



City of Cape Canaveral

March 30, 2020

Brevard County Property Appraiser
City of Cape Canaveral City Council
Brevard County Manager

RE: City of Cape Canaveral Community Redevelopment Agency (CRA) Annual Report—FY2018-2019

Ladies and Gentlemen,

Please find enclosed the City of Cape Canaveral Community Redevelopment Agency Annual Financial Report for FY2018-2019.

Chapter 163.387 (8), Florida Statute, requires that the City file an annual report of its financial activities with the taxing authorities each year for the preceding fiscal year. Furthermore, the City and Brevard County entered into an Interlocal Agreement, recorded in July of 2018, which establishes additional reporting obligations of the City. This report has been prepared to meet these obligations and is filed for fiscal year 2018/19 ending September 30, 2019.

This report sets forth: (1) the organization and membership of the Community Redevelopment Agency, its Board members and administration, (2) an introduction to the CRA, its mission and history, (3) the CRA boundary, (4) financial reports, statement of liabilities, income/operating expenses and certain other performance information, and (5) an overview of public and private construction projects within the CRA.

Should you have any questions, please contact me at (321) 868-1220.

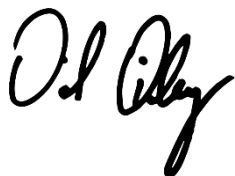
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Sincerely,



David Dickey, Community Redevelopment Agency Director

Attachment

cc: Todd Morley, Interim City Manager/CRA Registered Agent
Anthony Garganese, City/CRA Attorney
Mia Goforth, City/CRA Clerk



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

MARCH 2020

City of Cape Canaveral
Community Redevelopment Agency
100 Polk Avenue
Cape Canaveral FL 32920
(321) 868-1220



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Community Redevelopment Agency Officials

City Staff

Todd Morley
Interim City Manager/CRA Registered
Agent/Primary Contact for the District
(321) 868-1220
t.morley@cityofcapecanaver.org

Mia Goforth
CRA Clerk/Recording Secretary
(321) 868-1220
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Dave Dickey
CRA Director
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d.dickey@cityofcapecanaver.org

Governing Board Members

Bob Hoog, Chairperson
b.hoog@cityofcapecanaver.org

Mickie Kellum
m.kellum@cityofcapecanaver.org

Mike Brown, Vice-Chair
m.brown@cityofcapecanaver.org

Wes Morrison
w.morrison@cityofcapecanaver.org

Angela Raymond
a.raymond@cityofcapecanaver.org



Image 1. Governing Board Members (left to right): Bob Hoog; Mike Brown; Angela Raymond; Mickie Kellum; and Wes Morrison.



Introduction, Mission & History

Chapter 163.387 (8), Florida Statute, requires that the City file an annual report of its financial activities with the taxing authorities each year for the preceding fiscal year. Furthermore, the City and Brevard County entered into an Interlocal Agreement, recorded in July of 2018, which establishes additional reporting obligations of the City.

This report has been prepared to meet these obligations and is filed for fiscal year 2018/19 ending September 30, 2019. This report sets forth: (1) the organization and membership of the Community Redevelopment Agency, its Board members and administration, (2) an introduction to the CRA, its mission and history, (3) the CRA boundary, (4) financial reports, statement of liabilities, income/operating expenses and certain other performance information, and (5) an overview of public and private construction projects within the CRA.

In 2009, the City initiated the “Envision Cape Canaveral” effort, which set the stage for a series of redevelopment activities. One of these, the establishment of a City Vision Statement, ultimately led to the creation of the City’s CRA.

Between the years of 2007 and 2011, property valuation data, collected by the Brevard County Property Appraiser’s Office, indicated an average decline of 41 percent in commercial and industrial areas and 47 percent in residential areas within the Community Redevelopment Area.

Pursuant to Resolution No. 2012-10, the City CRA was established in 2012 with the signing of an Interlocal Agreement between the City and Brevard County. The CRA includes 766 acres or 56 percent of the City’s land area (Figure 1).

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City of Cape Canaveral CRA Boundary

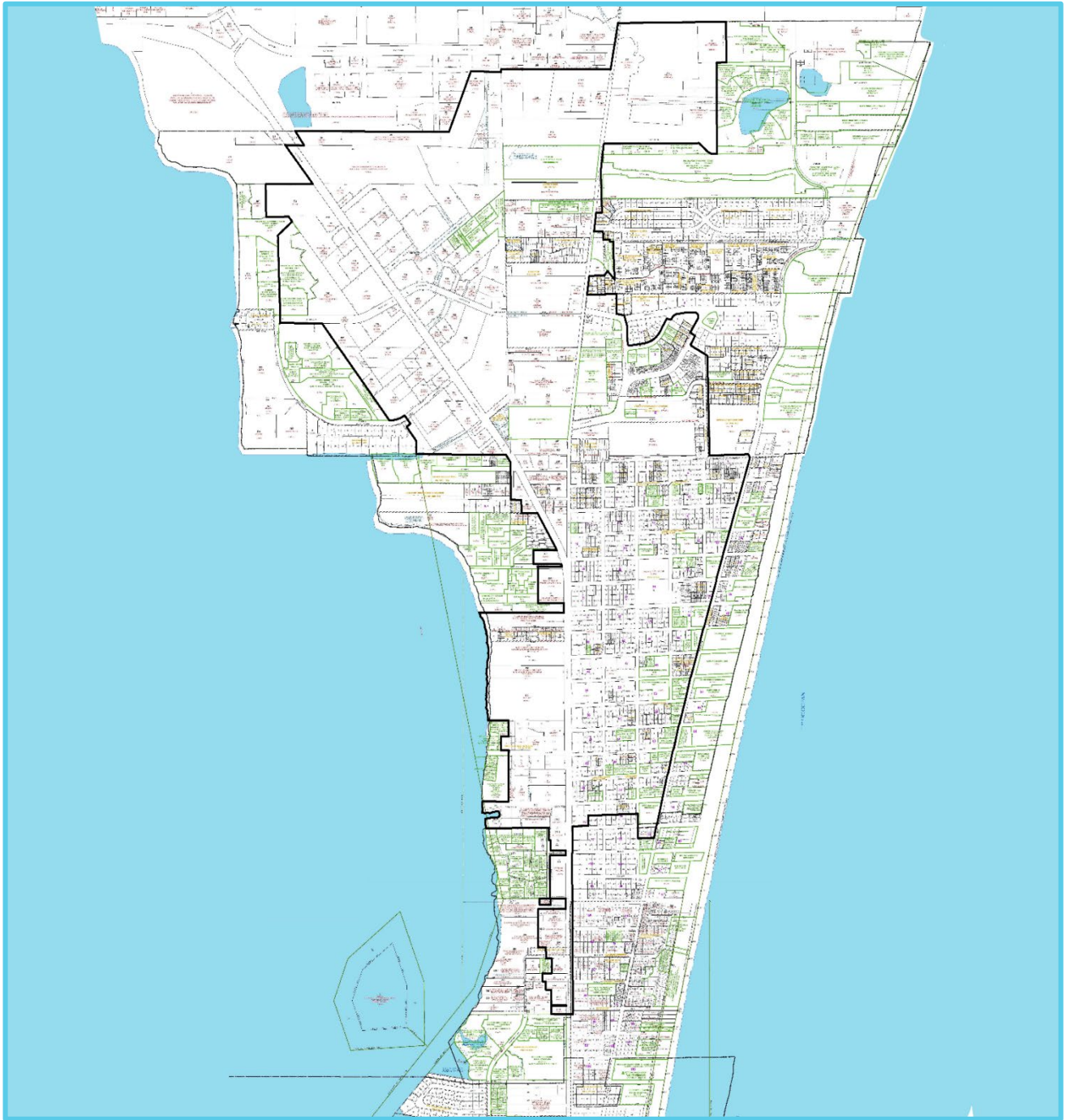


Figure 1. City of Cape Canaveral CRA Boundary.



Financial Statements & Taxable Value

CRA Valuation (\$Millions)

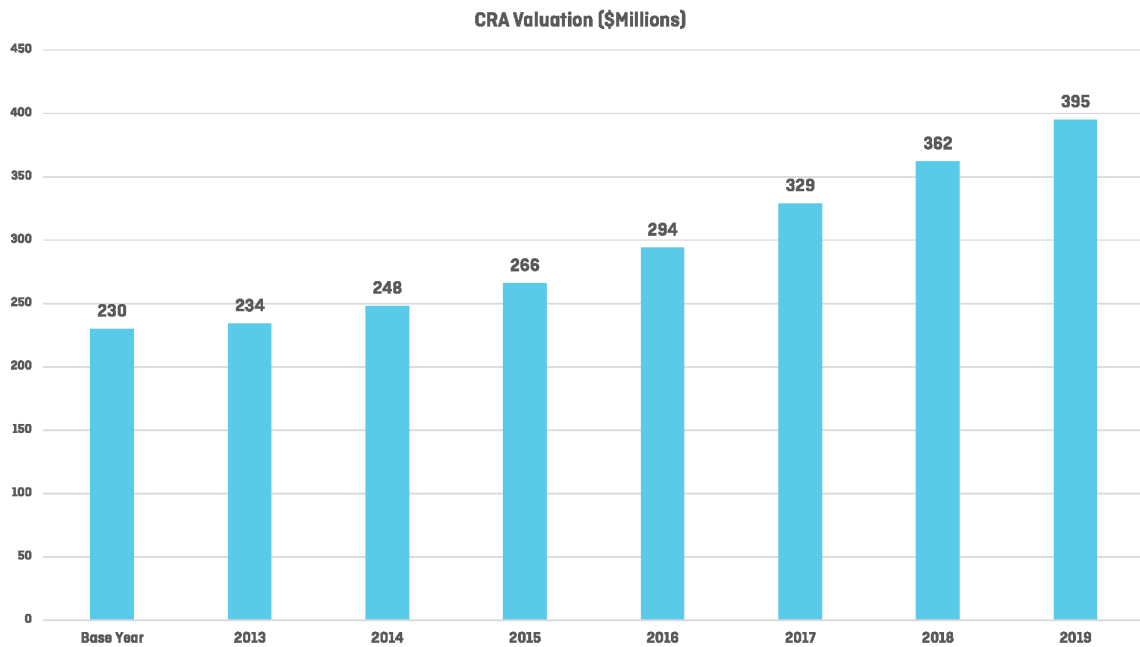


Figure 2. CRA Valuation (\$Millions)



Statement of Revenues, Expenditures & Changes in Fund Balances—Budget to Actual

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes				
Intergovernmental	937,598	937,598	937,598	-
Total Revenues	937,598	938,108	938,108	-
Expenditures				
Current:				
Community Development	4,866,299	350,309	343,366	6,943
Total Expenditures	4,866,299	350,309	343,366	6,943
Excess (deficiency) of revenues over expenditures	(3,928,701)	587,799	594,742	6,943
Other financing sources				
Transfers in	4,600,000	83,500	83,500	-
Transfers out	(737,958)	(737,958)	(685,634)	52,324
Total other financing sources	3,862,042	(654,458)	(602,134)	52,324
Net change in fund balances	(66,659)	(66,659)	(7,392)	59,267
Fund balances, beginning of year	51,524	51,524	51,524	-
Fund balances, end of year	\$(15,135)	\$(15,135)	\$44,132	\$59,267

Source: City of Cape Canaveral Comprehensive Annual Financial Report

CAPE CANAVERAL COMMUNITY REDEVELOPMENT AGENCY FUND FOR THE YEAR ENDED SEPTEMBER 30, 2019



Projects Overview & Accomplishments (FY18-19)

The City CRA is in its 8th year of operation and has increased in value approximately \$165 million since its creation in 2012. The resulting Tax Increment Revenue allows for the continued expansion of public infrastructure and other programs that directly affects our City. The City continues to fund public improvements through available dollars including the general fund and CRA funds. Some of the notable projects—both public and private—are indicated in the following pages.



Public Projects Overview & Accomplishments (FY18-19)



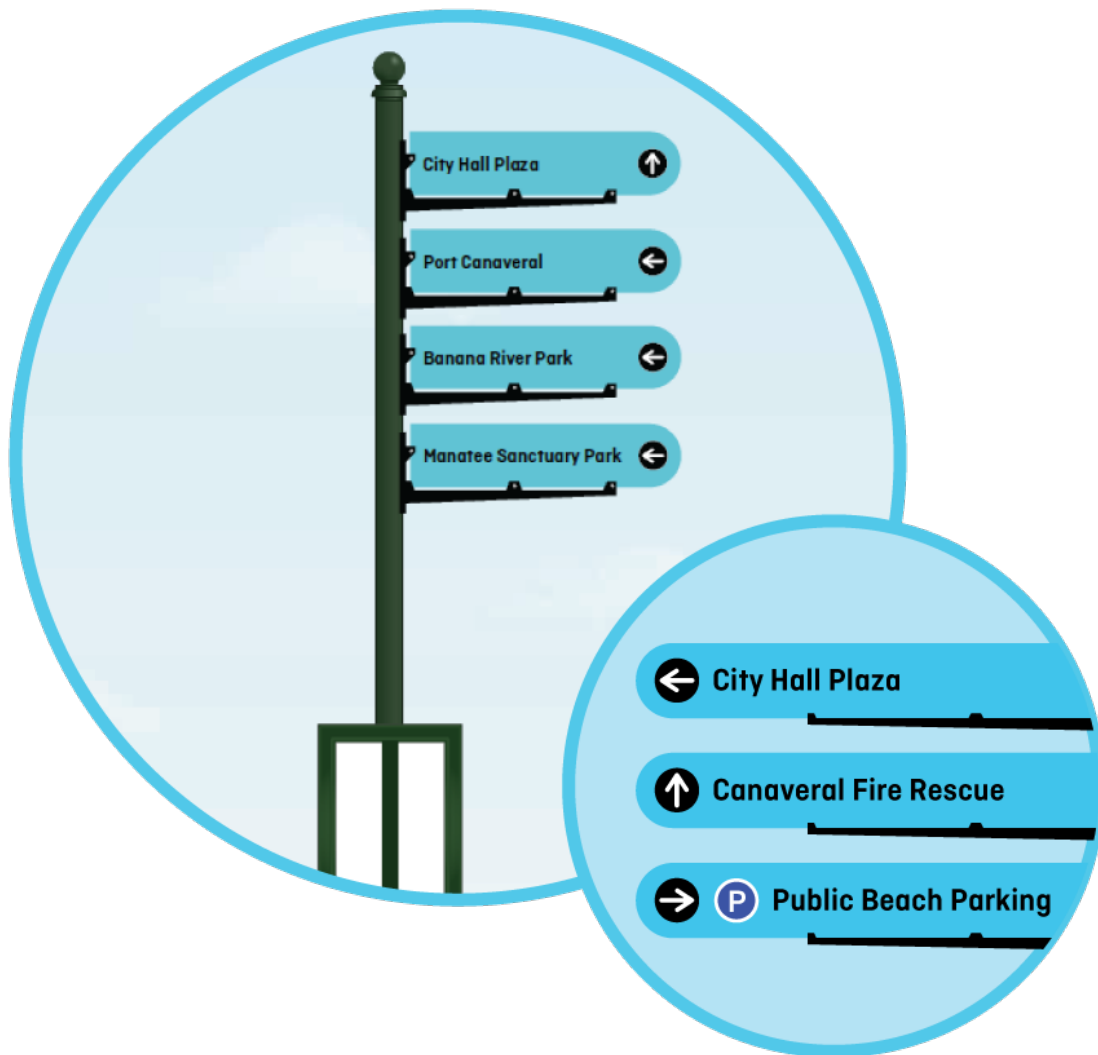
Electric Vehicle (EV) Charging Stations

In 2019, the City at a cost of \$6,490, installed new EV charging stations with two additional chargers located at City Hall. This public project was funded by the General Fund and is in line with the City's Community Redevelopment plans which include public enhancements that improve transportation services and facilities.



Wayfinding Signage

In 2019, the City at a cost of \$16,076, obtained wayfinding signage to add decorative and uniform signage to direct residents and visitors to local amenities and attractions. The signage, paid for from the General and CRA Funds, aims to improve connectivity and enhance existing/future pedestrian and bicycle mobility while also aiding vehicular travelers. This is a public project.



Wagner Pocket Park

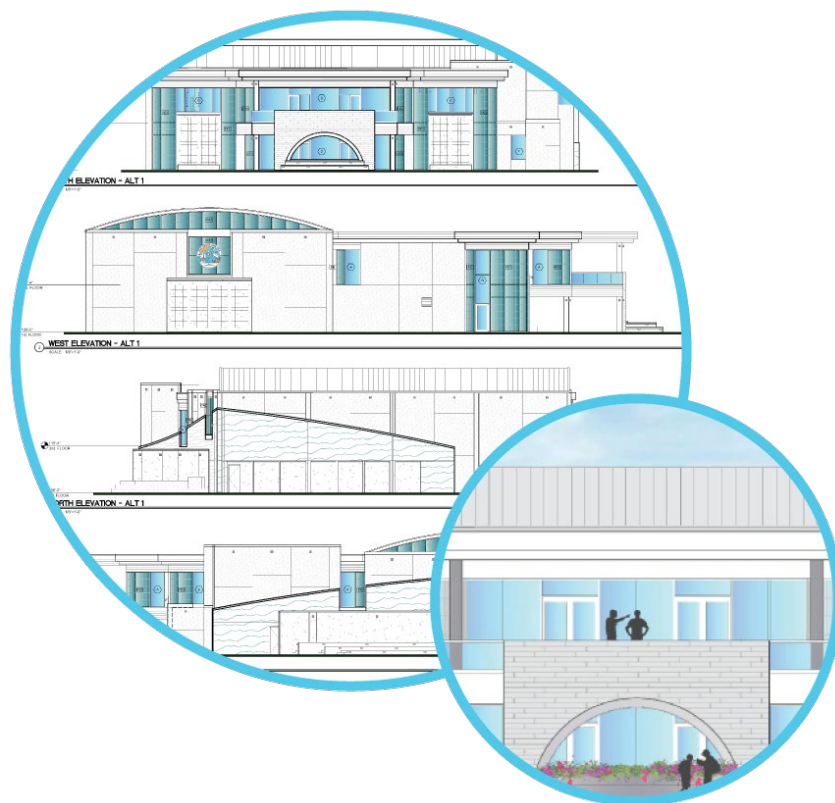
In 2019, the City at a cost of \$70,000, constructed Wagner Pocket Park along N. Atlantic Avenue. This public project was funded by the General Fund and is in line with the City's Vision and Community Redevelopment plans which include parks, recreation, open space and beautification opportunities. Amenities include stormwater management via vegetative plantings, pervious pathways and bicycle/pedestrian facilities for the Community.



Multi-Generational Facility (MGF)

7920 Orange Avenue

This City facility, budgeted at \$5 million, will be a catalyst for community health and engagement. Desired community amenities expressed include: indoor basketball/volleyball, indoor walking path, and specific areas for fitness, youth/teens, and banquet/gathering. The MGF will be utilized by all demographics and will serve as the host site for the City's Youth Center, summer camp, PAL and youth basketball programs. The facility will be open to the general public. This project will be publically funded with monies from: the CRA, grants, General Fund and use of SPIA moneys.



Private Projects Overview & Accomplishments (FY18-19)



Oceanside Distillery

240 W. Central Avenue

This project, started in 2016, includes the redevelopment of an industrial site into the City's first micro-distillery. The distillery will be housed in a new 7,000 square foot building (valued at \$431,000) that includes a tasting room, where educational tours will be provided, as well as a sales area where visitors can purchase spirits. Ingredients used in making the spirits will be locally-sourced, organic and once the distilling process is over, will be sold to local farmers for feed. This project is privately funded.



Springhill Suites

655 W. Central Avenue

This project includes a 150-room, Springhill Suites hotel on a 3.12-acre parcel. The development is currently nearing completion, with a projected opening in Spring 2020. It is anticipated that the project will go on the tax rolls for approximately \$11 million, generating \$175,000 in total annual ad valorem revenue. This project is privately funded.



Dual Brand Hotel

9004 Astronaut Boulevard

This project includes a 224-room, dual brand (Home2 and Hampton Inn & Suites) hotel on a 6.9-acre parcel. The building is just over 154,000 square feet, and is nearing completion with a projected opening in Spring 2020. It is anticipated that the project will go on the tax rolls for approximately \$18 million, generating \$250,000 in total annual ad valorem revenue. This project is privately funded.



TownePlace Suites

605 W. Central Avenue

This project includes a 154-room TownePlace Suites hotel on a 3.32-acre parcel. The building will begin construction in early 2020 with a projected opening in early 2021. It is anticipated that the project will go on the tax rolls for approximately \$11 million, generating \$175,000 in total annual ad valorem revenue. This project is privately funded.



Performance Information

The following information is provided consistent with the Interlocal Agreement recorded in July 2018, between the City and Brevard County. In addition, Attachment 1 to this report includes the CRA audit report prepared by an independent auditor which certifies that TIF revenues have been lawfully expended consistent with Florida Statutes.

Total Projects*

Started	1*
Completed	0

Jobs Created

Sector	Construction	Hospitality	Total
Temporary	75	50	125
Full-time	0	25	25
Jobs Retained	n/a	n/a	

Assessed Property Value

CRA Enactment	\$230M
Current	\$395M
Affordable Housing	0

*TownePlace Suites



Summary

The CRA continues to build forward momentum through the 2018-19 fiscal year as evidenced by a nine percent increase in its assessed value from the prior tax year.

The CRA is a tool for the City and property owners to help improve property values, business revenues and economic growth within the City of Cape Canaveral. The CRA strives to provide comprehensive support for the community, property owners and businesses. For more information, visit the CRA's webpage at **www.cityofcapecanaveral.org**.

You can learn about:

- Attending upcoming Board meetings;
- Minutes and agendas from prior meetings;
- Financial information for the CRA; and
- Contact information on how the CRA can help you.

All CRA Board meetings are open to the public and are held on a quarterly basis—unless cancelled due to no new business—in the Council Chambers at City Hall, 100 Polk Avenue. Please check the City Calendar at **www.cityofcapecanaveral.org** for meeting dates. We encourage you to attend!



CITY OF CAPE CANAVERAL, FLORIDA
CAPE CANAVERAL COMMUNITY REDEVELOPMENT
AGENCY SCHEDULE OF EXPENDITURES
SEPTEMBER 30, 2019

INDEPENDENT ACCOUNTANTS' REPORT

To the Honorable Mayor and City Council Members,
City of Cape Canaveral, Florida:

We have examined the City of Cape Canaveral, Florida's (the City) compliance pursuant to Section 163.387, Florida Statutes and the interlocal agreement between the City of Cape Canaveral, Florida (the City), the City of Cape Canaveral Community Redevelopment Agency (the CRA), and Brevard County, Florida (the County), as presented in the accompanying Cape Canaveral Community Redevelopment Agency schedule of expenditures (the Schedule), for the year ended September 30, 2019. Management of City of Cape Canaveral, Florida is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the CRA's expenditures as presented in the Schedule complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.



Daytona Beach, Florida
February 11, 2020

**CITY OF CAPE CANAVERAL, FLORIDA
CAPE CANAVERAL COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Expenditures

Operating:	
Legal fees	\$ 553
Administrative fees	15,706
Memberships and training	620
Capital outlay:	
Capital initiatives	326,487
Debt service transfers:	
Principal	569,358
Interest	116,276
Total expenditures	<u>\$ 1,029,000</u>

The accompanying notes to City of Cape Canaveral Community Redevelopment Agency Schedule of Expenditures are an integral part of this schedule.

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO CITY OF CAPE CANAVERAL COMMUNITY REDEVELOPMENT AGENCY SCHEDULE
OF EXPENDITURES
SEPTEMBER 30, 2019

(1) Reporting Entity and Basis of Accounting:

The Cape Canaveral Community Redevelopment Agency (the Cape Canaveral CRA) was created by Ordinance No. 23-2013 to account for the receipt and expenditure of property tax revenues from the tax increment financing district to support redevelopment in the designated community redevelopment area within the City of Cape Canaveral, Florida. Although legally separate, the City Council declared itself to be the Cape Canaveral CRA. Since the City is financially accountable for the activities of the Cape Canaveral CRA, its governing board is the same, and its relationship to the City is significant, its financial activities are reported on a blended basis as if it were part of the primary government as a major special revenue fund.

The Cape Canaveral CRA Schedule of Expenditures (the Schedule) is reported using the modified accrual basis of accounting and only represents the expenditures and transfers out of the CRA fund of the City and is not intended to present the financial position or activity of the City of Cape Canaveral, Florida, the financial position of the Cape Canaveral CRA, or any other fund in the City's financial statements.

(2) Debt Service Transfers:

The board approved the Cape Canaveral CRA assuming two debt instruments for projects within the district: a lift station originally paid by the Wastewater Fund and the Series 2017 Capital Improvement note for the Canaveral City Park and Cape Canaveral Cultural Arts Preservation Enrichment Center. The lift station project was fully paid by the Wastewater Fund while the Cape Canaveral CRA agreed to pay \$470,000 back to the Wastewater Fund over the course of ten years. The CRA paid to convert the original intended lift station repair project in the City's previous CIP to a new "Regional Lift Station" for purposes of increasing the capacity of the lift station in order to support future major redevelopment projects serviced by that lift station in the north sector of the City on the eastern side of A1A. One new major hotel has already opened in the CRA as a result of this project, and two additional hotel projects have been permitted that are likely to be serviced by this lift station in the future. The General Fund is currently paying the debt service on the Series 2017 note while the Cape Canaveral CRA agreed to assume the full amount of the debt service and transfers the annual required amounts back to the general fund.

The future Cape Canaveral CRA total debt service requirements are summarized as follows:

Year Ending September 30,	Principal	Interest	Total
2020	\$ 634,596	\$ 103,431	\$ 738,027
2021	647,527	90,323	737,850
2022	661,478	76,939	738,417
2023	674,448	63,280	737,728
2024	688,436	49,345	737,781
2025	695,047	35,114	730,161
2026	665,000	20,736	685,736
2027	679,000	6,960	685,960
Totals	\$ 5,345,532	\$ 446,128	\$ 5,791,660