

FY2014

October 1, 2013 – September 30, 2014

Annual Report for the East U.S. 192 CRA



Prepared for:

East U.S. 192 Community
Redevelopment Agency
& Board of County Commissioners

Prepared by:

Osceola County Department of
Community Development
February 16, 2015

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FY2014 COMMUNITY REDEVELOPMENT AGENCY (CRA) BOARD MEMBERS:

Commissioner Michael E. Harford



**Commissioner John "Q" Quiñones
(former Vice Chair)**



**Commissioner Brandon Arrington
(Chair)**



Commissioner Frank Attkisson



**Commissioner Fred Hawkins, Jr.
(former Chair)**



Election in November 2014 for 2015 Commission seats include two new CRA Board Members:

**Commissioner Viviana Janer
(Vice Chair)
Replaces Commissioner John "Q" Quinones**



**Commissioner Cheryl Grieb
Replaces Commissioner Frank Attkisson**



BACKGROUND

Per Resolution #12-025R, adopted April 9, 2013, members of the Board of County Commissioners shall serve as the members of the Osceola County Community Redevelopment Agency for the East U.S. 192 Community Redevelopment Area (CRA Agency).

The CRA, at their June 04, 2012, Board Meeting, voted that the Chairman/Vice-Chairman will run parallel with the elections for the Board of County Commissioners Chairman/Vice-Chairman.

INTRODUCTION

A Community Redevelopment Area (CRA) is an area designated by the local governing body, the Board of County Commissioners in this case, as a means to ensure that the area would develop with a coherent community vision, and to encourage reinvestment throughout the CRA. As part of the Community Redevelopment Act of 1969, Part III, Florida Statutes (FS), a CRA is established through a Finding of Necessity.

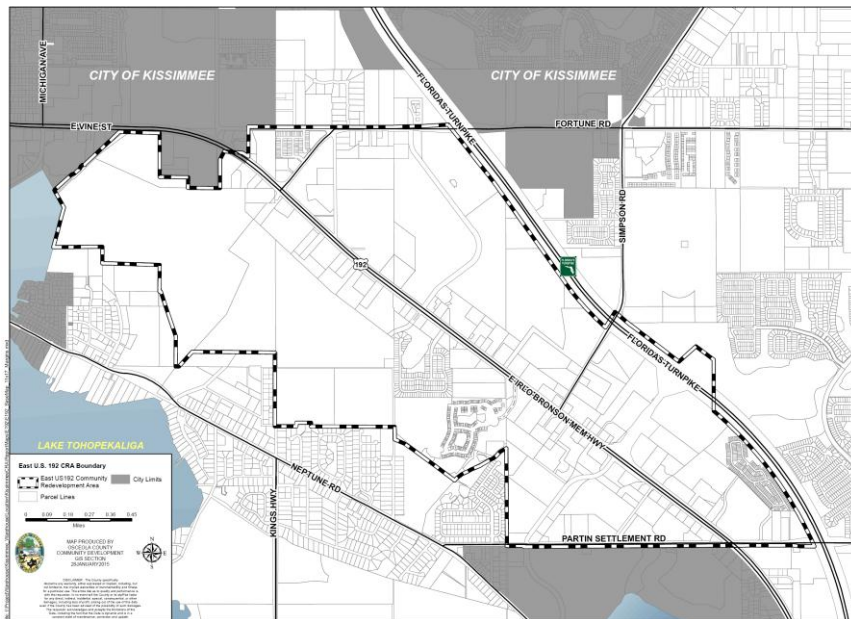
The Finding of Necessity is a detailed report that describes conditions of the area in order to make a determination of the existence of slum or blight. Per Section 163.340(8), FS two or more blight factors must be present for an area within a county to be considered a Community Redevelopment Area. The East U.S. 192 Community Redevelopment Area Finding of Necessity identified the presence of eight of the 14 possible blight factors.

Tax Increment Financing (TIF) is a tool used to leverage public funds to promote redevelopment activities

in a CRA. A TIF captures the future tax benefits of real estate improvements in the CRA to pay the current cost of making improvements that are part of the Redevelopment Plan.

The CRA Boundary runs along East U.S. 192, east of the City of Kissimmee, south of Florida's Turnpike, west of East Lake Tohopekaliga and north of Partin Settlement Road, as shown here.

The CRA goals and objectives can be found in the Master Plan, located at www.osceola.org.



HISTORY

Osceola County created its first Community Redevelopment Area (CRA) in 2012, taking the steps necessary to:

- Create the district through the Finding of Necessity (Resolution #12-004R, January 9, 2012);
- Establish the boundary and governing body (Resolution #12-025R, April 9, 2012);
- Approve the Redevelopment Plan (Resolution #12-044R, June 18, 2012); and
- Create the Trust Fund (Ordinance #12-15, June 18, 2012).

The CRA Board was given an overview of the first Annual Report on February 11, 2013. The CRA's first Annual Report was then completed and filed with the governing body, per Florida Statutes. That report covered the period between approval of the Redevelopment Plan and creation of the Trust Fund on June 18, 2012, through the end of the Fiscal Year September 30, 2012. The second Annual Report, presented to the CRA Board on March 10, 2014 and subsequently filed with the governing body, covered the Fiscal Year between October 1, 2012, and September 30, 2013. This report covers Fiscal Year 2014.

END OF THE YEAR FINANCIAL REPORTING INFORMATION

The CRA was created in 2012, and pursuant to the annual reporting criteria in Sec. 163.356(3)(c), FS, the CRA's assets, liabilities, income, and operating expenses for the fiscal year ending September 30, 2014 is reported below.

FY 2014 Budget	
Assets/Carry-over	Value
NA	\$0
Liabilities/Expense	
Special District Recording Fee	-\$175
Income/Revenue	
2014 TIF Payment Received in Trust Fund	\$44,125
Accrued Interest	\$127
Operating Expenses	
NA	\$0
Total FY 14 Closing Budget Balance:	\$44,077

END OF THE YEAR FINANCIAL FORECASTING INFORMATION

For the County's fiscal year ending September 30, 2015, there is an adopted budget estimating a TIF Payment to the Trust Fund in the amount of \$60,770, which will be adjusted to \$58,827 to reflect final taxable values. This adjustment will be based on the Dedicated Increment Value reported on the Florida Department of Revenue form DR-422 multiplied by our 2014 Millage Rate of 6.7000, and adjusted to account for the 33% going to the Transportation Designated Ad Valorem Tax. Accounting for the assets, liabilities, and income shown in the table below, the projected budget balance for FY 2015 is \$102,729.

FY 2015 Budget	
Assets/Carry-over	Value
2014 Carry-over Budget	\$44,077
Liabilities/Expense	
Special District Recording Fee	-\$175
Income/Revenue	
2015 TIF Payment Received in Trust Fund	\$58,827
Operating Expenses	
NA	\$0
Total Projected FY 15 Closing Budget Balance:	102,729*

* This number does not include interest, which is accruing monthly and will be included in the second budget amendment in April.

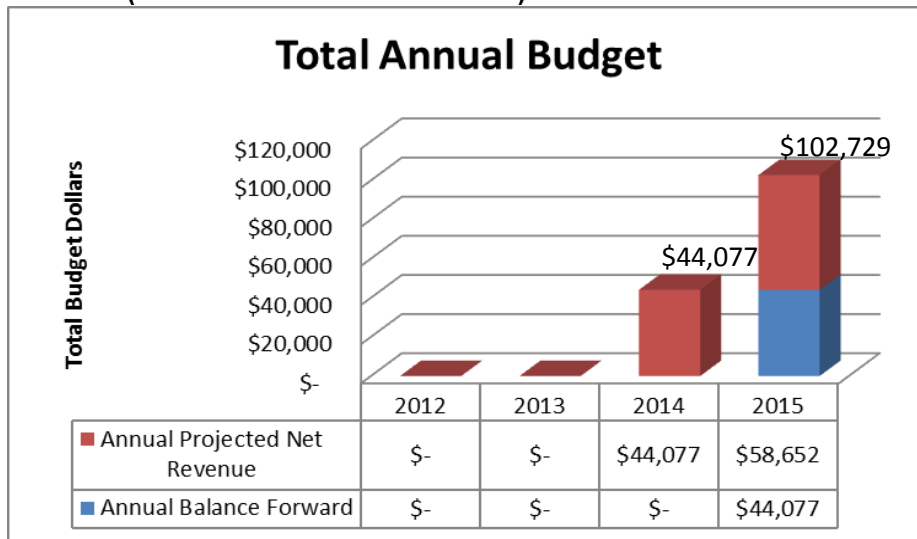
Increase in the tax increment from 2013 is due primarily to a change in market conditions; however, two parcels, shown in **Exhibits A & B**, had new construction on the tax rolls in 2014. This totaled 16,509 square feet of new construction, of which 6,095 square feet was not tax-exempt. This increased the taxable

value for 2014 by \$869,600 compared to the 2013 certified value for the taxable parcel; however, this does not take into account potential change in land value for those parcels during the same time period. This increase in taxable value will be realized in Fiscal Year 2015 as part of the TIF payment to the Trust Fund, which will be reported as end of year financial reporting information in the FY2015 Annual Report.

FINANCIAL TRACKING

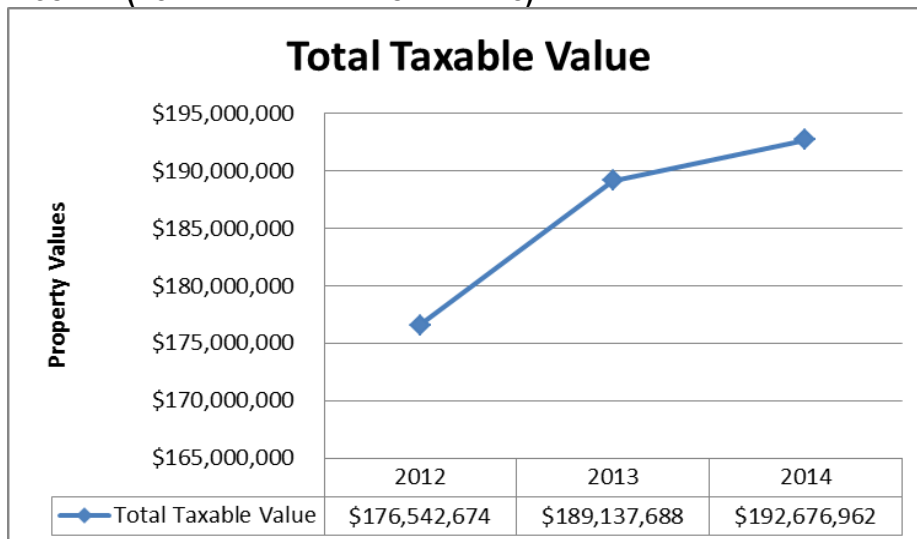
Figure 1 below provides a visualization of the annual net revenue and the annual balance forward, showing the trend over time for the CRA since its inception in 2012. **Figure 2** goes on to show the upward trend over time of the total taxable value for properties in the CRA.

FIGURE 1 (REVENUE AND BUDGET TRENDS)



Source: Office of Management and Budget DR420, DR422, and OMB Final Valuation Worksheet.

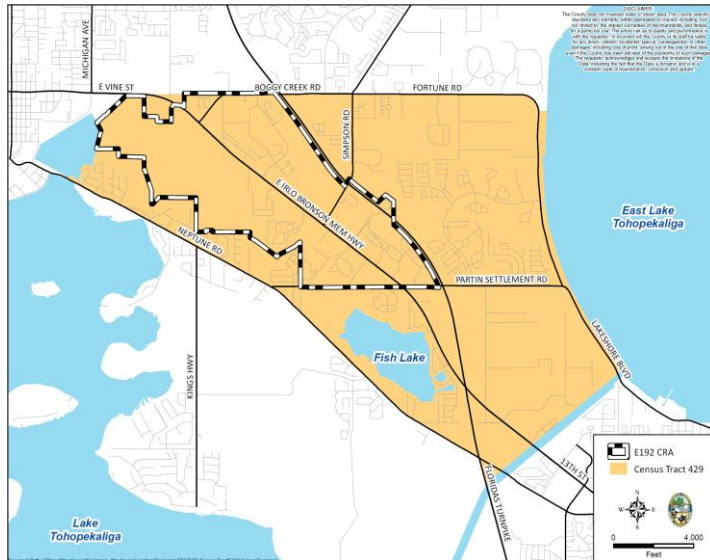
FIGURE 2 (TOTAL TAXABLE VALUE TRENDS)



Source: Office of Management and Budget DR420, DR422, and OMB Final Valuation Worksheet.

JOB IN THE CRA

FIGURE 3 CENSUS TRACT 429



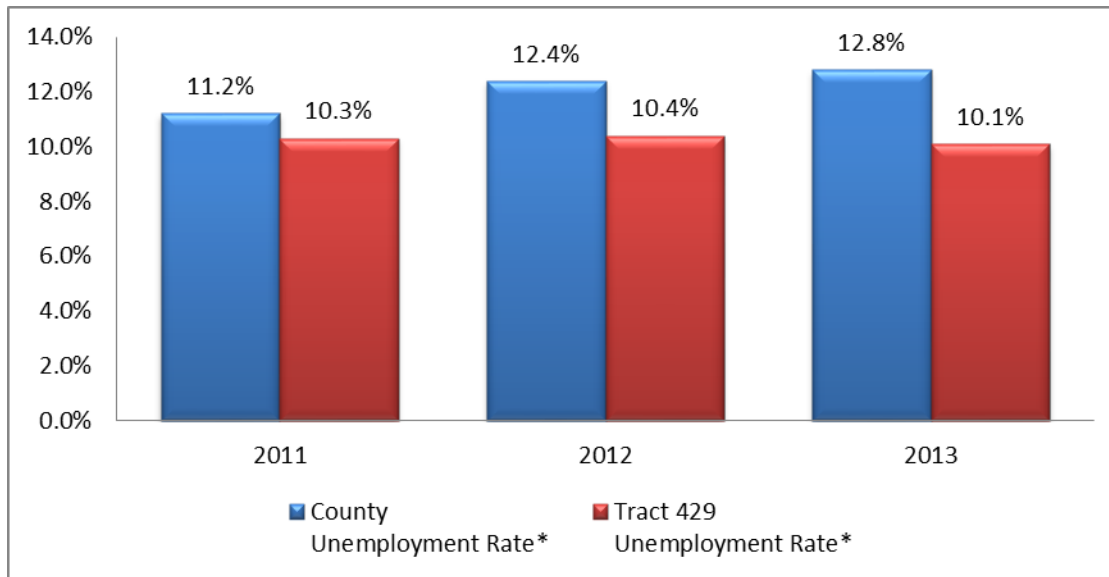
According to the U.S. Census Bureau, American Fact Finder, there were an estimated 105 additional people employed within Census Tract 429 (**Figure 3**) between 2012 and 2013. Estimates from American Fact Finder dating back to 2011 indicate that between 2011 and 2013, approximately 273 additional residents of Census Tract 429 have been employed.

Looking further at the number of jobs in the area, according to the U.S. Census Bureau, Work Area Analysis, there were approximately 11,324 jobs within Census Tract 429 in 2011 (which is the most current information available). By then taking the

approximately 96,098 square feet of new job-producing commercial since inception of the CRA, and applying a factor of one job per 250 square feet of commercial, there has been an estimated 384 jobs created within the CRA since 2011.

Comparisons of the estimated unemployment rates from the American Fact Finder website are outlined below (**Figure 4**).

FIGURE 4 UNEMPLOYMENT RATES



* The updated unemployment dataset was obtained from the U.S. Census Bureau American Fact Finder rather than the Bureau of Labor Statistics (BLS), as the American Fact Finder breaks the data down to Census Tract, and the BLS does not. This dataset is an estimate based on information gathered from the American Community Survey, is not seasonally adjusted, and is subject to sampling variability.

CODE ENFORCEMENT ACTIVITY

Code enforcement activities have been tracked within the CRA Boundary since FY2013 in order to measure improvements over time. There were 93 code enforcement cases in FY2013 and 65 code enforcement cases in FY2014. These violations are primarily lot mow violations; however, other cases include fire damage, junk and trash, unauthorized outdoor storage, illegal signage, minimum maintenance violations, noise complaints, working without a permit, and operating without a Business Tax Receipt. As of the date of this report, 88 of the FY2013 cases have been closed, three have a lien placed on them, one is in collection, and one is still pending. Of the FY2014 cases, 54 have been closed, leaving a total of 16 cases remaining open in some form.

ACTION STEPS

Going into its third year, the East U.S. 192 CRA has continued taking a look at the short term (Years 1-5) activities outlined in the Redevelopment Plan. To date, the County has started work on a number of projects envisioned in the Redevelopment Plan. Funding for these projects currently is provided by the Osceola County General Fund, the Tourist Development Tax (TDT) Fund, and in partnership with other agencies. As the CRA Trust Fund grows, it will be able to contribute to these projects as well. These projects consist of the following:

Florida Turnpike Interchange Landscape Improvements

- In 2012, Osceola County began working with their consultant to design landscape improvements for the two Turnpike Interchanges along U.S. 192 so as to create a sense of arrival for people coming into the area from the Turnpike. What resulted for exits 242 and 244 was a comprehensive landscape enhancement project that would total approximately \$3 million if constructed.
- In early 2013, discussions started with the Florida Turnpike Enterprise (FTE) and their consultants to determine potential funding strategies. FTE originally had \$250,000 budgeted for typical interchange landscape improvements at both intersections; however, after the County requested enhanced landscape design within the CRA, FTE allocated all of the \$500,000 to exit 244 to cover enhanced landscaping. In 2014, FTE made this a priority project, with construction previously estimated to begin in FY2014.
- As of the date of this report, this project has been put on hold by FTE; however, it is tentatively scheduled for spring of 2015.

Demolition of Unsafe Structures (**Exhibit D**)

- According to building official records, there were two owner demolitions submitted in 2014. These demolitions included removal of unsafe structures associated with a blighted hotel and a blighted culinary school. The hotel has been removed, and the culinary school is in the process of being removed. Additionally, Osceola County demolished unsafe structures associated with a blighted golf driving range in 2013. No unsafe structures were demolished in 2012 within the CRA.

Osceola Heritage Park (OHP) Master Plan

- The OHP Master Plan is currently in the 2015 work plan for the Planning and Design Division; this plan will include upgraded landscaping and streetscaping, which was recommended in the CRA Master Plan.

✚ U.S. 192 Urban Cross Section

- The Transportation Planning Division is coordinating with Florida Department of Transportation (FDOT) regarding improvements to U.S. 192 from Aeronautical Drive to Budinger Avenue. This coordination includes discussion relating to the need for bike lanes as well as a more urban cross-section.

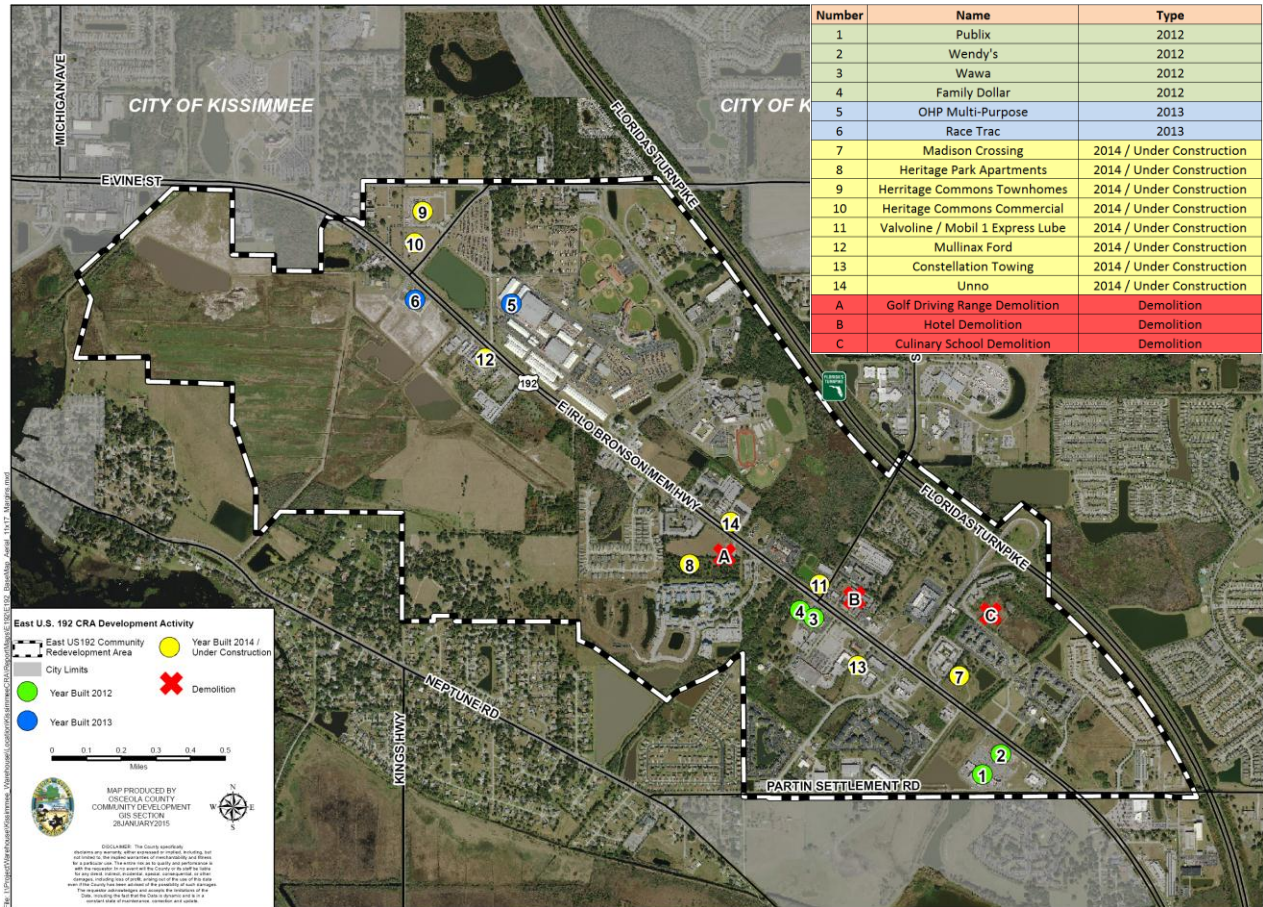
✚ Judge Farms Property: Lake Toho Restoration Initiative and Development Parcels (**Exhibit E**)

- A total of approximately 498 acres owned by Osceola County is being planned for both future economic development projects and stormwater facilities. Development Parcels A through J total approximately 317 acres, proposed right-of-way totals approximately 24 acres, and the three proposed stormwater ponds total approximately 157 acres.
- A Preliminary Subdivision Plan for approximately 164 acres of the property has been approved for Parcels A through G and a portion of the eastern pond.
- A Mass Grading Site Development Plan for Parcel A and a portion of Parcel E has been approved, and work is underway.
- Osceola County Public Works Department is in coordination with Toho Water Authority (TWA) and other state and local agencies for coordinated development of the ponds.

DEVELOPMENT ACTIVITY

Figure 5 below provides a visual representation of construction activities that have occurred within the CRA since its inception, with additional details provided within (Exhibit A through C).

FIGURE 5 CRA DEVELOPMENT ACTIVITY MAP



CONSTRUCTION PROJECTS COMPLETED SINCE 2012 (EXHIBIT A)

	Address	Year Built	Name	Use Type	Non-Residential Sq. Ft.	Residential Units
1	2310 E. Irlo Bronson Memorial Highway	2012	Publix	Retail	71,189	0
2	2398 East Irlo Bronson Memorial Highway	2012	Wendy's	Restaurant	3,772	0
3	2184 East Irlo Bronson Memorial Highway	2012	Wawa	Convenience	6,396	0
4	2180 East Irlo Bronson Memorial Highway	2012	Family Dollar	Retail	8,646	0
2012 Sub-Total					90,003 sq. ft.	
5	1875 Silver Spur Lane	2013	OHP Multi-Purpose	Facilities	10,414	0
6	1720 East Irlo Bronson Memorial Highway	2013	RaceTrac	Convenience	6,095	0
2013 Sub-Total					16,509 sq. ft.	
7	2299 East Irlo Bronson Memorial Highway	2014+	Madison Crossing	Senior Condo/Apartment Units	0	86
8	2104 East Irlo Bronson Memorial Highway	2014+	Heritage Park Apartments	Apartments	0	238
9	1690 Fortune Road	2014+	Heritage Commons	Townhomes	0	99
10	1751 Fortune Road	2014+	Heritage Commons	Commercial & Storage Units	102,200	0
11	2183 East Irlo Bronson Memorial Highway	2014+	Valvoline / Mobil 1 Express Lube	Auto Service	2,354	0
12	1810 East Irlo Bronson Memorial Highway	2014+	Mullinax Ford	Auto Sales & Service	44,867	0
13	900 Shady Lane	2014+	Constellation Towing & Recovery	Office	480	0
14	2095 East Irlo Bronson Memorial Highway	2014+	Unno Hotel	Hotel	0	0
2014 Sub-Total					149,901 sq. ft.	423 du
Total					256,413 sq. ft.	423 du

CONSTRUCTION PROJECTS COMPLETED FY 2013 (EXHIBIT B)




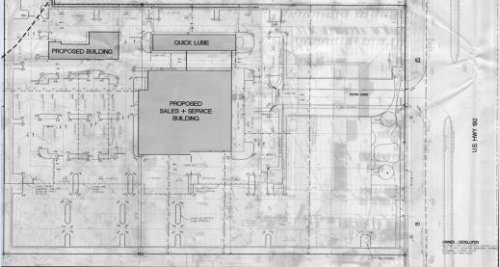

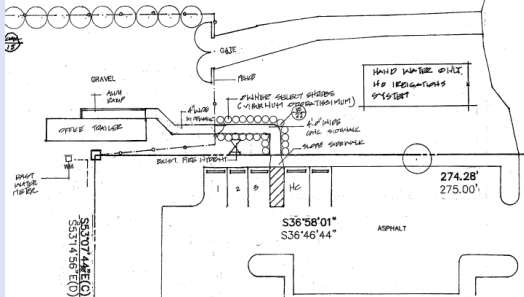


- During FY2013, approximately 16,509 square feet of new construction including:

Before	After	Summary of Improvements
		<p>1875 Silver Spur Lane</p> <p>5. OHP Multi-purpose Building</p> <p>10,414 sq. ft.</p>
		<p>1720 East Irlo Bronson Memorial Highway</p> <p>6. RaceTrac</p> <p>6,095 sq. ft.</p>







2014 – 2015 CONSTRUCTION PROJECTS (EXHIBIT C)

- During FY2014 and FY 2015, approximately 423 residential units and 149,901 square feet of non-residential are currently under construction or were completed after the final tax roll in November 2014. Once completed, the improvements below will aid in improving the property values and aesthetics of the area in the years to come.

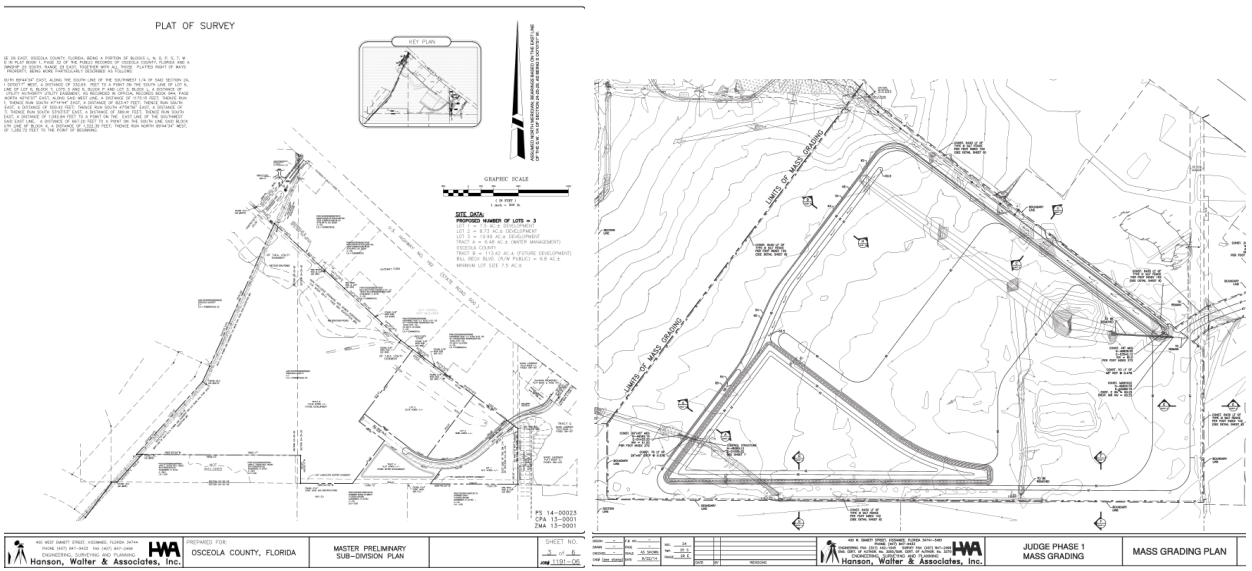
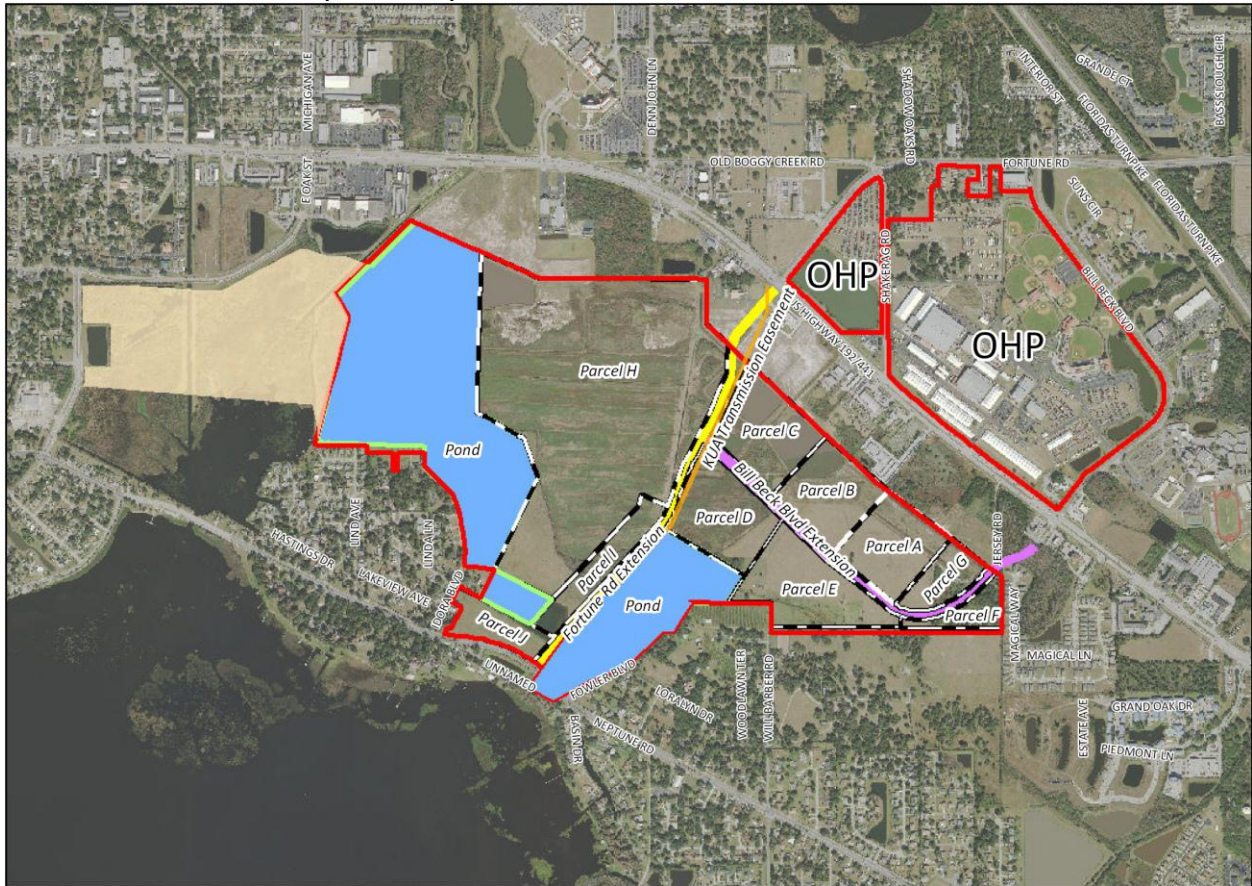
Before	After	Summary of Improvements
		<p>2299 East Irlo Bronson Memorial Highway</p> <p>7. Madison Crossing 7 story 86 Senior Condo/Apartment Units. SDP14-0047</p>
		<p>2104 East Irlo Bronson Memorial Highway</p> <p>8. Heritage Park Apartments 2-3 story, 238 Multi-Family Units PD14-00018 SDP14-0044</p>
		<p>1690 Fortune Road</p> <p>9. Heritage Commons Townhomes 99 Single Family Units (24 currently completed) EIP07-0019</p>
		<p>1751 Fortune Road</p> <p>10. Heritage Commons Commercial 10,800 sq. ft. office/retail 91,400 sq. ft. self storage EIP10-0003</p>

Before	After	Summary of Improvements
		<p>2183 East Irlo Bronson Memorial Highway</p> <p>11. Valvoline / Mobil 1 Express Lube 2,354 sq. ft. 4 bay Quick Lube</p>
		<p>1810 East Irlo Bronson Memorial Highway</p> <p>12. Mullinax Ford Auto Sales 44,867 sq. ft. Sales Building, Auto Service, & 8 bay Quick Lube</p>
		<p>900 Shady Lane</p> <p>13. Constellation Towing & Recovery 480 sq. ft. office Landscape improvements SDP14-0139</p>
		<p>2095 East Irlo Bronson Memorial Highway</p> <p>14. Unno Hotel Façade & Landscape Improvements</p>

DEMOLITION OF UNSAFE STRUCTURES (EXHIBIT D)

Before	After	Summary of Demolition
		<p>2104 E. Irlo Bronson Memorial Highway</p> <p>A. Blighted Golf Driving Range Demolition (2013)</p>
		<p>2225 E. Irlo Bronson Memorial Highway</p> <p>B. Blighted Hotel Demolition (2014)</p>
		<p>233 Academy Drive</p> <p>C. Blighted Culinary School Demolition (2014)</p>

JUDGE FARMS PROPERTY (EXHIBIT E)



SUMMARY

The CRA, although relatively new, is making strides to becoming a more positive and thriving corridor within the County. This positive trend can be seen by looking at the area's growth in property values, a rise in both the number of jobs and employed residents within the CRA, a lower unemployment rate than the County as a whole, a lower number of code enforcement violations, and a steady increase in development and redevelopment activity within the area.



CRA / COUNTY STAFF CONTACT INFORMATION

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