

City of Orange City
Community Redevelopment Agency (CRA)
FY 18/19 Annual Report



March 24, 2020

OVERVIEW

In 2014, the City Council of Orange City, Florida established a Community Redevelopment Agency (CRA), in accordance with the Community Redevelopment Act of 1969, to implement a Community Redevelopment Plan to remove the conditions of slum and blight that exists within a large portion of the City's core and the adjacent historic district. The City Council serves as the CRA board and performs the legislative functions, governing duties and corporate responsibilities of the agency. The City Manager, or designee, serves as the director of the agency, performs the administrative duties and oversees the day to day operations of the agency. Several City departments, including Development Services, Finance, and Public Works, provide assistance in planning and implementing project activities that are designed to revitalize and restore the identified blighted areas.

PURPOSE

As stipulated in Florida Statute chapter 163.356(3)(c), each Community Redevelopment Agency is required to file an annual report of activities for the preceding fiscal year. This report, which is being filed to comply with that requirement, includes a description of projects, activities and expenditures as well as a financial statement setting forth the assets, liabilities, income, and operating expenses of the Orange City CRA as of the end of fiscal year 2018-2019.

A VISION FOR REDEVELOPMENT

On April 24, 2012, the City Council of the City of Orange City adopted Resolution 670-12 determining that portions of the municipality contained blighted conditions as defined in the Community Redevelopment Act making a "Finding of Necessity" as required by Section 163.355, Florida Statutes and designating the Orange City Community Redevelopment Area as appropriate for community redevelopment.

The Redevelopment Area is confined to a specific area along and adjacent to US 17-92 (Volusia Avenue) within the City of Orange City in Volusia County, Florida. This area boundary was delineated due to blighted conditions, such as: underutilized land uses, faulty lot layouts, deteriorating buildings and site conditions, lack of pedestrian facilities, congested and unsafe roadways, and inadequate and deteriorating infrastructure along US 17-92 and surrounding parcels, as identified in the "Finding of Necessity Report". The declining nature of the business community along US 17-92 and the industrial areas within the peripheral, and the housing foreclosures also contribute to the blighted conditions within this area boundary. In addition, based on the 2010 census the City of Orange City has the lowest median household income (\$30,111.00 per household) of any other city in Volusia County, which further demonstrates the need for funding sources, such as the CRA, to direct funds to upgrade deteriorating infrastructure.

The adopted Orange City Community Redevelopment Plan addresses the blighted area conditions observed in the "Findings of Necessity Report" and creates a vision for a sustainable community with commercial/mixed-use areas that offer visitors, businesses and residents a high quality local destination; safe transportation network; pedestrian connections; public space/recreation facilities; and an adequate level of service and infrastructure.

Improvements within the Redevelopment Area benefits the overall west Volusia area by improving the environment adjacent to Blue Spring State Park; reducing septic systems to improve and protect water resources; reversing the declining urban form along US 17-92; and strengthening the commercial viability and overall community livability.

FINANCIAL OUTLOOK

The CRA received its first contribution of increment revenue amount of \$50,735 in FY 14/15, which carried forward to FY 15/16. The CRA did not acquire any assets or liabilities.

In FY 15/16, the CRA generated \$80,378 in increment revenue, plus the FY 14/15 fund transfer for an ending revenue balance of \$131,113. The CRA did not acquire any assets or liabilities.

In FY 16/17, the CRA generated \$140,509 in increment revenue, plus the FY 15/16 fund transfer of \$131,113 and a general fund transfer of \$26,656, the revenue balance totaled \$298,278. The CRA expenses totaled \$278,399 for design of the S. Holly Avenue capital project. The CRA did not acquire any assets or liabilities.

In FY 17/18, the CRA generated \$139,249 in City increment revenue and \$98,286 in County increment revenue for a total of \$237,535. Total expenditure amount was \$22,082, which included \$10,505 in personal services to administer the program and \$11,577 in additional engineering services for the S. Holly Avenue project. The CRA did not acquire any assets or liabilities.

In FY 18/19, The CRA generated \$139,215 in City increment revenue and \$130,322 in County increment revenue. Other revenue included a \$152,849 transfer-in from fund balance and \$276,538 in debt proceeds from the State Revolving Fund (SRF) loan. The transfer-in from fund balance was necessary due to the timing in which debt proceeds were received. As of September 30, 2019, the total expenditure amount was \$752,925, which included \$10,971 for personal services and \$741,954 for capital outlay related to the Holly Avenue streetscape improvement project. The CRA did not acquire any assets, but did assume SRF loan liability.

It is anticipated that the CRA will generate \$442,394 in increment revenue in FY 19/20, along with a \$358,528 transfer-in from fund balance. As part of carryforward, an additional \$1,304,190 was budgeted for anticipated debt proceeds from the State Revolving Fund (SRF). Planned expenditures include approximately \$12,250 in personal services, \$20,000 for façade grants, and \$109,988 for SRF debt service repayment. An additional \$1,304,190 was appropriated for the Holly Avenue streetscape improvement project as part of carryforward. As of March 2020, there is approximately \$600,000 in available funds for the next CRA capital improvement project.

CRA ACHIEVEMENTS FOR FY 18/19

S. Holly Avenue-CRA Capital Improvement Project Priority

The project includes streetscape, on-street parking, pedestrian crossings, and other urban improvements on South Holly Avenue between Graves Avenue and Blue Springs Avenue. The project is included in the much larger Blue Spring Nutrient Reduction project (FDEP), which extends gravity sewer and reclaimed water services to the area and improves stormwater drainage. In December 2017, the CRA Board approved the State Revolving Fund (SRF) 20-year loan commitment for construction of the \$8 million FDEP project, with \$2,046,000 of the total loan belonging to the CRA capital improvement project. Construction began in March 2019, and is scheduled to be complete in May 2020.

Festivals and Events

The City's downtown area is very active with community events. The City sponsors a movie in the park on the first Friday of the month. In addition, the City holds events to attract people to the downtown core including a Halloween Block Party with a pet costume contest, a light up event, a Christmas Village and Parade, National Night Out, Arbor Day Celebration, the Mayor's Fitness Challenge and Walk to School Events. Other events occur in the CRA that are not sponsored by the City, including University High School's homecoming parade, the African American Heritage Festival and the Volusia Baptist Church's Journey Through Christmas which attracts over 5,000 visitors.

LOOKING FORWARD- FY 19/20

The City's first CRA capital improvement project began construction in FY 18/19, and we look forward to the grand opening scheduled for May 2020! The majority of the annual tax increment revenue will go towards the 20-year debt payment. The CRA Board will work towards prioritizing the next capital improvement project before the end of the fiscal year. The Board may look for ways to strengthen community participation in the Façade Improvements grant program, as only one award has been paid since its creation in FY 16/17.

