" small town done right "

Inverness
Community Redevelopment Agency

2016/17 Annual Report

October 1, 2016 – September 30, 2017

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GENERAL

ACTIVITY

FINANCIAL & EXHIBITS

ICRA Board of Directors and Staff

For Fiscal Year 2016/2017

Directors:

- Tom Slaymaker, Chair
- Cindy DeVries, Vice-Chair
- David Arthurs
- Jesse Brashear
- Charles Davis
- Diana Fender
- Kemper Willcut

Staff:

- Bruce Day
- Debra Schramm

Requirements for an Annual Report

Pursuant to Section 163.356(3)(c), Florida Statutes, the City of Inverness Community Redevelopment Agency (ICRA) is required to file with the governing body, on or before March 31 of each year, a report of its activities for the preceding fiscal year, which report shall include a complete financial statement setting forth its assets, liabilities, income, and operating expenses as of the end of such fiscal year. At the time of filing this report, ICRA shall publish in a newspaper of general circulation in the community a notice to the effect that such report has been filed with the municipality and that the report is available for inspection during business hours in the office of the clerk of the city and in the office of the agency.

The City of Inverness Community Redevelopment Agency Annual Report for Fiscal Year 2016-17 (FY 2016-17) covers activities for the period October 1, 2016 to September 30, 2017. It includes a complete financial statement of the Agency's revenues and expenses, amount of tax increment funds collected, and a record of activities for the fiscal year.

Introduction to Community Redevelopment Agencies

A Community Redevelopment Agency refers to a public entity created by a city or a county to implement the community redevelopment activities outlined under Chapter 163, Part III, Florida Statutes. The Community Redevelopment Act of 1969 allows for the designation of special districts known as Community Redevelopment Areas and confers upon the Community Redevelopment Agency's governing board special regulatory abilities. These abilities include issuing revenue bonds, and utilizing tax increment financing (TIF). The Community Redevelopment Act outlines the physical, economic, and blight conditions that can support the creation of a Community Redevelopment Area (CRA). It provides a vehicle for counties and municipalities to form a Community Redevelopment Agency and create a Redevelopment Trust Fund for financing improvements within a target area.

To document that the required conditions exist, the local government must survey the proposed redevelopment area and prepare a Finding of Necessity Report or field study that formally identifies conditions within the established boundaries of the area. If the Finding of Necessity Report determines that the required conditions exist, the local government develops and adopts a Community Redevelopment Plan that addresses the unique needs of the targeted area and identifies programs and projects needed to foster and support redevelopment of the targeted area. A CRA may be governed by a separately appointed by the city council or county commission or may itself act as the CRA. The City of Inverness has a separately appointed council that governs the Inverness Community Redevelopment Agency.

Upon establishment of the Inverness Community Redevelopment Agency (ICRA) through the approval of the Community Redevelopment Plan, the Community Redevelopment Act provides for the establishment of a Community Redevelopment Trust Fund. Taxing authorities which levy ad valorem taxes on real property located within the geographic area of the CRA are required by January 1 of each year to appropriate to the trust fund an amount equal to 95 percent of the difference between:

1. The amount of ad valorem taxes levied each year by each taxing authority, exclusive of any amount from any debt service millage, on taxable real property contained within the geographic boundaries of a community redevelopment area; and

2. The amount of ad valorem taxes which would have been produced by the millage rate upon which the tax is levied each year by the taxing authority, exclusive of any debt service millage, on the assessed value of the taxable real property in the CRA as of January 1 of the base year.

It is through this Tax Increment Financing mechanism that provides the funding for projects within the ICRA while not requiring any further tax burden on any of the properties within or outside of the CRA area. The Community Redevelopment Trust Fund for the Inverness CRA was established in 1990 and has been in existence since then.

History of the Inverness Community Redevelopment Agency

In 1990, the Inverness Community Redevelopment Agency (ICRA) was created by City Council encompassing 37 acres within the immediate downtown area – deemed the Central Business District (CBD). The creation of the ICRA was accomplished through the adoption of the City of Inverness Community Redevelopment Plan which established a core mission for the Agency. In 2015, through additional findings of necessity the community redevelopment area was expanded significantly. However, the core mission remains

- To establish that the City of Inverness has problems and deficiencies of the type described in Florida State Statute 163.355.
- To introduce redevelopment as a continuous, community activity.
- To provide a successful program, forwarding public health, safety, morals, or welfare of the community, to rehabilitate, conserve and/or redevelop areas identified as deficiencies.
- To establish an ongoing City of Inverness Community Redevelopment Agency.
- To progressively advance a Community Redevelopment Plan consistent with all requirements of State law.
- To encourage the maximum opportunity for private enterprise to participate in the rehabilitation and redevelopment of the community.
- To support the Comprehensive Plan for the City of Inverness.
- To identify and preserve elements of historical or cultural significance within the redevelopment area.
- To identify and strengthen both the economic, cultural and aesthetic qualities of the business, professional, and government sections within the redevelopment area.
- To provide direction to establish a strong economic base for the redevelopment area.
- To identify areas of further in-depth study in design, small business promotion, job creation and training, promotion of home ownership and housing rehabilitation.

Façade Grant Program

The ICRA Façade Grant Program was established to encourage the commercial establishments within the CRA to improve the building facings. The program provides grant opportunities up to 50% of a qualified project cost, with a maximum amount of $7,500 being available to property owners within the defined area.

The program provides grants for specific improvements to include:

- Exterior Improvements
- Landscape Improvements
- Signage
- Parking Lots
- Lighting
- Awnings
- Painting

During the fiscal year, there was one façade grant in process. Under the Façade Grant program, this project was approved for $7,500 in funding to the building owner for the improvements listed and shown below.

The Façade grant was awarded to Robert Sharp for the property at 211 North Pine Ave. The project rejuvenated a former 5,000 sq. ft. former bakery that had been vacant for many years. The project provided for window replacement, stucco, painting, closing 2 garage doors, awnings and repair of wall and sidewalk cracks along with cleaning and touch up for all the building. ICRA awarded $7,500 toward the project which has been completed.

Property Before Façade Grant

Property Following Remodel With Façade Grant

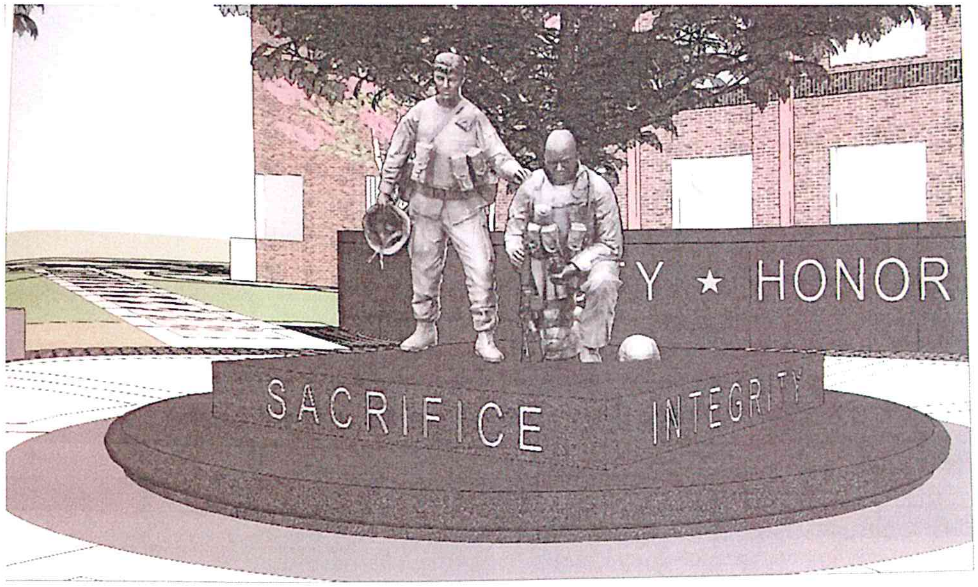
2016 Capital Action Plan Projects

The City Council has adopted a capital action plan that includes a mix of projects. Major projects that are proposed be funded through TIF contributions are listed briefly below.

Much of the project activity during the year was spent as part of the planning and design phase of the Capital Action Plan. The only project that was completed during the 2016-17 fiscal year was the Downtown Streetscape enhancement which included hardscape, landscape, lighting and new electrical outlets and wiring for special events. Plans for the Downtown streetscape project are shown below. Also completed but only partially funded by ICRA were improvements to Highland Boulevard.

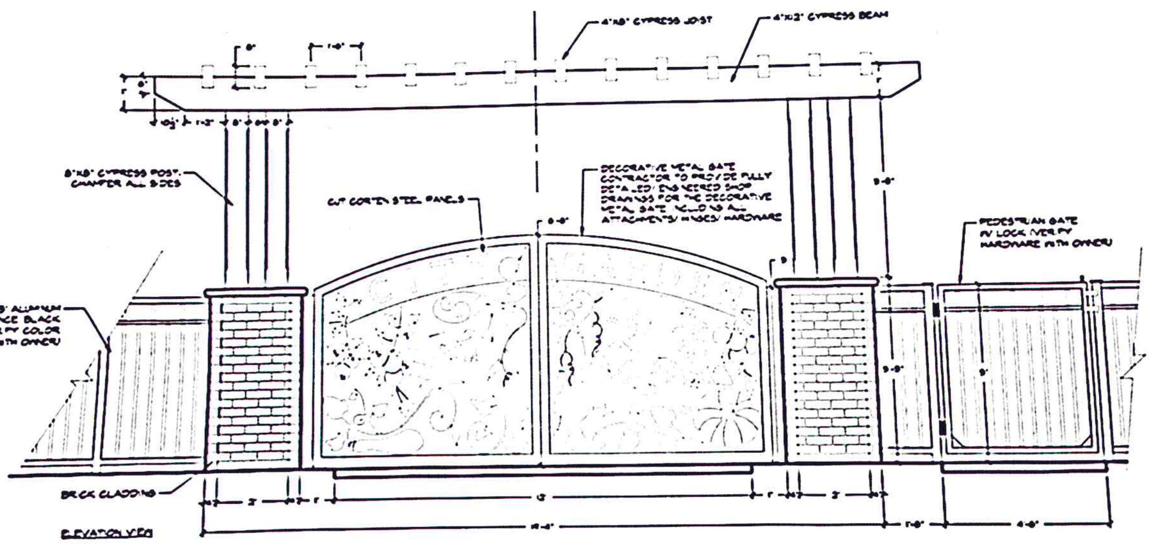
A significant part of the preparation for implementation of the Capital Action Plan was in pursuit of project funding. Financial consultant and bond council were retained in 2016 to guide the effort. Initially ICRA retained a $3 Million loan to advance projects and through a lengthy financial process ICRA issued $12.9 Million in bonds under the direction of a talented financial team for development of the projects planned by the City.

Subsequent to the successful issuance of the bonds, a team of project designers were engaged to begin actively putting each of the project concepts on paper in the form of construction documents. The first project to complete the design phase is a military memorial featuring statuary and hardscape adjacent to City Hall but construction occurred following the end of this reporting period. Other project designs that were completed during the year are a downtown community garden located adjacent to the County Courthouse and the Inverness visitors center.



As far as other future projects being planned, the Depot District surrounding the historic train station will become the center piece of the City's downtown redevelopment effort. The Depot will transform the lakefront and Withlacoochee State Trail with an open-air market, iconic water tower, bike parking, stage, trail access and outdoor seating. The relationship of the Depot District with the City's lakefront parks and the Withlacoochee State Trail and the historic train station will enhance the character of the City far beyond its downtown location.

Future improvements planned for Liberty and Wallace Brooks parks include boating facilities for motorized and non-motorized vessels, docks, parking, bathrooms, bicycle and pedestrian trail improvements, and landscaping . The City will pursue grants to leverage additional funding for park projects.



Financials

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FUND: 1700 DOWNTOWN REDEVELOPMENT FUND			NET CHANGE FOR PERIOD	ACCOUNT BALANCE
ASSETS				
	17000000 101001	GENERAL OPERATING	-1,043,909.54	244,990.44
	17000000 133010	DUE FROM CITRUS COUNTY	.00	65,069.74
	17000000 135000	INTEREST RECEIVABLE-INVESTMENT	.00	2,160.39
	17000000 151001	FLORIDA SAFE INVESTMENTS	.00	-412,540.96
	17000000 151040	FLS TERM SERIEIS - 24 MONTH	.00	37,500.00
	17000000 151525	RESTRICTED INVESTMENT-FL SAFE	.00	2,833.75
	17000000 151528	FL SAFE RESTRICTED 202	.00	11,944,185.71
	17000000 151529	FL SAFE RESTRICTED 203	.00	2,501,154.65
	17000000 151530	FL SAFE RESTRICTED 204	.00	600,277.11
	TOTAL ASSETS		-1,043,909.54	14,985,630.83
LIABILITIES				
	17000000 202000	ACCOUNTS PAYABLE	-167,468.58	-167,468.58
	17000000 205000	CONTRACTS/RETAINAGE PAYABLE	-14,165.12	-14,165.12
	TOTAL LIABILITIES		-181,633.70	-181,633.70
FUND BALANCE				
	17000000 171000	ESTIMATED REVENUES	21,029,857.00	22,347,448.00
	17000000 172000	REVENUE CONTROL ACCOUNT	.00	-20,070,648.84
	17000000 241000	BUDGET APPROPRIATIONS	-21,029,857.00	-22,347,448.00
	17000000 242000	EXPENSE CONTROL ACCOUNT	1,225,543.24	5,520,978.51
	17000000 243000	ENCUMBRANCES	-632,768.08	.00
	17000000 245000	RESERVE FOR ENCUMBRANCES	632,768.08	.00
	17000000 271000	FUND BALANCE - UNRESERVED	.00	-254,326.80
	TOTAL FUND BALANCE		1,225,543.24	-14,803,997.13
TOTAL LIABILITIES + FUND BALANCE			1,043,909.54	-14,985,630.83

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INVERNESS COMMUNITY REDEVELOPMENT AGENCY

FOR 2017 12

ACCOUNTS FOR: 1700 DOWNTOWN REDEVELOPMENT FUND	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENC/REQ	AVAILABLE BUDGET	PCT USED
17338000 SHARED REVENUE-LOCAL UNITS							
17338000 338110 TAX INCREMENT FINA	-89,000	-167,000	-167,122.44	.00	.00	122.44	100.1%
17338000 338111 2014 CRA (TIF)	-523,023	-1,006,023	-1,005,280.69	.00	.00	-742.31	99.9%*
TOTAL NO PROJECT	-612,023	-1,173,023	-1,172,403.13	.00	.00	-619.87	99.9%
TOTAL SHARED REVENUE-LOCAL UNITS	-612,023	-1,173,023	-1,172,403.13	.00	.00	-619.87	99.9%
17361000 INTEREST EARNINGS							
17361000 361100 INTEREST - INVESTM	-6,600	-6,600	-278.86	.00	.00	-6,321.14	4.2%*
17361000 361112 FL SAFE INTEREST	-25,000	-35,000	-19,362.75	.00	.00	-15,637.25	55.3%*
TOTAL NO PROJECT	-31,600	-41,600	-19,641.61	.00	.00	-21,958.39	47.2%
TOTAL INTEREST EARNINGS	-31,600	-41,600	-19,641.61	.00	.00	-21,958.39	47.2%
17381000 INTERFUND TRANSFER							
17381000 381001 TRANSFER FROM GENE	0	-3,500,000	-2,500,000.00	.00	.00	-1,000,000.00	71.4%*
17381000 381003 TRF FROM GENERAL T	-603,812	0	.00	.00	.00	.00	.0%
17381000 381300 TRF FROM CIP FUND	0	-1,184,065	.00	.00	.00	-1,184,065.00	.0%*
TOTAL NO PROJECT	-603,812	-4,684,065	-2,500,000.00	.00	.00	-2,184,065.00	53.4%
TOTAL INTERFUND TRANSFER	-603,812	-4,684,065	-2,500,000.00	.00	.00	-2,184,065.00	53.4%
17384000 DEBT PROCEEDS-CITIZENS BANK							
17384000 384006 LOAN PROCEEDS	0	-3,000,000	-3,000,000.00	.00	.00	.00	100.0%
17384000 384007 DEBT PROCEEDS-BOND	0	-12,980,000	-12,980,000.00	.00	.00	.00	100.0%
17384000 384008 BOND PREMIUM	0	-398,604	-398,604.10	.00	.00	.10	100.0%
TOTAL NO PROJECT	0	-16,378,604	-16,378,604.10	.00	.00	.10	100.0%
TOTAL DEBT PROCEEDS-CITIZENS BANK	0	-16,378,604	-16,378,604.10	.00	.00	.10	100.0%
17389000 NON-OPERATING SOURCES							
17389000 389900 CASH BALANCE FORWA	-70,156	-70,156	.00	.00	.00	-70,156.00	.0%*
TOTAL NO PROJECT	-70,156	-70,156	.00	.00	.00	-70,156.00	.0%
TOTAL NON-OPERATING SOURCES	-70,156	-70,156	.00	.00	.00	-70,156.00	.0%
17525201 ICRA BOARD							
17525201 535420 MEMBERSHIP DUES	1,295	1,295	1,045.00	.00	.00	250.00	80.7%
TOTAL NO PROJECT	1,295	1,295	1,045.00	.00	.00	250.00	80.7%
TOTAL ICRA BOARD	1,295	1,295	1,045.00	.00	.00	250.00	80.7%
17525220 DOWNTOWN REDEVELOPMENT							
17525220 533111 SPECIAL ATTORNEY F	100,000	75,000	27,000.00	.00	.00	48,000.00	36.0%
17525220 533400 CONTRACTUAL SERVIC	55,390	40,890	28,221.51	1,200.66	.00	12,668.49	69.0%
17525220 534120 POSTAGE	500	500	.00	.00	.00	500.00	.0%
17525220 534310 UTILITIES - ELECTR	16,000	4,500	4,207.63	998.24	.00	292.37	93.5%
17525220 534380 UTILITIES - WATER	3,200	3,200	1,699.56	115.02	.00	1,500.44	53.1%
17525220 534401 OPERATING LEASE-VA	150,000	150,000	.00	.00	.00	150,000.00	.0%
17525220 534640 MAINT - IMPROV OTH	12,000	12,000	8,493.41	.00	.00	3,506.59	70.8%
17525220 534700 PRINTING	1,800	1,800	1,133.02	504.00	.00	666.98	62.9%
17525220 534910 ADVERTISING	1,000	1,000	477.50	15.10	.00	522.50	47.8%
17525220 534990 MISC EXPENSE	5,000	5,000	.00	.00	.00	5,000.00	.0%
17525220 535100 OFFICE SUPPLIES	200	200	67.99	.00	.00	132.01	34.0%
17525220 577110 BOND PRINCIPAL	0	3,000,000	3,000,000.00	.00	.00	.00	100.0%
17525220 577210 BOND INTEREST	0	24,594	24,593.33	.00	.00	.67	100.0%
17525220 577320 ISSUANCE COSTS - B	0	242,587	230,292.83	24,581.05	.00	12,294.17	94.9%
17525220 577350 BOND DISCOUNT	0	86,169	86,169.39	.00	.00	-.39	100.0%*
17525220 577360 BOND INSURANCE	0	91,588	91,588.00	.00	.00	.00	100.0%
17525220 810001 EVENT SPONSORSHIP	100,000	100,000	100,000.00	100,000.00	.00	.00	100.0%
TOTAL NO PROJECT	445,090	3,839,028	3,603,944.17	127,414.07	.00	235,083.83	93.9%
52010 DOWNTOWN LIGHTING PROGRAM							
17525220 533400 52010 CONTRACTUAL S	0	0	9,999.75	9,999.75	.00	-9,999.75	100.0%*

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INVERNESS COMMUNITY REDEVELOPMENT AGENCY

FOR 2017 12

ACCOUNTS FOR: 1700 DOWNTOWN REDEVELOPMENT FUND	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENC/REQ	AVAILABLE BUDGET	PCT USED
17525220 566300 52010 DOWNTOWN LIGH	10,000	10,000	.00	-9,999.75	.00	10,000.00	.0%
TOTAL DOWNTOWN LIGHTING PROGRAM	10,000	10,000	9,999.75	.00	.00	.25	100.0%
52208 VISITOR CENTER							
17525220 566200 52208 VISITOR CENTE	0	586,861	159,173.17	150,144.40	.00	427,687.83	27.1%
TOTAL VISITOR CENTER	0	586,861	159,173.17	150,144.40	.00	427,687.83	27.1%
52209 INFANTRY MEMORIAL							
17525220 566300 52209 INFANTRY MEMO	0	525,649	74,069.04	72,667.47	.00	451,579.96	14.1%
TOTAL INFANTRY MEMORIAL	0	525,649	74,069.04	72,667.47	.00	451,579.96	14.1%
52210 COOTER POND NORTH/SOUTH							
17525220 566300 52210 COOTER POND N	0	463,363	219,303.41	219,303.41	.00	244,059.59	47.3%
TOTAL COOTER POND NORTH/SOUTH	0	463,363	219,303.41	219,303.41	.00	244,059.59	47.3%
52212 DOWNTOWN STREETSCAPE							
17525220 566300 52212 DOWNTOWN STRE	0	491,441	480,074.72	480,074.72	.00	11,366.28	97.7%
TOTAL DOWNTOWN STREETSCAPE	0	491,441	480,074.72	480,074.72	.00	11,366.28	97.7%
52213 CRA WAYFINDING SIGN PROGRAM							
17525220 566300 52213 CRA WAYFINDIN	0	131,835	.00	.00	.00	131,835.00	.0%
TOTAL CRA WAYFINDING SIGN PROGRAM	0	131,835	.00	.00	.00	131,835.00	.0%
52214 COMMUNITY GARDEN							
17525220 566300 52214 COMMUNITY GAR	0	224,782	57,631.68	56,251.60	.00	167,150.32	25.6%
TOTAL COMMUNITY GARDEN	0	224,782	57,631.68	56,251.60	.00	167,150.32	25.6%
52216 MLK & DAMPIER STREETSCAPE							
17525220 566300 52216 MLK & DAMPIER	0	1,466,118	.00	.00	.00	1,466,118.00	.0%
TOTAL MLK & DAMPIER STREETSCAPE	0	1,466,118	.00	.00	.00	1,466,118.00	.0%
52217 DEPOT PAVILION & TRAIN STATION							
17525220 566300 52217 DEPOT PAVILIO	0	4,284,687	26,093.75	26,093.75	.00	4,258,593.25	.6%
TOTAL DEPOT PAVILION & TRAIN STAT	0	4,284,687	26,093.75	26,093.75	.00	4,258,593.25	.6%
52218 LIBERTY PARK ANCILIARY IMPROVEMENTS							
17525220 566300 52218 LIBERTY PARK	0	3,501,480	21,385.00	21,385.00	.00	3,480,095.00	.6%
TOTAL LIBERTY PARK ANCILIARY IMPR	0	3,501,480	21,385.00	21,385.00	.00	3,480,095.00	.6%
52219 WALLACE BROOKS PARK ANCILIARY							
17525220 566300 52219 WALLACE BROOK	0	2,173,386	40,225.00	40,225.00	.00	2,133,161.00	1.9%
TOTAL WALLACE BROOKS PARK ANCILIA	0	2,173,386	40,225.00	40,225.00	.00	2,133,161.00	1.9%
52221 NORTH MLK & PARKING LOT							
17525220 566300 52221 NORTH MLK & P	0	1,552,465	.00	.00	.00	1,552,465.00	.0%
TOTAL NORTH MLK & PARKING LOT	0	1,552,465	.00	.00	.00	1,552,465.00	.0%
52222 TRAIL CROSSONG IMPROVEMENTS							
17525220 566300 52222 TRAIL CROSSIN	0	167,734	.00	.00	.00	167,734.00	.0%

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INVERNESS COMMUNITY REDEVELOPMENT AGENCY

FOR 2017 12

ACCOUNTS FOR: 1700 DOWNTOWN REDEVELOPMENT FUND	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENC/REQ	AVAILABLE BUDGET	PCT USED
TOTAL TRAIL CROSSONG IMPROVEMENTS	0	167,734	.00	.00	.00	167,734.00	.0%
52909 CDBG PHASE IV DOWNTOWN STREETSCAPE							
17525220 566300 52909 CDGB PHASE IV	0	1,466,118	31,983.82	31,983.82	.00	1,434,134.18	2.2%
TOTAL CDBG PHASE IV DOWNTOWN STRE	0	1,466,118	31,983.82	31,983.82	.00	1,434,134.18	2.2%
52930 DOWNTOWN BANNERS							
17525220 566400 52930 DOWNTOWN BANN	5,000	5,000	.00	.00	.00	5,000.00	.0%
TOTAL DOWNTOWN BANNERS	5,000	5,000	.00	.00	.00	5,000.00	.0%
TOTAL DOWNTOWN REDEVELOPMENT	460,090	20,889,947	4,723,883.51	1,225,543.24	.00	16,166,063.49	22.6%
17999990 INTERFUND TRANSFERS							
17999990 599130 TRANSFER TO CAPITA	584,550	584,550	584,550.00	.00	.00	.00	100.0%
TOTAL NO PROJECT	584,550	584,550	584,550.00	.00	.00	.00	100.0%
TOTAL INTERFUND TRANSFERS	584,550	584,550	584,550.00	.00	.00	.00	100.0%
17999999 OTHER NON-OPERATING							
17999999 599102 TRF TO GEN - FINAN	211,500	211,500	211,500.00	.00	.00	.00	100.0%
17999999 599901 RESERVE CASH CARRI	60,156	60,156	.00	.00	.00	60,156.00	.0%
17999999 599920 RESERVE - DEBT	0	600,000	.00	.00	.00	600,000.00	.0%
TOTAL OTHER NON-OPERATING	271,656	871,656	211,500.00	.00	.00	660,156.00	24.3%
TOTAL DOWNTOWN REDEVELOPMENT FUND	0	0	-14,549,670.33	1,225,543.24	.00	14,549,670.33	100.0%
TOTAL REVENUES	-1,317,591	-22,347,448	-20,070,648.84	.00	.00	-2,276,799.16	
TOTAL EXPENSES	1,317,591	22,347,448	5,520,978.51	1,225,543.24	.00	16,826,469.49	
GRAND TOTAL	0	0	-14,549,670.33	1,225,543.24	.00	14,549,670.33	100.0%

Exhibit 1

Original 1990 Inverness CRA Area

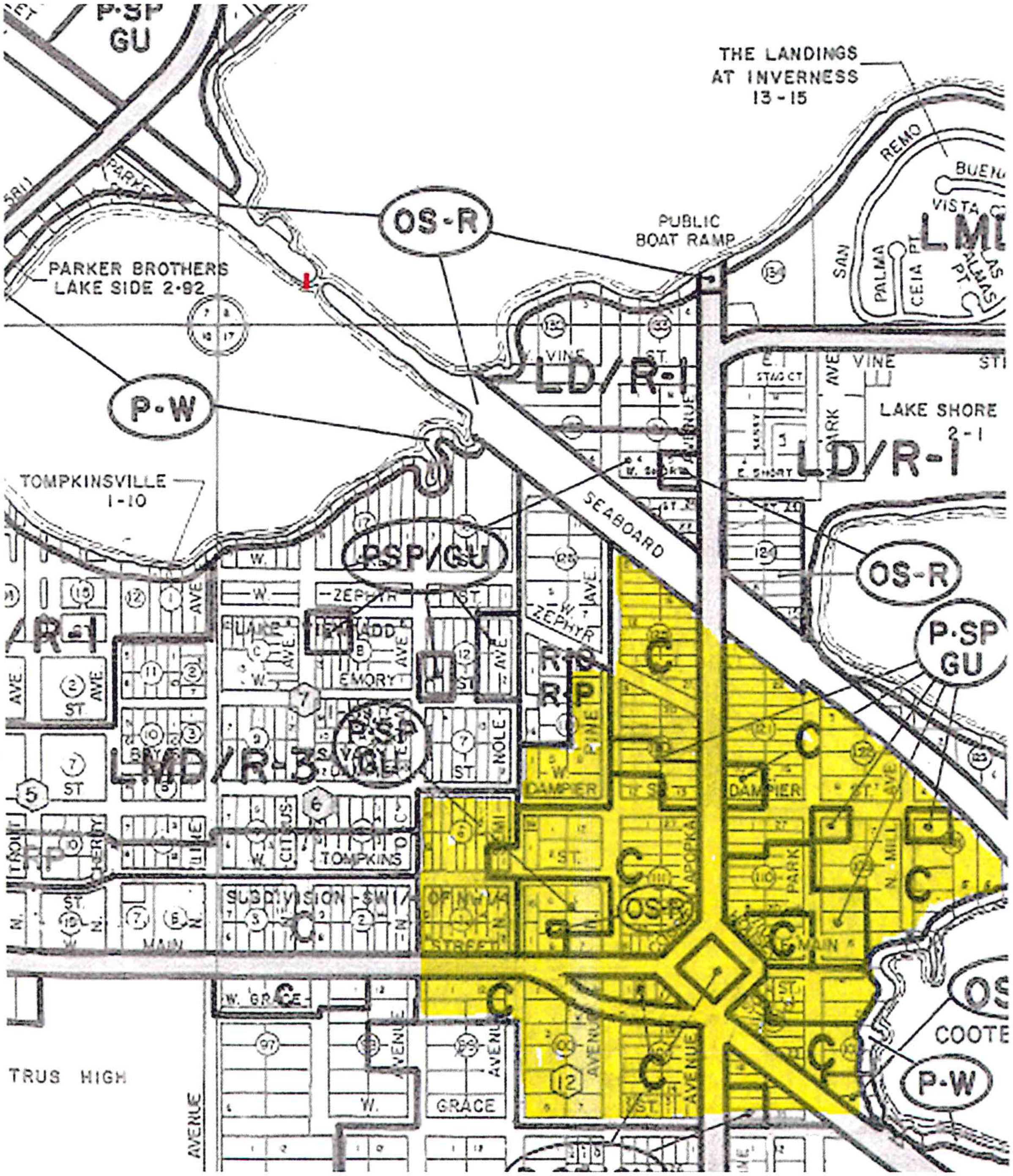

Exhibit 2

Expansion & Identified Opportunities of the Inverness CRA