



# City of Naples Community Redevelopment Agency

***FY2011 Audited Annual Report (October 1, 2010 – September 30, 2011)***  
***March 28, 2012***

**TO:** Honorable Mayor and Members of City Council  
**FROM:** A. William Moss, City Manager  
**CC:** Leo Ochs, Collier County Manager  
**DATE:** March 28, 2012  
**SUBJECT:** Naples Community Redevelopment Agency  
FY2011 Audited Annual Report

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All Florida Community Redevelopment Agencies are required by law to file an annual report of activities and an audited financial statement for the preceding fiscal year. The basic financial statements of the City of Naples, including the Naples Community Redevelopment Agency, have been audited by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ended September 30, 2011, were free of material misstatement. This report includes the audited financial statement of the Naples Community Redevelopment Agency. A copy of this report is provided to Collier County through County Manager Leo Ochs and a copy is on file with the City Clerk of the City of Naples.

## **Mission and Governance**

The mission of the Naples Community Redevelopment Agency (CRA) is to implement the Community Redevelopment Plan as adopted by the Naples City Council pursuant to Chapter 163, Part III of the Florida Statutes. The objective is to use tax increment financing as the source of funding for capital improvement projects identified in the plan and to ensure that development within the CRA district meets the quality standards consistent with the community's vision for Naples.

The CRA is governed by a Board consisting of seven commissioners who are the same individuals as those serving as the City Council. The terms of office of the commissioners are concurrent with the terms of the Mayor and the members of the City Council. The Chair and Vice-Chair are designated by majority vote of the City Council. The commissioners during this reporting period were CRA Chair Margaret "Dee" Sulick, Vice-Chair Teresa Heitmann, Mayor Bill Barnett, Doug Finlay, Gary B. Price II, Sam J. Saad III, and John F. Sorey III.

An advisory board, the Naples Community Redevelopment Agency Advisory Board (CRAAB), is provided to assist the Naples City Council in its role as the CRA. The CRAAB provides public input, technical advice, and recommendations including, but not limited to, land use, economic and cultural vitality and diversity, acquisition/condemnation/demolition of properties,

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funding alternatives, and manpower needs for the Community Redevelopment Agency. The members of the CRAAB during FY 2011 were Chair Jacques Groenteman, Vice-Chair Willie Anthony, David Alger, Robert DeCastro, Wynn Phillips, John Nocera, and Lou Vlasho.

## **CRA Purpose**

Florida State Statute Chapter 163 allows a community redevelopment agency to be created for one or more of the following purposes: the elimination and prevention of blight; the reduction or prevention of crime; the provision of affordable housing; or the rehabilitation and revitalization of coastal resort and tourist areas that are deteriorating and economically distressed.

## **Background**

The CRA is governed by a board comprised of the members of the City Council. The CRA is assisted by input from the CRAAB whose members are primarily property and/or business owners from the district and appointed by City Council. The CRA was created in 1994 by Resolutions 94-7098 and 94-7099. The boundaries of the CRA district were determined at the time it was created and are shown on the map of the CRA included with this report.

## **OPERATIONS SUMMARY FISCAL YEAR 2010-2011**

### **Budgeted Revenues**

Budgeted revenues in FY2011 were \$2,317,733, a \$577,844 decrease under FY2010. The primary revenue earned by the CRA is ad valorem taxes from Tax Increment Financing. Tax Increment Financing, or TIF, is the amount of taxes generated from increased property values within the District. The CRA receives TIF money from the City and from Collier County, based on the increase in property tax values over the base 1993 property tax value (\$183,809,274).

The taxable value of all property in the District for FY2011 was \$680,014,496, for a tax incremental value of \$496,205,222. The FY2011 budget was developed using a tax rate of 1.18 from the City and 3.5645 from the County, to bring in \$556,250 and \$1,700,000 respectively.

### **Budgeted Expenditures**

The work program for the CRA is represented in the budget document. Total budgeted expenditures for the FY2011 budget were \$3,453,312, which was an \$816,855 increase over the FY2010 budget. The trust fund ended the fiscal year on September 30, 2011 within budget, and with a positive fund balance.

### **Operating Costs**

One of the mandates for the CRA is to increase safety and security in the district. To accomplish this, the CRA provided funding for three Community Police Officers who patrol on bicycles, on foot, as well as in patrol cars. They are responsible for enforcing State laws, City ordinances, responding to calls for service and preventive patrols in the CRA District. CRA Operating Budget for community policing services in FY2011 was \$326,112.

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The CRA also funds certain maintenance activities within the District. These activities ensure that the CRA District looks its best, functions properly, and that capital investments were operating properly and adequately maintained. Repairs and maintenance activities in the District were budgeted at \$426,002 in FY2011.

### **FY2011 CRA Accomplishments**

- Finalized 5<sup>th</sup> Avenue South lighting installation
- Finalized 5<sup>th</sup> Avenue South landscaping improvements
- Converted to energy saving LED lights in the Sugden Garage
- Restored the landscape in the vertical gardens at the Sugden Garage
- Continued Community Policing throughout CRA
- Maintained the landscape in the right-of-way
- Conducted a U.S. 41 Local Control Traffic Study
- Assisted in the funding of the new River Park Pool (\$550,000)
- Assisted in the creation of the 5<sup>th</sup> Avenue South Business Improvement District

### **BUDGET PREPARATION FISCAL YEAR 2012**

During the 2010-2011 fiscal year, the FY2012 budget was prepared. Highlights include:

#### **Budgeted Revenues**

Revenues and property values are projected to decline.

Budgeted revenues are \$1,952,090, a \$365,643 or 16% decrease under the adopted FY2011 budget. The primary revenue earned by the CRA will continue to be from ad valorem taxes from Tax Increment Financing.

The taxable value of all property in the District declined \$71,478,791 to \$608,535,705, for a tax increment value of \$424,726,431. The budget was developed using a tax rate of 1.18 from the City and 3.5645 from the County, to bring in \$476,120 and \$1,438,240 respectively.

#### **Budgeted Expenditures**

Total budgeted expenditures for the FY2012 budget are \$1,951,712, which is a \$1,501,600 decrease under the FY2011 budget.

#### **Operating Costs**

The CRA will continue to provide funding for three Community Police Officers responsible for enforcing State laws, City ordinances, responding to calls for service and preventive patrols in the CRA District. The CRA Operating Budget for law enforcement services for FY2012 is \$308,125, which is a decrease of \$17,987 from FY2011.

The CRA will provide \$338,315, a decrease of \$87,687, for maintenance activities within the District during FY2012.

Two full time positions were eliminated from the CRA budget in FY2012, one position of Landscape Technician and one position of CRA Coordinator.

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**2011-12 Goals and Objectives**

As part of Vision Goal 3, maintain an extraordinary quality of life by maintaining and improving amenities for residents:

- Work with the new Business Improvement District to ensure that budgets and reports are timely and productive.

As part of Vision Goal 3, maintain an extraordinary quality of life for residents by enhancing mobility, promoting active lifestyles, and improving amenities for residents:

- Ensure the area is maintained to a high standard of aesthetics, code compliance, and public safety.
- Provide safety and security in the District through funding of Community Police Officers.
- Update the City's website as related to the CRA to promote activity and recognition.

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**CITY OF NAPLES, FLORIDA**

Community Redevelopment Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual  
 Year Ended September 30, 2011  
 Audited

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:				
Taxes:				
Ad Valorem	\$ 556,250	556,250	556,250	--
Intergovernmental	1,700,000	1,700,000	1,680,287	(19,713)
Interest	47,600	47,600	26,403	(21,197)
Miscellaneous	--	--	1,880	1,880
Total Revenues	<u>2,303,850</u>	<u>2,303,850</u>	<u>2,264,820</u>	<u>(39,030)</u>
Expenditures:				
Current:				
Economic development	1,228,484	1,232,686	1,017,548	215,138
Capital Outlay:				
Economic development	405,000	862,279	307,421	554,858
Debt service:				
Interest	--	752,295	13,625	738,670
Total Expenditures	<u>1,633,484</u>	<u>2,847,260</u>	<u>1,338,594</u>	<u>1,508,666</u>
Excess (deficiency) of revenues over (under) expenditures	<u>670,366</u>	<u>(543,410)</u>	<u>926,226</u>	<u>1,469,636</u>
Other financing sources (uses):				
Transfers in	13,883	13,883	13,883	--
Transfers out	(1,819,828)	(1,067,533)	(1,067,533)	--
Total other financing sources (uses)	<u>(1,805,945)</u>	<u>(1,053,650)</u>	<u>(1,053,650)</u>	<u>--</u>
Net changes in fund balances	<u>(1,135,579)</u>	<u>(1,597,060)</u>	<u>(127,424)</u>	<u>1,469,636</u>
Fund balances - beginning of year	3,192,324	3,192,324	3,244,287	51,963
Fund balances - end of year	<u>\$ 2,056,745</u>	<u>1,595,264</u>	<u>3,116,863</u>	<u>1,521,599</u>

Source: City of Naples Comprehensive Annual Financial Report for Year Ended September 30, 2011, page 100.

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