

FY2023/2024 CRA ANNUAL REPORT



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 2023/2024 Annual Report describes all activities for the period October 1, 2023 through September 30, 2024. 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.



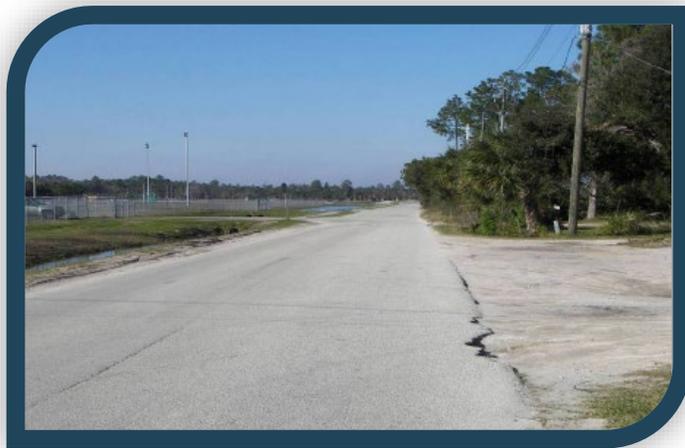
Frequently Asked Questions

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?

CRA's 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.

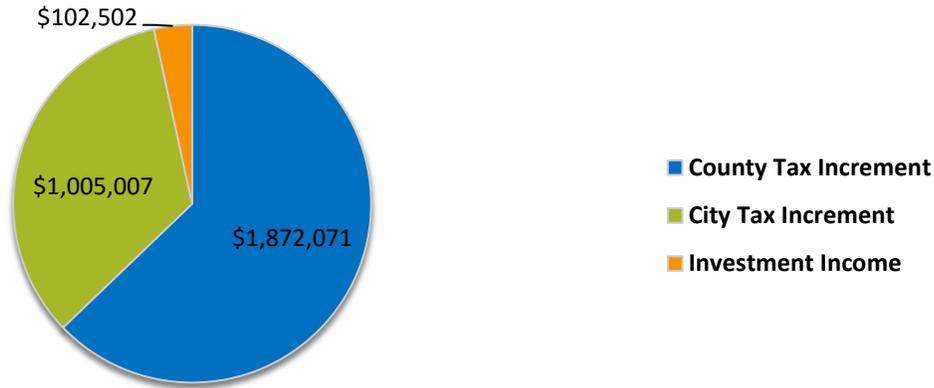
How are redevelopment activities funded?

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

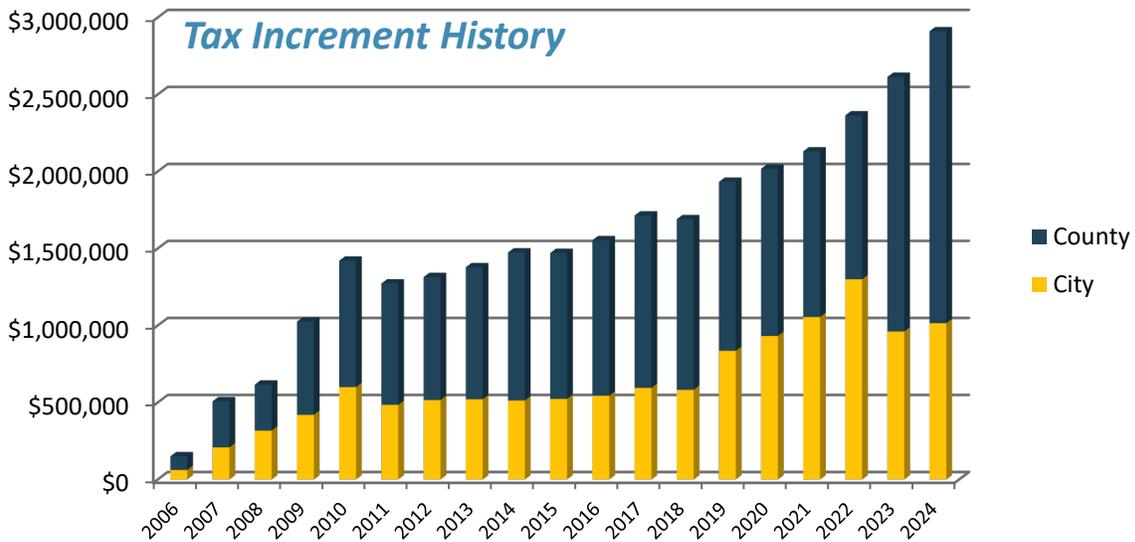
under the tax increment financing process. Tax increment revenues can be used immediately, saved for a particular project, or bonded to maximize the funds available. Any funds received from a tax increment financing area must be used in accordance with the Redevelopment Plan for specific redevelopment purposes within the targeted area, and not for general governmental purposes.

FY 2023/2024 Revenues

During the 2023/2024 Fiscal Year, the SR 100 CRA Trust Fund received a total of \$2,877,078 in tax increment funds (\$1,872,071 from Flagler County and \$1,005,007 from the City of Palm Coast). There was investment income of \$102,502 in the fiscal year.



The tax increment funds received this past year of \$2,877,078 increased approximately 10% compared to the previous year’s receipt of \$2,613,961 of tax increment funds. The projected tax increment funds for next year are \$2,910,396 which represents a 1% increase.



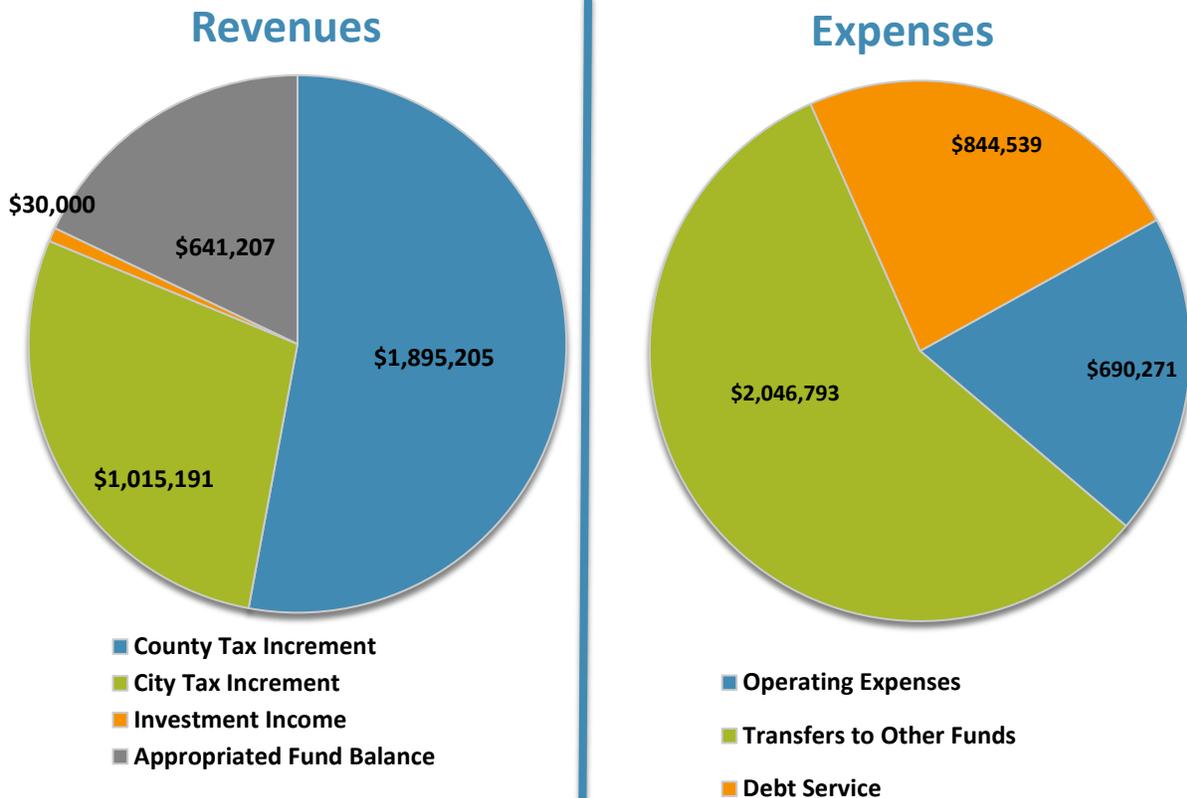
FY 2023/2024 Expenses

During the 2023/2024 Fiscal Year, the SR 100 CRA Trust Fund expended a total of \$1,550,317.

FY 2023/2024 Expenses	
Operating Expenses	\$201,923
MedNexus Lease & Grant In Aid	\$402,780
Debt Service	\$945,614
Total	\$1,550,317

FY 2024/2025 Budget

The 2024/2025 Fiscal Year Budget for the SR 100 CRA Trust Fund is \$3,581,603.



Major Projects

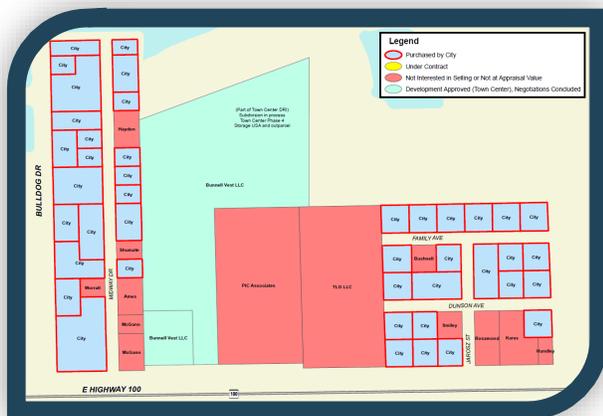
Central Park Community Areas

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.



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 an 18% developed threshold at the end of FY 2024. 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 launched.

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, and density.

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



The Kick Start Program expired 12/31/21 and the following residential projects received incentives:

The Gables (208 units), The Haven (204 units), The Retreat (161 units), Central Landings Apartments (233 units), and The Palms at Town Center (88 units).

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 tract 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.

In 2020, the Palm Coast City Council created an Arts District within the boundaries of the Innovation District. This designation provides additional emphasis on the objective of enhancing the Innovation District's role in the economic development of Palm Coast's Town Center within the SR100 CRA.

The Arts District is envisioned as a place for social gathering and artistic expression that attracts locals and tourists. This collaboration of a vibrant arts community composed of individual artists, businesses, and cultural arts organization will serve to enhance the Innovation District's role in the economic well-being of the City. This strategy of promoting arts as a means for economic development will hopefully lead to the development of niche venues such as promenades, art galleries, sculpture gardens, live music venues, and a versatile performing arts facility that serves as a destination for residents and visitors to the City.

In 2022, the City retained consultant services to complete a market analysis and feasibility study for a Performing Arts Center within the Arts District. Phase 1 of the study was completed and concludes that a 20,000 to 30,000 square foot multipurpose event space is supportable in Palm Coast/Flagler County. Such a facility should have the ability to accommodate a wide variety of users and event types, including conventions, trade shows, exhibitions, banquets, consumer shows, performing arts and entertainment events, sports tournaments and conferences. Phase 2 will evaluate the demand and financial performance of the project, including economic and fiscal impacts, cost estimates, etc.

The results of Phase 2 of the feasibility study was presented to the City Council on Feb. 14, 2023. The consultant team who completed the study recommended a 30,000 sq. ft. multi-purpose hall with seating for approximately 2,000 people at a cost of approximately \$72 million. The proposal received general support from the City Council and the public. As of FY 24 no funding has been allocated for the construction of the Performing Arts Center.

Other Development in SR 100 CRA Area

Development continued within the SR 100 CRA area. Though not all the projects may add to the CRA revenues, they add to the on-going growth in the CRA and will likely spur additional development and investment. In FY 2024, the following projects within the SR 100 CRA were issued a building permit: the Promenade (a mixed-use building in Town Center with 207 residential units and 70,500 sq. ft. of commercial space), and a 2,500 sq. ft. bank.

SR100 CRA Debt Obligations

The SR 100 CRA had two outstanding loans, BB&T and Ameris. The BB&T loan balance was paid off in FY 2024.

Debtor	Principal	Interest Rate	Maturity Date	FY2023/2024 Payment
BB&T Bank	\$0	2.29%	October 2024	\$524,748
Ameris Bank	\$3,145,809	3.45%	October 2028	\$420,866