

THE CITY OF MILTON

# FINDINGS OF NECESSITY:

CRA's II & III

Planning and Development Department

7/27/2015

## I. Executive Summary

This Finding of Necessity was initially conducted by staff beginning in 2012, was completed in February of 2013, and has recently (July, 2015) undergone an updating process to ensure that it reflects the most current situation and data.

The City of Milton created a Community Redevelopment Area (CRA) for its Downtown and a portion of its Waterfront in 1982. Recently, the City has identified two additional areas, adjacent to the original CRA, in need of the same approach to addressing the deteriorated conditions found there. The proposed new CRA areas are geographically and socioeconomically connected to the initial area of concern. Figure 1, below, identifies the original and the proposed CRA's. The newly proposed CRA's border the current CRA, one to the North and the other just to the South. This instrument is a survey of the proposed CRA areas and shall be used to determine if the conditions in the designated areas necessitate the establishment of two new Community Redevelopment Areas (CRA's).

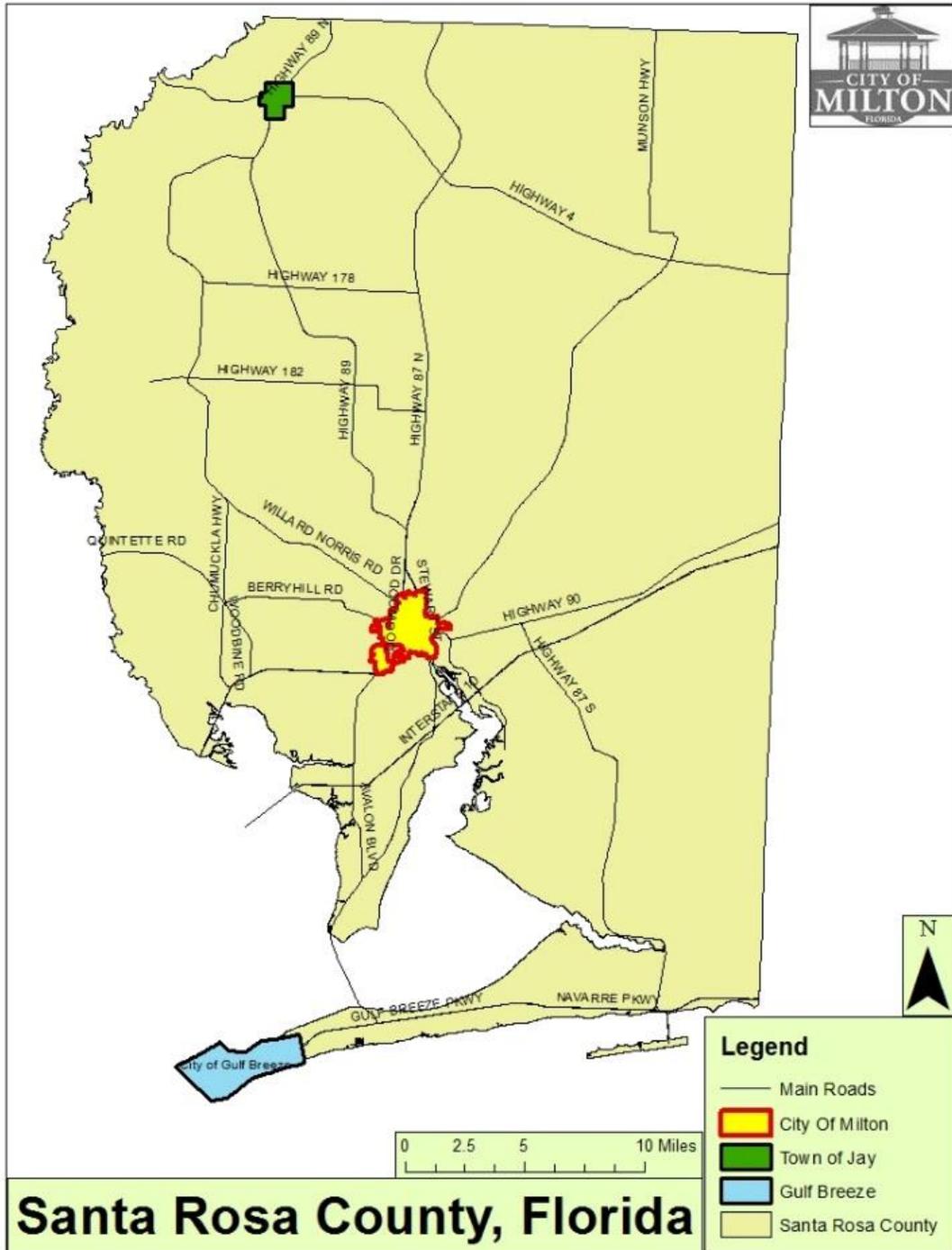
## II. Overview and Purpose

The City of Milton, located in Santa Rosa County, was incorporated in 1844. Figure 2 provides a regional perspective of the City showing Santa Rosa County and its municipalities. Milton is located along the Blackwater River and serves as the County seat. The City is transected by US Highway 90 and State Roads 87 and 89. The community enjoys nearby access to Interstate 10.

The City of Milton originally formed the CRA through the adoption of Ordinance No 687. The existing CRA is generally linear in geographic shape with its north/south axis relatively parallel to the Blackwater River and is centered by US 90 in the City's historic downtown. In order to continue to encourage redevelopment and growth in the downtown area as well as in its surrounding areas, the City is examining the feasibility of establishing the two new CRA's, which if completed would serve to envelope the existing CRA. This would essentially create a lengthier or protracted CRA setting that would, for all intents and purposes, exist along the entire Riverfront.



Figure 2: City of Milton Setting



There are three primary benefits of establishing CRA's:

1. Tax increment financing which diverts future property tax revenues from Santa Rosa County and the City to a trust fund for redevelopment projects
2. Increased eligibility for federal and state grants that can be used for infrastructure improvements business development and property acquisition and
3. A master planning approach and implementation strategy for the area.

Of the three primary benefits of a CRA, the first, utilization of tax increment financing (TIF) requires the establishment of a base year for future funding purposes. The latest years taxable assessment is used as the base or starting point. From that year forward for a period of up to 30 years (w/o extensions) any increase in taxable property assessment, known as an increment, is collected and placed into a trust fund for the redevelopment area and then reinvested in that area according to an approved master plan. The increment comes from both municipal and county property tax revenues.

In addition to TIF, CRA's increase the City's eligibility for a variety of state and federal grants. The grants available can be used for development of affordable housing, business development programs, small business loans, and property acquisition. The end result is an increase of the money available for public investment in the specified area over what would have been available prior to the establishment of the CRA. Lastly, the redevelopment area benefits due to the application of a master planning approach which creates a vision for the area and specifies an implementation program to accomplish that vision.

The purpose of a CRA is to bolster the economy in a qualified area. Under Florida Statute, local governments have the ability to designate certain areas as CRA's provided the areas meet specific criteria. Examples of conditions that can support the creation of a Community Redevelopment Area include, but are not limited to: the presence of substandard or inadequate structures, a shortage of affordable housing, inadequate infrastructure, insufficient roadways, and inadequate parking. To document that the required conditions exist, the local government must survey the proposed redevelopment area and prepare a Finding of Necessity. If the Finding of Necessity determines that the required conditions exist, the local government may create a Community Redevelopment Area to provide the tools needed to foster and support redevelopment of that targeted area.

The City is pursuing the possible establishment of these new CRA's to prevent the further deterioration and decline of the older commercial and residential areas and also to ensure that the old industrial areas of the City do not experience further decline and to encourage reinvestment. These areas are also inherently related to the current CRA, serving as the gateways to the existing Community Redevelopment Area from both the south and the north. The potential new area north of the CRA can be generally described as that area east of Broad Street between Madison Street and Munson Highway. To the south, the proposed area includes a large tract of land adjacent to the CSX rail line with its terminus just west of Henry Street and south of the City's Wastewater Treatment Plant.

### III. CRA Criteria Florida State Requirements

Chapter 163, F.S. allows municipalities to designate Community Redevelopment Area's (CRA's) as special districts where future County and City property tax increment revenues can be used to fund infrastructure improvements and development, as well as new redevelopment initiatives. The initial step in the process of designating a CRA is the Findings of Necessity for redevelopment. These findings will be adopted by resolution and will address one or more slum or blighted areas or areas exhibiting a shortage of affordable housing in the municipality and that the rehabilitation, conservation, or redevelopment of these areas are necessary and in the interest of the public's health, safety, and welfare. Following this legislative finding the City can establish the Community Redevelopment Agency and prepare Community Redevelopment Plans for the CRA areas. Finally, the City CRA can begin accumulating tax increment financing revenues and implementing the adopted CRA plans. It is important to note that a CRA does not increase the millage rate on properties located within its boundaries.

Qualification for designation as a CRA requires that the identified geographic area meet one or more of the criteria set forth in Chapter 163, Part III, Florida Statutes. These criteria are listed below:

1. "Slum area" means an area having physical or economic conditions conducive to disease, infant mortality, juvenile delinquency, poverty or crime because there is a predominance of buildings or improvements whether residential or nonresidential which are impaired by reason of dilapidation deterioration age or obsolescence and exhibiting one or more of the following factors:

- a. Inadequate provision for ventilation, light, air, sanitation or open spaces
- b. High density of population compared to the population density of adjacent areas within the county or municipality and overcrowding as indicated by government statistics or other studies and the requirements of the Florida Building Code, or
- c. The existence of conditions that endanger life or property by fire or other means

2. "Blighted area" means an area in which there are a substantial number of deteriorated or deteriorating structures in which conditions as indicated by government statistics or other studies are leading to economic distress or endanger life or property and in which two or more of the following factors are present:

- a. Predominance of defective or inadequate street layout, parking facilities, roadways, bridges or public transportation facilities.
- b. Aggregate assessed values of real property in the area for ad valorem tax purposes have failed to show any appreciable increase over the 5 years prior to the finding of such conditions.
- c. Faulty lot layout in relation to size adequacy accessibility or usefulness.
- d. Unsanitary or unsafe conditions.
- e. Deterioration of site or other improvements.
- f. Inadequate and outdated building density patterns.
- g. Falling lease rates per square foot of office commercial or industrial space compared to the remainder of the county or municipality.
- h. Tax or special assessment delinquency exceeding the fair value of the land.
- i. Residential and commercial vacancy rates higher in the area than in the remainder of the county or municipality.
- j. Incidence of crime in the area higher than in the remainder of the county or municipality.
- k. Fire and emergency medical service calls to the area proportionately higher than in the remainder of the county or municipality.
- l. A greater number of violations of the Florida Building Code in the area than the number of violations recorded in the remainder of the county or municipality.

- m. Diversity of ownership or defective or unusual conditions of title which prevent the free alienability of land within the deteriorated or hazardous area or,
- n. Governmentally owned property with adverse environmental conditions caused by a public or private entity.
- o. A substantial number or percentage of properties damaged by sinkhole activity which have not been adequately repaired or stabilized.

However, the term “blighted area” also means any area in which at least one of the factors identified in paragraphs (a) through (o) is present and all taxing authorities subject to s. 163.387(2)(a) agree, either by interlocal agreement with the agency or by resolution, that the area is blighted. Such agreement or resolution must be limited to a determination that the area is blighted. For purposes of qualifying for the tax credits authorized in chapter 220, “blighted area” means an area as defined in this subsection.

## IV. Proposed Community Redevelopment Area’s

### A. Area Characteristics

The recommended boundaries for the proposed CRA’s are shown in Figure 1. The areas being considered for the establishment of the new CRA’s include that area east of Broad Street between Madison Street and Munson Highway, otherwise known as CRA II (approximately 38 acres). The second proposed new CRA, CRA III, includes a large tract of land south of the CSX railroad ending just West of Henry Street (approximately 64 acres). The gross area of the proposed CRA’s is approximately 102 acres, not including road right-of-ways (ROW).

Approximately 25 percent or 24.91 acres of the gross area is either undeveloped or vacant currently. Vacant, for the purposes of this survey, include those parcels which had at one time contained a structure but currently do not. Much of this land is over grown, littered with debris and trash, and for all intents and purposes, neglected. There are currently 11.5 acres of industrial, light industrial, and manufacturing uses which are considered non-conforming, including the City of Milton Waste Water Treatment Plant. Plans for the construction of the new East Milton Waste Water Treatment Plant are included in the City’s adopted Five Year Capital Improvements Schedule. There are also approximately

11 acres of Public land within the proposed CRA areas which the City maintains. Of the remaining land area, approximately 54.5 acres support commercial and residential uses.

Forty one (41) percent of the residential, commercial, and mixed use zoned properties within the two proposed CRA's are in a state of disrepair, overgrowth and/or dilapidation. The survey also found that over 30 percent of the residential structures have deteriorated nearly to a point of becoming a public safety concern and that 84 percent of the total structures are exhibiting some degree of deterioration. This figure is somewhat misleading as there are structures located within the proposed CRA's that could not be accessed through normal activities and staff is of the opinion that that percentage might climb a little higher given full participation of property owners and opportunity to inspect all of the structures both internally and externally. The great majority of the land within the proposed CRA's are in a general state of neglect. Nearly 60% of the properties are in what could be considered a derelict state, while another quarter of the parcels are showing signs of wear and tear. The majority of the proposed areas, in general, are either underdeveloped or are deteriorated, nearly to point of un-inhabitation. Similar to many other parts of Florida, those properties that are habitable are often not affordable to those low and moderate income residents including the disenfranchised and the elderly, in this instance, the proposed CRA areas are no different.

**Table 1: Generalized Condition Summary**

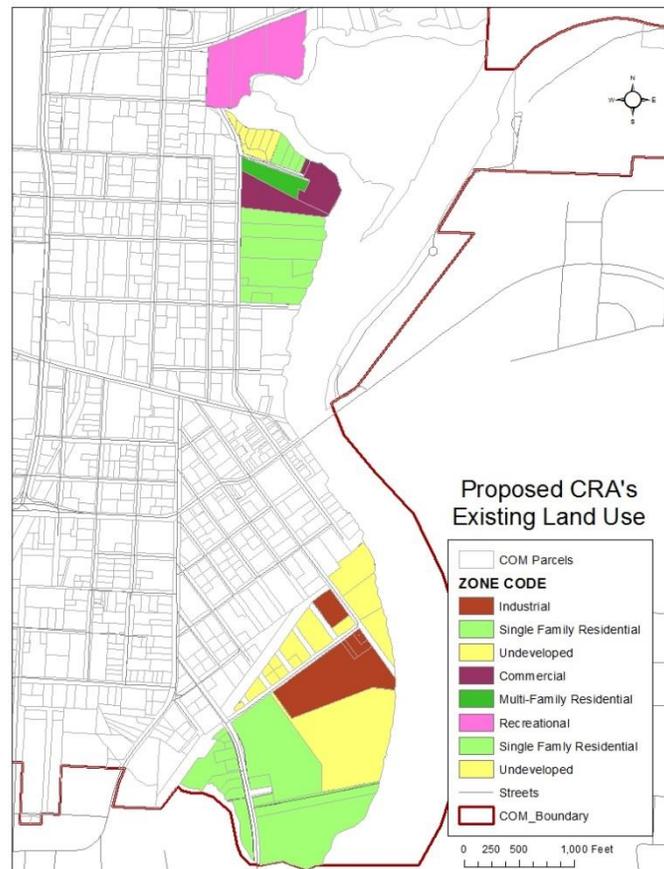
| <b>CONDITION</b>                | <b>CLASSIFICATION</b> | <b>UNITS</b>      | <b>AREA</b> | <b>PERCENTAGE</b> |
|---------------------------------|-----------------------|-------------------|-------------|-------------------|
| <b>DETERIORATED STRUCTURES</b>  | Poor                  | 20                |             | 41%               |
| <b>DETERIORATED PARCELS</b>     | Poor                  | 35                | 33.27 ac.   | 58%               |
| <b>DETERIORATING STRUCTURES</b> | Fair                  | 21                |             | 43%               |
| <b>DETERIORATING PARCELS</b>    | Fair                  | 15                | 53.56 ac.   | 25%               |
| <b>INADEQUATE ROADWAYS</b>      |                       | 1.00 linear miles |             | 80%               |

## B. Land Use

**Table 2: Proposed CRA II & CRA III Combined Generalized Existing Land Use**

| EXISTING LAND USE      | APPROX. LAND AREA (ACRES) | APPROX. PERCENT OF PROPOSED CRA AREAS |
|------------------------|---------------------------|---------------------------------------|
| RECREATION             | 11.2                      | 11%                                   |
| INDUSTRIAL             | 11.4                      | 11%                                   |
| RESIDENTIAL (SFR, MFR) | 44.4                      | 44%                                   |
| COMMERCIAL             | 6.1                       | 6%                                    |
| UNDEV./VACANT          | 28.9                      | 28%                                   |
| <b>TOTAL</b>           | <b>102</b>                | <b>100%</b>                           |

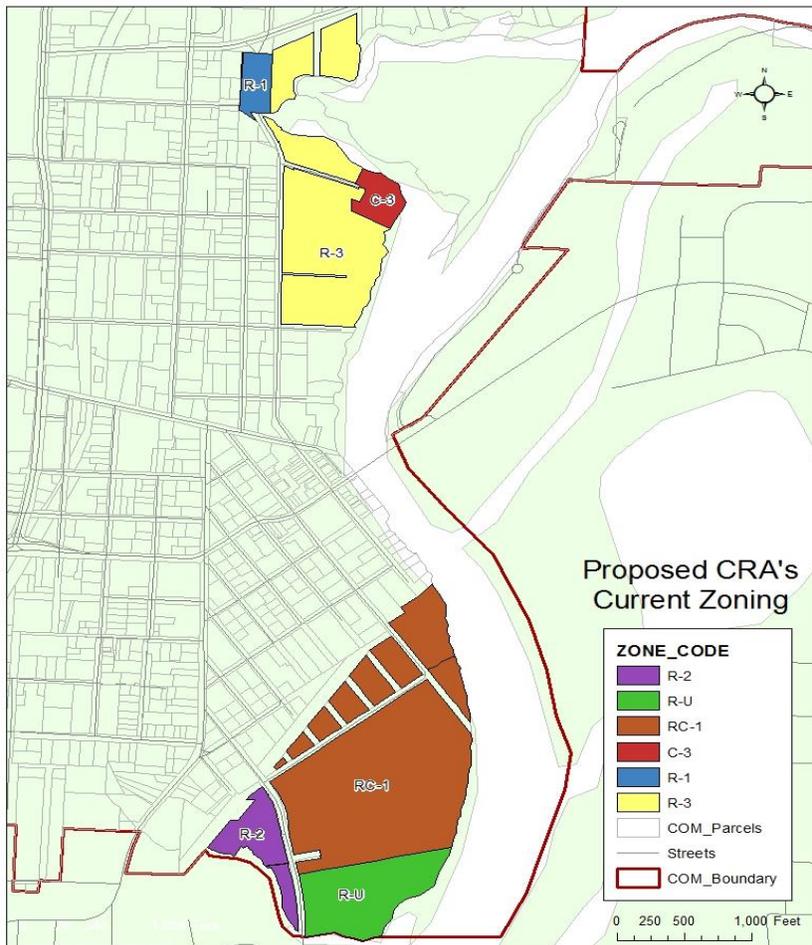
**Figure 3: Proposed CRA's Existing Land Use**



**Table 2: Proposed CRA II & CRA III Combined Current Zoning**

| ZONING DISTRICT | APPROX. AREA (ACRES) | PERCENT OF PROPOSED<br>CRA'S |
|-----------------|----------------------|------------------------------|
| R-1             | 3                    | 3.2%                         |
| R-2             | 6                    | 5.6%                         |
| R-3             | 30                   | 30%                          |
| RC-1            | 48                   | 46.9%                        |
| C-3             | 3                    | 2.6%                         |
| R-U             | 12                   | 11.7%                        |
| <b>TOTAL</b>    | <b>102</b>           | <b>100%</b>                  |

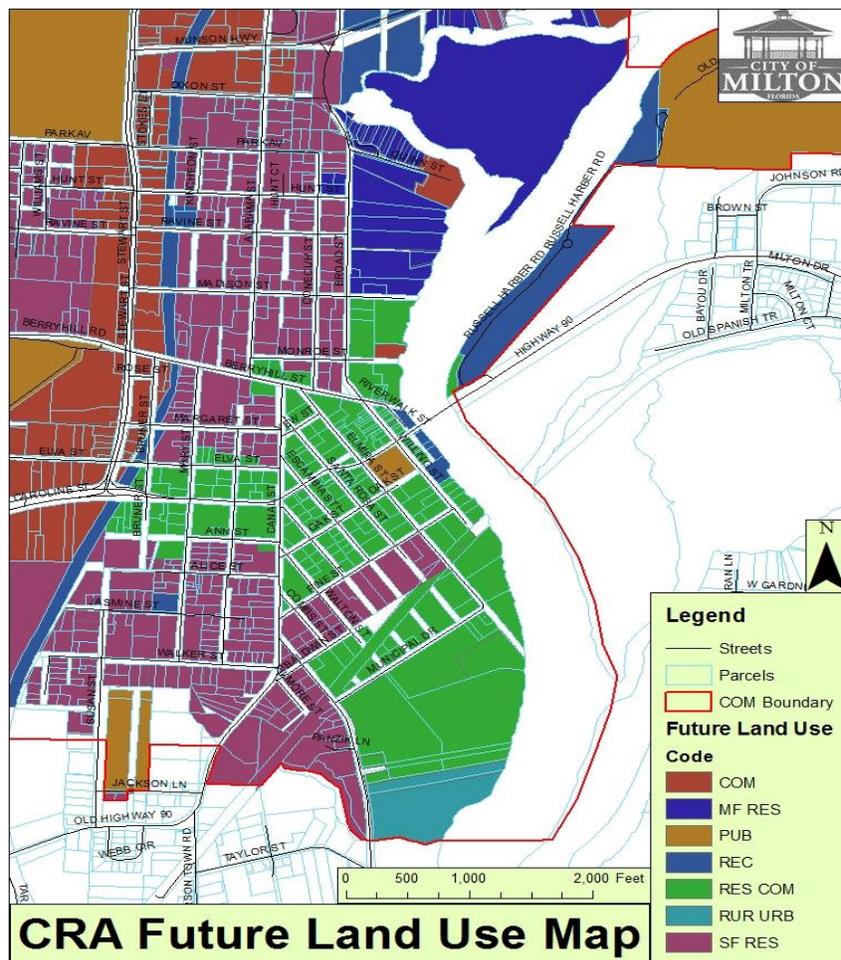
**Figure 3: Current Zoning of Proposed CRA Areas**



**Table 3 Proposed CRA II & CRA III Combined Future Land Use**

| FUTURE LAND USE DESIGNATION   | APPROX. AREA | PERCENT OF PROPOSED |
|-------------------------------|--------------|---------------------|
|                               | (ACRES)      | CRAS                |
| SINGLE-FAM. RESIDENTIAL       | 9            | 8.82%               |
| MULTI-FAM RESIDENTIAL         | 22.8         | 22.35%              |
| RESIDENTIAL/COMM. (MIXED USE) | 47.7         | 46.76%              |
| COMMERCIAL                    | 2.7          | 2.65%               |
| RURAL-URBAN DESIGNATION       | 11.9         | 11.67%              |
| RECREATIONAL                  | 7.9          | 7.75%               |
| <b>TOTAL AREA</b>             | <b>102</b>   | <b>100%</b>         |

**Figure 4: Proposed CRA Future Land Use**



## V. Determining Blight and Slum.

Field surveys were conducted to provide accurate assessments of physical conditions in and around the proposed CRA. A number of information sources and analytical techniques were used in the determination of the need for redevelopment. Initial fieldwork focused on the appropriate boundary of the new districts. Field analysis included visual surveys of conditions of infrastructure, vacant lots, debris piles, building structures and facades, roads and traffic, parking, property maintenance, lighting, and other potential “blighting” and/or “slumming” aspects and influences. Land use conflicts were also noted.

City and County records and analyses by technical staff were utilized to provide important background information on code enforcement trends, infrastructure deficiencies, property tax values and trends, land subdivision and ownership, programmed public improvements and other factors. The existing Milton Community Redevelopment Plan completed in 1982 was also utilized as a basis of information for this report. The information collected was assessed against the criteria presented previously in this report to determine the existence of slum and blight conditions, the overall need for redevelopment, and to finalize the boundary for the proposed CRA’s.

### A. Need for Redevelopment

Based on field surveys and updated analysis, Figure 5 presents a composite image of the deteriorating conditions within the proposed CRA’s. More specifically Figure 5 identifies and delineates the parcels and structures with deteriorated conditions, deteriorated lot conditions, and deteriorated site improvements. All of which are prerequisites for establishing a CRA.

The gross acreage of the proposed CRA areas including road right of ways is approximately 120 acres. Using this gross acreage the conditions illustrated in Table 5 account for the following proportions of the study area.

Table 5 below represents earlier findings and is included here to implicate a continuity in the deteriorated condition of the proposed redevelopment areas. It presents the summation of structural

and overall property condition nearly 2.5 years ago by providing an inventory of building and lot situations within the proposed CRA's. The location of each building and lot surveyed is shown on the map, *Figure 5*. Building and lot conditions have been rated according to the following scale:

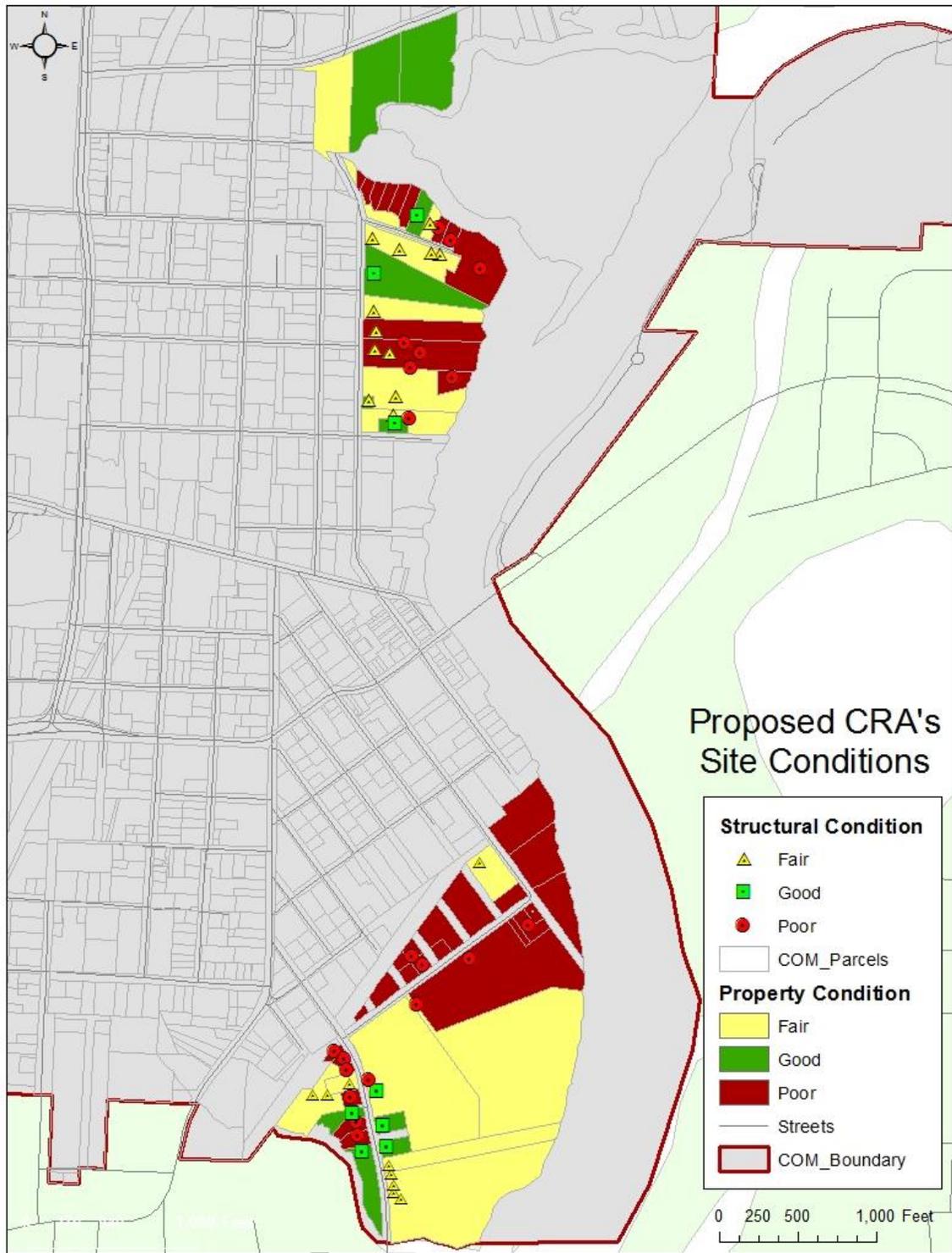
**Table 5: Initial Site Condition Summary**

| <b>BUILDING CONDITION</b>                    | <b>LOT CONDITION</b> |             |             |
|--|----------------------|-------------|-------------|
| <b>GOOD CONDITION</b>                        | Good Condition       |             |             |
| <b>FAIR CONDITION</b>                        | Fair Condition       |             |             |
| <b>POOR CONDITION</b>                        | Poor Condition       |             |             |
| <b>BUILDING AND LOT CONDITIONS BY STREET</b> | <b>Good</b>          | <b>Fair</b> | <b>Poor</b> |
| <b>MADISON STREET</b>                        | 0                    | 0           | 1           |
| <b>BROAD STREET</b>                          | 2                    | 2           | 0           |
| <b>HENRY STREET</b>                          | 2                    | 4           | 6           |
| <b>MUNICIPAL DR.</b>                         | 0                    | 2           | 5           |
| <b>VACANT LOTS ON MUNICIPAL DRIVE</b>        | 0                    | 0           | 9           |
| <b>QUINN STREET</b>                          | 7                    | 3           | 1           |
| <b>JACKSON LANE</b>                          | 0                    | 2           | 0           |
| <b>ELMIRA ST</b>                             | 0                    | 1           | 3           |
| <b>TOTALS</b>                                | <b>11</b>            | <b>14</b>   | <b>25</b>   |

\* The earlier survey efforts indicate 50 units of consideration. Currently and as part of this extended survey, there are 49 structures and 60 parcels under consideration.

Thirty four of the properties surveyed in the proposed CRA's currently have residential, commercial, or industrial structures on them. Of the structures surveyed nearly all or 84 percent of the structures are in a dilapidated or deteriorating condition. In addition 82 percent of the lots within the proposed CRA's are considered to be in a deteriorated state or are deteriorating due to neglect.

Figure 5: Generalized Site Conditions in the Proposed CRA's



## Dilapidated and Deteriorated Structures

A dilapidated residential structure parcel I.D. # 03-1N-28-2530-04600-0060 located at or about the northeast corner of Henry Street and Municipal Drive. The structure is clearly in a state of disrepair and has been for some time. This structure is one of the first properties seen when entering the City of Milton.



July 23, 2015:



Structures in poor condition near the intersection of Municipal Drive and Henry Street. These structures are typical to the majority of residential uses in the proposed CRA's.



July 23, 2015





### Vacant/Undeveloped Land and Non-Conforming Structures

Another indicator of depressed conditions within the proposed CRA's is the amount of vacant and undeveloped land. As mentioned in an earlier section, on existing land uses, approximately 26 acres of the proposed CRA areas are comprised of vacant and/or undeveloped land. These lands are dispersed throughout the proposed CRA's with a significant concentration occurring in the southern area. The conglomeration of vacant land is evidence of a lack of investment throughout the area and an indication of further decline and continued deterioration. The following images are of vacant and non-conforming lots in poor condition, generally located between the CSX Railroad and Municipal Drive within the proposed CRA areas.

As mentioned earlier, there are a number of non-conforming structures within the proposed CRA. The most significant is the City's Wastewater Treatment Plant.







## Junk Trash and Debris

The nature of the proposed redevelopment areas allows for the accumulations of litter and debris and at times it can be a significant issue in the proposed CRA's. This is due, in part, to the lack of maintenance and the resultant overgrowth of vegetation in these areas. The general depressed condition of the areas not only provides the natural basin for the collection of whatever trash floats by but is also conducive to behavior that leads directly to further accumulation. When an area is in an obvious state of disrepair, some people find it convenient to use it as a dump in which trash and debris may be thrown.





### Code Enforcement Violations

Recently, Code Enforcement has begun the abatement process on two structures within the proposed CRA areas. The majority of the residential structures have fallen into disrepair and are occupied by the disenfranchised or squatters, who do not have the means nor, often times, the desire to make repairs and keep up with the general maintenance necessary to avoid dilapidation and code violation. There have been approximately 148 Code violations issued since 1990 in the proposed CRA area's as shown in the following table.

**Table 6: Code Violations 1990 – 2012 within the Proposed CRA Areas**

| CODE VIOLATION               | AMOUNT |
|------------------------------|--------|
| <b>BUILDING MAINTENANCE</b>  | 23     |
| <b>PROPERTY MAINTENANCE</b>  | 20     |
| <b>LANDSCAPE MAINTENANCE</b> | 20     |
| <b>PUBLIC NUISANCE</b>       | 20     |
| <b>JUNK TRASH OR DEBRIS</b>  | 21     |

|                             |    |
|-----------------------------|----|
| <b>OVERGROWN VEGETATION</b> | 22 |
| <b>ABANDONED VEHICLES</b>   | 22 |

\*Since 2012 there have been approximately 35 additional Code violations within the Proposed Redevelopment areas. Generally, the violations have been related to overgrowth and maintenance.

Public nuisance infractions, abandoned vehicles, junk, trash or debris, and overgrown vegetation are the most prevalent in the proposed CRA's. These types of violations are followed by property maintenance issues. Public nuisance issues are prevalent to a greater extent than in other parts of the community. This is an indicator as well as a symptom of the blighted conditions that exist within the proposed CRA areas.

### Inadequate Transportation Facilities

#### **Defective or Inadequate Street Layout:**

Though the roadways within the proposed redevelopment areas are not extensive the layout is insufficient. The street system does not accommodate residents in the areas, as it serves mainly to move others through. There are unpaved areas and the paved roadways have numerous potholes and ruts and become largely impassable in inclement weather. In the past, the system served the needs of the industrial uses and others which were permitted there and moved the trucks and workers into and out of the areas. However, the current roadway system is insufficient to serve the land uses available and desired in the proposed redevelopment areas.

### Tax Base Growth

As the economy appears to be rebounding and the market is coming back in a much more prolific way than it was even 4 years ago, property values in the proposed CRA areas have been climbing slower than the surrounding City as a whole. The following table shows the total taxable value growth between 2001 and 2011 for the City of Milton, Santa Rosa County, and the proposed CRA's.

**Table 7: Taxable Value Change Comparison**

| DISTRICT          | 2001 TAXABLE VALUE | 2011 TAXABLE VALUE | PERCENT CHANGE |
|-------------------|--------------------|--------------------|----------------|
| SANTA ROSA COUNTY | \$4,568,997,095.00 | \$7,368,960,551.00 | + 61.28%       |
| CITY OF MILTON    | \$214,615,465.00   | \$297,627,518.00   | + 38.68%       |
| NORTH CRA         | \$2,308,397.00     | \$2,381,260.00     | + 3.16%        |
| SOUTH CRA         | \$1,133,356.00     | \$1,276,716.00     | + 12.65%       |

## VI. Conclusions

Based on the information presented in this survey, the City of Milton proposed CRA’s meet or exceed the standards required by the State for the establishment and/or expansion of a Community Redevelopment Area. The following table indicates which State required criteria the proposed CRA areas meet. Please note that a CRA is not required to meet all of the criteria but only one or more.

**Table 8: Summary of Statutory Requirements and Conditions Identified in the Proposed CRA Areas**

| AREA                 | CONDITION   | NA/Y/N/UN |
|----------------------|---|-----------|
| <b>SLUM AREA</b>     | <b>Related to Structures</b>                                |           |
| A.                   | Inadequate provision of ventilation, light, air, sanitation | UN        |
| B.                   | High density population                                     | N         |
| C.                   | The existence of conditions that endanger life or property. | Y         |
|                      |   |           |
| <b>BLIGHTED AREA</b> | <b>Related to Area</b>                                      |           |
| A.                   | Predominance of defective or inadequate street layout...    | Y         |
| B.                   | Failure of appreciable property value increase              | Y         |
| C.                   | Faulty lot layout   | N         |
| D.                   | Unsanitary or unsafe conditions                             | Y         |
| E.                   | Deterioration of site or improvements                       | Y         |
| F.                   | Inadequate or outdated density patterns                     | N         |

|           |   |    |
|-----------|---|----|
| <b>G.</b> | Falling lease rates relative to surroundings                        | NA |
| <b>H.</b> | Tax delinquency exceeding fair value of land                        | UN |
| <b>I.</b> | High vacancy rates relative to surroundings                         | UN |
| <b>J.</b> | Incidence of crime higher than surroundings                         | N  |
| <b>K.</b> | Fire and emergency response higher than surroundings                | N  |
| <b>L.</b> | Florida Building Code violations higher than surroundings           | UN |
| <b>M.</b> | Defective or unusual title conditions                               | UN |
| <b>N.</b> | Governmentally owned property with adverse environmental conditions | UN |
| <b>O.</b> | Substantial sinkhole damage   | NA |

NA – Not Applicable

Y – Condition Exists

N – Condition Does Not Exist

UN – It is Unclear or Undetermined if the Condition Exists