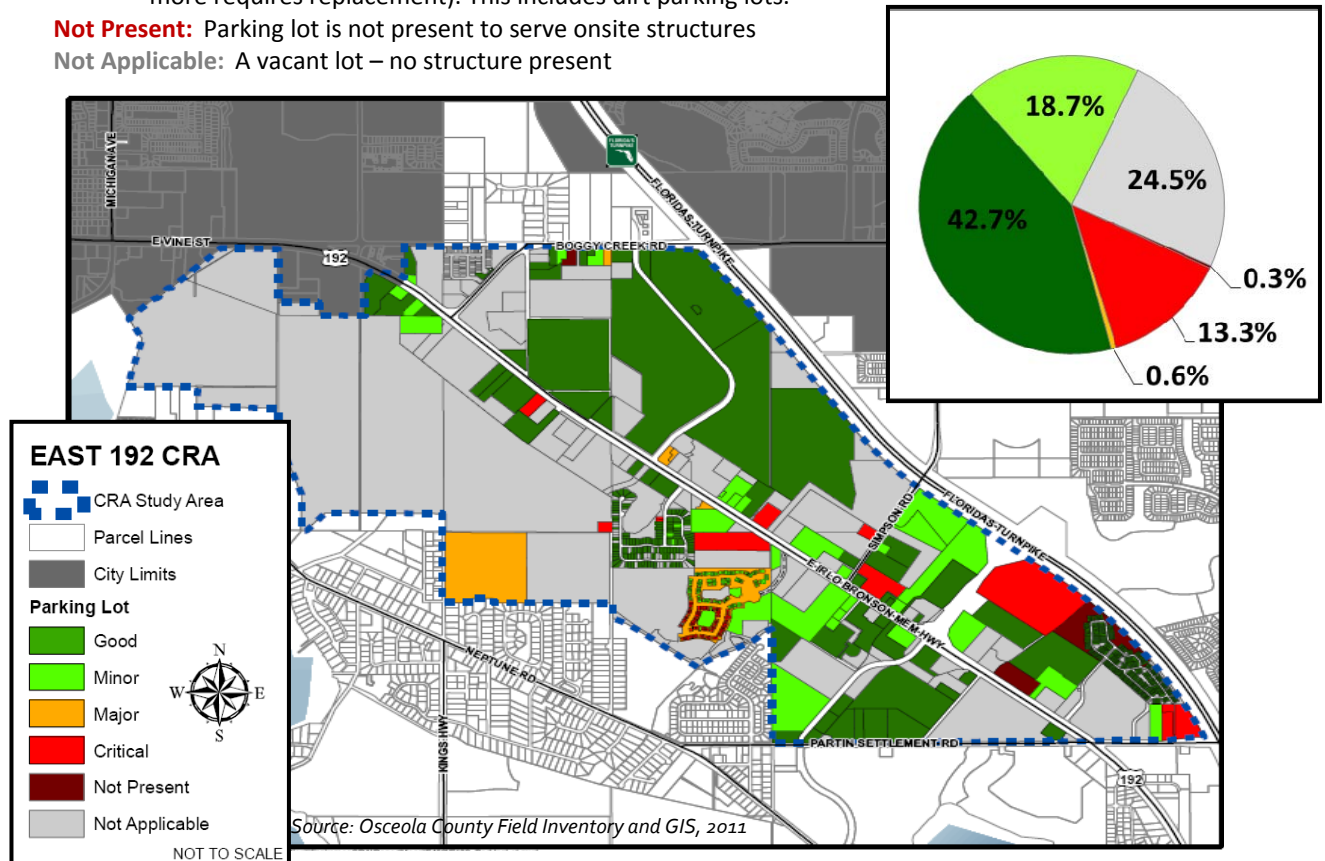
Minor: Parking lot is worn, loose or cracked (10-20% requires replacement)

Major: Parking lot is badly deteriorated and in need of major repair (20-50% requires replacement)

Critical: The parking lot is badly deteriorated to the extent that complete replacement is required (50% or more requires replacement). This includes dirt parking lots.

Not Present: Parking lot is not present to serve onsite structures

Not Applicable: A vacant lot – no structure present



Summary: Based on the field inventory, 143 properties (approximately 14% of the properties) have a parking lot condition of “Major” or “Critical” with 61% of properties in the study area with “Good” or “Minor” Condition. A total of 192 parking facilities were identified as needing at least minor repair. The photos below illustrate the variety of parking lot conditions evidenced in the field inventory and the evidence of blight that demands parking lot infrastructure improvements.

Field Inventory Sample Photos



Good



Minor



Major



Critical

Missing Roadway Connections

U.S. 192 is the major thoroughfare that serves the study area. Neptune Road, to the south of the study area, is another main roadway that handles heavy traffic flow. U.S. 192 and Neptune Road are parallel roadways, however they are not well connected by through streets. A number of streets that intersect with these major thoroughfares do not connect through to the adjacent properties. In analyzing the roadways within the study area, it was apparent that there is a definite lack of connection between U.S. 192 and Neptune Road. Providing more connectivity between the major roadways would decrease the amount of congestion and facilitate roadway capacity providing for a safer environment for motorists and pedestrians. The map illustration below shows missed opportunities for connection that could have reduced congestion on U.S. 192 and Neptune Road and provided alternative routes.

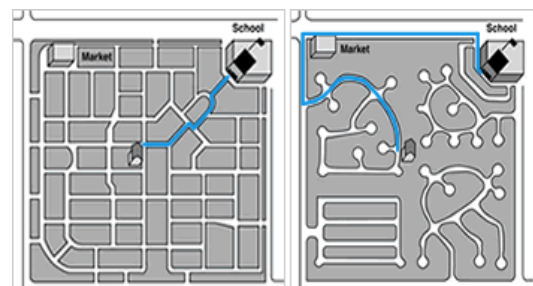
Missed Opportunities for Connection



The existing street layout is antiquated and lacks connectivity. CRA funds could be utilized to make road improvements to enhance existing transportation and transit facilities along East U.S. 192, provide interconnectivity between future developments, and reduce congestion without adversely impacting the existing neighborhoods or the prior missed opportunities for connection.

MISSED OPPORTUNITIES FOR CONNECTION

ROAD	SUBDIVISION/AREA
Lind Avenue	Highland Grove Subdivision
Boggy Creek Road	Terminates on U.S. 192
Unopened Right-of-Way	Lake View Oaks Subdivision
Will Barber Road	Going north from Neptune Road
Bill Beck Boulevard	Terminated on U.S. 192
Shawnda Lane	Manor at Shawnda Lane Subdivision
Aeronautical Drive	Terminated on Partin Settlement Road
Unopened Right-of-Way	South side of U.S. 192

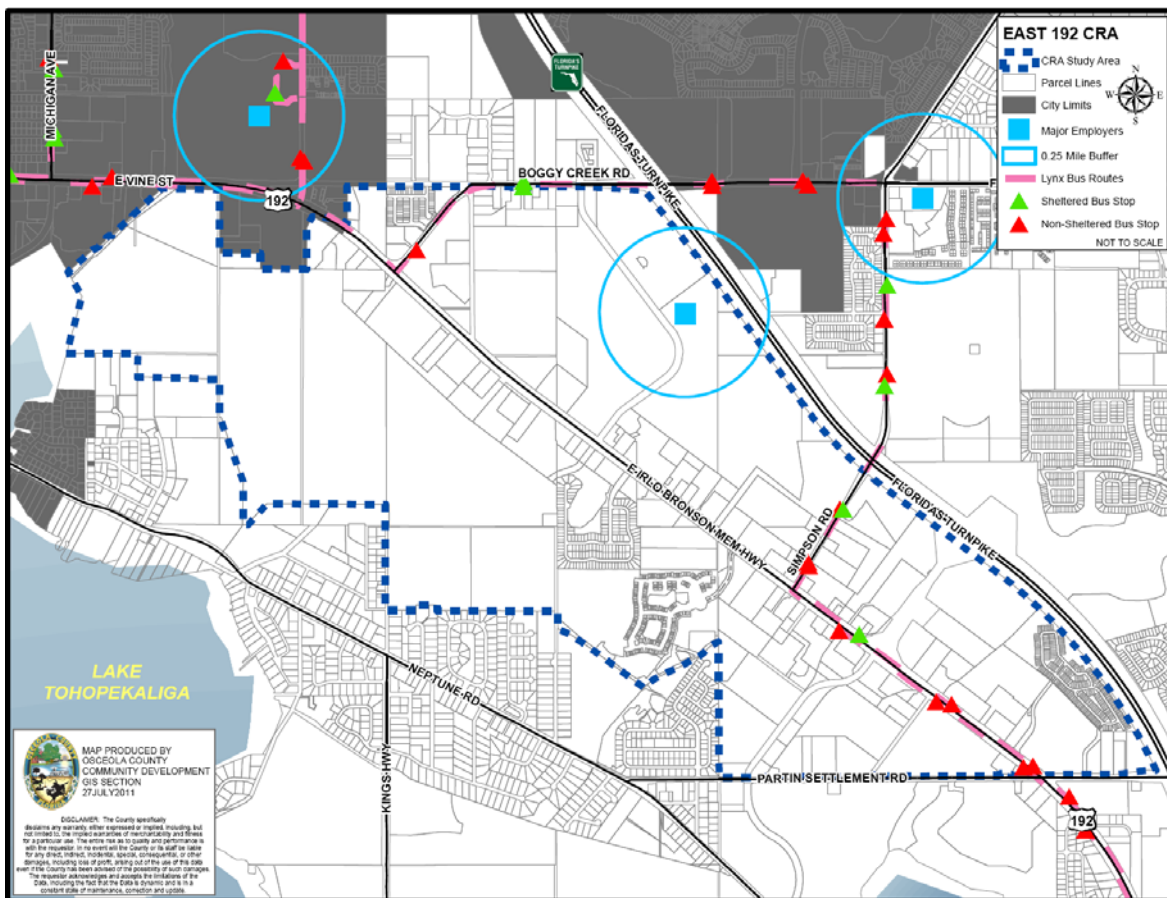


Transportation and Growth Management Oregon Guide

Transit in Proximity to Employment

The East U.S. 192 corridor is currently served by Lynx Bus Route #10. The #10 frequents each stop every one hour. The universities, high school and the school district have employees and attendees that have higher ridership potential than other areas of the community. Based on the existing and proposed build out potential for the study area, the frequency of this service is not adequate to serve the area. Bus Rapid Transit (BRT) is an alternative for the corridor to provide more efficient transit options for riders. Expansion of transit opportunities in the area will facilitate greater opportunity for increased ridership and further support the redevelopment of the study area. The map below identifies the major employers in the study area as well as their proximity to the existing transit routes and transit stops.

Employment in Proximity to Transit



Source: Osceola County GIS, 2011

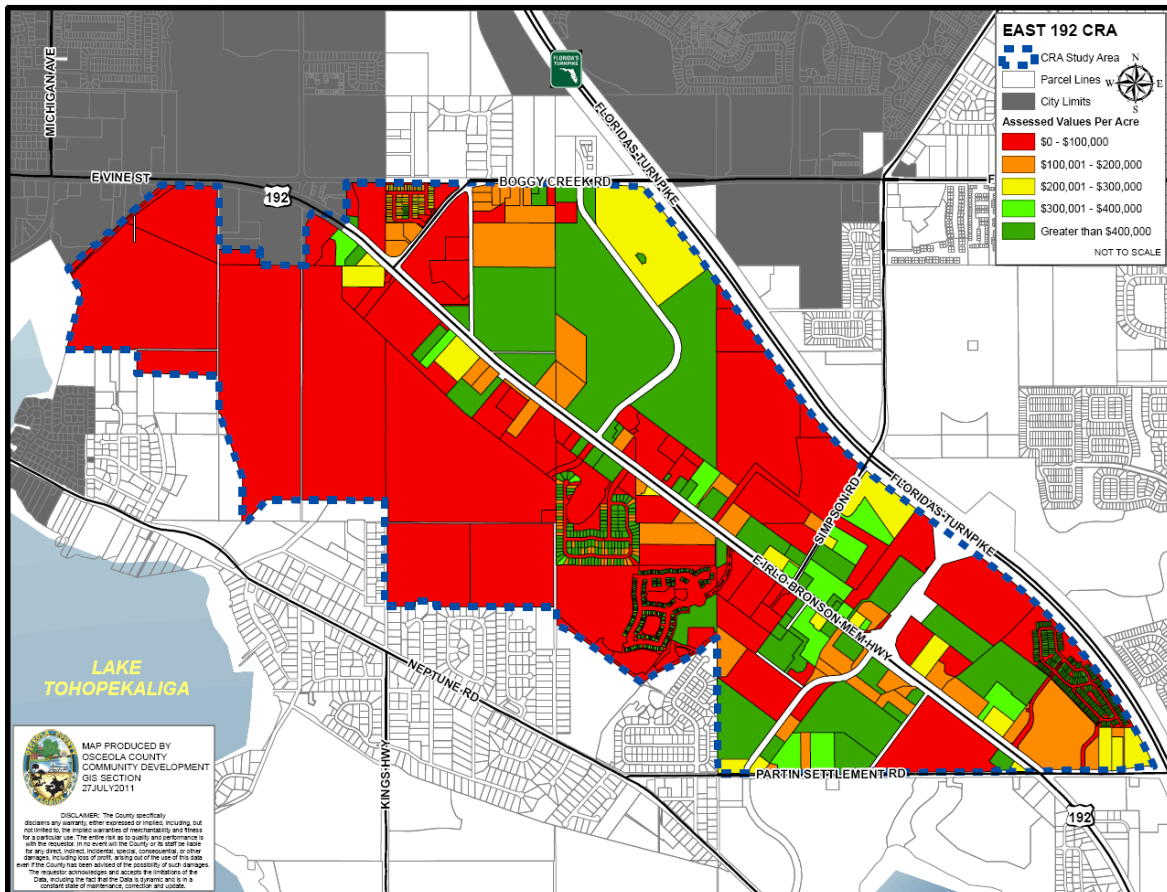
Assessed Property Values (per acre)

Property assessments are based on market values and are assessed yearly. Properties within the study area vary in size. Many of the larger, vacant properties are further away from the roadway and have a lower value per acre that those properties with roadway access, near or along the East U.S. 192 corridor.

YEAR	ANNUAL ASSESSED VALUES	PERCENTAGE CHANGE
2007	\$338,185,944	
2008	\$400,243,815	15.5%
2009	\$406,916,014	1.6%
2010	\$354,978,495	-14.6%
2011	\$306,849,714	-15.6%

Osceola County Property Appraiser, 2011

The map below identifies the assessed property value per acre. This data was provided by the Osceola County Property Appraiser’s Office for the year of 2010.



Source: Osceola County Property Appraiser, 2011

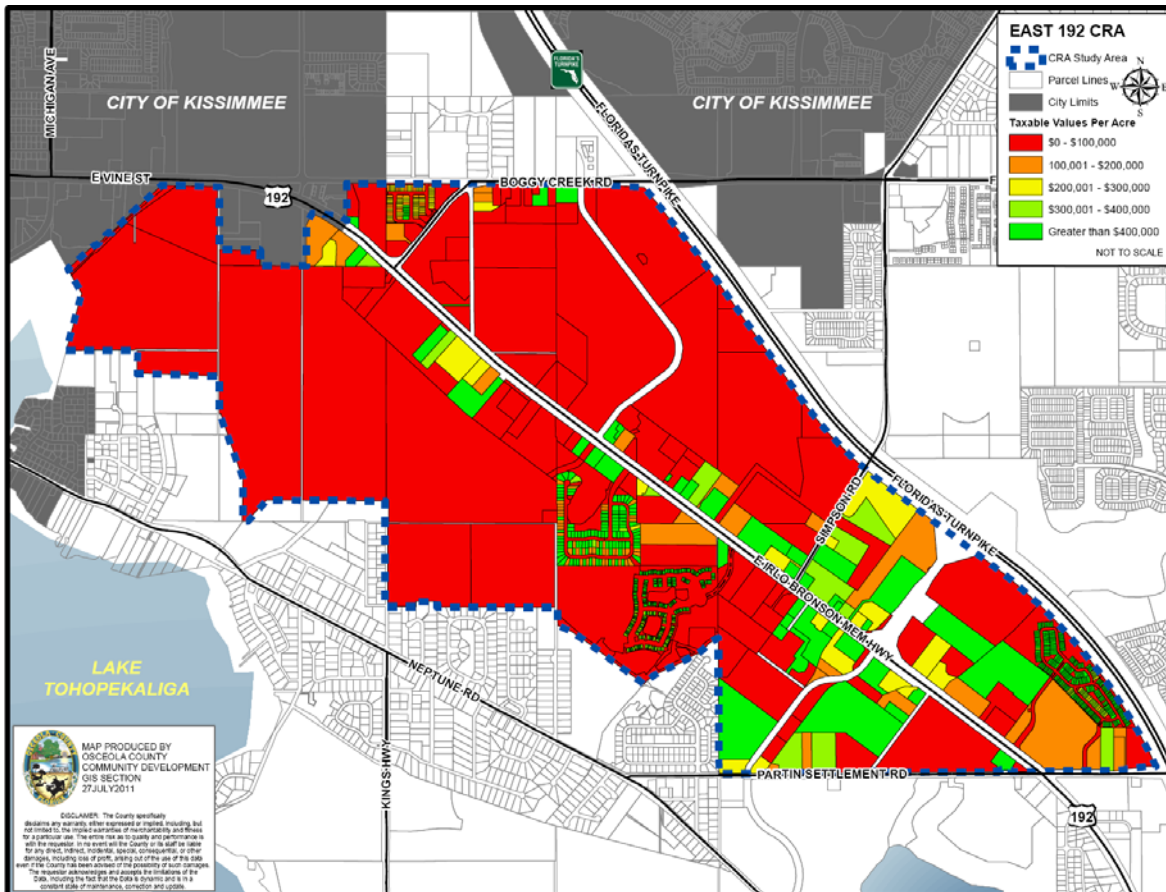
Taxable Property Values

The taxable value is based upon the preceding years' Taxable Value increased or decreased by the Inflation Rate Multiplier. While assessed values are the criteria to analyze for establishing blight, the taxable values are the values that will fund the Tax Increment Financing (TIF) for the area; therefore it is important to understand the values in the study area so that we may project the potential revenue that could be achieved if a CRA were established.

YEAR	ANNUAL TAXABLE VALUES	PERCENTAGE CHANGE
2007	\$300,575,742	
2008	\$362,433,013	17%
2009	\$369,315,912	1.86%
2010	\$319,313,193	-15%
2011	\$192,627,808	-66%

Osceola County Property Appraiser, 2011

The map below illustrated the taxable value per acre of each property within the study area. This data was provided by the Osceola County Property Appraiser's Office for the year of 2010.

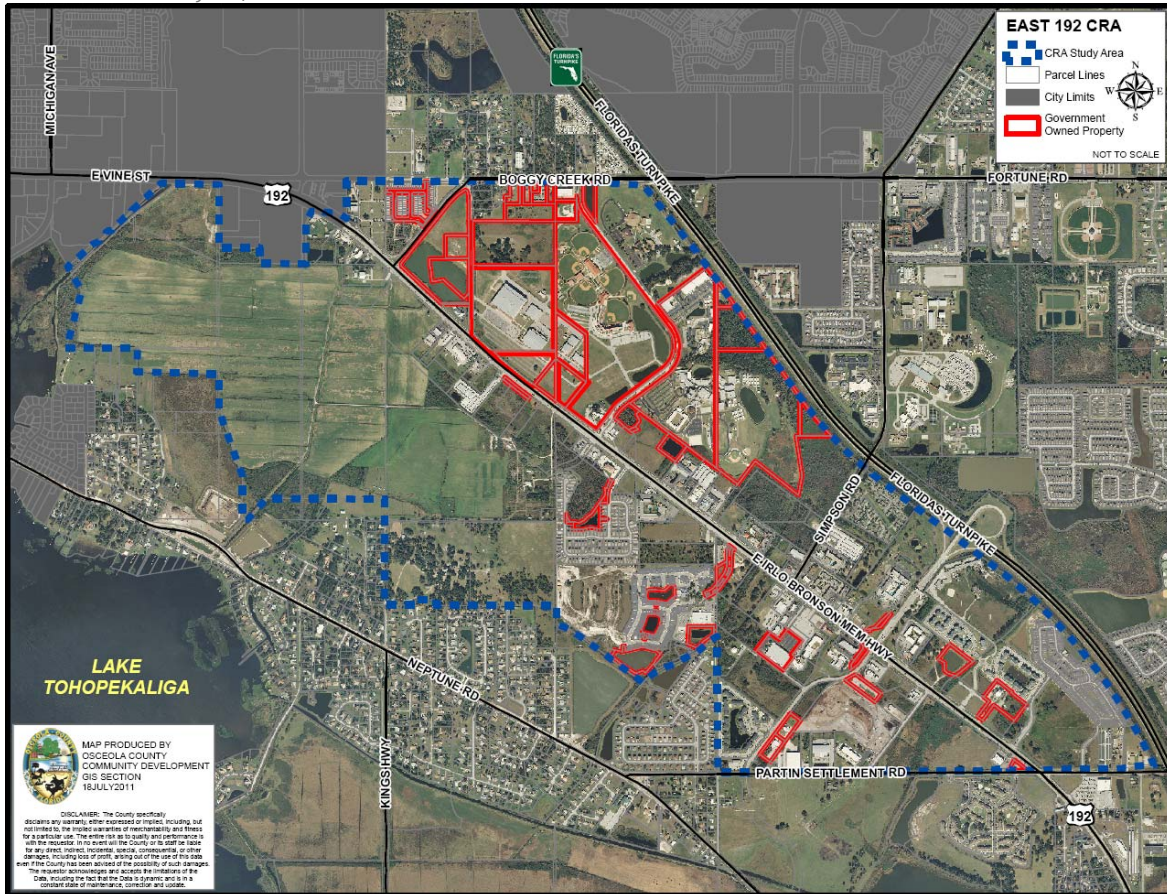


Source: Osceola County Property Appraiser, 2011

Government Owned Properties

As the map below shows, there are a number of government owned properties in the East U.S. 192 Study Area. There are a total of 362 acres within the study area owned by government entities. This represents 22% of the total 1,654 acres in the Study Area. This indicates there will be an abundance of support uses such as parks and community services including civic centers, which support reinvestment in the area. It also indicates there will be less land with taxable value funding the redevelopment.

Source: Osceola County GIS, 2011

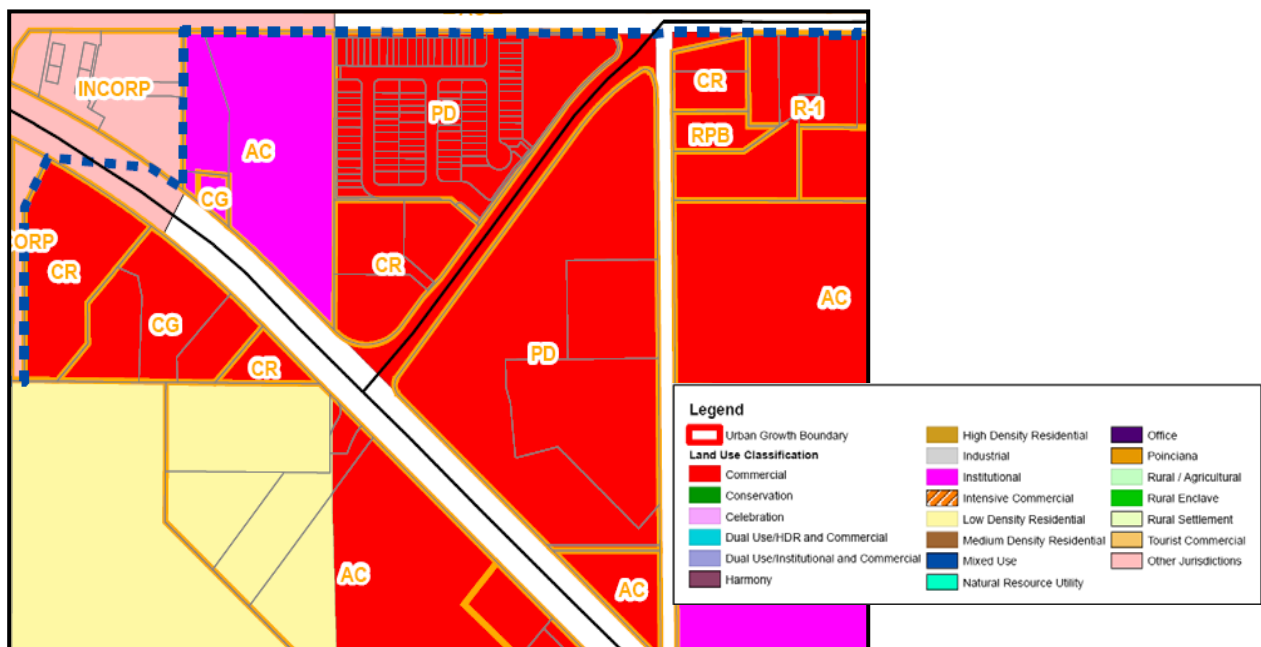


Zoning/Land Use Inconsistency

There are a number of lots (24) within the East U.S. 192 study area that have zoning designations that are inconsistent with the future land use designation. Reinvestment in the East 192 Study Area will promote development that will eventually result in consistency between the zoning and future land use, and facilitate or allow a more intense buildout of the area, which is allowable under the associated future land use map designations.

INCONSISTENT FUTURE LAND USE AND ZONING WITHIN THE STUDY AREA

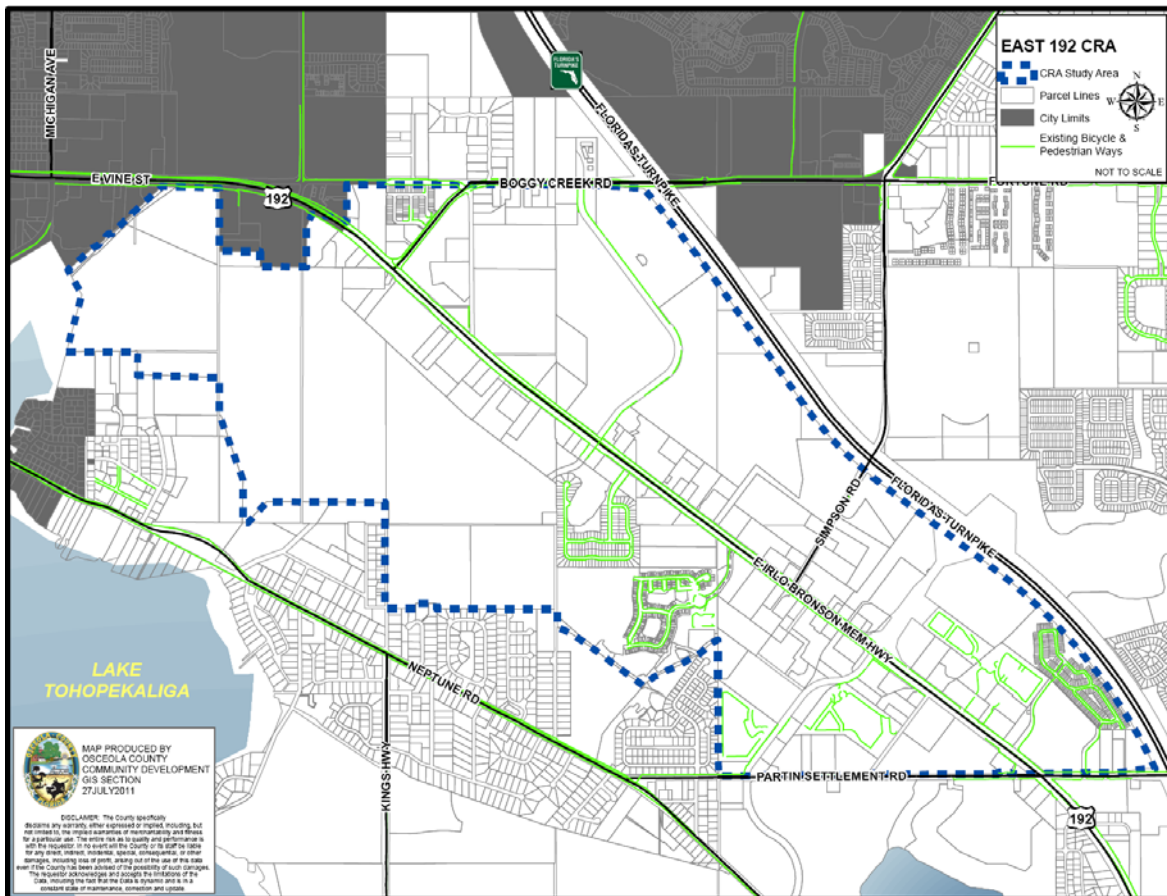
FUTURE LAND USE	ZONING
Institutional	Agricultural Development & Conservation
Institutional	Commercial Restricted Business
Institutional	Agricultural Development & Conservation
Institutional	Agricultural Development & Conservation
Commercial/Low Density Residential	Agricultural Development & Conservation
Institutional	Agricultural Development & Conservation
Low Density Residential	Agricultural Development & Conservation
Commercial/ Low Density Residential	Agricultural Development & Conservation/ Commercial Restricted Business
Commercial	Residential Multiple Family Three
Commercial	Residential Multiple Family Three
Commercial	Residential Multiple Family Three
High Density Residential	Commercial Neighborhood Center
Commercial	Commercial Restricted Business/ Residential Multiple Family Three
Commercial	Agricultural Development & Conservation
Commercial	Rural Development One Acre
Commercial	Agricultural Development & Conservation
Low Density Residential	Agricultural Development & Conservation
Institutional	Agricultural Development & Conservation
Institutional	Agricultural Development & Conservation
Commercial	Rural Development One Acre
Commercial	Agricultural Development & Conservation
Commercial	Rural Development One Acre
Commercial/Low Density Residential	Agricultural Development & Conservation
Institutional	Agricultural Development & Conservation



Existing Sidewalks

The degree that an area is pedestrian friendly may impact the safety of the area as well as the property values in the area. Sidewalks add value and promote walkability in an area. Sidewalks provide safety for pedestrians that do not have access to vehicular transportation. Also, when sidewalks are present, it allows for an alternative to vehicular transportation. Sidewalks also provide safety for bicyclist. According to the Osceola County Transportation Division, the East U.S. 192 study area has 13,894 lineal feet of missing sidewalks. The map below identifies the areas where sidewalks currently existing.

Existing Sidewalks

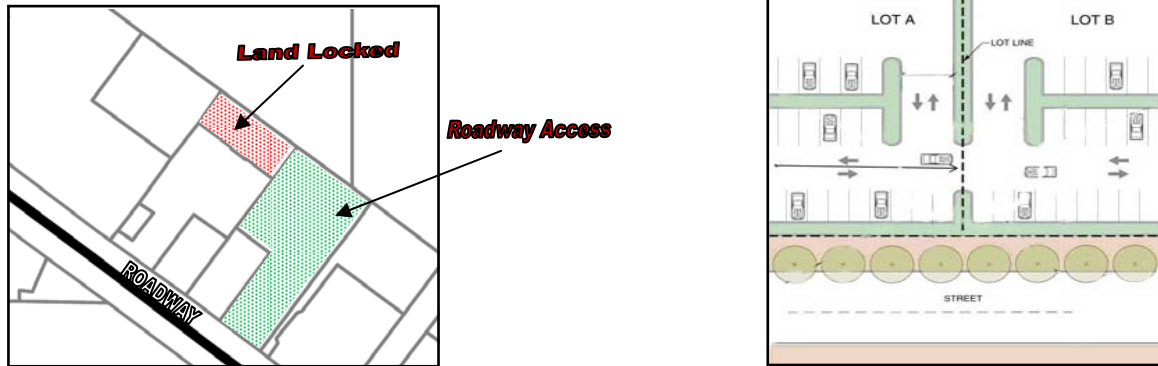


Source: Osceola County Field Inventory and GIS, 2011



Cross Access and Landlocked Parcels

A number of properties within the study area are landlocked, meaning the property is completely surrounded by land and has no roadway access. Approximately 29 properties within the study area are landlocked. Landlocked properties are undevelopable unless a roadway connection is made.



Cross-access is when a roadway is present between abutting properties. When a cross-access is not provided, vehicles are forced to utilize the public roadway to access an adjacent or nearby property. This creates increased traffic in the public roadway, resulting in increased congestion. Traffic movements consistently entering and exiting the public roadway exacerbates road conditions, slowing public transit and vehicle traffic. This traffic pattern also creates hazards for pedestrians as drivers must cross sidewalks more often than necessary.

Connections can be made to allow vehicles to move between properties without having to re-enter the public street. This creates a safer pedestrian and vehicular environment by providing direct vehicular connections between abutting properties.

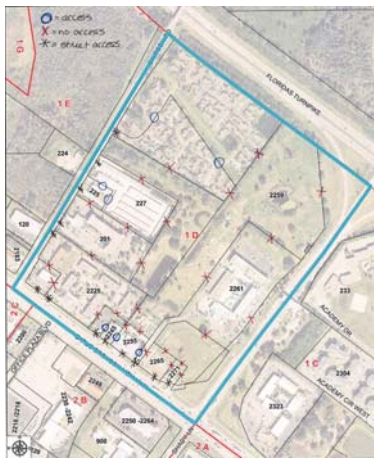
Below is a study conducted by the Osceola County Department of Community Development that identifies where access between properties is identified. Existing connections are identified with “O” and missing connections are identified with “X”. The deficiency in cross-access limits the accessibility of the properties.



Appendix A – Blight Factor Analysis

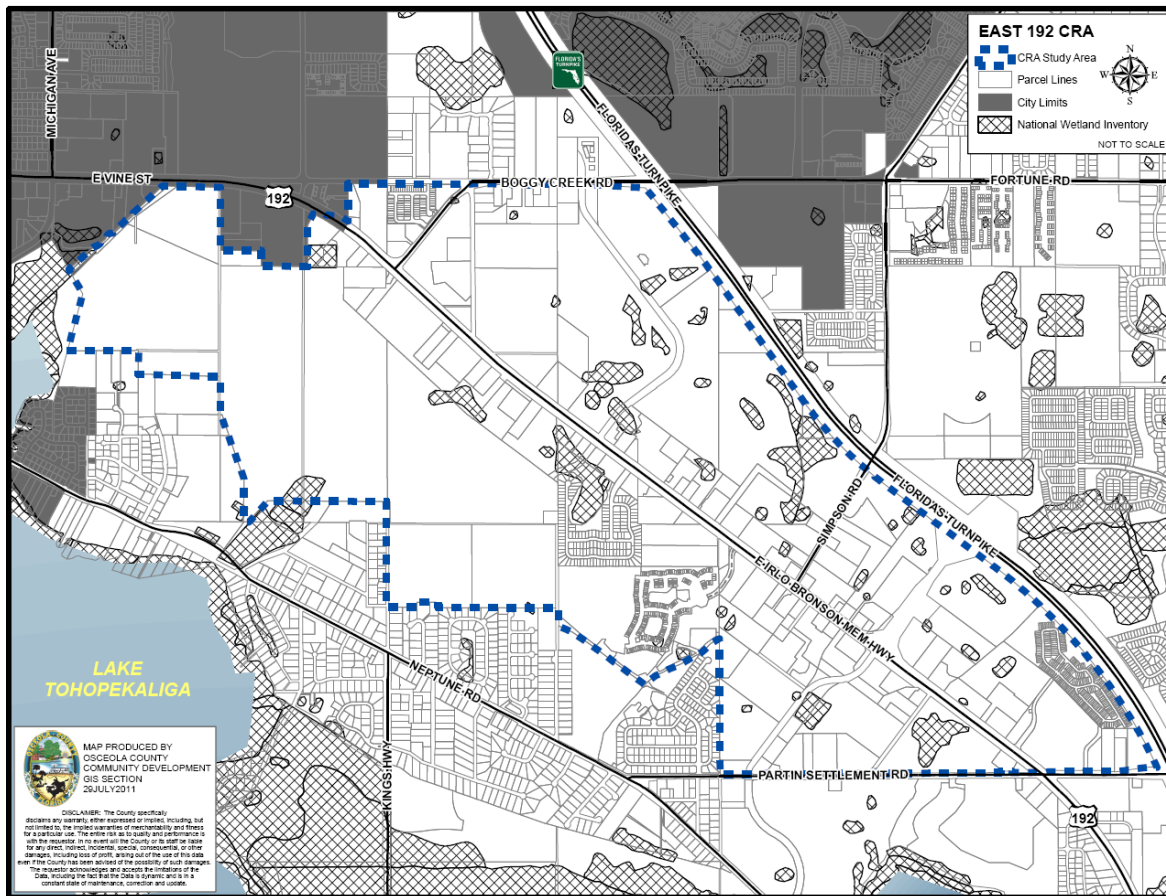


Appendix A – Blight Factor Analysis



Wetlands

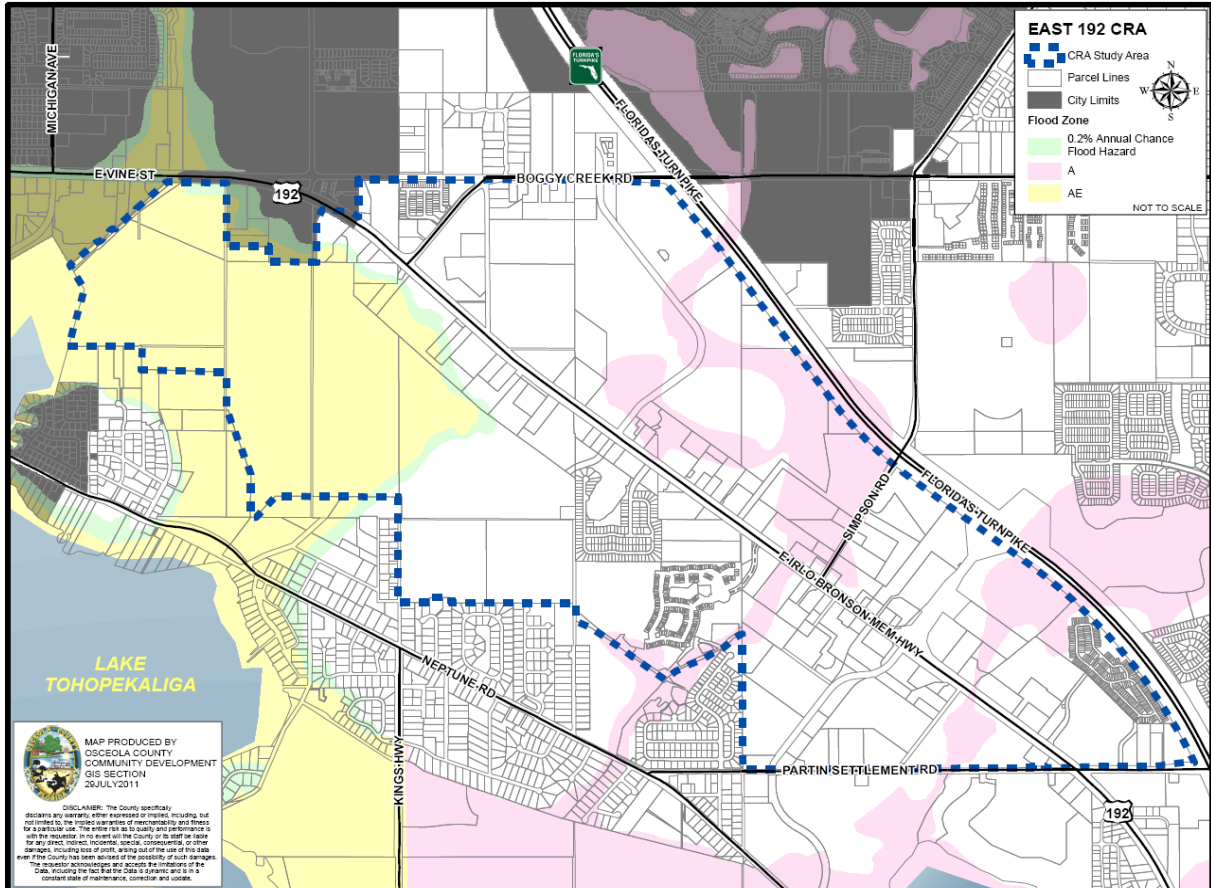
The National Wetlands Inventory, prepared by the U.S. Fish and Wildlife Service, identifies a number of wetlands in the study area. The majority of these wetlands are within Flood Zone A. Wetlands are unsuitable for development. Depending on the classification of the wetland it can be determined if the wetland can be mitigated. Seventy-three (73) properties within the study area have on-site wetlands that impact the developable area of the lot. The wetlands in the study area further limit the size, adequacy, accessibility and usefulness of the properties.



Source: Osceola County GIS and NWI data 1011

Floodplain

Portions of the study are in a high-risk flood zone. Zones A and AE are hazard areas inundated by 100-year flooding. In other words, the chances of a flood occurring within 100 years are high. Flood insurance is required for development within these zones. The map below illustrates that much of the development within the study area has avoided these floodplains. FEMA maps are currently in the process of being updated which may change the location of some flood prone areas, but will not remove this development constraint.



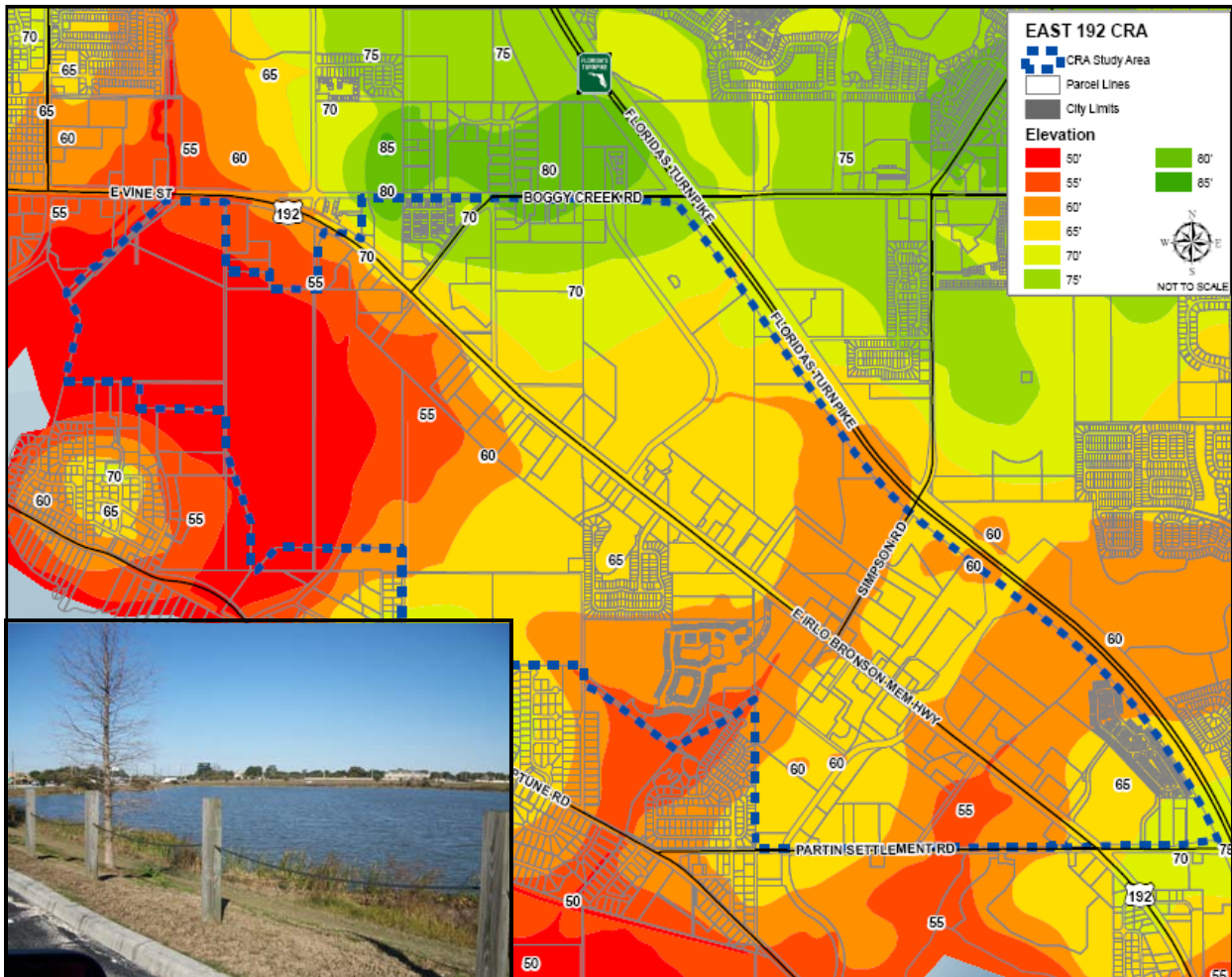
Source: Osceola County GIS using FEMA data, 2001

TOTAL NUMBER OF PROPERTIES AFFECTED BY FLOODPLAIN = 112
TOTAL ACREAGE OF PROPERTIES AFFECTED BY FLOODPLAIN = 1,237

Topography

The elevations of the property in the East US 192 Study Area range from a high of 80 feet to a low of 50 feet. As can be derived from the table below, a majority of the property is at elevation of 60 feet or below. FEMA has determined that the East U.S. 192 Study Area has elevations that flood at 56 feet or lower. Once again, funds from a Community Redevelopment Agency could be utilized to alleviate flooding issues.

The contour map below illustrates areas of U.S. 192 that are higher than the adjacent properties. This results in parcels fronting along US 192, that would need fill in order to prevent flooding. Many of these parcels are vacant. Funds from a CRA district could be utilized to obtain fill for these properties.

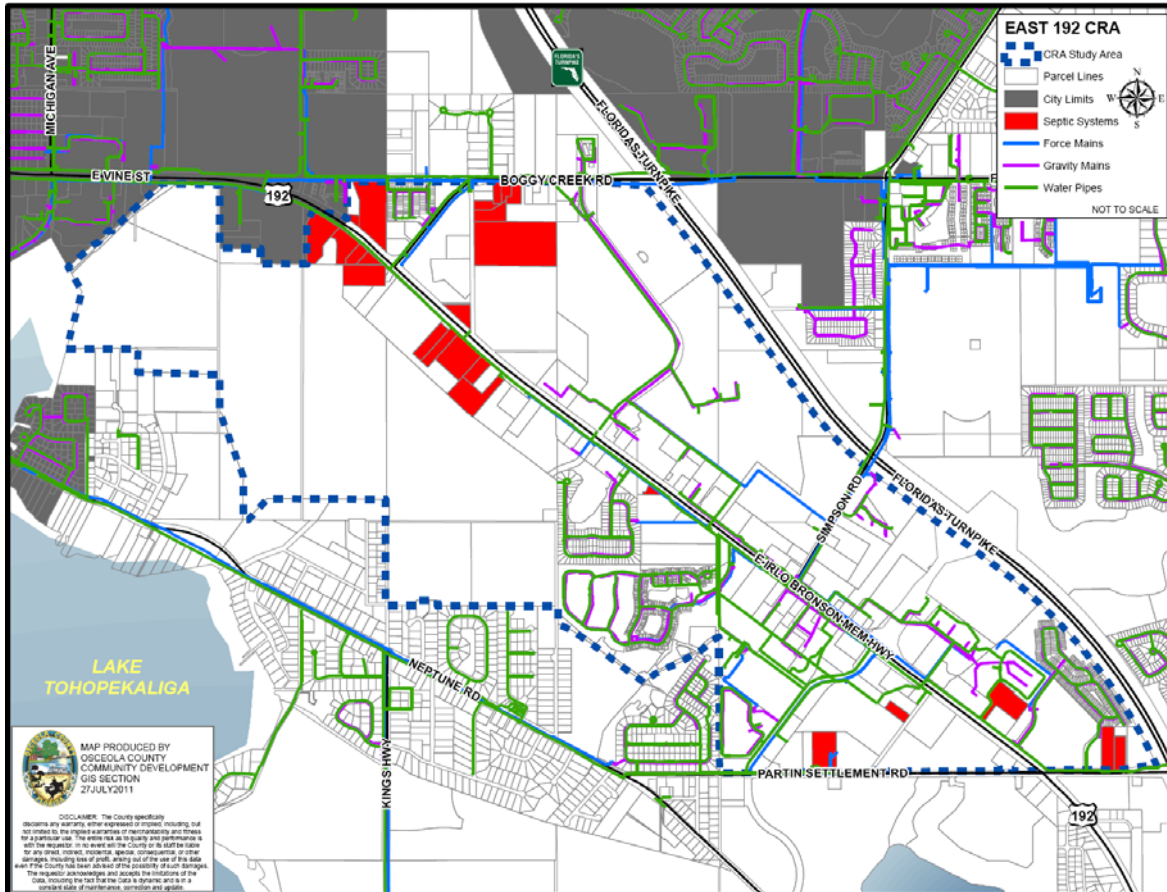


Source: Osceola County GIS, 2001

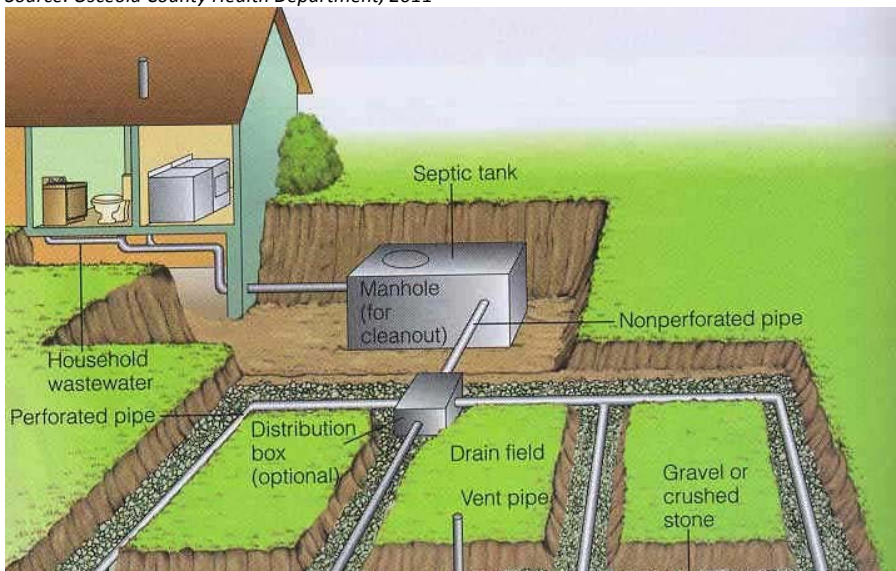
ELEVATION	ACRES
50'	264
55'	142
----- 56' = Flood prone	
60'	462
65'	689
70'	146
75'	81
80'	10

Existing Septic Systems

A total of 25 properties within the study area are currently using a septic system. As sewer and water lines are provided in the majority of the study area, future development will be required to connect to central water and sewer. Existing development will be required to connect to sanitary sewer when the lines are extended to their property.

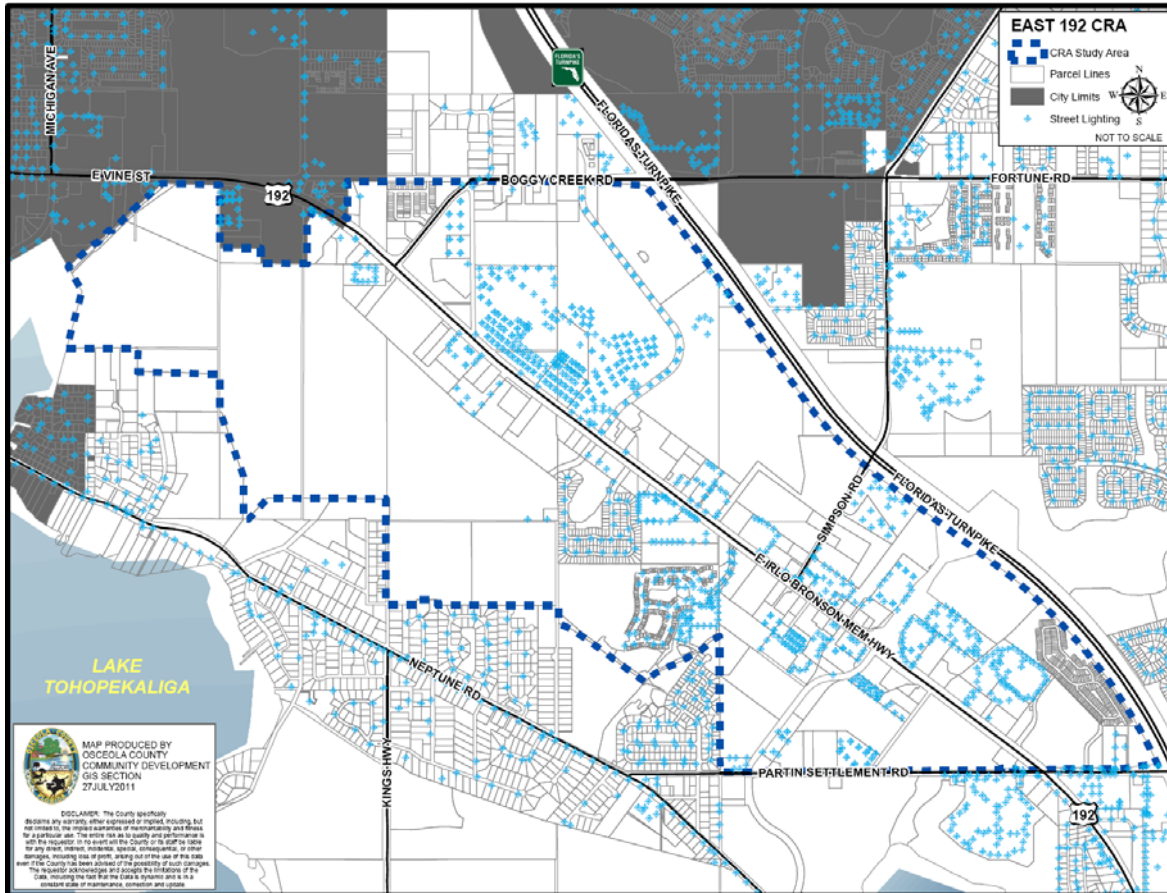


Source: Osceola County Health Department, 2011



Existing Street Lights

Street lighting on the public roads was documented during field observation and rated according if street lighting was present or not. This rating does not include internal or private-property lighting, which is illustrated in below.



Source: Osceola County Field Inventory, 2011

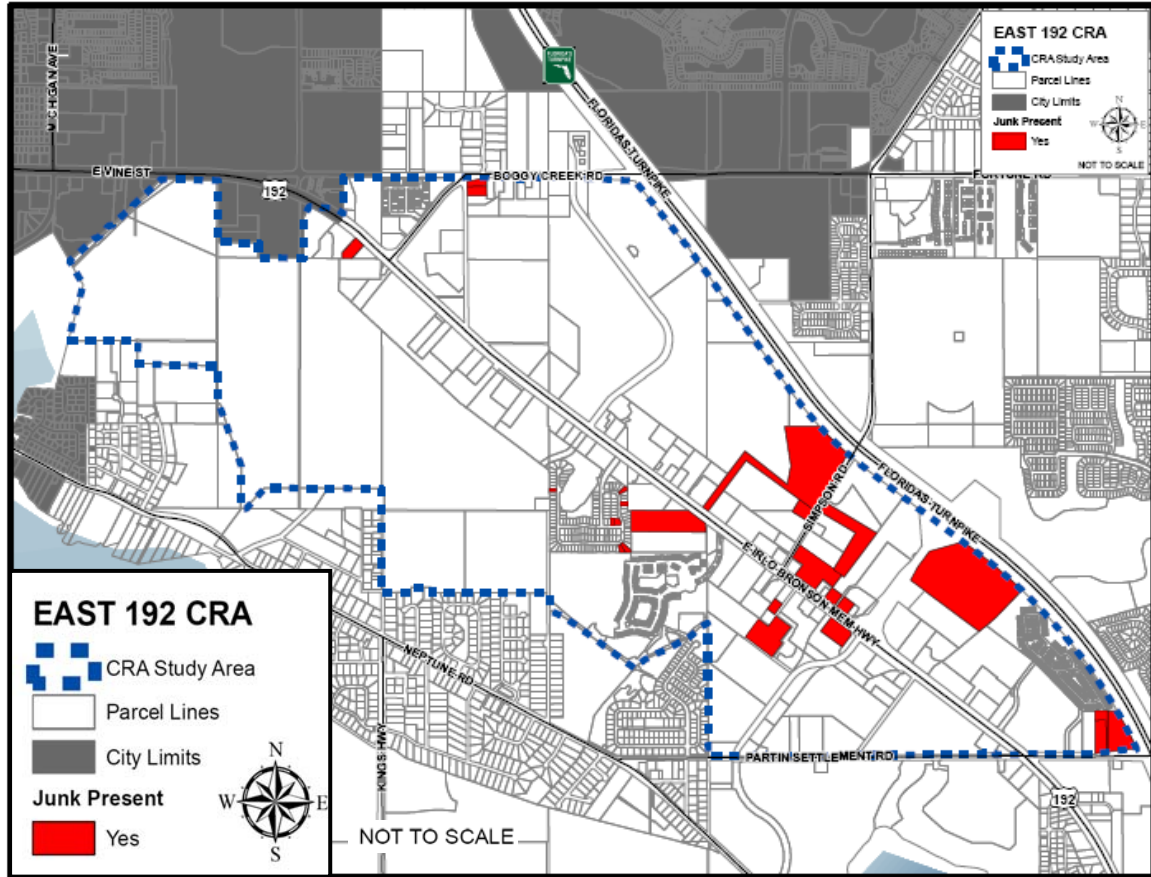
Summary: Based on the field inventory, over 50% of the properties observed in the study area do not have street lighting. Either street lights are not present or are not operating. This is a may be a concern for the safety of motorists, pedestrians and property owners.

Field Inventory Sample Photos



Junk, Trash & Debris

Individual properties were rated according to whether junk or trash was observed. A rating of ‘YES’ indicated that trash or junk was present; conversely, a rating of ‘NO’ indicated that no trash or debris was evident on the property.



Source: Osceola County Field Inventory, 2011

Summary: Based on the field inventory, twenty four (24) of the properties surveyed (approximately 2.3%) had evidence of junk and debris. This was most evident with the non-residential and vacant properties, but this blight factor was also evident in several residential properties in the study area. While the percentage of junk and debris was not significant, the properties with junk and debris showed evidence of significant levels of deterioration and blight, as illustrated in the pictures below.

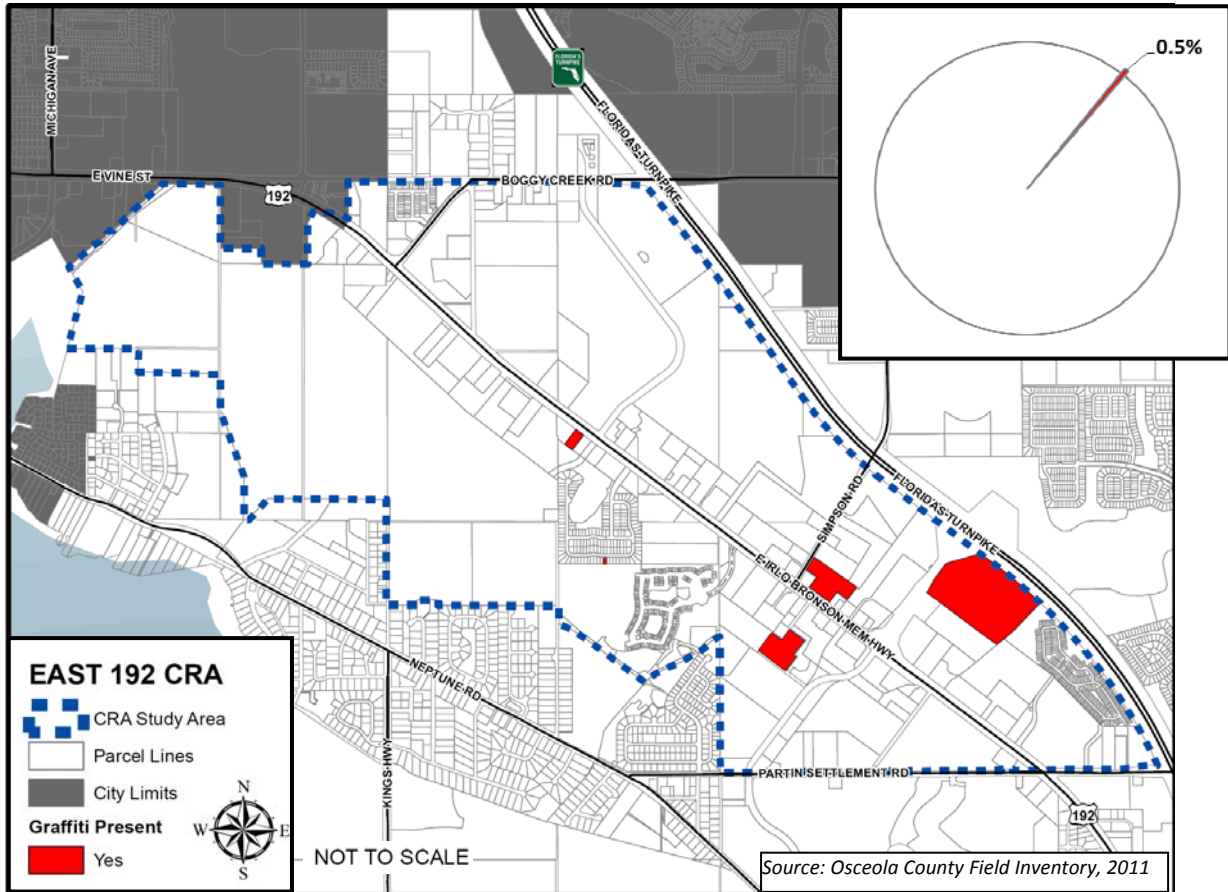
Field Inventory Sample Photos



Graffiti

Graffiti was observed and rated according if graffiti was present or not. A rating of ‘yes’ indicated that graffiti was present; conversely, a rating of ‘no’ indicated that no graffiti was evident on the property.

Graffiti	All Properties	
Yes	5	0.5%
No	1024	99.5%
TOTAL	1029	100%



Summary: Based on the field inventory, five (5) properties in the study area, which represented less than 1% of the properties, had evidence of graffiti. The properties with graffiti showed evidence of significant levels of deterioration and blight, as illustrated in the pictures below.

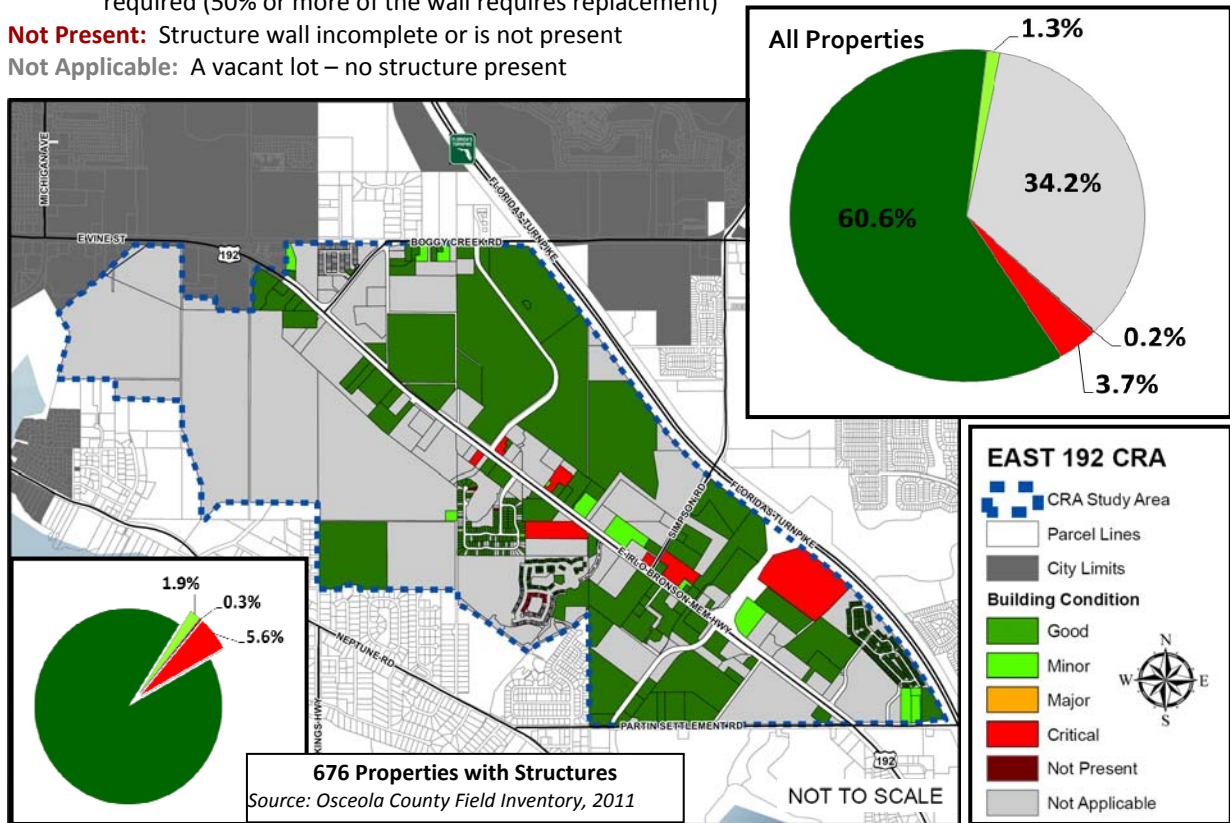
Field Inventory Sample Photos



Structure Wall Condition

Structure walls were individually observed at each property during field analysis and rated according to their condition. The condition rates were based on the following criteria:

- Good:** Structure wall needs only normal maintenance (less than 10% of the wall requires replacement)
- Minor:** Structure wall is worn, loose or cracked (10-20% of the wall requires replacement)
- Major:** Structure wall is badly deteriorated and in need of major repair (20-50% of the wall requires replacement)
- Critical:** Structure wall is badly deteriorated, non-operative or unsafe to the extent that complete replacement is required (50% or more of the wall requires replacement)
- Not Present:** Structure wall incomplete or is not present
- Not Applicable:** A vacant lot – no structure present



Summary: Based on the field inventory, 676 of the 1,029 properties surveyed (approximately 66%) of the properties had buildings with wall structures. The 352 properties identified as “Not Applicable” are vacant properties with no structures. The two (2) properties identified as “Not Present” had the structure walls partly or wholly missing. Of properties with structures approximately 8% had a wall condition of “Critical”, “Minor”, and “Not Present”, with no properties being reported as “Major”. The majority of the properties reported the wall condition as good or minor. This indicates that a majority of the properties within the study area do not require major structural rehabilitation, and would make prime target for renovation. These photos below are typical of the wall conditions in the study area.

Field Inventory Sample Photos



Good



Minor

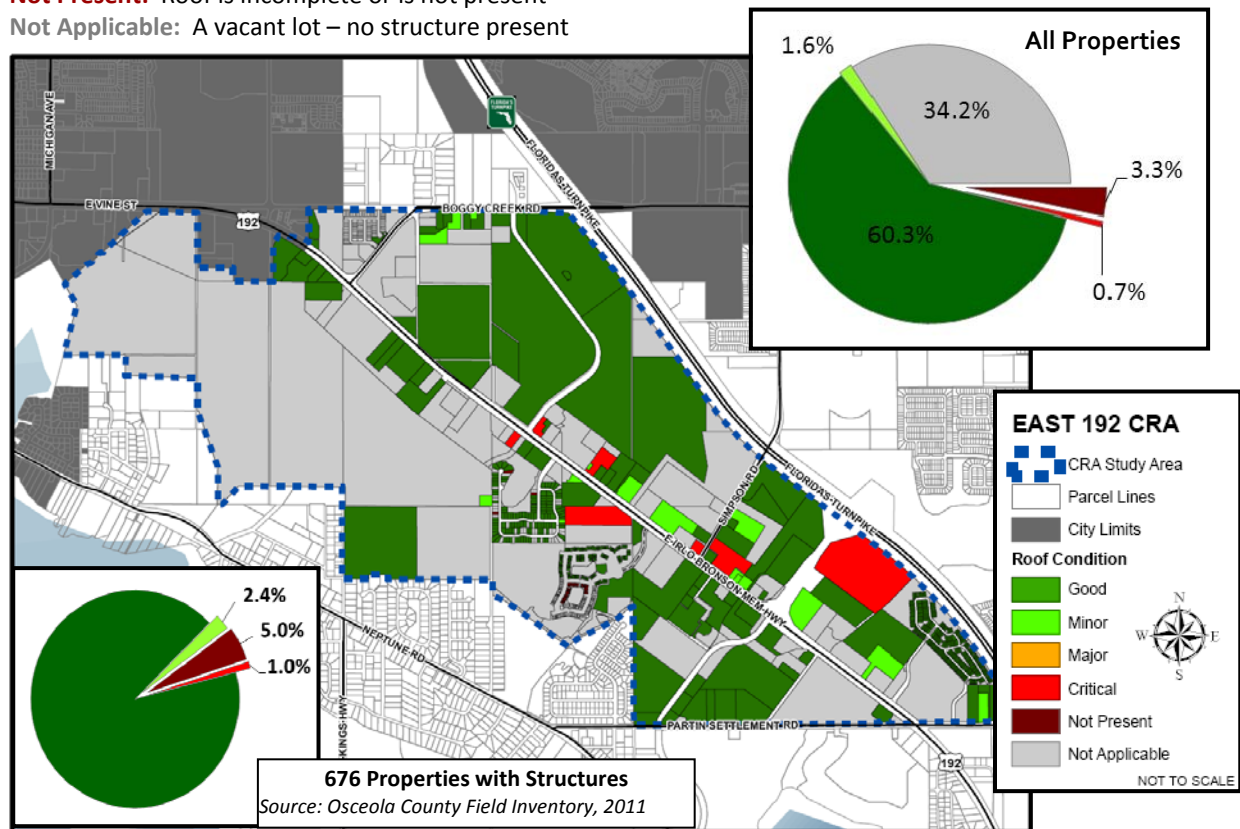


Critical

Structure Roof Condition

Roof structures were individually observed and rated during field analysis according to their condition. The condition rates were based on the following criteria:

- Good:** Roof needs only normal maintenance (less than 10% of the roof requires replacement)
- Minor:** Roof is worn or loose (10-20% of the roof requires replacement)
- Major:** Roof is badly deteriorated and in need of major repair (20-50% of the roof requires replacement)
- Critical:** Roof is badly deteriorated, sinking, non-operative or unsafe to the extent that complete replacement is required (50% or more of the roof requires replacement).
- Not Present:** Roof is incomplete or is not present
- Not Applicable:** A vacant lot – no structure present



Summary: Of the 676 properties reporting a roof structure present, approximately 1% of the properties reported roof condition of “Major” or “Critical”. Twenty-nine of the 36 structures with no roof were expired building permits for townhomes dating back as far as 2006 and 2009. The partially-built, abandoned structures are further evidence of blight in the study area. Most of the properties in the study area reported “Good” or “Minor” roof condition. This indicates that a majority of the properties within the study area do not require major structural rehabilitation, and would make the area a prime target for renovation and redevelopment. These photos below are typical of the wall conditions in the study area.

Field Inventory Sample Photos



Good



Minor



Major

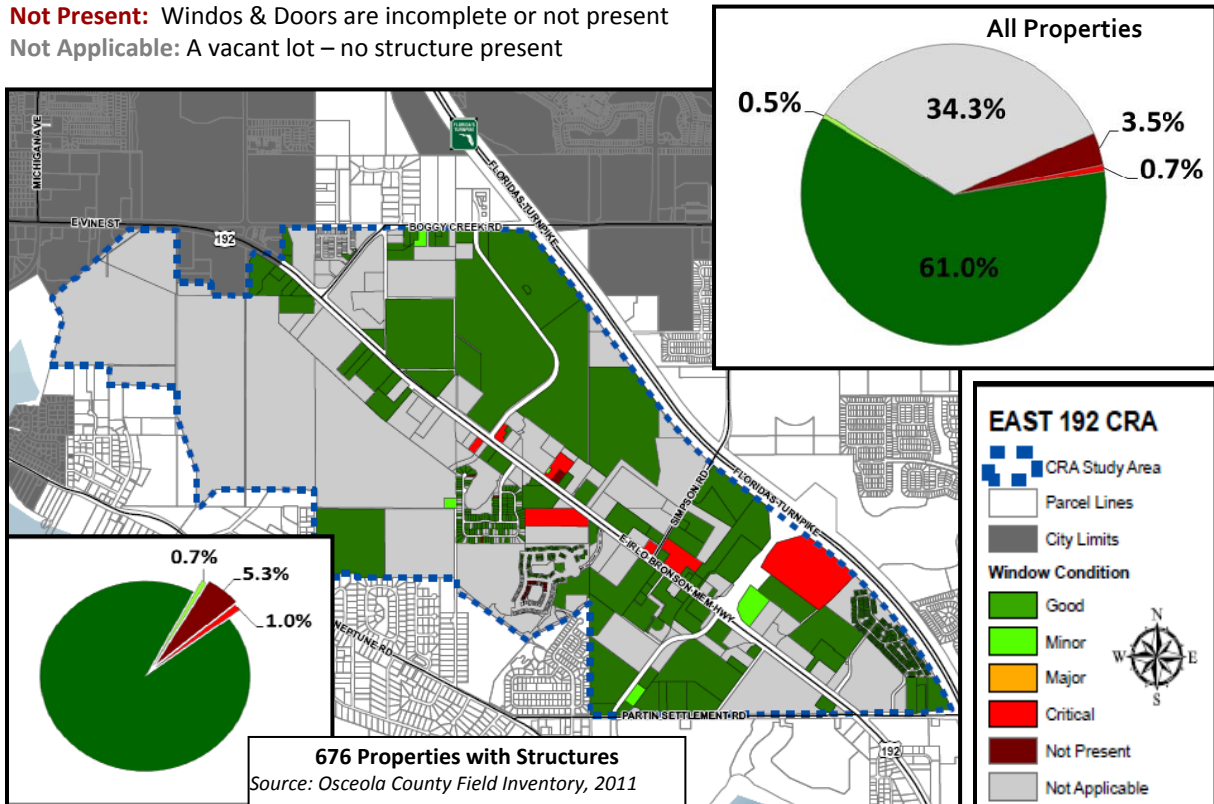


Critical

Structure Window & Door Condition

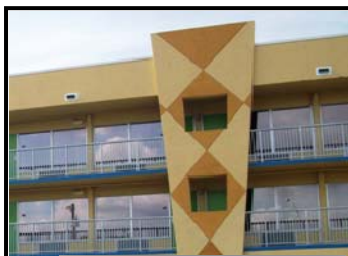
Windows and doors were individually observed and rated during field analysis according to their condition. The condition rates were based on the following criteria:

- Good:** Windows & doors need only normal maintenance (less than 10% requires replacement)
- Minor:** Windows & doors are worn (10-20% requires replacement)
- Major:** Windows & doors are badly deteriorated and in need of major repair (20-50% requires replacement)
- Critical:** The windows & doors are badly deteriorated, non-operative or unsafe to the extent that complete replacement is required (50% or more requires replacement)
- Not Present:** Windows & Doors are incomplete or not present
- Not Applicable:** A vacant lot – no structure present



Summary: Of the 676 properties reporting windows and doors present, 1% of the properties reported roof condition of “Critical”. Over 5% had no windows or doors, represented by “Not Present” condition. Twenty-nine of the 36 structures with missing windows or doors were expired building permits for townhomes dating back as far as 2006 and 2009. The partially-built, abandoned structures are further evidence of blight in the study area. Most of the properties in the study area reported “Good” or “Minor” window and door condition. This indicates that a majority of the properties within the study area do not require major structural rehabilitation, and would make the area a prime target for renovation and redevelopment. These photos below are typical of the window and door conditions in the study area.

Field Inventory Sample Photos



Good



Minor



Critical

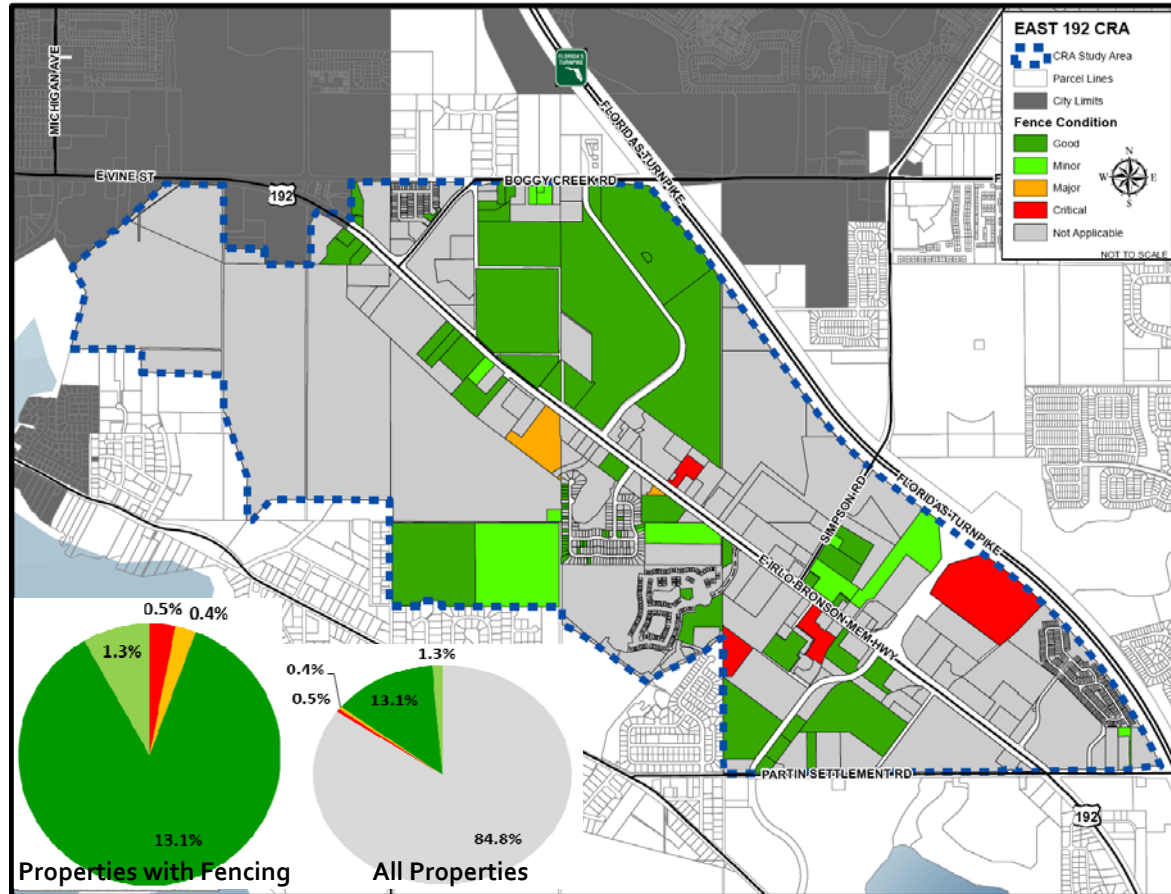
Fence Condition

Fences were individually observed and rated during field analysis according to their condition. The condition rates were based on the following criteria:

- Good:** Fence needs only normal maintenance (less than 10% requires replacement)
- Minor:** Fence is worn or loose (10-20% requires replacement)
- Major:** Fence is badly deteriorated and in need of major repair (20-50% requires replacement)
- Critical:** The fence is badly deteriorated to the extent that complete replacement is required (50% or more requires replacement)

Not Present & Not Applicable: No Fence on site

Source: Osceola County Field Inventory, 2011



Summary: Based on the field inventory, 157 properties (approximately 15% of the study area) had visible fencing. Of the properties with fencing, a little over 1 % had fence condition of “Major” or “Critical”. A majority of the properties with fences had fence condition of “Good” or “Minor”. Fence types ranged from board-on-board, rail fence, barbed wire cattle fence, to chain link fencing. A sample of the fence types and conditions in the study area are illustrated in the photos provided below.



Good



Minor



Major

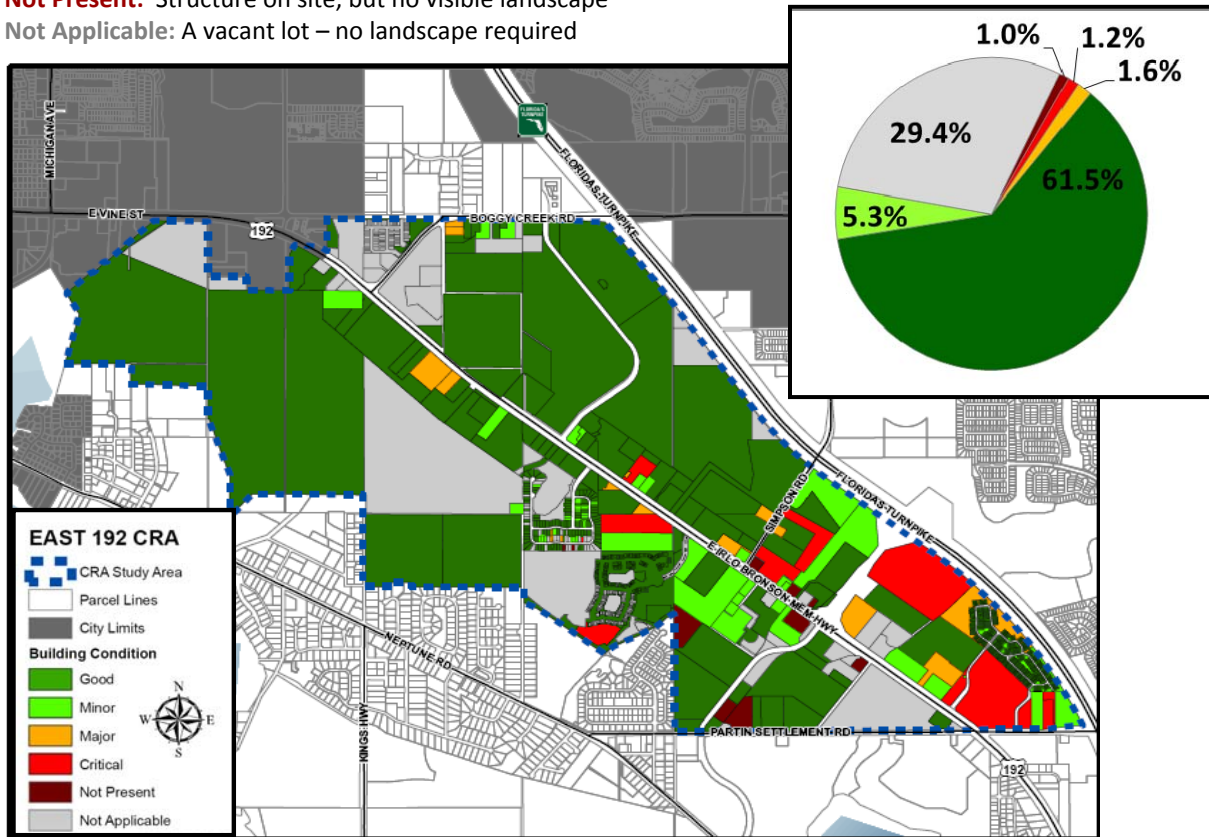


Critical

Landscape Condition

Landscaping was individually observed and rated according to level of condition. The condition rates were based on the following criteria:

- Good:** Landscaping is well maintained (less than 10% requires replacement)
- Minor:** Landscaping needs minor maintenance (10-20% requires replacement)
- Major:** Landscaping is badly deteriorated and in need of major repair (20-50% requires replacement)
- Critical:** The landscaping is badly deteriorated and needs complete replacement (50% or more requires replacement)
- Not Present:** Structure on site, but no visible landscape
- Not Applicable:** A vacant lot – no landscape required



Source: Osceola County Field Inventory, 2011

Summary: Based on field inventory approximately 30% of the properties evaluated were rated as “Not applicable”. This is interpreted to be vacant properties or properties not required to have landscaping. Of the 716 properties with landscaping present, 28 were determined to be either “Critical” or “Major”. The majority (61.5%) of the properties were found to be in “Good” condition, with a small number (5%) requiring “Minor” repair or replacement. While the blight may not be significant, there is still plenty of room for improvement in the area of landscape condition with in the study area.

Field Inventory Sample Photos



Good

Minor

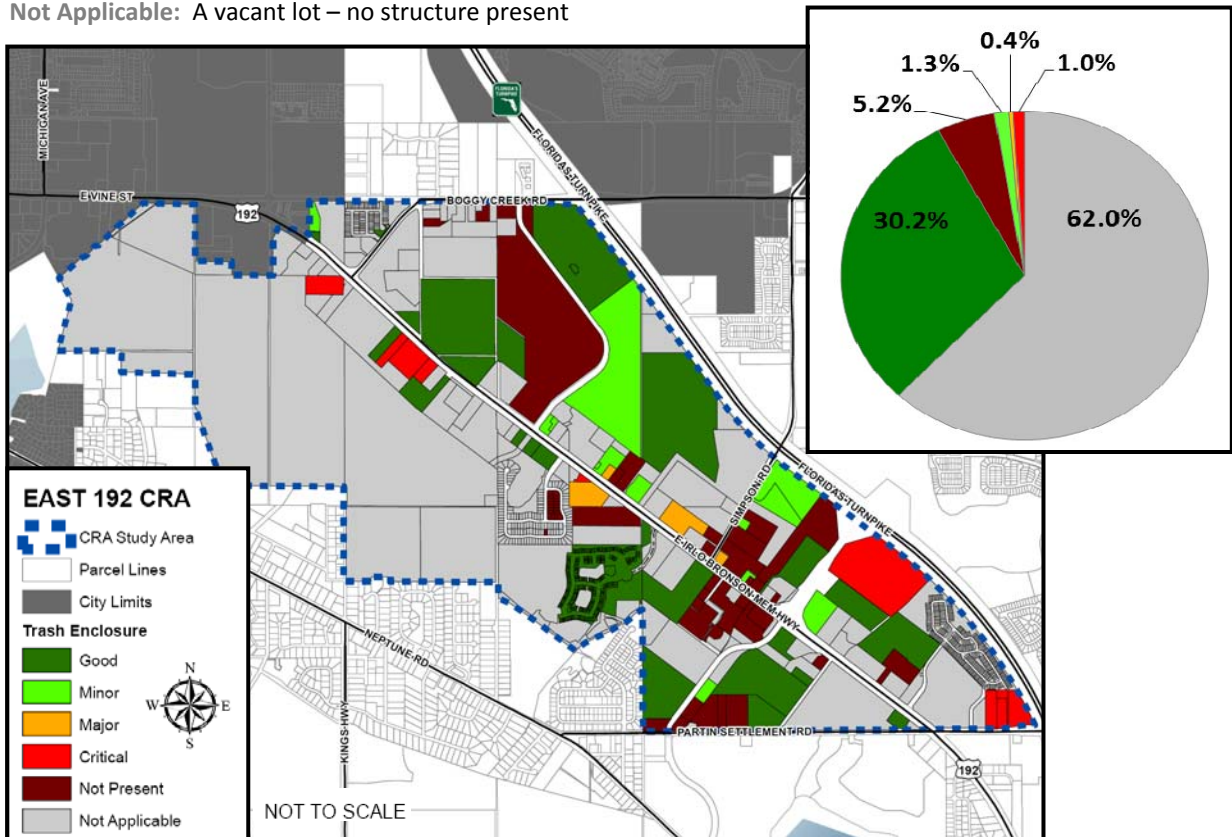
Major

Critical

Trash Enclosure Condition

Trash Enclosures were individually observed as part of the field analysis and rated according to their condition. The conditions rating was based in the following criteria:

- Good:** Enclosure needs only normal maintenance (less than 10% requires replacement)
- Minor:** Enclosure is worn or loose (10-20% requires replacement)
- Major:** Enclosure is badly deteriorated and in need of major repair (20-50% requires replacement)
- Critical:** Enclosure is badly deteriorated to the extent that complete replacement is required (50% or more requires replacement)
- Not Present:** Dumpster(s) present, but the trash enclosure was not present
- Not Applicable:** A vacant lot – no structure present



Source: Osceola County Field Inventory, 2011

Summary: Based on the field inventory, 391 properties had dumpsters on site (38% of the study area). Approximately 62% of the properties, which includes residential and vacant property, were rated “Not Applicable” as they do not require trash enclosures. Of the properties with dumpsters, 17.1% had no enclosure present or had an enclosure that was either in “Major” or “Critical” condition, which is evidence of blight. The photos below are representative of the trash enclosure conditions in the study area.

Field Inventory Sample Photos



Good



Minor



Major



Critical

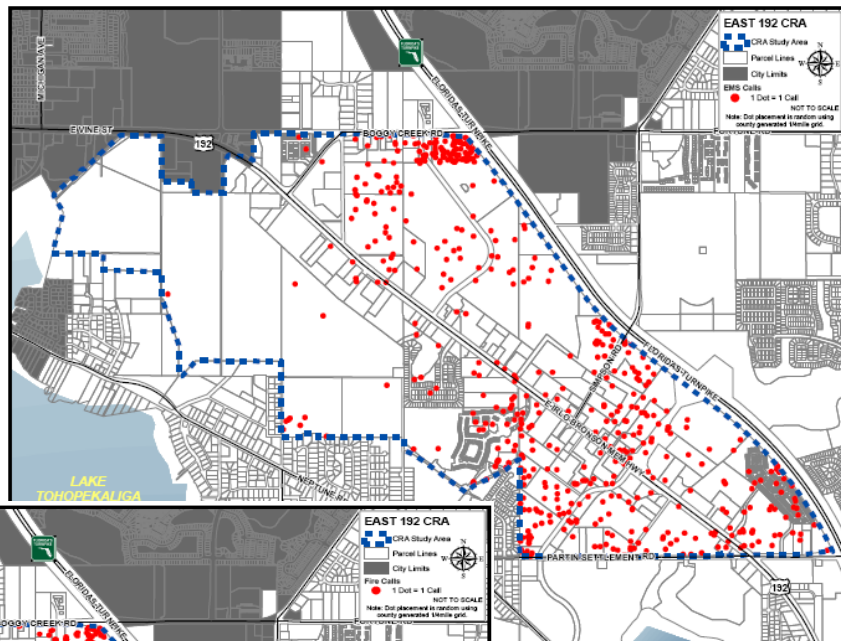
Fire & Emergency Medical Service Calls

The percentage of fire and emergency medical service calls in the Study Area is a good indicator that an area may have characteristics of blight. The incidence of fire and emergency medical service calls in the East U.S. 192 study area is higher than in the remainder of the County. In the East 192 Study Area, there were 0.18 calls per capita and the County had 0.13 calls per capita, based on 2010 data. The data was based on calls where a fire and/or medical vehicle was dispatched. A high incidence of fire and emergency medical calls could coincide with higher incidence of crime in the Study Area.

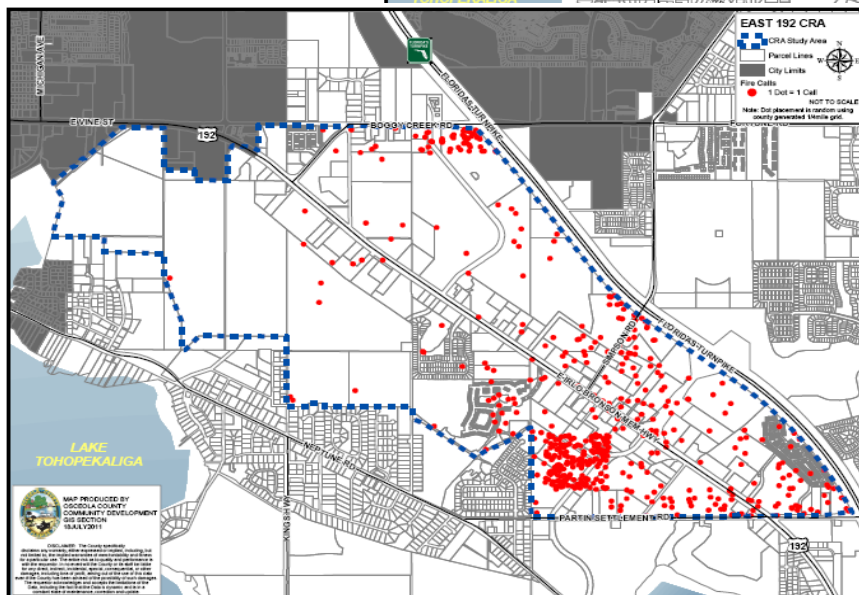
Fire and Emergency Medical Service Calls (2010)

EVENT TYPE	CRA STUDY AREA	COUNTYWIDE
FIRE	348	10,977
EMS	341	14,981
	4,065	2010 Population for Study Area
	20,811	2010 Population for Unincorporated Area

Location of Emergency Medical Service Calls



Location of Fire Calls



Source: Osceola County Fire Rescue and EMS, 2011

Appendix B

Financial Feasibility
Provided by: RERC

MEMORANDUM

TO: Tina Demostene, AICP
Osceola County

FROM: Todd DeLong, AICP
Owen Beitsch, PhD, FAICP, CRE

DATE: September 19, 2011

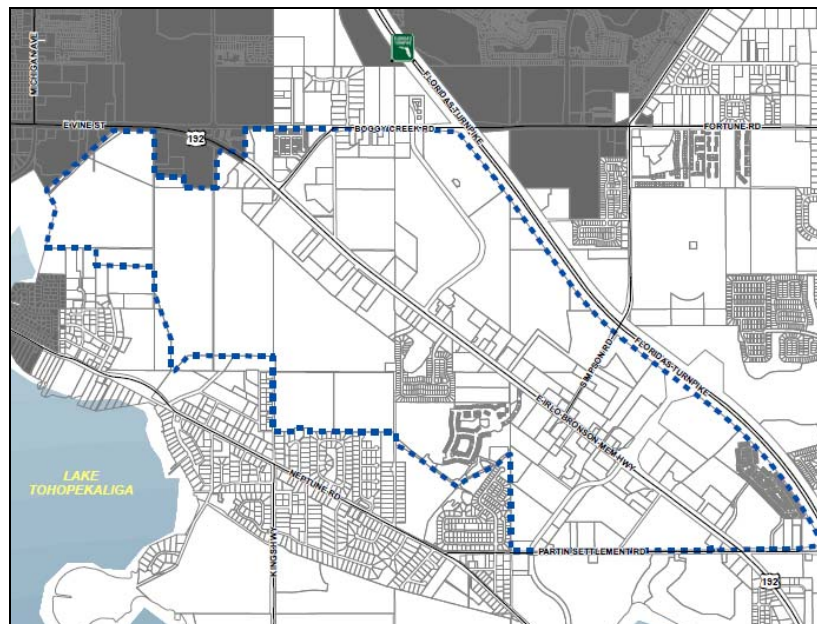
RE: **Summary of analysis for proposed CRA boundaries (East 192)**
(RERC 11065)

Hard copy will not follow unless requested

INTRODUCTION

Real Estate Research Consultants, Inc. (RERC) was asked to prepare several financial scenarios addressing the implications of creating a Community Redevelopment Area (CRA, Chapter 163 FS) comprised of several hundred acres located generally along US 192 in Osceola County. US 192 is effectively the organizing spine for this area which includes parcels fronting the highway beginning east of Kissimmee but ending west of St. Cloud. Figure 1 depicts the boundaries of the defined area.

Figure 1: Map of potential CRA along East 192



The purpose of these scenarios is to illustrate potential tax increment revenues that could accrue to the benefit of the area should the special district be implemented by the County. This analysis by itself, however, is not sufficient to implement the CRA. Other studies addressing the general area's suitability and need for this designation are also required, and these additional studies are being completed by staff.

Among other things, the accompanying analysis illustrates how different sets of assumptions will yield different tax increment conclusions. Taken together, the various scenarios function as a sensitivity test, indicating a likely range of revenues that might be generated under different sets of circumstances.

GENERAL APPROACH

Among the more challenging logistical problems in preparing this analysis is developing a basic set of assumptions that plausibly reflect changes in the physical character and content of corridor over some planning horizon. The timing and addition of major improvements ultimately has the largest impact on the level of revenue that might be generated for use by the CRA.

Normally, the prospective analysis of revenues would follow a detailed plan and market evaluation to reconcile to the plan. In this case, we did not complete such a market analysis which might have considered multiple intervention strategies over time and their potential effects on property values and appreciation in those values. Instead, we examined various projects proposed in or over near the area, viewed as having some measurable development impacts or effects over the thirty years captured in the analysis. Some projects will of course never occur and others simply cannot be reliably anticipated. For the most part, these or similar possibilities have been at least considered in the course of preparing population and employment data used for transportation planning purposes and available for Traffic Analysis Zones (TAZ). The TAZ data cannot be described as an economic outlook for the area, but there is an expectation that the data reflects a basic development scheme. The TAZ data, shown in terms of time frames and relative scale of land use or velocity, were compared to other patterns of development which the county has experienced over time to make judgments about the reasonableness of the information contained at the TAZ level.

In sum, we prepared three discrete scenarios for analytical purposes and then varied each of these in terms of low, moderate and high projections. The changes in *future* valuations for purposes of capturing tax increment revenue are compared with the current area's estimated valuations of approximately \$200,000,000 (2010) based on the tax record provided by staff. Obviously, the choice of the actual base year and the officially reported tax roll for the relevant year will certify the appropriate number going forward. Additionally, in all scenarios the base year at which the taxable value is held constant is 2013.

Scenario 1: Baseline

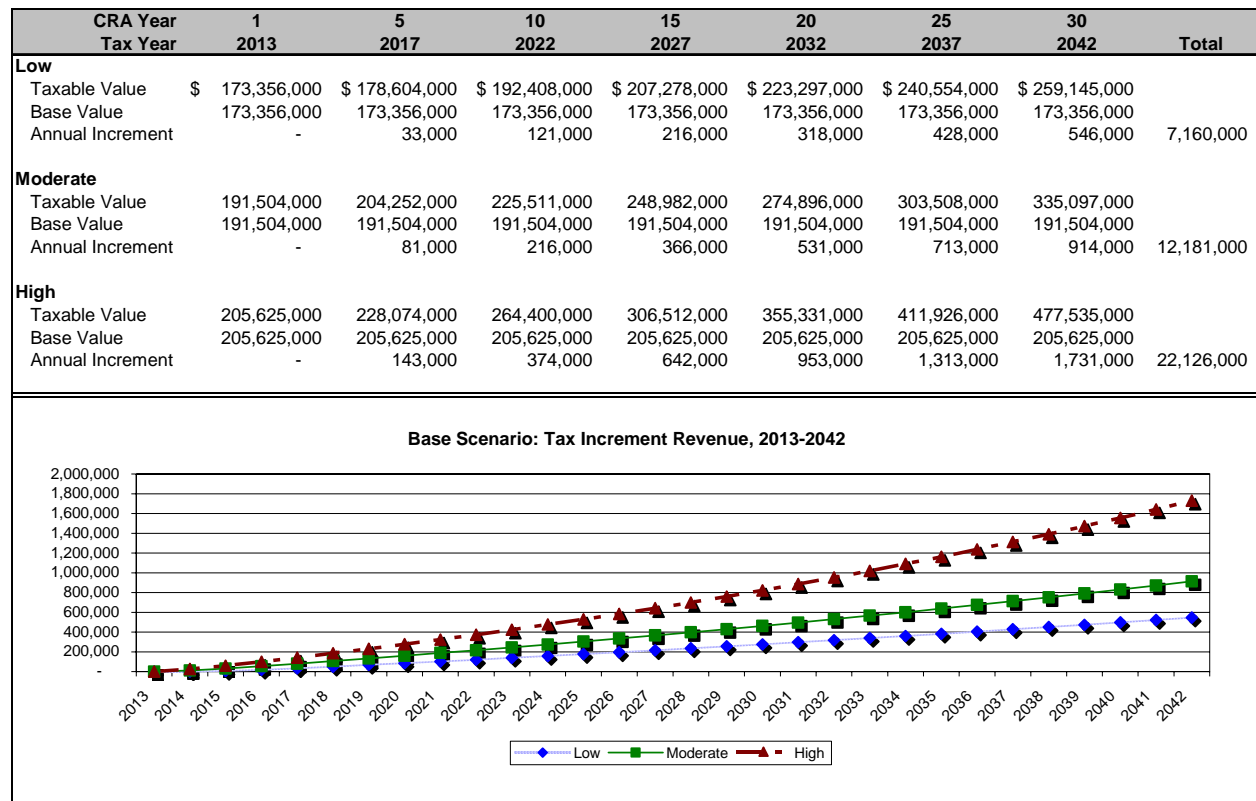
Effectively Scenario 1 comprises a baseline condition by which the other scenarios and their variations are compared. Historically, there been some gains in the valuations of the tax base, often without regard to the values or contributions of specific parcels, even though each parcel is periodically reassessed by the County for tax purposes. Excluding growth from new construction, taxable values in the county experienced a compounded average annual growth

rate of approximately 2.7% between 2005 and 2010. This and other growth evaluations were used to determine the low, moderate and high projections.

In this baseline scenario, the stabilized growth in the underlying base is varied from 1.5% to 3.0% to show how modest changes in the base, net of identifiable or quantifiable construction or development activity, influence the growth of the tax base used for calculating tax increment. With respect to the current economic environment, there is a brief build-up period in each of these variations before the sustainable rates of growth are achieved, which in this scenario, stabilized rates are reached by 2016. These changes in growth percentages lead to the low, moderate and high variations among the projections prepared for this scenario.

Figure 2 illustrates the low, moderate and high projections for this scenario specific to the growth in taxable value and potential tax increment revenue.

Figure 2: Summary of annual tax increment revenue using baseline analysis, 2013-2042



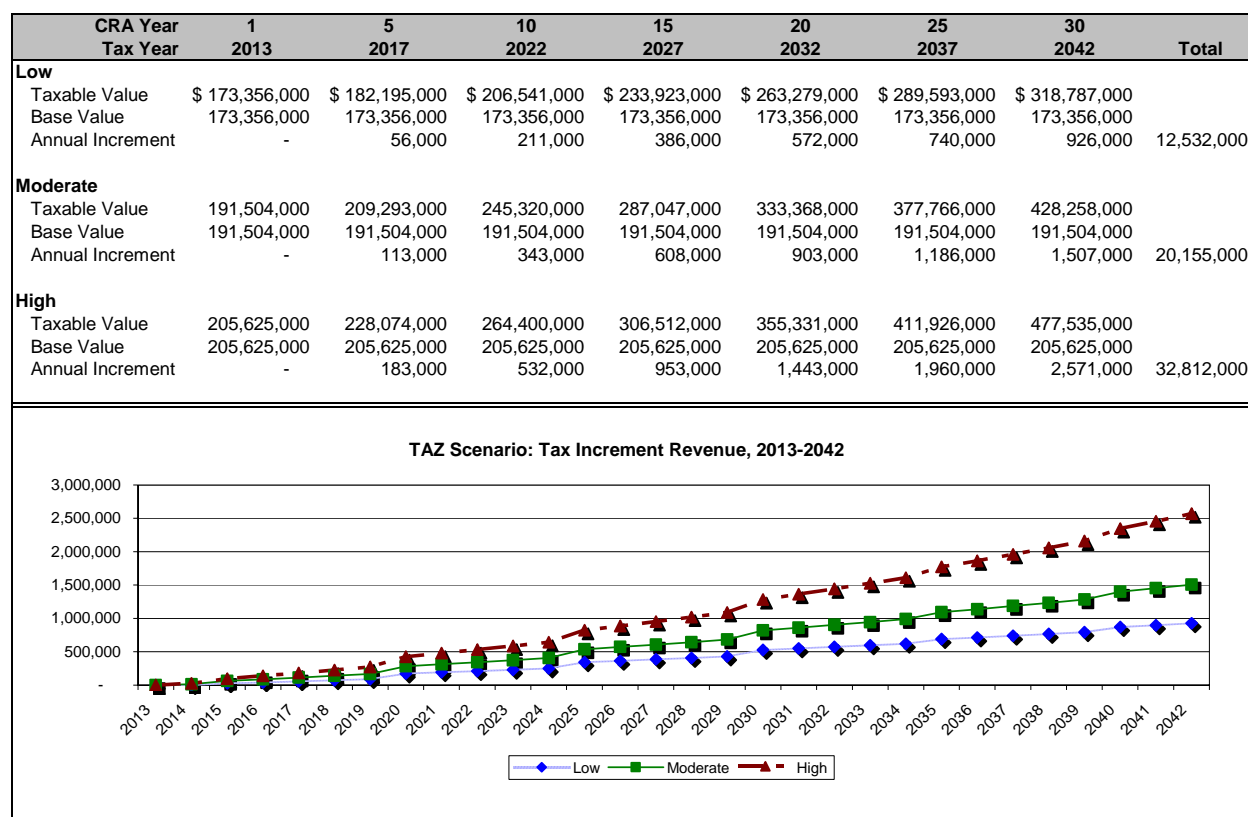
Scenario 2: Use of TAZ data prepared for the targeted properties and corridor

Where the baseline scenario shows some revenue potential over time - caused primarily through growth in underlying valuations without regard to special intervention - Scenario 2 has the expectation that incremental development, when it occurs, will further add to the receipts estimated.

In this scenario, drawing upon the composite analysis of county staff for transportation planning purposes, future employment and population in each TAZ generally reflect allowable land uses, densities, and known plans. Both the population and employment numbers contained in the TAZ data have been used by RERC to estimate a number of potential dwelling units and some future quantity of non-residential facilities. According to this data, approximately 486,000 SF of commercial and service space may be needed over the next 30 years, in addition to nearly 580,000 SF of industrial space and over 200 residential units. The number of units and inventory of commercial space, in turn, drives assumptions about the valuations of each of these kinds of property, currently and over time.

The values used for the analysis are drawn from a composite of recently constructed properties or projects and do vary modestly across the low, moderate and high projections. Figure 3 illustrates the low, moderate and high variations for the TAZ scenario specific to the growth in taxable value and potential tax increment revenue.

Figure 3: Summary of annual tax increment revenue based on TAX analysis, 2013-2042



Scenario 3: Enhanced share for the corridor

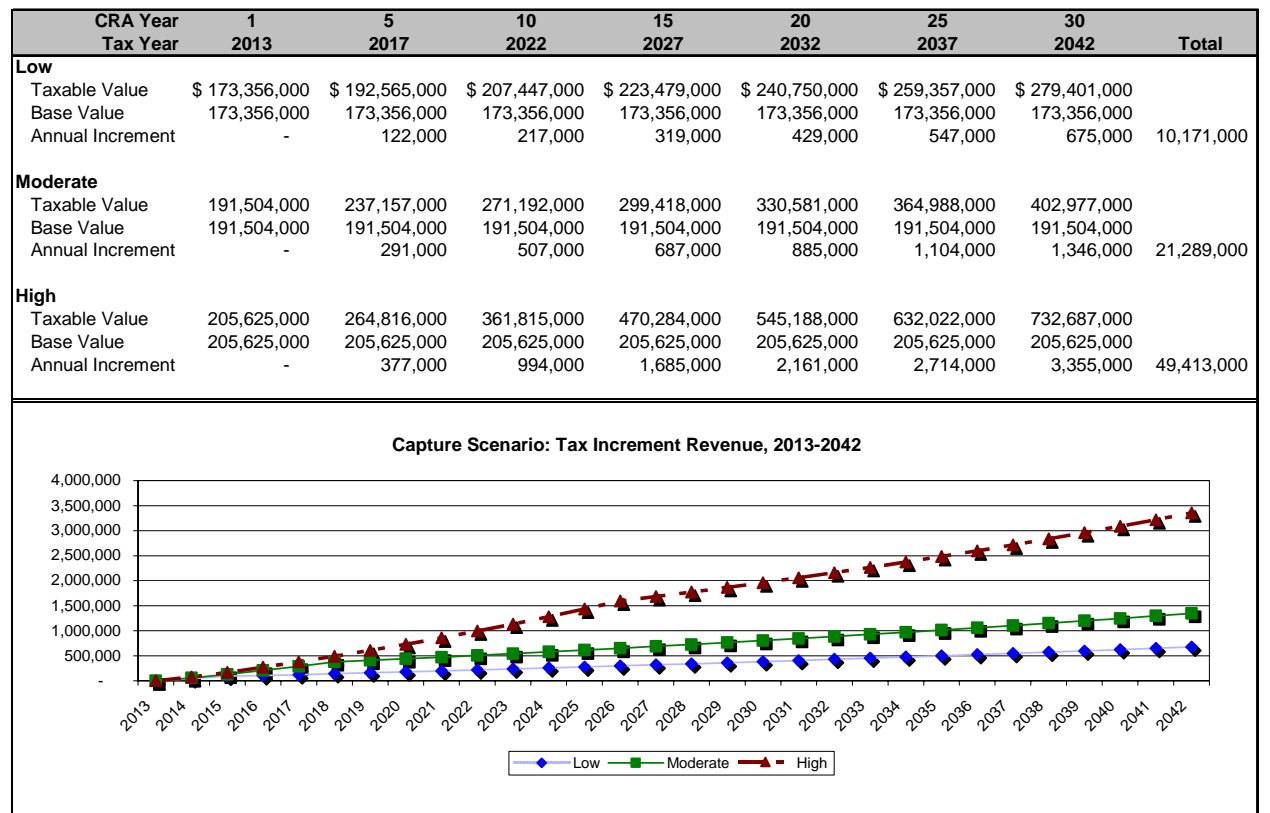
This is the most aggressive of the three scenarios overall and effectively assumes that some relative share of the County’s likely long term growth will be placed into service along the targeted corridor. The outcomes of this analysis are potentially departures from those of Scenario 1 and 2 but the effort does reflect some historical benchmarks.

Here the scenario is drawn from the tax rolls which report, by year built, various kinds of housing and non-residential facilities, many of which are not located in this area now but could be assuming all development is distributed relatively equally throughout the county, other things equal. The basis of the distribution reflects a combination of valuations, unit counts, square footage and other indicators.

Unlike Scenario 2, this scenario is not dependent upon specific development forms or land uses but rather it relies on composite and average values at the county level. The variation across the low, moderate and high projections stems primarily from expectations about the level of market penetration or capture which could be achieved in this corridor. According to 2010 property records, the area defined in this analysis comprises just over 1.2% of the total taxable value in the county. The current capture rate was used to benchmark the low, moderate and high variations of this scenario. For example, the low assumes a slight increase in capture of the county's tax base over the next 30 years whereas the moderate and high projections reflect the special district capturing a greater percentage of the overall tax base.

Figure 4 illustrates the low, moderate and high variations for this scenario specific to the growth in taxable value and potential tax increment revenue.

Figure 4: Summary of annual tax increment revenue based on increased capture rates within the CRA, 2013-2042



IMPLEMENTATION

Among other things, RERC was asked when would be the best time to implement the planned CRA, both maximizing the increment and reducing the potential for lost tax valuations once the floor for calculating revenues has been established.

Had we found it necessary to address this issue *within the last two years*, we would have suggested that the decision be postponed. That conclusion is somewhat less clear today.

For several reasons, it appears that valuations may be nearing or have reached their floor. While we cannot say this with absolute certainty, at least feedback from the Orlando Association of Realtors (locally) and the Case-Shiller Index (nationally) points to some very short term price stability in the residential market. This stabilization reasonably precedes some firmness in the non-residential market in the foreseeable future. These comments are not suggestive of an imminent valuation recovery but the firming in the residential sector does offer some optimism that an absolute low point could be realized in the next 12 to 24 months.

The significance of this time period relates in part to the time frame and the calendar necessary to implement the CRA trust account where the tax increment dollars can accrue. This account can only be activated by adoption of the implementing Community Redevelopment Plan (CRP) and adoption of a corresponding trust fund ordinance. We would normally recommend that the CRP be adopted by July 1 to capture the base of that specific calendar year. For example, a plan adopted by July 1, 2011 would have established valuations for purposes of calculating tax increment as of January 1, 2011.

Osceola County has already passed the cutoff date to capture 2011 values. The relevant taxable values are - in any case - likely to show substantial decline for 2011 as the final tax bills are mailed. By default, the next cutoff period of relevance is July 2012 which would set the base as of January 2012. It can take as long as six months to meet the various hearing and adoption requirements associated with approving the final CRP and trust fund ordinance. Consequently, July 2012 is not an unreasonable target date for planning purposes.

In 2012, taxable values are likely to drop further but the fall, if it occurs, would be lower than declines of recent years with an improved chance of less severe declines in 2013. If the CRP is adopted by 2013, instead of 2012, there is a possibility that the absolute bottom would be missed. Arguably, it may be better to *risk some further declines* over 2013 and capture any planned development rather than await further drops and lose any gains that would follow.

On balance, the decision to proceed *sooner* rather than *later*, in our opinion, is based on expectations about development activity as a comparison among the scenarios seems to suggest. If the prospects of substantial development are *favorable*, they will offset any declines. If the prospects for additional development seem *remote*, we would postpone implementation until 2013. In effect, implementing the CRA a year later - in anticipation of another potential decline - allows an additional year of positive valuations *toward the end* of the CRA life. Stated somewhat differently, a year of loss at the beginning is exchanged for a beneficial year at the end.

Policy considerations should not be ignored to justify more robust, but still speculative, valuations received at a later date. If the policy support for creating a CRA is strong, 2012 as a near term window is not without some advantage. This conclusion is generally consistent with at

least two of the scenarios and their variations which show some gains even with modest declines occurring in 2013. Certainly, the most conservative path is to wait until July 2013 and measure the outcome of the referendum intended to cap the appreciation rate in taxable values from year to year for *all* properties.

It is worth making several additional points. On average, there will be cycles over the life of any CRA, bringing drops in valuations, hopefully not below the baseline, but these shifts in taxable valuations are probabilities more than possibilities to be addressed in careful budgeting and planning. The second is that the lifetime of the CRA is limited, and there should be an open dialogue about the length of time to recover any revenues that are not realized initially. If there is an expectation of development, we would not wait until 2013 since these gains would push the base up, and at the same time divert ad valorem revenues which would then be difficult for the trust account to recover. Finally, should the base year valuations erode for any reason, the decline does not incur a legal financial obligation to the CRA. The proceeds that might have otherwise accrued to the CRA are simply never credited to the trust fund. Missed receipts could be a factor in securing debt but few CRAs are financially capable of supporting debt without other credit sources.

In sum, if there is a reasonably foreseeable round of investment and development, the 2012 target date is recommended. Even with some modest drops in 2013, this target date still seems warranted. As an alternative, if development seems unlikely and leadership opts for a more conservative position, 2013 is worth considering, but delaying has the risk of missing the absolute bottom of the market.

Appendix C

Site Photo Inventory

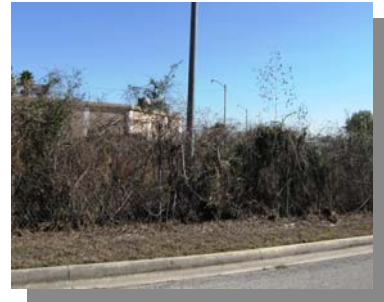
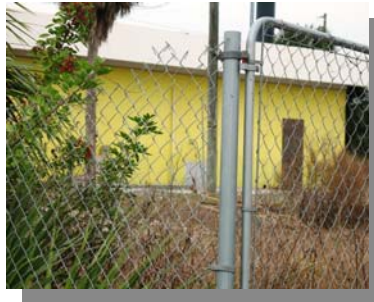
Building Structure

The following photos are representative of field investigation relating to the condition of the building structures on properties within the study area. Structures were rated on the condition of the building wall, roofing, windows and doors.



Site Condition

The following photos are representative of field investigation relating to the condition of the property, excluding the building structures. The site was rated on the condition of fencing, landscaping and whether graffiti, junk or trash was present.



Parking Facilities

The following photos are representative of field investigation relating to the condition of parking facilities on the property.



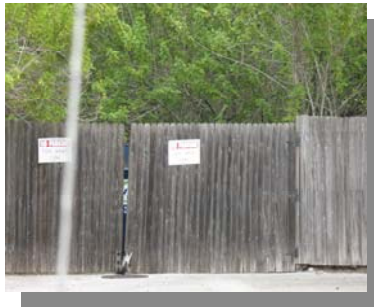
Street Condition

The following photos are representative of field investigation relating to the condition of the street the properties have direct access to.



Trash Enclosures

The following photos are representative of field investigation relating to the condition of trash enclosures.



Conclusion

The data and analysis presented in this report provides a factual basis for the Osceola County Board of County Commissioners to make a legislative finding that the East U.S. 192 study area constitutes as a blighted area. This study documents the existence of eight (8) of the fourteen (14) required blight factors outlined in Florida Statutes, which required only two (2). This report provides a finding of necessity that identifies one or more “slum” or “blighted” areas exist within the defined study area and that the rehabilitation, conservation, or redevelopment of the study area is necessary in the interest of the public health, safety, morals, or welfare of the residents in the area.