

City of Titusville

Community Redevelopment Agency



Annual Report FY 2019 - 2020

Prepared by
City of Titusville
Community Development
& Finance Departments

Downtown Community Redevelopment Agency

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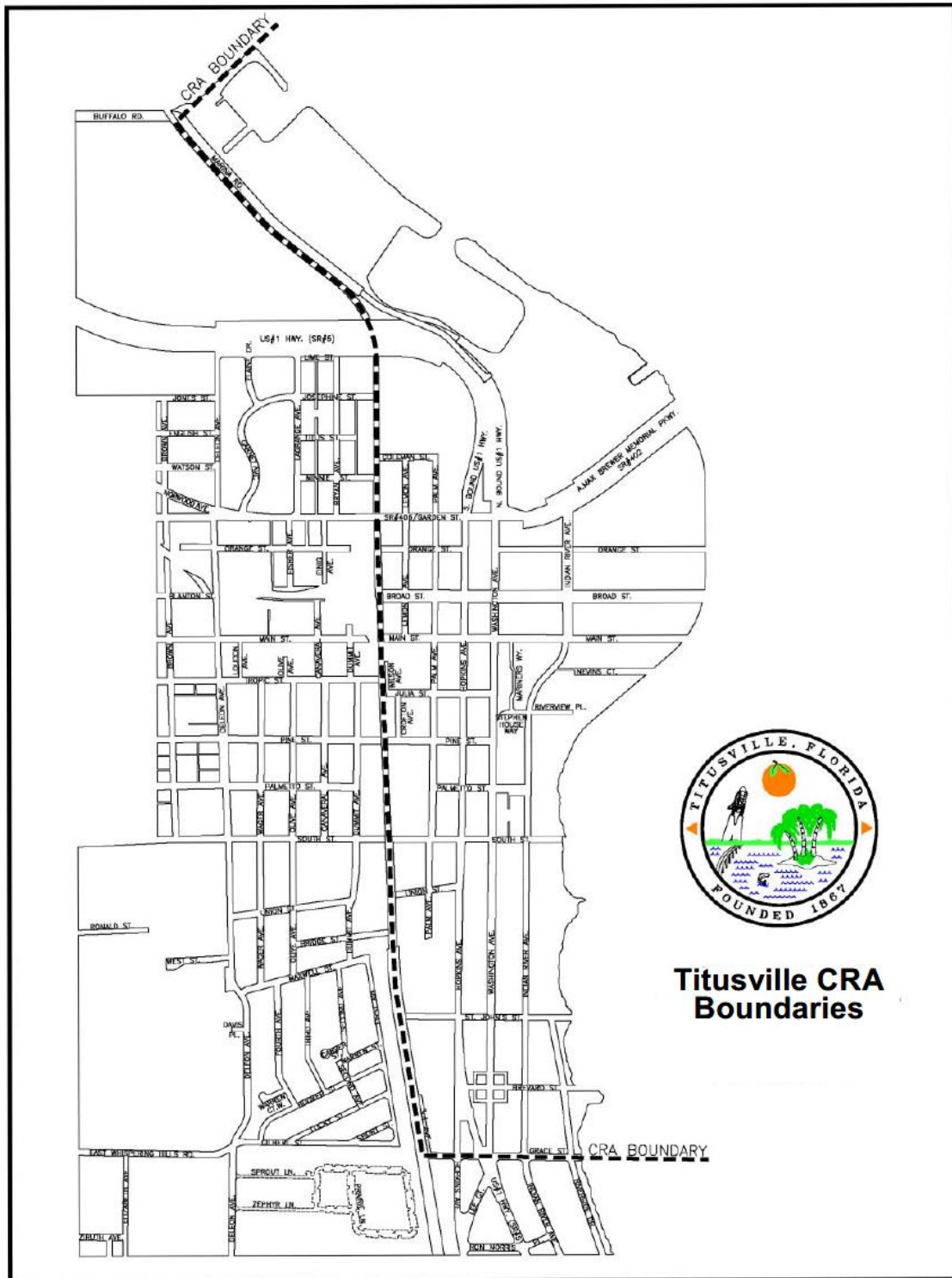
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Introduction

The City of Titusville's Community Redevelopment Agency (CRA) was created by the State of Florida in 1982, and the Community Redevelopment Plan was adopted in 1984. Since its creation, the Titusville Community Redevelopment Agency has played an integral role in the revitalization of the Downtown area and the surrounding community. The Downtown area has faced many challenges similar to those in other areas of Florida and the nation. The vision of Titusville's Downtown was established by residents who attended workshops in the 1980's, 1990's and 2000's and determined a set of goals and priorities that have evolved over the years. The original vision of the Redevelopment Plan still stands as a foundation for redevelopment in the Downtown and surrounding neighborhoods.

In an effort to provide residents and visitors with a memorable experience, the City envisions the addition of new mixed-use buildings on infill lots, new open space amenities, enhanced streetscape conditions, new public facilities, and low impact development (LID) techniques for storm water. Development standards will be aimed at increasing the area's capacity to accommodate new growth while preserving the historic character of the community. By combining these features with a smarter approach to growth, the City will realize a downtown that will attract sustainable growth and create a unique sense of place in which all residents can be proud.

The Downtown CRA encompasses approximately 300 (299.42) acres of land on the eastern edge of the City and is over a mile and half from its northernmost area at the municipal waterfront park and marina complex, to its southern terminus at Grace Street. The CRA includes the Historic Downtown, or core area and a number of small neighborhoods. The CRA is bounded by the Indian River waterfront on the east and north and by the Florida East Coast Railroad tracks on the west. The CRA parallels the Indian River and includes over 1.9 miles of waterfront as shown on the following map.



Assessed Real Property Values & Tax Increment Fund Revenue History

The original base year real property value for the Titusville Downtown CRA in 1982 was \$20,495,020. The Titusville Downtown CRA assessed property value in the reporting year of FY 2020 was \$108,231,915, which is an increase of \$6,425,198 in value from the FY 2019 assessed property value.

A history of the Titusville CRA Tax Increment Revenue per year since FY2005–2006 is found in Table-1 below. Prior to FY 2005–2006 the Downtown CRA had a steady but low tax increment since its inception in 1982. Over the past decade, the CRA's tax increment revenue has been more volatile due to the impacts of both new development and economic conditions.

Table 1: Tax Increment Revenues by Year (Audited)

FY 2005-2006	\$286,787
FY 2006-2007	\$589,533
FY 2007-2008	\$922,899
FY 2008-2009	\$876,391
FY 2009-2010	\$792,703
FY 2010-2011	\$724,997
FY 2011-2012	\$655,653
FY 2012-2013	\$631,488
FY 2013-2014	\$699,901
FY 2014-2015	\$712,212
FY 2015-2016	\$766,683
FY 2016-2017	\$793,838
FY 2017-2018	\$867,986
FY 2018-2019	\$919,020
FY 2019-2020	\$961,910

The Tax Increment Financing (TIF) revenues for the Downtown CRA increased substantially in fiscal year 2006 - 2007 due to the completion of the Harbor Pointe condominium complex. The first building was added to the tax rolls in fiscal year 2006-2007. This revenue allowed the CRA to complete projects that were not possible with revenues from the previous years.

The three remaining Harbor Pointe buildings were added to the tax rolls in fiscal year 2007 - 2008. Due to the economic downturn and increased foreclosures, the revenue in fiscal year 2008 - 2009 decreased to \$876,391. The revenue for fiscal year 2009 - 2010 was approximately \$792,703. Revenues for the 2010 - 2011 fiscal year decreased further by almost nine percent (9%) to approximately \$724,997. Continuing the downward trend of property values within much of Florida, audited revenues for fiscal year 2011-2012 decreased eleven percent (11%) to \$655,653. TIF revenues in FY2012-2013 slightly declined, with a decrease of 3.8%. The reduction in revenues between FY2009-2010 and FY2012-2013 resulted in a greater percentage of revenues being dedicated to debt service, thereby limiting redevelopment projects that were being undertaken by the CRA during those years. A 9.8% increase in the TIF revenues occurred in FY2013-2014. FY2014-2015 TIF revenues continued trending positive with an increase of \$12,311 or 1.76%. The tax increment figure for FY 2015 – 2016 showed an increase of \$54,471 or 7.65% from the previous fiscal year. FY 2016-2017 tax increment revenues increased \$27,155 in value or 3.5% from the FY 2015 – 2016 increment. The FY2017-2018 Tax Increment revenues saw an increase of \$74,148 or 8.5%. FY 2018-2019 Tax Increment revenues continued the positive trend with an increase of \$51,034 or 5.8% over the FY 2017-2018 TIF revenues with a total TIF of \$919,020. TIF revenues in FY 2019-2020 increased 4.6 percent or \$42,890 from the previous year.

In 2011, the CRA authorized issuance of a Public Improvement Revenue Note in an amount not to exceed \$2,535,000 to finance roadway and landscaping improvements in conjunction with the FDOT U.S. 1 project. In February 2013, the CRA approved partial repayment of the loan for \$850,000. The repayment funds were the result of lower than anticipated projects costs. The CRA's action produced a total savings of \$1.27 million. The CRA also paid off the Commons Project Bond at a cost of approximately \$95,000. The loan repayments reduced the annual debt service in FY2014-2015 from 34% to 19% of the Annual Revenues, thus providing more opportunities for capital projects in the future. The percentage of annual debt service to annual tax increment values in FY 2016 – 2017 was further reduced to 17% due to a combination of the increase in tax increment values and debt payments. Annual Debt Service in FY2017-2018 was further reduced to 15.7% of the Annual Revenue. Annual Debt Service in FY 2018-2019 again was reduced to 14.66% of the CRA's Annual Revenue. The ratio of debt service to revenue in FY1019-2020 was 13.98%.



Harbor Pointe Condominiums on Indian River Avenue

Fiscal Year 2019-2020 Capital and Non-Capital Projects

The Downtown CRA has continued with existing projects during the 2019 - 2020 fiscal year as well as started new projects as shown below.

Completed Capital Projects and Their Estimated Cost:

- ❖ Commercial Interior Building Renovation, Commercial Beautification, and Permit & Fee Grant Programs (operational – see detailed grant payouts in the narrative below),
- ❖ Street Lamp Post Holiday Decorations (\$8,902),
- ❖ Street Resurfacing – Orange St. west of Hopkins Ave.; Pine St. west of Hopkins Ave.; and Lemon Avenue (\$73,975)
- ❖ Downtown Cameras (\$2,775)
- ❖ Commons Parking Lot Landscaping (\$1,300)
- ❖ Historic Interpretive Sign Replacement (\$1,904)

Capital Projects Started but not Completed in the Fiscal Year and Their Estimated Cost:

- ❖ Sidewalk Infill (budgeted \$50,000)
- ❖ Street Light Improvements (budgeted \$50,000)

More detail about these projects follows.

Commercial Interior Building Renovation, Commercial Beautification, and Permit and Impact Fee Incentive Grant Programs

In FY 2016 – 2017 the CRA created a Commercial Interior Renovation Incentive Grant Program to assist property owners and commercial tenants of older buildings to bring their structures up to current Americans with Disabilities Act (ADA), the Florida Fire Protection Code, and the Florida Building Code standards. The Commercial Interior Building Renovation Incentive Grant Program helps to expand and improve under-used buildings to increase commercial and mixed use intensity, bring buildings up to code, assist small businesses in the CRA to grow and prosper, and to promote job creation in the district. This grant program offers financial assistance in the form of a reimbursable, fifty percent (50%) matching grant up to a maximum of \$50,000 to the property owner or business owner for eligible expenses associated with the renovation and rehab of the following interior elements of commercial and mixed use building space:

- ❖ ADA requirements
- ❖ Florida Fire Protection Code requirements
- ❖ Florida Building Code requirements including:
 - Interior plumbing to meet code
 - Interior electrical system including lighting to meet code
 - HVAC system to meet code

During fiscal year 2017-2018 the CRA expanded its matching Building Grants Incentive Programs by drafting and approving a new Permit & Impact Fee Incentive Grant Program, revising the Commercial Interior Renovation Grant Program and reactivating and revising its Commercial Beautification Grant Program. The Permit & Impact Fee Program provides a maximum \$50,000 matching one to one grant to help offset the cost of permits and impact fees for new construction in the CRA. The Commercial Interior Renovation Grant Program was revised to provide an additional \$50,000 matching one to one grant for interior building renovations that provide residential and nonresidential mixed-use as an incentive for residential units to be added to the CRA and spur housing in the downtown. The Commercial Beautification Grant Program provides a \$40,000 matching one to one grant for façade and exterior improvements to buildings in the CRA to improve the appearance of the CRA/downtown and eliminate blight. The Grant Programs were further revised to provide payment of seventy-five (75%) of the grant award at project completion and the remaining twenty-five (25%) of the grant award with occupancy of the building at one (1) year after completion of the improvements as an incentive for building owners to have their buildings occupied and not sit empty. The expanded grant program became operational in FY 2019.

Two (2) Commercial Beautification (Façade) grants were awarded in FY2020. The total amount of awarded for the two (2) grants was \$63,358. One of the grants involved a roof replacement to a contributing structure to the Historic Commercial District, while the other grant involved arcade ceiling and building wall lighting, sidewalk trench drainage work, signage, step and railing work to an entryway, historic clock restoration work, historic awning replacement, and exterior building paint to a National Register Historic building in the downtown.

Five (5) grant payouts were made during the fiscal year. The grant payments were for three (3) Commercial Beautification grants and two (2) Commercial Interior grants. The total payout for the grants during the fiscal year was \$55,646.72.

Since these are fifty (50%) matching reimbursable grants with a maximum cap, the grant program leverages more than double the grant amount of investment in the CRA. A CRA Grant Return on Investment History Report completed in FY 2019 found that for completed grant projects and for grant projects under construction the return on investment was \$14.71 for every \$1 of CRA grant money awarded. Considering only completed grant projects since 2008, the ROI was \$3.14 for \$1 of CRA grant money. The reason for the large difference between completed project and both completed and under

construction is that there are two (2) major construction projects presently taking place in the CRA, the Launch Now project with an estimated cost of \$5 million of construction and the Beachwave project with an estimated cost of \$3 million. Both of these major construction projects are proposed to be completed in FY2021.

The return on investment study shows how the grant program is helping to prevent deterioration of older historic properties in the CRA; stimulate interest and investment in the District; encourage the development of business and job growth; and encourage the utilization of existing business stock and new construction in the CRA.

Street Lamp Post Holiday Decorations

In FY2019 the Downtown Merchants Association encouraged merchants to decorate their businesses with lights and ornaments, and contracted to have holiday music played from a sound system in the Downtown Historic District. In order to expand and improve holiday decorations outside of the Downtown Historic District for the 2020 holiday season, the CRA purchased 3,750 feet of white L.E.D. rope light to replace the mini-lights on every pedestrian lamp post on S, Washington Avenue and S. Hopkins Avenue to match the brighter rope lights used in the Historic Commercial District; four (4) 40-inch L.E.D. lighted holiday pole wreaths to be placed at the intersections of US Route 1 with Garden Street at the north and South Street at the south; eight (8) 24 inch red holiday bows to be placed on the pedestrian light poles so that every light pole has a bow; and sixty-six (66) holiday themed banners to be added to existing holiday banners so that at least half of the pedestrian light poles have a holiday themed banner on them. The total cost of these items was \$8,902.



L.E.D. Cord Lights



L.E.D. Lighted 40 inch Wreath



Red Holiday Bows

Street Resurfacing

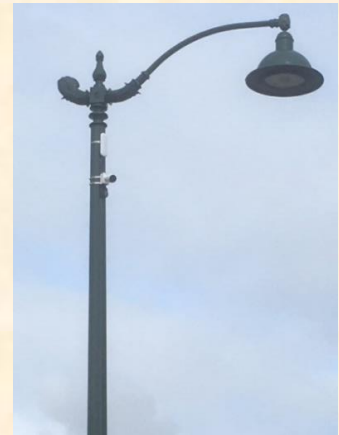
Three (3) street segments in the CRA District were resurfaced in the fiscal year. The street segments paved were Orange Street west of S. Hopkins Avenue, Pine Street west of S. Hopkins Avenue, and the entire length of Lemon Avenue. The streets were cracking and in need of resurfacing. The streets were not part of the City's 5 Year Capital Improvements Plan. The paving adds to the appearance of the CRA and helps economic development by continuing to maintain streets in the Redevelopment District. The cost of the street paving was \$73,975.



Resurfacing of Orange St., Lemon St., & Pine St.

Downtown Cameras

As part of its Community Policing Program the Titusville Police Department requested the CRA purchase four (4) video cameras and associated equipment to be installed at three (3) strategic locations in the downtown CRA to document areas of high traffic/pedestrian accidents and criminal activity. The cameras were placed on a pedestrian crosswalk light pole at the northeast corner of S. Hopkins Avenue and Julia Street facing the southwest; a parking lot light pole at the Commons Parking Lot at the light pole near the Badcock Furniture store facing southward; and two (2) cameras on the street light poles at the intersection of S. Washington Avenue and Julia Street facing both northward and southward on S. Washington Avenue. The S. Washington Avenue and Julia Street camera facing southward has a view of the pedestrian crossing at that location where the rapid flashing beacon light is located and traffic - pedestrian conflicts have occurred. The cameras and equipment were purchased in FY2019 but not installed by City Staff until FY2020. The total cost for the cameras and equipment was \$2,775.



Downtown cameras at 3 of 4 locations in the downtown

Commons Parking Lot Landscaping

In April and May of 2020, Public Works Facilities staff upgraded the Commons Parking Lot landscaping. Some of the vegetation had aged and needed replaced. Landscape beds were also redesigned to make maintenance more efficient. The project involved installing new shrubs, pine bark mulch and sod. The Commons parking lot is heavily used by visitors for both downtown commerce and for rocket launches. The landscaping upgrade helps to beautify the downtown and to make a good impression of the City to visitors from all over the world. The cost of the landscaping was \$1,300. Labor was provided by city staff.



Commons Parking Lot Landscaping Upgrade

Historic Interpretive Sign Replacement

The Scobie Fish House & Pier Historic Interpretive Sign located on Indian River Avenue near the Main Street intersection at Scobie Park was damaged by a vehicle involved in a police chase in May of 2020. No damage was done to the sign support poles. A new replacement sign was ordered and installed in August of 2020 for a cost of \$1,904. The City's Risk Management Department is seeking restitution from the vehicle driver's insurance company.



Interpretative sign poles after sign damaged



New interpretive sign reattached to the existing poles

Sidewalk Infill

The CRA proposed to provide infill sidewalks and Americans with Disabilities Act (ADA) improvements on Lemon Avenue and Broad Street. Due to issues with trying to piggy back the sidewalk and concrete repair work with Brevard County's Sidewalk and Concrete Repair Contract, the CRA's Sidewalk Infill project was moved to FY2021 so that a citywide sidewalk and concrete repair proposal could be advertised. Once the contract is awarded, the sidewalk and ADA work will be completed. The project is estimated to cost \$50,699.

Street Light Improvements

During the fiscal year Public Works staff worked on designing street lighting on the north side of Broad Street between S. Palm Avenue and Indian River Avenue, and replacing the purple pedestrian lamp posts on the south side of Julia Street in front of the Titusville Playhouse. At the September 8, 2020 CRA meeting, the CRA heard a presentation by staff regarding options and cost analyses to replacing the three (3) old lamp posts on Julia Street. The options involved possibly replacing the existing three (3) purple gothic lamp posts with lamp posts consistent with those lamp posts on S. Washington Avenue and S. Hopkins Avenue and if so, determining whether to opt for two (2) light poles on the south side of Julia Street or six (6) lamp posts on both sides of Julia Street between S. Hopkins Avenue and S. Palm Avenue. Based on the cost analyses provided and the amount of funds currently budgeted (\$50,000), the CRA opted to direct staff to install two (2) new lamp posts similar to the rest of the downtown CRA

on Julia Street. The project includes not only lamp posts but also trenching, running conduit, wiring, and power drops. The estimated cost of the project is \$40,300. The work should be completed in FY2021.

Non-Capital Projects

The Non-Capital Projects that occurred over the fiscal year are as follows:

- ❖ CRA Special Expenditures Audit for FY 2019
- ❖ Spaceview Park Connecting Pedestrian Pier Feasibility Study
- ❖ Streetscape Landscaping and Facilities Maintenance
- ❖ Community Policing
- ❖ Historic Preservation Board activities in the CRA District
- ❖ Downtown Mixed Use (DMU) Zoning building height increased – Uptown Subdistrict
- ❖ Downtown Development Design Review Process Advisability
- ❖ Request of Interest (ROI) on Downtown Properties
- ❖ All Abilities Playground at Sand Point Park site location recommendation approval
- ❖ Updates on the Launch Now Development and the Titusville Playhouse future development plans.

CRA Special Expenditures Audit for FY2019

In February 2019 the CRA tasked the City's independent auditors with auditing the CRA's expenditures for FY2017 and FY2018. The audit found that the CRA's expenditures for those years to be compliant with State Statutes. The auditors were also tasked with auditing the CRA's FY2019 expenditures which were found to be compliant. State legislation was passed in 2019 that will make the auditing of CRA expenditures a requirement in FY2020.

Spaceview Park Connecting Pedestrian Pier Feasibility Study

The CRA approved advisability in July 2019 and a budget amendment in September 2019 to fund a feasibility study for a pedestrian pier to connect Spaceview Mercury Park to Spaceview Gemini Park. The parks are separated by an inlet that requires visitors to back track to visit both parks. The pier if found feasible to construct will meet the CRA's Plan goal of connecting the City's parks and providing a water front attraction for residents and visitors to view rocket launches. In January 2020 a Request for Qualifications (RFQ) was advertised to conduct a Feasibility and Conceptual Design Study. Taylor Engineering, Jacksonville, Florida, was selected in March 2020 to do the study. A contract with Taylor Engineering was signed in July 2020. The study was conducted in FY2021.

Streetscape Landscaping and Facilities Maintenance

The CRA continued its funding of the general maintenance of the plantings, lighting and street furniture funded by the CRA along the US-1 corridor (Washington Avenue & Hopkins Avenue) and in the Titusville Downtown Commons area. The maintenance provided by the CRA along the US-1 corridor is at a higher level of maintenance than provided by the Florida Department of Transportation and helps to protect the CRA's investment. The CRA also continues to fund the cost of irrigation and utilities along US 1.

In FY2018, the CRA funded the creation of a part-time maintenance worker to perform a variety of duties that include but are not limited to, litter control, vegetation maintenance, garbage removal, painting, graffiti removal, reporting acts of vandalism, etc. The position was needed due to the increase in the number of visitors to the downtown, many coming to experience the regional and national trails converging in Titusville and to view manned and unmanned rocket launches. The position was funded in FY2019 however the part time employee took ill during the year and did not return to work. The maintenance duties had to be picked up by other Public Works staff while the position was advertised and a person chosen to fill the position which did not occur during the FY2020 fiscal year. In November of 2019, the position was changed from part-time to full time. The change to full time was needed in order to get candidates to apply and to provide stability to the position.



Maintenance workers mulching a S. Washington Ave. landscape bed

Community Policing

In June 2014, the CRA initiated a Community Policing program. The program consists of law enforcement officers deployed on an overtime basis during varying days and times. Increased activities in the CRA District include business contacts, directed patrols, traffic details, community relations, neighborhood patrols and anti-burglary details. This is thought to be a more cost-effective method to provide coverage as needed, rather than one full-time officer who would have less flexibility to address issues as they arise.

Program accomplishments for the fiscal year are listed below. As the community policing initiative augments the Titusville Police Department's regular presence in the CRA, only those activities conducted during the community policing details are provided. CRA Police Details totaled 325 hours for the fiscal year and the details involved 872 Property Checks; 55 Traffic Stops; and 18 Suspicious Persons/Vehicles/Incidents.

Total incident statistics in the redevelopment district for the fiscal year not part of the CRA Police details were as follows:

Vehicle Burglaries – 16 (FY2019 - 41)
 Residential Burglaries – 2 (FY2019 – 2)
 Commercial Burglaries – 10 (FY2019 – 11)

Traffic Stops – 1,140 (FY 2019 – 748)
 Traffic Accidents without injuries – 122 (FY 2019 -165)
 Traffic Accidents with injuries – 54 (FY 2019 – 29)

Burglary Comparison between the CRA and Citywide:
 CRA District – 28
 City Wide - 555

The incident statistics show that the Community Policing details had an emphasis on reducing vehicle burglaries and enforcing traffic laws during the fiscal year. The residents and property owners within the CRA have acknowledged the Community Policing program as a success.

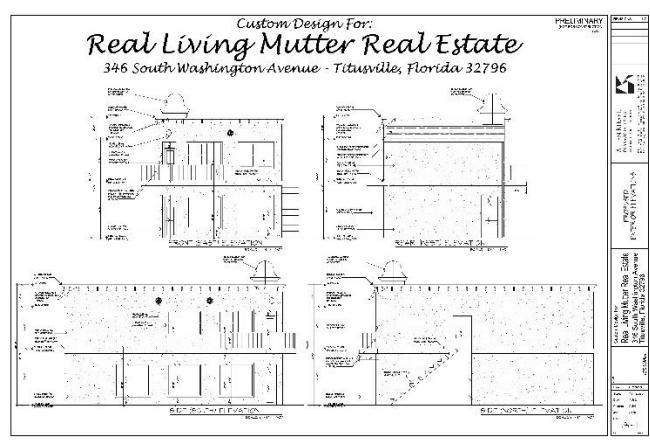
Historic Preservation Activities

The CRA District is home to many of the City's historic resources. The preservation of these historic resources in the Community Redevelopment District adds to the City's pride and creates pedestrian and visitor appeal, which provides economic development for the City. Historic Preservation activities that

directly involved the CRA District during the fiscal year included approving with conditions a request to demolish a building located at 346 S. Washington Avenue that was a contributing structure to the Downtown Historic District; approving the design and architecture plans for a proposed building to replace the demolished building at 346 S. Washington Avenue to ensure that the proposed building is appropriate and compatible with the Downtown Historic District; and the obtaining of a State of Florida Division of Historical Resources Small Matching Grant in July 2020 in the amount of \$30,000 to fund the creation of a Historic Booklet and Walking/Driving Tours for the City. The majority of the history and historic landmarks that will be in the booklet and walking/driving tour are found in the Redevelopment District.



436 S. Washington Ave. building being demolished



Approved replacement building architectural plans

Downtown Mixed Use (DMU) Zoning District Building Height Increased

The CRA and City Council approved a Zoning Code amendment to increase the height of multifamily buildings in the Downtown Mixed Use (DMU), Uptown Sub-district of the Redevelopment District west of US-1 from five (5) stories to ten (10) stories. The increase in multifamily building height in the Uptown Sub-district section will help to promote residential development in that area of the CRA District. The code change furthers the CRA's Plan goal of increasing residential in the Downtown.

Downtown Development Design Review Process Advisability

The CRA directed staff to look at possible revisions to the Downtown Mixed Use Zoning Code with regards to the requirement that the CRA approve development projects with an area greater than 1.5 acres or greater than 10,000 square feet of building area. At the October 2019 CRA meeting, staff provided three (3) design review options for the CRA to consider and provide direction to staff. The options involved 1) leaving the process as is with the CRA providing final design approval after submitting a site plan and receiving a recommendation from the staff Development Review Committee (DRC) for the developments meeting the thresholds; 2) having the developer obtaining conceptual approval of developments meeting the thresholds at the beginning of the process, submitting a site plan and then obtaining DRC review and approval; 3) removing the CRA from the large development review process unless there are appeals from the DRC. The CRA opted to go with Option 1 and leave the process as is.

Request of Interest on Downtown Properties

In FY2019 the CRA approved a Request of Interest (ROI) on strategic properties for sale in the downtown north of and adjacent to the historic downtown core area be advertised. The ROI was the result of the CRA trying to spur interest in the development of the area with a private – public partnership in the construction of mixed use buildings consisting of residential, commercial, and civic uses to attract people to the downtown. The deadline to submit letters of interest was August 14, 2019. No submittals were received that met the deadline and submittal requirements. At the October 2019 CRA meeting the CRA discussed various changes to the ROI advertisement and possible re-advertising the ROI. The CRA

recommended holding off on re-advertising the ROI to see what happens with the Launch Now development in the downtown which is proposing a food court and possibly revisiting the issue at a later time.

New Construction & Businesses

A goal of the City's CRA Plan is to encourage private sector investment in the CRA. New building construction and major renovation work to existing buildings helps the City in combating blight. It also encourages others to invest in the CRA. Twenty (20) new Business Tax Receipts (BTR) were approved in the CRA District during the fiscal year. Here are some examples of some of the new businesses and major renovation construction that occurred in FY 2019 – 2020 in the CRA District:



Beachwave building under construction - \$3 million +



\$5+ million in major renovations occurring at the Launch Now site



Southern Faith Boutique



Baby's Breath Ultrasound



321 Produce



Rocket City Real Estate

Summary of Redevelopment Plan Goals Achievement

State legislation now requires a summary indicating to what extent, if any, the community redevelopment agency has achieved the goals set out in its redevelopment plan. A summary of the redevelopment plan goals achievement by the Agency follows.

Becoming a Trail Town

The CRA is well into achieving the goal of making downtown Titusville a "Trail Town" with the completion of the Downtown Connector Trail in FY2019; the installation of primary wayfinding signs and other amenities such as downtown directory signage, a downtown welcome center, bike racks, etc. in previous years; and by being designated the second Trail Town in the State of Florida by the Florida Department of Environmental Protection, Greenway & Trails Division in FY2019. Work commenced on the construction of the missing link of trail between Indian River Avenue and the A. Max Brewer Bridge in the CRA. The trail link from Parrish Park east of the A. Max Brewer Bridge to the Merritt Island Wildlife Refuge property line was completed. Work still needs to be done to construct the trail link from the west Merritt Island National Wildlife Refuge property line to the Canaveral National Seashore; providing better wayfinding for trail users in the CRA; and continuing to improve streets, parks, sidewalks and parking in the downtown, including possible trail heads in the District.

Vibrant Community Initiative

The vibrant community initiative goal involves increasing residential development in the downtown, the support of arts and entertainment facilities, and integrating existing recreational facilities in the downtown. The CRA is working to attain this goal with the Launch Now development under construction with the assistance of the CRA Grant Program. Launch Now will provide twenty (20) new boutique apartment units in a mixed use building in the heart of the Historic Downtown. A second residential development with 384 total multifamily units known as Horizon at Sand Point is in the planning stages and is taking advantage of the increase in residential density and building height in the Uptown Subdistrict of the CRA. More residential however is needed as pointed out in the City's Strategic Economic Development Plan to make the CRA more vibrant.



The COVID-19 Pandemic, which began in March of 2020 and continued throughout the fiscal year, curtailed activities and commerce in the CRA with the shutdown of nonessential businesses and private events, such as the Downtown Street Parties put on by the Downtown Merchants Association, running races, etc. Federal CARES Act funding did provide for successful well attended Farmers Market to provide food for low and moderate income people suffering from the economic issues caused by the pandemic during the fiscal year.

The CRA has supported the arts by wrapping traffic signal boxes designed by local artists along US Route 1 and by encouraging murals on buildings in the CRA. More and different kinds of art can be incorporated into the CRA to truly make the downtown a destination for visitors and residents.

The CRA is continuing to integrate existing recreational sites with the completion of the Downtown Connector Trail and by approving a feasibility study for a pedestrian observation pier to link two (2) existing parks separated by water. The pier will become a waterfront destination for residents and visitors wanting to view rocket launches and take in the scenic view. Other park improvements have included a splash pad, BMX bicycle track, skateboard facility, etc. over the years. Long range plans call for a waterfront trail to connect recreational sites to the downtown and to areas to the south as well as adding trail

Community Policing

Community Policing is an ongoing endeavor in the CRA. Special details to combat homeless and pan handling issues, traffic issues like speeding on S. Washington Avenue and S. Hopkins Avenue, burglaries, prostitution solicitation issues, etc. will be needed to continue to make the CRA a safe place to live, work, invest, and play. The use of cameras being installed in three (3) strategic areas of the CRA as a pilot project will help the Police Department in solving traffic incidents and crimes, and thus reducing criminal activities.

Historic Preservation

Historic Preservation is a tool for the revitalization and adaptive reuse of historic buildings in the City. The majority of historic structures in Titusville are located in the CRA. These historic buildings are an asset to the City and create the City's character. This goal has been furthered with the creation of a Historic Preservation Board, a Historic Preservation Ordinance, the designation as a Certified Local Government; the designation of twelve (12) historic resources to the Local Historic Register; the creation of a local Ad Valorem Property Tax Exemption Ordinance and the CRA Building Grant Program as incentives to renovate historic resources; and the printing of a Titusville Historic Landmarks brochure. As stated earlier, the City obtained a State of Florida Division of Historic Resources Small Matching Grant in July 2020 in the amount of \$30,000 to fund the creation of a Historic Booklet and Walking/Driving Tours for the City. The booklet and walking/driving tours will help to identify the City's historic resources and will help to provide economic development with visitors touring the city's historic landmarks and visiting city businesses while they are visiting. There are many more historic resources in the CRA that need to be designated to prevent their razing in order to maintain the City's downtown heritage.

Commercial Beautification Grant & Structural Rehabilitation

The goal of the CRA's Commercial Beautification & Structural Rehabilitation Grant Program is to provide incentives to existing and new property owners to upgrade the exteriors for aesthetics, interiors to meet code requirements, and to incentivize new construction that will ultimately lead to higher occupancy rates, increased property values, and to increase the visual appearance of the CRA. The creation of the CRA's Commercial Interior Renovation Grant in previous years, the reinstituting of the Commercial Beautification Grant and the creation of the Building Permit and Impact Fee Grant that went into effect in FY 2019 helped to further this goal. As previously stated the return on investment of the grant program shows that the program is worthwhile in priming the pump of investment in the CRA. The program is just back in full effect after being mothballed during the Great Recession. There are many properties in the CRA that can take advantage of this incentive.

Side Street Streetscape

Side street streetscape refers to the streets that intersect with US route 1 (Washington Avenue and Hopkins Avenue). The streets include Orange Street, Broad Street, Main Street, Julia Street, Pine Street, Palmetto Street, South Street, and St. Johns Street. Orange Street east of S. Washington Avenue, and Main Street have been resurfaced. Orange and Pine Streets west of Hopkins Avenue as well as Lemon Avenue were resurfaced during the fiscal year. The resurfacing of other side streets in the CRA and the possible creation of landscape islands on Broad Street similar to what was done on Indian River Avenue when the trail was installed need to be done.

Underground Utilities

Converting the overhead power lines on US Route 1 and on Broad Street to underground has been found to be cost prohibitive at this time. A study in 2007 found that the cost to convert the lines to underground as part of the US 1 Streetscaping project in 2010 would be \$1.4 million. The cost would be even higher today. This goal of the Redevelopment Plan has been put on the back burner until it becomes financially feasible.

Targeted Property Acquisition

Targeted property acquisition is a strategic measure that can be used to attract development or provide public improvements such as parks, storm water ponds and conveyance, roads, etc. Without obtaining a loan or bond, it is financially unfeasible for the CRA to purchase any properties at this time. As seen in the Request for Development Interest above, it may be possible for the CRA to form a public-private partnership to acquire strategic property for a desired development in the CRA with the use of tax increment reimbursement. The CRA may revisit doing a Request of Interest with a private – public partnership involving downtown properties and potential developers.

Wayfinding Signage Program

The CRA has implemented the initial wayfinding signage to include seven (7) directional signs along the Downtown Connector Trail, two (2) downtown directory signs, and two (2) pole signs at the Welcome Center property directing visitors to the Welcome Center, Julia Street parking lot and the bike shop located within the Welcome Center. Additional more detailed wayfinding/directional signs are needed for landmarks in the downtown such as the historic district, the Veterans Memorial, the Space Monuments, the fishing/shrimping pier, the various parks, and the municipal marina.

Event Sponsorship and Marketing

The CRA stopped funding Special Events in FY 2017. The CRA determined that it wanted to concentrate funding on brick and mortar projects and not on special events. Marketing of the CRA has been transferred to the City's Economic Development Division. This goal is no longer in effect.

Banner Signs

Street banners attached to pedestrian light poles in the CRA have included downtown activities such as music, dining, history, culture and the environment. Banners have also been installed to commemorate significant events in the city such as was done for the City's celebration of the City's 150th anniversary of its founding in 2017. Sixty six (66) holiday themed banners were purchased in FY 2019-2020 to provide for a more festive holiday season in the CRA. The installation of banners on a seasonal and on a replacement basis due to weathering and age will be a continuing activity that adds to the vibrancy of the City.

Downtown Stormwater Plan

It has been determined that a regional stormwater master plan would be cost prohibitive to implement due to the number of drainage basins that traverse the CRA and due to the ruling that the City's Stormwater Utility could not pay for the plan. In FY 2019 the CRA advocated the use of Low Impact Development (LID) techniques and public – private partnerships to create stormwater facilities to handle stormwater runoff in the CRA. The implementation of this goal will be a continuing process.

Financial Audit Information

The financial information for the Titusville CRA on the following pages is as reported by the independent auditing firm of James Moore & Company, 121 Executive Circle, Daytona Beach, Florida, 32114. The data was taken from the City of Titusville's Comprehensive Annual Financial Report, Fiscal Year ended September 30, 2020. The financial statement provides information on the Agency's assets, liabilities, income, and operating expenses as of the end of fiscal year 2019 – 2020 in accordance with Chapter 163, Part III, Florida Statutes. Total expenditures from the Redevelopment Trust Fund in the fiscal year were \$386,559.

An audit report of the CRA's FY2019 - 2020 expenditures by the James Moore & Company is also included in this financial section of the Annual Report.

The total amount of funds expended for affordable housing for low income and middle income persons and families was zero (0) in the CRA. It should be noted that affordable housing is not one of the goals of the current CRA Plan.

TITUSVILE COMMUNITY REDEVELOPMENT AGENCY

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

**TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
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SEPTEMBER 30, 2020**

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INDEPENDENT AUDITORS' REPORT

To the Governing Board,
Titusville Community Redevelopment Agency:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Titusville Community Redevelopment Agency (the CRA), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The CRA's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund, and the aggregate remaining fund information of the CRA, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

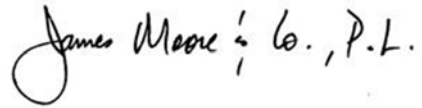
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2021, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control over financial reporting and compliance.

Daytona Beach, Florida
April 9, 2021



MANAGEMENT'S DISCUSSION AND ANALYSIS

Titusville Community Redevelopment Agency's (the CRA) management's discussion and analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the CRA's financial activity, (c) identify changes in the CRA's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the MD&A is designed to focus on current year activities, resulting changes, and currently known facts, it should be read in conjunction with the CRA's financial statements which follow this section.

Financial Highlights

- The assets of the CRA exceeded its liabilities at September 30, 2020, by \$1,780,680 (net position). Of this amount, \$535,539 represents the net investment in capital assets, and \$1,244,489 was restricted for redevelopment purposes.
- As of September 30, 2020, the CRA's reported ending fund balances of \$1,244,489. Fund balance saw a change of \$485,354 when compared to the prior year.

The MD&A is intended to serve as an introduction to the CRA's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

Overview of the Financial Statements

This annual report consists of four components: 1) management's discussion and analysis (this section), 2) government-wide and fund financial statements, 3) notes to the financial statements, and 4) required supplementary information.

Government-wide Financial Statements

Government-wide financial statements provide readers with a broad overview of the CRA's finances in a manner similar to a private-sector business. The governmental activities of the CRA include reinvesting into the community redevelopment district.

The statement of net position presents information on all of the CRA's assets and liabilities, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the CRA is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported using the modified cash basis of accounting.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

Statement of Net Position

The following is a summary of the CRA's governmental activities net position for each of the past two years:

	Governmental Activities	
	2020	2019
ASSETS		
Current and other assets	\$ 1,298,684	\$ 983,916
Capital assets	535,539	548,061
Total assets	<u>\$ 1,834,223</u>	<u>\$ 1,531,977</u>
LIABILITIES		
Current liabilities	\$ 22,071	\$ 178,593
Advances from other funds	31,472	46,188
Total liabilities	<u>\$ 53,543</u>	<u>\$ 224,781</u>
NET POSITION		
Net investment in capital assets	\$ 535,539	\$ 548,061
Restricted	1,245,141	759,135
Total net position	<u>\$ 1,780,680</u>	<u>\$ 1,307,196</u>

Statement of Activities

The following is a summary of the changes in the CRA's governmental activities net position for each of the past two years:

	Governmental Activities	
	2020	2019
REVENUES		
Property taxes	\$ 961,910	\$ 919,020
Other revenues	44,532	47,663
Total revenues	<u>1,006,442</u>	<u>966,683</u>
EXPENSES		
Community development	290,406	276,942
Capital outlay	108,023	369,338
Total expenses	<u>398,429</u>	<u>646,280</u>
Net income before transfers	<u>608,013</u>	<u>320,403</u>
Transfers to primary government	(134,529)	(137,881)
Change in net position	473,484	182,522
Net position , beginning of year	1,307,196	1,124,674
Net position , end of year	<u>\$ 1,780,680</u>	<u>\$ 1,307,196</u>

Financial Analysis of the General Fund

The focus of the CRA's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the CRA's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the CRA's general fund reported an ending fund balance of \$1,244,489, a change of \$485,354, in comparison with the prior year.

At the end of the current fiscal year, the entire fund balance was restricted for community development. As the CRA is focused on reinvestment revenues into the CRA district and does not have significant annual operational costs, the CRA does not maintain specific reserve levels for operations.

General Fund Budgetary Highlights

There were no significant amendments between the original and the final CRA budget.

Actual expenditures in the general fund were \$945,183 less than final budget amounts. The main reason for this is due to the timing of capital project and other one-time expenditures.

Budgetary comparisons between the final budget and actual results can be found on page 15 of this report.

Economic Factors and Next Year's Budget

There are many challenges facing local governments today. Property values have continued to increase in recent years, contributing to related growth in the revenues of the CRA. While property values for the 2020-2021 fiscal year have increased, the future outlook of property values during and after the COVID-19 pandemic, and any potential impact they will have on the CRA's finances, are unknown.

Requests for Information

This report is designed to provide an overview of the CRA's finances for those with an interest in this area. Questions concerning any of the information found in this report, or requests for additional information, should be directed to the City of Titusville.

TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
BALANCE SHEET / STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	<u>Balance Sheet</u> <u>General</u> <u>Fund</u>	<u>Adjustments</u>	<u>Statement of</u> <u>Net Position</u> <u>Governmental</u> <u>Activities</u>
ASSETS			
Cash and cash equivalents	\$ 143,113	\$ -	\$ 143,113
Investments	1,154,919	-	1,154,919
Capital assets:			
Non-depreciable	-	200,000	200,000
Depreciable, net	-	335,539	335,539
Total assets	<u>\$ 1,298,032</u>	<u>\$ 535,539</u>	<u>\$ 1,833,571</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 22,071	\$ -	\$ 22,071
Due to primary government	31,472	-	31,472
Total liabilities	<u>53,543</u>	<u>-</u>	<u>53,543</u>
FUND BALANCE / NET POSITION			
Fund Balance:			
Restricted for:			
Community redevelopment	1,244,489	(1,244,489)	-
Net Position:			
Net investment in capital assets	-	535,539	535,539
Restricted for:			
Community redevelopment	-	1,244,489	1,244,489
Total fund balance / net position	<u>1,244,489</u>	<u>535,539</u>	<u>1,780,028</u>
Total liabilities and fund balance / net position	<u>\$ 1,298,032</u>	<u>\$ 535,539</u>	<u>\$ 1,833,571</u>

The accompanying notes to financial statements are an integral part of this statement.

TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE /
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Statement of Revenues, Expenditures, and Changes in Fund Balance		Statement of Activities
	General Fund	Adjustments	Governmental Activities
Revenues			
Taxes	\$ 961,910	\$ -	\$ 961,910
Investment income	38,451	-	38,451
Miscellaneous	6,081	-	6,081
Total revenues	<u>1,006,442</u>	<u>-</u>	<u>1,006,442</u>
Expenditures / expenses			
Current:			
Community development	278,536	-	278,536
Capital outlay	108,023	-	108,023
Depreciation	-	12,522	12,522
Total expenditures / expenses	<u>386,559</u>	<u>12,522</u>	<u>399,081</u>
Excess (deficiency) of revenues over expenditures / operating income (loss)	<u>619,883</u>	<u>(12,522)</u>	<u>607,361</u>
Other financing sources (uses)			
Transfers out to primary government	(134,529)	-	(134,529)
Total other financing sources (uses)	<u>(134,529)</u>	<u>-</u>	<u>(134,529)</u>
Net change in fund balance / net position	<u>485,354</u>	<u>(12,522)</u>	<u>472,832</u>
Fund balance / net position, beginning of year	759,135	548,061	1,307,196
Fund balance / net position, end of year	<u><u>\$ 1,244,489</u></u>	<u><u>\$ 535,539</u></u>	<u><u>\$ 1,780,028</u></u>

The accompanying notes to financial statements are an integral part of this statement.

TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(1) Summary of Significant Accounting Policies:

The financial statements of the Titusville Community Redevelopment Agency (the CRA), have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles and the CRA has adopted the GASB Codification. The following is a summary of the CRA's significant accounting policies:

(a) **Reporting entity**—The Titusville Community Redevelopment Agency was created by Ordinance 66-1982 of the City of Titusville, Florida (City) per Chapter 163 Part III of the Florida Statutes. Pursuant to Florida Statute 163.387, the Community Redevelopment Agency has 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. Since the City is financially accountable for the activities of the CRA, its governing board is substantially the same (the City Council plus two additional appointed members), and its relationship to the CRA is significant, the CRA is considered to be a blended component unit in the City's financial statements, where it is also reported as a major special revenue fund.

The CRA has determined there are no component units that meet criteria for inclusion in the CRA's financial statements.

(b) **Government-wide and fund financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the CRA. The CRA only has governmental activities and does not engage in any business-type activity. Direct expenses are those that are clearly identifiable with a specific function or segment. General revenues include ad valorem taxes and interest income. Fund financial statements are presented for the CRA's General Fund. The General Fund, which accounts for all financial operations of the CRA, is considered to be a major fund and is the only fund of the CRA.

(c) **Measurement focus, basis of accounting, and financial statement presentation**—The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the grantor have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the CRA considers property revenues to be available if they are collected within 60 days of the end of the current period. Grants, other intergovernmental revenues, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditures generally are recorded when a liability is incurred. However, expenditures related to long-term agreements are recorded only when payment is due.

(d) **Budgets and budgetary accounting**—The governing board of the CRA adopts an annual operating budget, which is prepared on a modified accrual basis and can be amended by the board throughout the year. At the fund level, actual expenditures cannot exceed the budgeted amounts. The accompanying budgeted financial statements for the General Fund reflect the final budget authorization amounts, including all amendments.

TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(1) **Summary of Significant Accounting Policies:** (Continued)

(e) **Deposits and investments**—The CRA’s cash and cash equivalents include cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents.

(f) **Receivables and payables**—Activity between the CRA and the City has been classified as amount due to/from the primary government on the balance sheet and statement of net position. All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of outstanding balances and historical trends. At September 30, 2020, all of the CRA’s receivables were considered fully collectible.

(g) **Prepaid items**—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

(h) **Capital assets**— The CRA owns limited capital assets. The majority of capital outlay expenditures made by the CRA are deemed to be on behalf of the City who takes ownership of the assets along with the perpetual maintenance obligation for those assets. Capital assets owned by the CRA, which land and buildings, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but charged to operating expense as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30 years

(i) **Long-term obligations**—The CRA does not have any legal indebtedness. Any use of funds for debt service represents payments toward long-term debt issued in the name of the City for which CRA revenues have been pledged.

The CRA does not have any employees. Any employees who provide services to the CRA are employees of the primary government and do so at either no charge to the CRA, or any allocations made to the CRA represent reimbursements by the CRA to the primary government for services rendered (any items recorded to personnel expense accounts are only for ease of tracking the reimbursement amounts). As a result, there is no compensated absences, other post-employment benefits (OPEB), or pension liabilities recorded on the CRA’s financial statements.

TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(1) **Summary of Significant Accounting Policies:** (Continued)

(j) **Fund equity**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

Nonspendable – amounts not available to be spent or not in spendable form, such as inventory and prepaid items.

Restricted – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions or by enabling legislation.

Committed – amounts constrained to specific purposes based on actions taken by the CRA governing board through ordinance.

Assigned – amounts the CRA intends to use for a specific purpose. Intent can be expressed by the CRA governing board or by an official or body which the Board delegates authority.

Unassigned – amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available; the CRA considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the CRA considers amounts to have been spent first out of committed funds, then assigned funds and finally, unassigned funds, as needed.

(k) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The CRA has no items that meet this reporting criteria.

(l) In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The CRA has no items that meet this reporting criteria.

(m) **Net position flow assumption**—Sometimes the CRA will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the CRA's policy to consider restricted net position to have been used before unrestricted net position is applied.

(n) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(2) Reconciliation of Government-Wide and Fund Financial Statements:

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is as follows: capital assets used in governmental activities are not financial resources and, therefore, not reported in the governmental funds.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is as follows: governmental funds report capital outlays as expenditures, however, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

(3) Deposits and Investments:

The CRA is subject to the investment policy of the primary government and maintains interest-bearing banking accounts for substantially all CRA funds. Additional accounts are held for various other purposes, or to segregate cash balances for amounts which are restricted or held on behalf of others. State statutes authorize the CRA to invest excess funds in time deposits, or obligations of the principal and interest of which are unconditionally guaranteed by, the United States Government, commercial paper, corporate bonds, repurchase agreements and/or the State Board of Administration (SBA) Local Government Surplus Trust Fund Investment Pool or other investment vehicles authorized by local ordinance.

As of September 30, 2020, all CRA deposits were covered by private bank acquired insurance, Securities Investor Protection Corporation (SIPC) insurance, private broker/dealer acquired insurance, Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act). The Act established guidelines for qualification and participation by banks and savings associations, procedures for administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to 125% may be required if deemed necessary.

All of the CRA's deposits are held with public depositories and as of September 30, 2020, the CRA's deposits and investments were not subject to any substantial interest rate, credit, or concentration risks.

TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(4) Capital Assets:

Capital asset activity for the fiscal year ended September 30, 2020, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated –				
Land	\$ 200,000	\$ -	\$ -	\$ 200,000
Total capital assets, not being depreciated	200,000	-	-	200,000
Capital assets, being depreciated –				
Buildings and improvements	376,710	-	-	376,710
Less accumulated depreciation for–				
Buildings and improvements	(28,649)	(12,522)	-	(41,171)
Total capital assets, being depreciated, net	348,061	(12,522)	-	335,539
Governmental activities capital assets, net	<u>\$ 548,061</u>	<u>\$ (12,522)</u>	<u>\$ -</u>	<u>\$ 535,539</u>

Depreciation expense of \$12,522 was charged to the community development function.

(5) Commitments and Contingencies:

The CRA is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2020. The outcomes of established claims are included in these financial statements. In the opinion of the CRA and the primary government's legal counsel, no legal proceedings are pending or threatened against the CRA which are not covered by applicable insurance which would inhibit its ability to perform its operations or materially affect its financial condition.

The CRA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, all of which is satisfactorily insured by limited risk, high deductible commercial general liability insurance. Commercial insurance policies are also obtained for other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

During the year ended September 30, 2020, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending and investment markets have been substantially impacted. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other future impact to the CRA as of March 31, 2021, management believes that a material impact on the CRA's financial position and results of future operations is reasonably possible.

TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(6) Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates, as adjusted based on the impacts of GASB Statement No. 95, effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the CRA's financial statements:

- (a) GASB issued Statement No. 84, *Fiduciary Activities*, in January 2017. GASB 84 improves guidance regarding the identification and reporting of fiduciary activities. The provisions in GASB 84 are effective for periods beginning after December 15, 2019.
- (b) GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in GASB 87 are effective for periods beginning after June 15, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 946,541	\$ 946,541	\$ 961,910	\$ 15,369
Investment income	-	-	38,451	38,451
Miscellaneous	-	-	6,081	6,081
Total revenues	<u>946,541</u>	<u>946,541</u>	<u>1,006,442</u>	<u>59,901</u>
Expenditures				
Current:				
Community Development	398,852	398,852	278,536	120,316
Capital outlay	376,150	932,238	108,023	824,215
Total expenditures	<u>775,002</u>	<u>1,331,090</u>	<u>386,559</u>	<u>944,531</u>
Excess (deficiency) of revenues over expenditures	<u>171,539</u>	<u>(384,549)</u>	<u>619,883</u>	<u>1,004,432</u>
Other financing sources (uses)				
Transfers out to primary government	(134,529)	(134,529)	(134,529)	-
Total other financing sources (uses)	<u>(134,529)</u>	<u>(134,529)</u>	<u>(134,529)</u>	<u>-</u>
Net change in fund balances	<u>37,010</u>	<u>(519,078)</u>	<u>485,354</u>	<u>1,004,432</u>
Fund balances, beginning of year	759,135	759,135	759,135	-
Fund balances, end of year	<u>\$ 796,145</u>	<u>\$ 240,057</u>	<u>\$ 1,244,489</u>	<u>\$ 1,004,432</u>

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

To the Governing Board,
Titusville Community Redevelopment Agency:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Titusville Community Redevelopment Agency (the CRA), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements and have issued our report thereon dated April 9, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CRA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the CRA's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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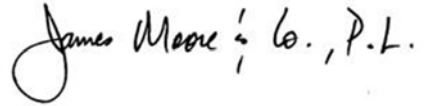
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CRA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Daytona Beach, Florida
April 9, 2021

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA
OFFICE OF THE AUDITOR GENERAL**

To the Governing Board,
Titusville Community Redevelopment Agency:

Report on the Financial Statements

We have audited the basic financial statements of the Titusville Community Redevelopment Agency (the CRA), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated April 9, 2021.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 9, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No prior separate audit has been performed for the CRA, therefore there are no prior findings and recommendations.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority for the CRA is disclosed in Note 1 of the basic financial statements.

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Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the CRA has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the CRA, did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the CRA. It is management's responsibility to monitor the CRA's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had no such recommendations.

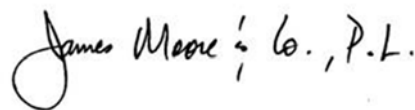
Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the CRA's governing board and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Daytona Beach, Florida
April 9, 2021

A handwritten signature in black ink that reads "James Moore, Jr., P.L." The signature is written in a cursive style with a large initial 'J'.

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

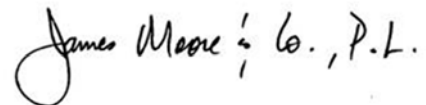
To the Governing Board,
Titusville Community Redevelopment Agency:

We have examined the Titusville Community Redevelopment Agency's (the CRA) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, and Sections 163.387(6) and (7), Florida Statutes, *Redevelopment Trust Fund* (collectively, the "Statutes"), for the year ended September 30, 2020. Management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance 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 CRA complied with the Statutes, for the year ended September 30, 2020, in all material respects. An examination involves performing procedures to obtain evidence about the CRA's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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.

In our opinion, the Titusville Community Redevelopment Agency complied, in all material respects, with the Statutes for the year ended September 30, 2020.

Daytona Beach, Florida
April 9, 2021



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