State Road 100 Corridor
Community Redevelopment Agency
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Introduction
The State Road 100 Corridor Community Redevelopment Agency (SR 100 CRA) Fiscal Year 2017/2018 Annual Report describes all activities for the period October 1, 2017 through September 30, 2018. The report includes a complete financial statement of the SR 100 CRA’s revenues and expenses, amount of tax increment funds collected and a record of SR 100 CRA’s activities for the fiscal year.

The SR 100 CRA was created in 2004 as a measure to assist the City of Palm Coast in its efforts to encourage investment, economic development, and redevelopment in the State Road 100 Corridor area. Redevelopment is necessary to create the community envisioned by the City’s citizens, merchants, and visitors. The SR 100 CRA continues to pursue voluntary acquisition of properties as part of its strategy to reduce or eliminate the blight identified in 2004.
Frequently Asked Questions

What is a Community Redevelopment Agency (CRA)?

A Community Redevelopment Agency (CRA) is a dependent taxing district established by local government for the purpose of carrying out redevelopment activities that include reducing or eliminating blight, increasing the tax base, and encouraging public and private investments in the redevelopment area. The members of the City Council also serve as the Board members of the SR 100 CRA.

Why create a CRA?

CRAs are created to assist local governments in pursuing redevelopment in targeted areas that are characterized by blight and disinvestment. By establishing a CRA, local governments are given a financial and planning mechanism by which to redevelop areas where private market forces aren’t working.

Where are the designated CRA areas?

The SR 100 CRA encompasses 2,946 acres and is generally located east of Belle Terre Parkway, north of the State Road 100 centerline, south of Royal Palms Parkway, and approximately 0.75 miles east of Interstate 95.

What type of activities will happen in CRA areas?

Redevelopment activities are outlined in the SR 100 CRA Redevelopment Plan. The Redevelopment Plan is a document that is approved by the City and the SR 100 CRA Board. The Redevelopment Plan outlines the goals and objectives for the district, and more importantly, outlines the specific programs and capital improvements designed to reach those goals.

How are redevelopment activities funded?

Activities in CRA districts are predominantly funded by tax increment. Tax increment is calculated based on the dollar value of all real property in the Community Redevelopment Area at the time CRA district is created, also known as the “frozen value”. Taxing authorities who contribute to the tax increment continue to receive property tax revenues based on the frozen value. However, any tax revenues from increases in real property value, referred to as “increment”, are deposited into the Community Redevelopment Agency Trust Fund and dedicated to the redevelopment area. It
is important to note the property tax revenue collected by the School Board and any special
district (ex: SJRWMD) are not affected under the tax increment financing process. Tax increment
revenues can be used immediately, saved for a particular project, or bonded to maximize the
funds available. Any funds received from a tax increment financing area must be used in
accordance with the Redevelopment Plan for specific redevelopment purposes within the
targeted area, and not for general governmental purposes.

FY 2017/2018 Revenues
During the 2017/2018 Fiscal Year, the SR 100 CRA Trust Fund received a total of $1,784,871 in
tax increment funds ($1,139,796 from Flagler County and $645,075 from the City of Palm Coast).
In addition, $11,135 was received in investment earnings and $685,630 was received from
property sales.

The tax increment funds received this past year of $1,784,871 increased approximately 4%
compared to the previous year’s receipt of $1,714,118 of tax increment funds. The projected tax
increment funds for next year are $1,932,672, which represents a 7% increase.
FY 2017/2018 Expenses
During the 2017/2018 Fiscal Year, the SR 100 CRA Trust Fund expended a total of $1,861,153.

<table>
<thead>
<tr>
<th>FY 2017/2018 Expenses (Preliminary)</th>
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<tbody>
<tr>
<td>Operating Expenses</td>
<td>$129,534</td>
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<tr>
<td>Central Park Community Wing</td>
<td>$600,000</td>
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<tr>
<td>Land Purchases</td>
<td>$202,102</td>
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<tr>
<td>Debt Service</td>
<td>$929,517</td>
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<tr>
<td>Total</td>
<td>$1,861,153</td>
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FY 2018/2019 Budget
The 2018/2019 Fiscal Year Budget for the SR 100 CRA Trust Fund is $2,202,162. The City estimates $269,490 will be used from accumulated reserves. This budget includes funds towards repayment of construction of Central Park Community Area Improvements as part of the overall City Hall Project.
Major Projects

Central Park Community Areas
The City of Palm Coast completed the Central Park Community Rooms as part of the overall City Hall project. This project was funded by the City’s general capital funds and is being repaid with SR100 CRA funds. The community rooms will be helpful in accommodating groups displaced by the renovation of the Community Center as well.

Land Purchases
The State Road 100 Corridor Community Redevelopment Area (SR 100 CRA) Plan outlines two target areas for redevelopment. These areas, Midway and Whispering Pines, are antiquated subdivisions with no existing infrastructure except for dirt driveways. The SR 100 CRA has acquired many of these properties as part of an overall strategy to eliminate or reduce blight in the area and aggregate property for future redevelopment. The SR 100 CRA Board has directed City staff to pursue voluntary acquisitions where the property owners are willing to sell their property at the appraised value. As willing property owners come forward, City staff will bring forward items for City Council and SR 100 CRA Board consideration.

Innovation District Designation
In June 2018, the Community Redevelopment Agency reevaluated Palm Coast’s Town Center, located in the Community Redevelopment Area (CRA). The area has been largely infrastructure-ready for several years, yet, the vision for Town Center had never fully been realized. In over a ten year period, Town Center had only reached a 17% developed threshold at the beginning of 2018. Yet, with a fresh look at the area and new approach, the Agency made developing Town Center a high priority.

Through research and analysis, the Agency found that an Innovation District designation would not only be a great fit for Town Center, but also would be economically, socially, and culturally viable for the future for Palm Coast. As defined by the Brookings Institute, an Innovation District, "facilitates the creation and commercialization of new ideas and support for economies by growing jobs in ways that leverage their distinct economic attributes." For Palm Coast, we plan to
build on the Innovation District vision by leveraging proximity, density, authenticity and fostering it to become an experiential living hub where our residents can live, work and play.

The Innovation District is centrally-located in the urban core of Town Center and the CRA. To kick start forward-thinking residential and non-residential developments within this area, a development incentive program, called the Innovation Kick Start Program, was also launched this year.

**Innovation Kick Start Program**
The Innovation Kick Start Program was created to encourage new development and business at an accelerated pace in the Innovation District. The Program is designed to kick start development that will facilitate the creation and commercialization of new ideas and support our economy by growing jobs in ways that leverage proximity, density, authenticity and progress by the end of 2020.

Through the Innovation Kick Start Program, the City of Palm Coast will provide assistance towards utility impact fees to property owners, developers and/or business owners. New development can receive $5,000 per residential unit or per 1,000 s.f. for non-residential and credits are paid through the CRA Fund.

At the end of this fiscal year, two residential projects were in the midst of the Program, and will receive impact fee assistance in 2019.

**Other Items of Interest**

**Opportunity Zone Designation**
In June 2018, the U.S. Department of Treasury officially certified Florida's nomination of 427 census tracts to be designated as Qualified Opportunity Zones, including Palm Coast's tract 12035060213. This census track is located in the heart of Palm Coast, including Palm Coast Town Center and the new Innovation District. Our approved Opportunity Zone designation, enacted by the Tax Cuts and Jobs Act of 2017, is to encourage private investment into our community that can be overall transformative, stimulate economic growth and create jobs.

For private investors, the Opportunity Zone program offers tax incentives to those who re-invest their unrealized capital gains into Opportunity Funds dedicated to investing in designated census tracts. The program provides deferral and reduction of capital gains taxes when the gain is invested in a Qualified Opportunity Fund and maintained for at least five years. Additional tax incentives are available for investments held for periods of seven and 10 years.
For the State Road 100 Corridor Community Redevelopment Agency, we are excited to use this new economic tool and plan to leverage it with our SR 100 CRA initiatives.

**Other Development in SR 100 CRA Area**

Development of the major projects continued within the SR 100 CRA area: Shoppes at Palm Coast (commercial/retail center) and the Palm Coast Arts Foundation Phase 1 – The Pavilion. With the improvement in the local real estate market, City staff anticipates additional development and capital investment in the upcoming year.

**SR100 CRA Debt Obligations**

The SR 100 CRA has two outstanding loans. In January 2017, the City modified the Ameris Bank loan, which decreased the interest rate from 4.44% to 3.45% and results in a savings of approximately $400,000 over the remaining life of the loan.

<table>
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<tr>
<th>Debtor</th>
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<th>FY2017/2018 Payment</th>
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<td>Ameris Bank</td>
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