









BAHAMA VILLAGE

BAHAMA VILLAGE







AUGUST 2017

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Southard Street
Angela Street
Petronia Street
Duval Street
Whitehead Street
Olivia Street
Thomas Street
Emma Street
Fort Street
Truman Avenue
Julia Street
Virginia Street
Amelia Street
Catherine Street
LEGEND
BAHAMA VILLAGE COMMUNITY REDEVELOPMENT SUBAREA

PREFACE

Bahama Village is a community rich in history that enjoys a special geographical relationship to the City's most intense commercial street, Duval Street, the adjoining Naval Air Station and to the City's future Truman Waterfront Park. This prime location within an area that is poised for change amidst unique historic and community characteristics holds tremendous potential for both residential and non-residential revitalization and redevelopment that can enhance the overall quality of life of its residents. Today, Bahama Village faces the multi-faceted challenge of embracing and capitalizing on its assets to overcome decades of disinvestment and neglect while preserving its culturally significant historic attributes and once again become a unique neighborhood within the City of Key West - a re-connected and vibrant neighborhood with an appropriate mix of uses, excellent connectivity and mobility, and a quality sense of place that manifests its history.

The Bahama Village Community Redevelopment Subarea (BVCRSA) Visioning and Capital Projects Work Plan is the result of a comprehensive planning effort to assist the City, the Bahama Village Community Redevelopment Advisory Committee (BVCRAC) and community stakeholders in the visioning and preparation of a roadmap for short and long term redevelopment to reinvigorate the CRA and stimulate positive change over the 2015-2040, 25-year planning horizon.

The Capital Projects Work Plan is based on the new vision of the CRA Plan and its specific objectives for the Bahama Village Subarea as extracted from the Amended and Restated 2010 CRA Plan. Established in 1992 and extended for another 30 years, the Community Redevelopment Trust Fund (CRTF) for Bahama Village has been used to fund small capital projects and a few programs throughout the district which have contributed to alleviating blighting conditions. Today, this planning analysis and process presents a unique opportunity to undertake a comprehensive review as to how the objectives identified in the 2010 CRA Plan have been accomplished and to what extent specific properties have been improved. Specifically, this plan will fulfill the requirement for adoption of a Capital Projects Work Plan as part of both the 2010 CRA Plan and the City's 2011 Strategic Plan. But most importantly, the visioning for Bahama Village and the resulting Capital Projects Work Plan has been developed in the context of a neighborhood increasingly under pressure to change and gentrify given the particularly strong real estate market in the core of Key West. While the highest-and-best-use for any particular property within the BVCRSA may be a question given the neighborhood as it exists today, there is little question as to the ability of the neighborhood overall to take advantage of market trends to realize reinvestment and redevelopment given the right conditions.

In this context, a critical question has been at the core of the visioning and planning process: How does the City take advantage of strong market dynamics to revitalize Bahama Village to the benefit of the current residents of Bahama Village? In other words, it is easy to understand or plan for how the geographic Bahama Village Community Redevelopment Subarea (BVCRSA) area attracts reinvestment; it is much more difficult to understand how that improvement is leveraged for current residents within that geographic boundary while avoiding broad scale displacement.

In order to assist the community in arriving at an answer to this and other critical questions, key goals and objectives were established to develop a sustainable and guiding BVCRSA Visioning and Capital Projects Work Plan. To this end, the Plan:

Provides a Vision that is unique to the Bahama Village neighborhood and will serve as a road map for its revitalization.

The Vision must preserve the historical, architectural and cultural character of Bahama Village while providing for revitalization and redevelopment through future capital projects that will reverse and remove blighting trends within the CRA. In addition to addressing residential, retail, entertainment, institutional and commercial employment opportunities that may result from the CRA Vision and Capital Plan, it is envisioned that there will be an emphasis on: increasing and refurbishing affordable housing stock; on encouraging new affordable and work-force housing; commercial development that is respectful of the scale and character of the community and provides quality goods and services to the neighborhood; a high level of mobility and connectivity for pedestrians, cyclists, and automobiles alike; quality public spaces, including pocket parks, greenways and recreational corridors, open view corridors and waterfront access that are interconnected; and on capitalizing on the neighborhood's location and assets to connect Bahama Village to the Truman Waterfront Park, other destinations in the City and surrounding environs.

Provides an Economic Development and Capital Projects Work Plan.

The Plan must strike a balance between Bahama Village's unique history, its present conditions and future development expectations. An important goal will be to capitalize on residential and non-residential redevelopment opportunities in a manner particularly sensitive to the needs and desires of the Bahama Village community, its residents and business proprietors. As well as consider strategies that ensure a well-integrated and viable mixed use environment that can serve as an economic, recreational and cultural destination for the immediate area. With careful planning, the Bahama Village redevelopment will serve as a catalyst for on-going investment and revitalization within the broader City of Key West.

Addresses Transportation & Multi-Modal Connectivity

The Plan must establish a hierarchical framework for neighborhood streets. This structure should focus on pedestrian, bicycle and vehicular traffic patterns and acknowledge the differentiating characteristics of Petronia Street and a portion of Emma Street, as main commercial/mixed-use corridors, and their cross-streets. Physical and visual connectivity to the future Truman Waterfront Park and surrounding areas should be developed, as well as moments within the framework that can act as neighborhood greenways, gateways and way-finding devices to enhance, protect and connect adjacent areas and amenities. A comprehensive parking strategy is also required to ensure the neighborhood is prepared for new residents, businesses, and visitors.

Defines Urban Design Strategies that address the expectations of new development and redevelopment.

The Plan must consider strategies from the perspective of historic preservation and adaptive reuse; permitted uses; connectivity; scale transitions; building street presence; and architectural style. As architects, we are uniquely qualified to craft realistic strategies that are applicable, implementable and ensure compatibility with existing neighborhood patterns. Given our extensive knowledge in creating zoning and design guidelines, we understand that redevelopment and any necessary future land use map changes or zoning amendments needs to be respectful of

existing property rights; needs to strike a balance between predictability and flexibility; and ultimately needs to provide incentives to the private development community to invest in the neighborhood.

Provides a Framework for Conserving, Restoring and Preserving Assets.

By considering the natural, cultural, historic and architectural assets of the Bahama Village community, the principle of conservation should be applied to the built environment as well as to the natural environment as for example, by seeking opportunities for conserving water resources while creating urban landscaping opportunities.

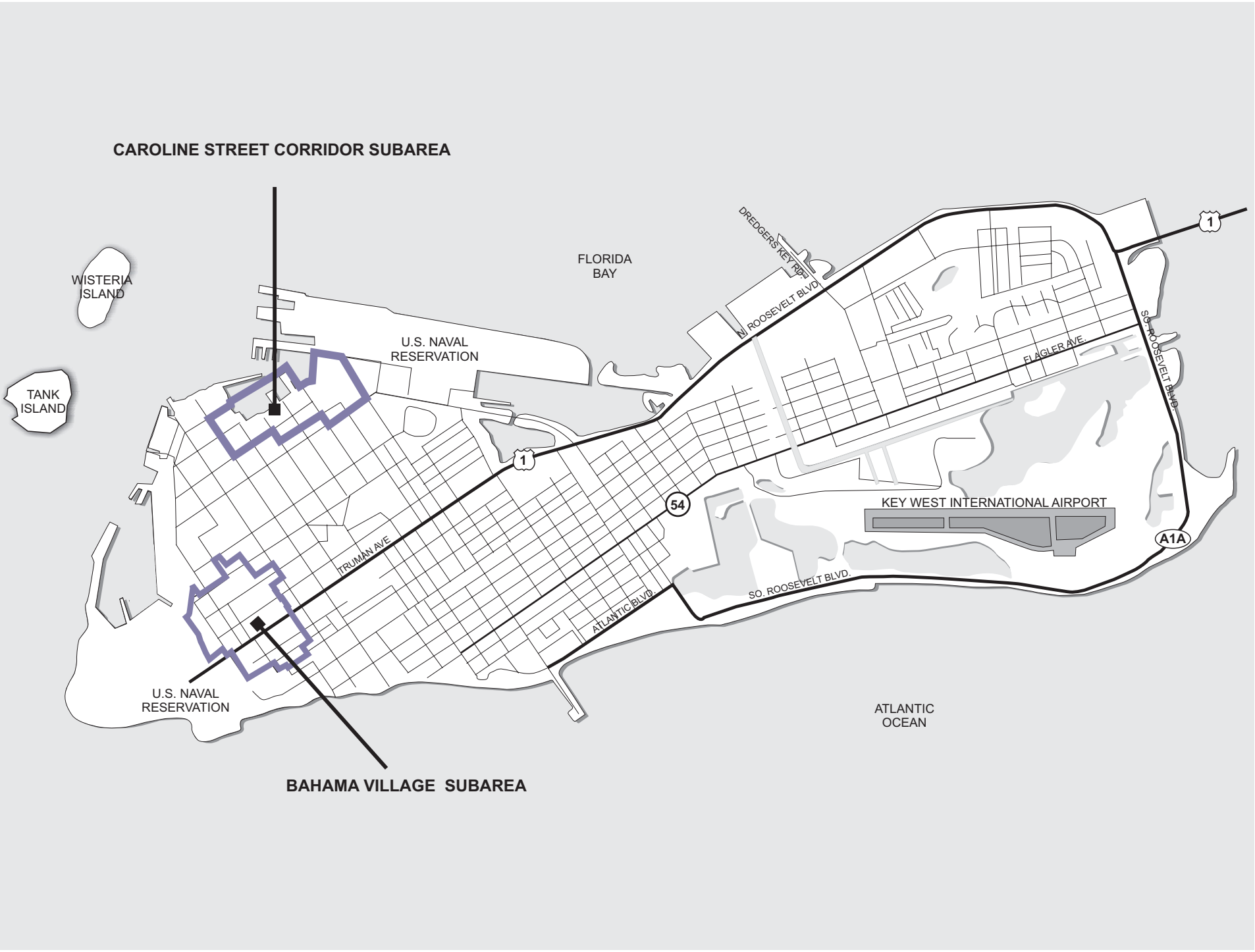
Addresses Sustainable Community Redevelopment

The Plan must identify strategic partnerships, funding and delivery of programs that can address and support, over the long term, the social and economic development needs and opportunities unique to the Bahama Village community.

BACKGROUND

BACKGROUND

01


CAROLINE STREET CORRIDOR SUBAREA
WISTERIA ISLAND
TANK ISLAND
FLORIDA BAY
U.S. NAVAL RESERVATION
DREDGERS KEY RD.
N. ROOSEVELT BLVD
FLAGLER AVE.
SO. ROOSEVELT BLVD.
1
54
A1A
KEY WEST INTERNATIONAL AIRPORT
TRUMAN AVE.
ATLANTIC BLVD
SO. ROOSEVELT BLVD
U.S. NAVAL RESERVATION
ATLANTIC OCEAN
BAHAMA VILLAGE SUBAREA

PLANNING CONTEXT

2010 AMENDED AND RESTATED COMMUNITY REDEVELOPMENT PLAN

The 2010 CRA Plan is a consolidated procedural document that serves as a guide to the community and the Caroline Street Corridor and Bahama Village Community Redevelopment Agency. The Plan consolidates and updates, with an eye toward statutory compliance, redevelopment plans for the two separate subareas administered by the City's redevelopment agency. The City's redevelopment agency is charged with focusing on two distinct subareas. Located entirely within a portion of the incorporated area of the City of Key West, Florida, within the jurisdiction and control of the City, the Community Redevelopment Area is comprised of two subareas: (1) the Bahama Village subarea, and (2) Caroline Street Corridor subarea encompassing a total of approximately 127 acres. These subareas were identified and community redevelopment activities have been progressing since the mid-1990s.

CAROLINE STREET CORRIDOR SUBAREA

The Caroline Street Corridor subarea of the Community Redevelopment Area is located along the Key West Bight, the City's historic seaport. The area is generally characterized by water-dependent and water-related commercial uses along its northern, waterfront boundary, lower intensity commercial uses along the Caroline Street area, and transient and residential uses south of Caroline Street. The past and current focus of activity has been on the waterfront, and marinas, a ferry terminal and commercial docks abut a continuous pedestrian walkway. Restaurants, bars and shops are focused on the landward (southern) side of the walkway and flow onto Caroline Street, which serves as the neighborhood commercial spine of the subarea. Caroline Street is characterized by small retail shops, most of which are located in historic homes or older commercial structures, and many of which sell artwork, clothing, and home furnishings. This part of the subarea retains some tourism-orientation, but also serves a local market. The area south of Caroline Street is predominantly residential with small lots and a preponderance of historically significant structures. Streets and lanes are narrow in the residential areas, and parking is typically limited to onstreet spaces. The subarea is adjacent to a limited access U.S. Coast Guard facility to the northeast and a large, underutilized area owned by the Monroe County School Board for a variety of industrial and office uses to the east. These uses, along with the street layout, limit connectivity to the east end of the subarea. A highly visible, large redevelopment project is located on Caroline Street and stretches to the waterfront; the development began two years ago, but construction has stopped and the majority of land remains vacant. The conditions within the Caroline Street Corridor subarea vary significantly. Evidence of redevelopment efforts can be found throughout the Bight area, which has been the focus of most redevelopment dollars since the creation of the Community Redevelopment Area. Because the Bight serves as an important visitor attraction, the investment has helped further initial redevelopment goals. However, other portions of the area continue to demonstrate blighted conditions and infrastructure for the entire subarea is generally deteriorated and in need of redevelopment.

BAHAMA VILLAGE SUBAREA

The Bahama Village subarea of the Community Redevelopment Area is located west of Duval Street, the City's most intense commercial street. This area has a rich physical and cultural history and many families have lived in the neighborhood for multiple generations. Much of the area is residential in character, with small corner stores interspersed throughout

this addition to the redevelopment area occurred prior to the actual conveyance of the land from the Navy to the City, a portion of the CRA boundaries extend onto Navy land. Substantial redevelopment activities are not expected to occur within that portion of the subarea remaining in Navy control. The portions of the subarea which are not historically commercial, or the focus of commercial redevelopment plans, are predominantly residential in nature. Residential development is generally either contained in relatively large, homogenous housing projects (most of which are controlled by the Housing Authority of Key West) or small scale lots, most of which have evolved from lot-by-lot subdivisions intended to reflect patterns of development which began over a hundred years ago. These historic areas are characterized by many small lots, many with historic structures, and some of which have limited access along small lanes and alleys which penetrate most blocks. The area contains an important community recreational resource at Dr. Martin Luther King Community Park (which includes Nelson English and Willie Ward Parks, the community pool and other recreational facilities), which is located at the south end of the redevelopment area. The area also contains some of the City's most important civic structures, particularly in the form of its important historic churches and community gathering places. Several of these structures have been the subject of redevelopment efforts and examples of historic and cultural preservation within the Bahama Village subarea. The subarea has experienced a number of small scale redevelopment successes, but several redevelopment projects have also failed. Further, the subarea continues to demonstrate blighted area conditions.

The **Bahama Village Community Redevelopment Subarea (BVCRSA) Visioning and Capital Projects Work Plan** has been a cooperative effort between the City of Key West Planning Department, the Bahama Village Community Redevelopment Advisory Committee (BVCRAC) and community stakeholders. The Work Plan shall be for a 25-year planning horizon (2016-2041) and includes a capital projects prioritization, and a long-range spending and implementation plan for the subarea with respect to the annual property tax increment finance (TIF) generation and potential available monetary leveraging methods. This Work Plan also provides a highest and best use analysis for the remaining 3.2 acres of the Truman Waterfront Parcel. The highest and best use analysis considers economically viable alternatives that create the highest additional tax increment for the site. This analysis has been provided in a form and content such that the City may easily identify an alternative as the target for an RFQ or RFP for implementation and construction. As part of both the 2010 CRA Plan and the City's 2011 Strategic Plan, the adoption of a Capital Projects Work Plan is required.

The BVCRSA is a culturally significant historic district that is mostly built out. The BVCRSA is comprised primarily of residential development interspersed with churches and community facilities. Petronia Street, a mixed use/commercial corridor runs through the BVCRSA and connects the City's main commercial artery, Duval Street, to 3.2 acres of the vacant Truman Waterfront Parcel that is located immediately adjacent to the City's future 28-acre Truman Waterfront Park. The parcel is the largest vacant lot in the CRA and presents a unique opportunity for new development that will generate tax increment growth and provide the residents of the BVCRSA economic and cultural connectivity to the activity generated at Truman Waterfront Park.

BAHAMA VILLAGE REDEVELOPMENT ADVISORY COMMITTEE (BVRAC)

The improvements and Community Redevelopment Trust Fund expenditures (aka TIF) that occur within the Bahama Village Redevelopment Subarea (BV Maps) are governed by the 2010 Community Redevelopment Plan, specifically the ten (10) Bahama Village Redevelopment Objective and Strategies (Section 4.04) and Florida State Statute for CRA's. The Bahama Village Redevelopment Subarea is managed by City staff and the **Bahama Village Redevelopment Advisory Committee, otherwise known as BVRAC.**

The **Bahama Village Community Redevelopment Advisory Committee (BVCRAC)** was established in 2008 by City Commission (Ordinance 08-018) and their responsibilities were updated in 2011 (Ordinance 11-16). The mission and duties of the Committee are advisory to the Community Redevelopment Agency and are limited to property within the boundaries of the Bahama Village CRA Subarea (Boundary Map) as follows:

1. To recommend to the CRA projects within Bahama Village best suited for the use of redevelopment trust funds.

2. To recommend to the City Commission changes to the Bahama Village Redevelopment Plan and city ordinances that would promote the purposes of Florida Statue section 163.387, and those which would improve the process for funding.

3. To review applications from individuals and organizations eligible to receive TIF funds to the CRA those projects they determine by majority vote to deserve consideration by the CRA. Except in circumstances involving a justifiable emergency and those projects under taken prior to the enactment of Ordinance 08-018 preference should be given to those projects with a contemplated plan of action to ensure the most appropriate and fiscally responsible use of taxpayers funds, rather than to projects seeking reimbursement.

4. To recommend to the Naval Properties Local Redevelopment Authority (LRA) the use of land owned by the LRA, but falling within the boundaries of the CRA, for the benefit of the BVCRA.

Committee Membership

Members of the BVRAC are appointed by the Mayor and each of the City Commissioners. Their term is equal and runs parallel to that of the appointing commission member. Members of the committee serve without pay. Qualifications for membership are as follows:

Each member shall:

- Reside within the boundary of the district entitled to receive trust funds (Bahama Village Community Redevelopment Area);
- Be an active member of a social, recreational, religious or similar organization located within such district.
- An individual not residing within the district, but otherwise qualifying for membership based upon his or her organizational participation, must provide a letter of support from the head of such group.

COMMUNITY PLANNING AND ENGAGEMENT

Comprehensive, community-based, neighborhood revitalization planning is a powerful tool for neighborhood change. A strong neighborhood plan, needs to engage the full range of stakeholders within and outside the neighborhood in order to serve the many useful and important functions needed for community revitalization, development and implementation. One of the primary roles in this visioning and planning process has been to work with the community to understand the strengths, weaknesses, opportunities and threats of Bahama Village and its surrounding environs. Community stakeholders have played a vital role in this process and effective communication and coordination has been paramount.

A combination of community engagement techniques were customized to meet the specific needs and goals of the Bahama Village Redevelopment Advisory Committee (BVRAC), the City, and the community's diverse group of stakeholders. The overall approach is intended to maximize participation in the process and moving forward with plan implementation through Group and Individual Stakeholder Interviews, a series of BVRAC and Community Workshops, and a final CRA Board presentation in a public meeting for adoption of the BVCRSA Visioning and Capital Plan.

Since the initiation of the Bahama Village Visioning and Capital Projects Work Plan, the Bahama Village Redevelopment Advisory Committee (BVRAC), the City, and the community's diverse group of stakeholders have undertaken a series of planning activities designed to provide a 'voice' to the larger community and ensure the participation of a diverse group of stakeholders represented by neighborhood residents, educational leaders, local businesses, service providers, community groups, local officials, public agencies, and strategic community partners.

Through meetings both large and small - interviews, roundtables, public meetings and facilitated discussions - numerous constituencies identified a variety of ideas and opinions regarding Bahama Village's future. During the visioning and planning process, a series of meetings were scheduled to gather input in a variety of formats.

- Visioning / Kick-off Meeting — July 28 & 29, 2015
- Community Meeting 01 — October 10, 2015
- Community Meeting 02 — April 07, 2016
- Community Meeting 03 — May 12, 2016
- BVRAC / City Council Presentation — July 07, 2016

GOALS & OBJECTIVES

GOALS & OBJECTIVES

02

2010 CRA PLAN OBJECTIVES

The guiding principals for understanding the objectives of the Bahama Village Community Redevelopment Area (BVCRA) as extracted from the 2010 Amended and Restated CRA Plan, is summarized herein and characterizes the Vision, Objectives, and Strategies of the Bahama Village (BV) subarea to be used to guide approvals for the Tax Increment Fund allocations.

As stated in the CRA Plan, the area is envisioned to be revitalized and redeveloped in a manner particularly sensitive to the needs and desires of the Bahama Village community and its residents and business proprietors. In addition to the residential, retail, entertainment, institutional and commercial employment opportunities that may result from this Community Redevelopment Plan, it is envisioned that there will be an emphasis on parks, open spaces and designated civic areas for special events as well as general public access and multimodal connectivity within the subareas and to other areas in the City.

From both an historical and current perspective, the vision for the Community Redevelopment Area focuses on creating a sustainable, more energy efficient and environmentally-friendly community located in a densely populated area of an historical island community, steeped in traditions, and subjected to extensive local, state and federal regulatory, economic and physical influences which embodies several fundamental concepts. These fundamental concepts include development and provision of vibrant and attractive gathering places for the entire community, better access to open spaces, facilities and services, a pedestrian friendly street and access network, increasing and refurbishing affordable housing stock, addressing vehicular flow, parking and intermodal transportation needs, seeking opportunities to conserve water resources while creating urban landscaping opportunities, implementing crime prevention measures and developing linkages that better integrate the Community Redevelopment Area with existing City, County and community resources.

The vision encompasses both residential and non-residential redevelopment and varying price ranges of housing stock. The Community Redevelopment Area will contain varying price ranges of housing stock. Overall quality of life is expected to increase in the Community Redevelopment Area not only through revitalization and redevelopment of housing and delivery or refurbishment of infrastructure, but by new and coordinated transportation improvements as well. The transportation component of the vision must focus both on vehicular and pedestrian traffic. A combination of safety-conscious bicycle and pedestrian features can significantly reduce vehicular traffic. The greatest positive impact on transportation will be increasing the pedestrian and bicycle-friendly orientation of the area. Rather than having to use a vehicle for shopping, work, recreation, or visits to friends; walking, bicycling and use of intermodal or multi-modal transportation will become a more favorable option. The village concept embodied in this Community Redevelopment Plan should offer to accommodate the potential for shuttles and various forms of transit service which further reduce the vehicular demand on the roadway network.

BAHAMA VILLAGE CRA OBJECTIVES

As outlined in the 2010 Amended and Restated CRA Plan, the objectives and strategies that lay the foundation for the programs and projects to be considered when implementing the goal of reducing and eventually eliminating blight in the area are as follows:

- Consider apparent benefit, value, revenues or other relevant factors.
- Focus on creating a sustainable, more energy-efficient and environmentally-friendly community located in a densely populated area of an historical island community, steeped in traditions.

These fundamental concepts include:

- *Provision of vibrant and attractive gathering places for the entire community;*
- *Better access to open spaces, facilities and services;*
- *Pedestrian friendly street and access network;*
- *Increasing and refurbishing affordable housing stock;*
- *Addressing vehicular flow, parking and intermodal transportation needs;*
- *Seeking opportunities to conserve water resources while creating urban landscaping opportunities;*
- *Implementing crime prevention measures; and*
- *Developing linkages that better integrate the Community Redevelopment Area with existing City, County and community resources.*

Objective 1: Recognition of Unique Community Characteristics.

Maintain and improve the historical, architectural and cultural community character by recognizing the existing mixed use and family-oriented neighborhoods and businesses, and the pedestrian-oriented connections to the larger environment of the City. Such as:

- Focus on mixed use (commercial and residential) development, in existing mixed use designated land use areas;
- Encourage small scale commercial uses;
- Discourage large scale development and redevelopment.

Objective 2: Innovative Use of Transportation, Pedestrian and Open View Corridors.

Create innovative intermodal transportation strategies to address traffic circulation, reduce congestion, protect pedestrians and provide parking solutions and expand public waterfront access through:

- Improvements to existing pedestrian and bicycle connections within the subarea and between the subarea and other destinations in the City;
- Promote pedestrian-oriented mixed use areas through streetscaping, greenway and wayfinding projects;
- Develop infrastructure corridors (transportation, power, utility, pedestrian and communications).

Objective 3: Advance Housing Stocks.

Re-invest in, refurbish or replace existing housing; encourage affordable and work-force housing; preserve and empower homeownership and long-term rentals for residents:

- No reduction of affordable or work-force housing;
- Identify appropriate programs to assist in the renovation and redevelopment of housing stock;
- Ensure that the historic value of existing structures are maintained through application of existing HARC guidelines and through loan and funding programs.

Objective 4: Advance Effective and Efficient Regulatory Measures.

Ensure that regulation is in place that promotes and implements the vision for the BVCRA:

- Review the Comprehensive Plan and Land Development Regulations,
- Assess permitted density for affordable housing.

Objective 5: Advance the Bahama Village Subarea.

Embrace and support the unique historic social fabric of the residents of the subarea; and, encourage economic opportunities for the residents and businesses of the subarea, such as:

- Develop small scale grant programs to refurbish and maintain properties;
- Invest in community training programs for employees and meaningful employment.

Objective 6: Stimulate Public and Private Participation.

Stimulate public/private interest and participation in the redevelopment of the BVCRA as a vibrant community:

- Identify incentive programs, grants and funding options, including bonds and loans, applicable to CRA objectives.

Objective 7: Innovative Development and Use of Open Space.

Encourage provision, maintenance and policing of parks, recreation facilities and open public space improvements; increase recreation opportunities throughout the community, such as:

- Provide access to safe, activated, interconnected recreational opportunities, including pocket parks, greenways and recreational corridors;
- Encourage public spaces as open green space, including multimodal transportation corridors.

Objective 8: Promote Sustainable Community Redevelopment.

Promote funding and delivery of programs to support the unique community of the subarea. Promote sustainable redevelopment, such as:

- Promote an open dialogue with residents, landowners, business interests and other stakeholders;
- Identify and fund programs that advance community continuity through training, educational or social programs aimed at advancing community redevelopment;
- Employ an annual process that evaluates the success and effectiveness of prior years' allocations of funds;
- Provide a five year spending plan with a special emphasis on multi-year projects and long range needs.

Objective 9: Support Community Redevelopment.

Ensure that revitalization, redevelopment and new projects within the Community Redevelopment Area comply with planning review, HARC, the Tree Commission, and any other applicable local, state or federal regulatory provisions, such as:

- Encourage review and oversight of the development of design concepts and plans proposed by any property owner to ensure the integrity of the vision articulated in the CRA Plan;
- Dedicate staff to coordinate and process all applications proposed for the CRA, and look for a means to educate and encourage all participants to develop approaches consistent with this and other Primary Objectives.

Objective 10: Emphasize a Safe and Clean Environment.

Ensure that the Community Redevelopment Area is safe and clean over a period of time; identify and implement extraordinary maintenance and community policy innovation activities. Such as:

- The Community Redevelopment Act encourages "community policing innovations" including, but not limited to, community mobilization, neighborhood block watch, citizen patrol, foot patrol, storefront police stations or intensified motorized patrol.
- The following principles shall be established to guide these programs, they include:

    o Addressing socioeconomic/urban design problems which cause, encourage or facilitate criminal activity;
    o Involve local citizens in the campaign against crime;
    o Make the local law enforcement or security approachable and trusted in order to foster an image of the community as a safe place.

- Periodically assess the numbers and types of law enforcement responses within the Community Redevelopment Area; identify problems and trends;
- Develop innovative techniques to address special needs of visitors; Implement crime prevention through environmental/urban design standards (CPTED) to correct security problems such as site design, lighting and landscaping;
- Identify, execute, and coordinate special maintenance standards and programs for public facilities.

PROPOSED CRA REVIEW CRITERIA

PROPOSED BAHAMA VILLAGE CRA INVESTMENT AND PROJECT PRIORITIZATION CRITERIA

In order to implement community redevelopment that meets and furthers the objectives of, and are consistent with the principles and goals in the 2010 Amended and Restated Community Redevelopment Plan (the Plan) adopted by the City Commission on January 5, 2010, the BVRAC and the City agreed to expand the criteria for project reviews in order to ensure that identified and recommended projects within the CRA are ranked based on the highest potential to alleviate and eliminate blight throughout the BVCRA and on a detailed analysis of the alternative strategies, methods, leveraging of opportunities and schedules for achieving plan goals and objectives.

The following model allows for this expanded evaluation by tranching projects into Critical, Important, and Strategic categories based upon their level of importance to the redevelopment of the area. The resulting capital and program priority matrix is probably the most important output of the entire process and while the matrix needs to be weighted based upon the viability, relative impact, and importance of certain investments, it cannot be developed by the planning team alone. The priority matrix and the organization and prioritization of projects on the matrix must have full community buy in. This is the only way that the matrix becomes a living document which the community can and will organize around to insure that the investments on the matrix occur in a reasonable time frame.

Based upon the priorities matrix, the Capital Projects Workplan establishes an implementation plan and budget which ties a projection of sources of funding including CRA funding and other funding sources to uses over a 25 year term. While a 25 year budget is helpful for long term planning purposes, the CRA will need to institute a process of a formal revisiting of the budget every 5 years given that markets and funding sources/ availability, particularly at the State and Federal levels, can change dramatically over a 5 year period. For the first 5 years of the budget in particular, specific recommendations of non-CRA funding sources should be able to be leveraged in the near term.

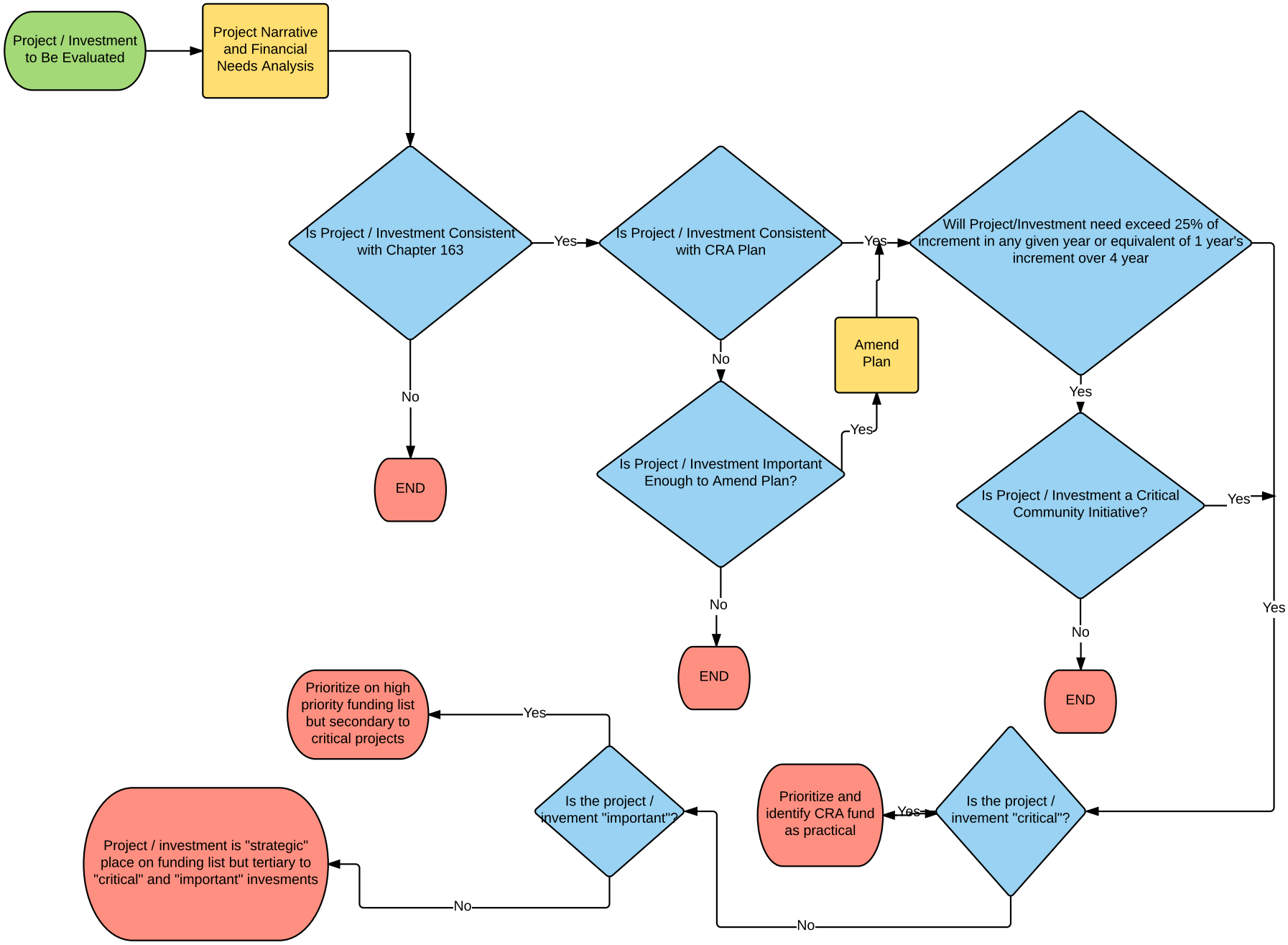


Figure 2.1: CRA Proposed Investment and Project Prioritization Diagram illlustrates the step by step process for evaluation and ranking of CRA projects.

CRITICAL PROJECTS

Investments that **MEET MORE THAN ONE CRITERIA** outlined in the Redevelopment Plan.

Critical projects and investments will have a catalytic impact on significant other investment in Bahama Village or will benefit a large number of neighborhood residents as it relates to employment, housing or quality of life.

Critical projects may or may not generate or cause the generation of enough revenue to support themselves. The projects can also include the mitigation of barriers to broader investment in the neighborhood such as flood control, sewer capacity, etc. Critical investments and projects may also be oriented to assisting community residents in areas of health, education, and employment or to bringing large numbers of non-Bahama Village residents to spend time and make expenditures in Bahama Village. This may include touristic, recreational, or other facilities whichattract significant numbers of people to Bahama Village.

IMPORTANT PROJECTS

MEET AT LEAST ONE CRITERIA in the redevelopment plan and are of benefit to the broader Bahama Village community.

Important projects and investments should also be expected to produce or cause the production of enough increment so that the financial benefit of the project / investment outweighs the cost.

These projects / investments may include facilities for service providers, infrastructure and street improvements while not immediate barriers to investment in the neighborhood, will increase the likelihood that investment will occur.

STRATEGIC PROJECTS

PROJECTS WHICH ARE CONSISTENT with the redevelopment plan and will improve conditions in the community but are more targeted or narrow in their impact when compared to Critical or Important projects.

Strategic project examples might include the rehab of historic structures of neighborhood significance or the paving of one or two street blocks.

These projects are unlikely to provide the creation of a significant amount of increment.

BVCRA REDEVELOPMENT PROJECTS

03

EXISTING CONDITIONS

BAHAMA VILLAGE COMMUNITY REDEVELOPMENT SUB-AREA (BVCRSA)

In tandem with the Community Engagement process discussed in Section 1, the team has undertaken an analysis of Existing Conditions and Neighborhood Assets within the Bahama Village Community Redevelopment Sub-Area (BVCRASA) which is necessary to both guide and link the physical plan with economic and funding opportunities. To accomplish this task, the planning team focuses on three primary elements, as follows:

Economic and Market Assessment

As a basis for evaluating market potential and redevelopment opportunities for the BVCRASA, the team examined economic, demographic and real estate market trends aimed at identifying the key variables that "drive" demand for potential residential and commercial uses within the BVCRASA.

ECONOMIC AND DEMOGRAPHIC HIGHLIGHTS

As the basis for evaluating market potential and opportunities for the Bahama Village area, Lambert examined population, household, and economic trends and forecasts for several geographic areas — Monroe County, Key West, and the BVCRASA. Specific to BVCRASA, the area is encompassed by two Census Block Groups, which is the smallest area boundary to obtain key demographic data from US Census (and shown in the figure below).

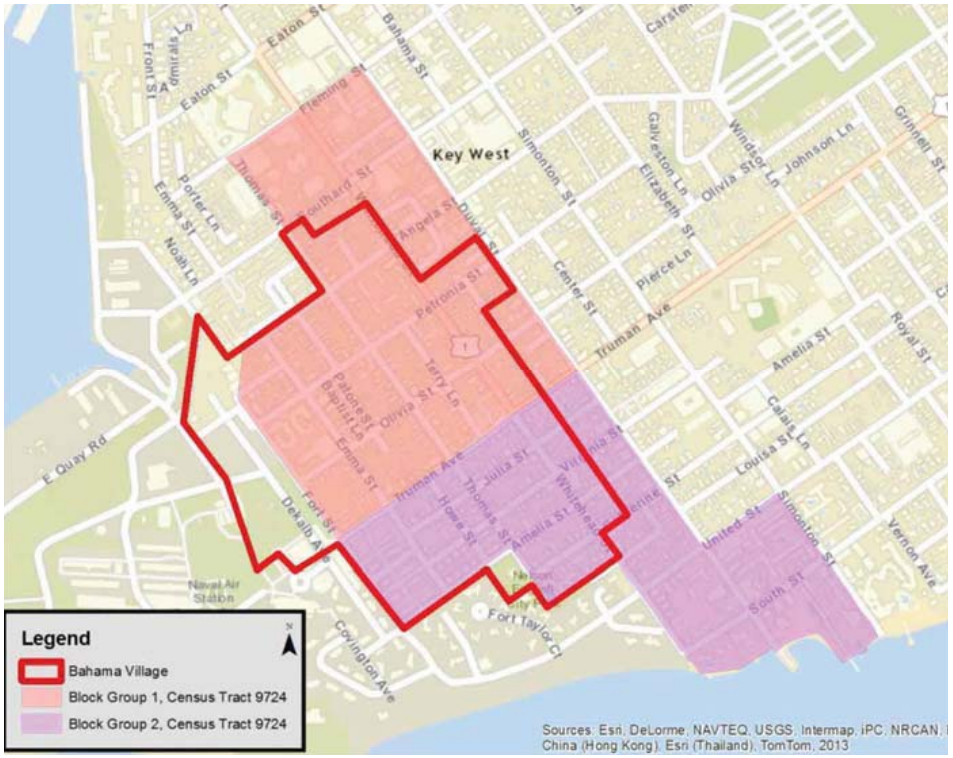


Figure 3.1: Boundary Map of BVCRASA and Applicable Census Block Groups.

Based upon 2009-2013 American Community Survey Census data, Monroe County had a population of 74,213 up from 73,090 in 2010. Key West had a population of 24,934 up from 24,649 in 2010. Bahama Village had a population of 1,397. Households in Monroe County had a slight loss from 2010 to 2013 declining from 29,791 to 28,503. Households in Key West also had a slight decrease from 9,388 in 2010 to 9,275 in 2013. Bahama Village had 645 households in 2013. Monroe County had 23.4 percent higher percentage of owners than renters while Key West and Bahama Village had more renters than owners, 6.8 percent and 55.6

percent respectively. The average household size was smaller in Bahama Village (2.17) than in Key West (2.56) and Monroe County (2.54). Median household income was greater in Key West by nearly $14,000 as compared to Bahama Village while per capita income was only slightly lower.

Figure 3.2: Summary of Demographic Characteristics (County, City, and BVCRASA).
Source: US Census; ACS 2009-2013

	Monroe County	Key West	BVCRASA
Total Population	74,213	24,934	1,397
Total Households	28,503	9,275	645
Owner/Renter	61.7%/38.3%	46.6%/53.4%	22.2%/77.8%
Avg. Household Size	2.54	2.56	2.17
Median Household Income	$53,607	$53,796	$39,727
Per Capita Income	$33,974	$31,700	$30,965

As detailed in the Figure below, the 2009-2013 median age was slightly higher in Monroe County (46.5) as compared to Key West (41.7) and Bahama Village (44.8). Age cohorts are similar comparing Monroe County and Key West while comparing Bahama Village to Monroe County and Key West shows differences especially in the age cohorts of under 5 years, 20 to 34, 60 to 64, and 65 plus.

Figure 3.3: Summary of Demographic Characteristics (County, City, and BVCRASA)
Source: US Census; ACS 2009-2013

	Monroe County	Key West	BVCRASA
Median Age	46.5	41.7	44.8
Under 5 years	4.5%	5.2%	2.5%
5 to 9	3.7%	4.0%	1.8%
10 to 14	4.2%	4.1%	7.7%
15 to 19	4.3%	2.9%	4.0%
20 to 24	5.9%	7.8%	14.3%
25 to 34	11.6%	13.6%	24.2%
35 to 44	13.1%	17.5%	10.8%
45 to 54	17.1%	16.9%	16.1%
55 to 59	**8.7%**	**6.6%**	**6.7%**
60 to 64	**8.7%**	**7.5%**	**4.2%**
65+	**18.2%**	**13.9%**	**7.8%**

In terms of employment, and from a broad perspective, labor trends among all sectors in Bahama Village, including employment and unemployment, have a notable impact on office and retail demand. As noted in the table below, the private employment sectors in the Bahama Village area between 2002 and 2013 varied over the time span with "all other sectors" being the strongest in 2002 and shrinking the following years while accommodation and food services grew to be the strongest sector by 2013 which will help drive retail demand locally. Professional, Scientific and Technical Services remained relatively constant over the period, which are primarily office using jobs and will drive office demand locally and regionally.

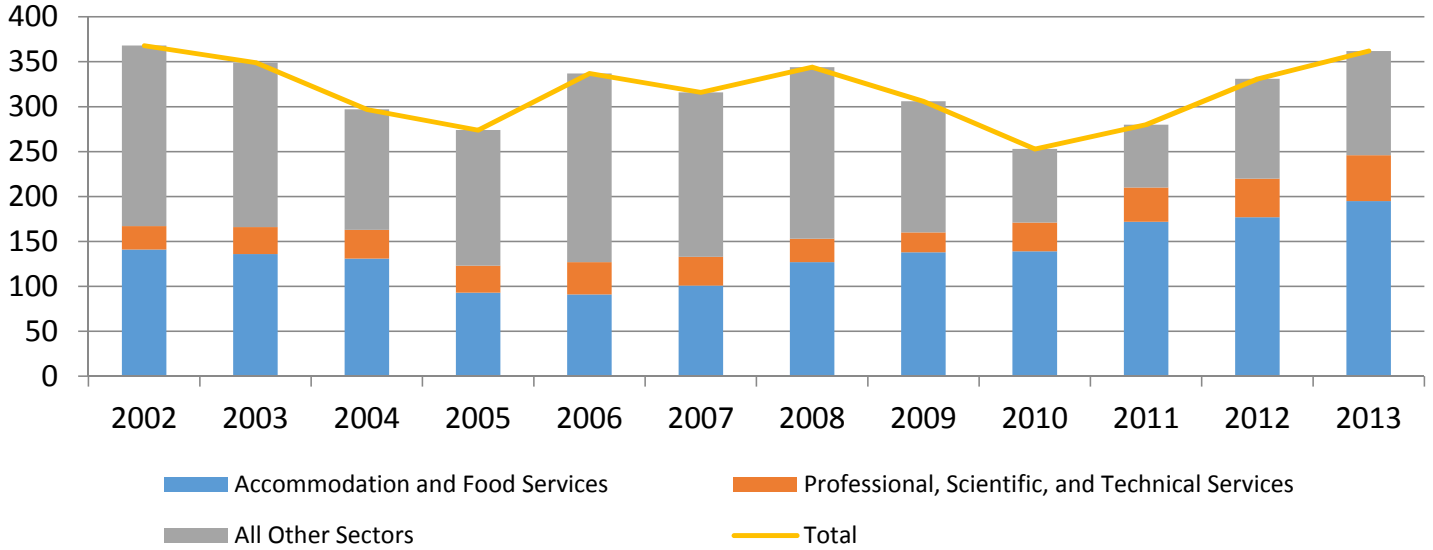


Figure 3.4: BVCRASA Private Employment Trend
Source: US Census (OnTheMap)

According to data from the US Census, there were a total of 336 persons privately employed within the Bahama Village area with 26, or 8 percent, of those persons living inside Bahama Village. Moreover, there were 678 persons living in the area with only 26, or 4 percent, of them working inside the area. This represents a notable opportunity to capture workers that are coming into the BVCRASA area that do not currently live there and, moreover, create employment opportunities for residents within the BVCRASA area that are currently employed outside of the area.

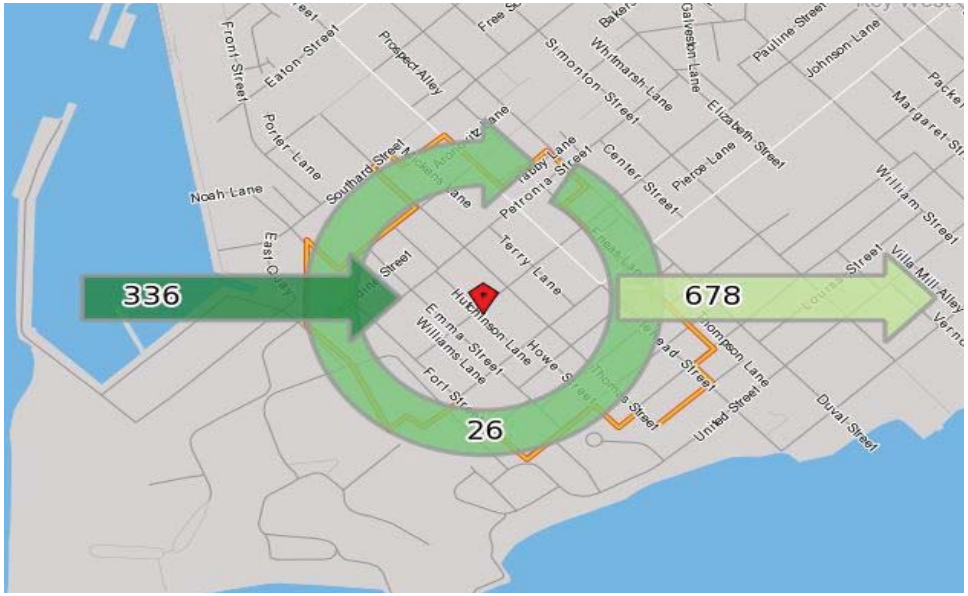


Figure 3.5: BVCRASA Private (Worker and Resident Inflow/Outflow Chart)
Source: US Census (OnTheMap)

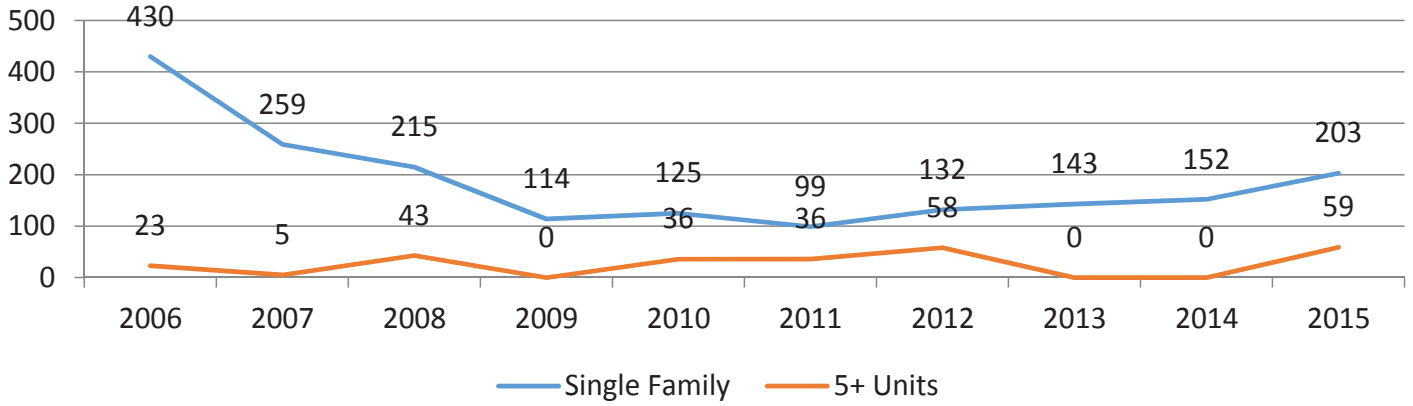
REAL ESTATE MARKET HIGHLIGHTS

The real estate market assessment highlights the key uses proposed for the BVCRASA, including housing, retail and hotel.

Housing Summary

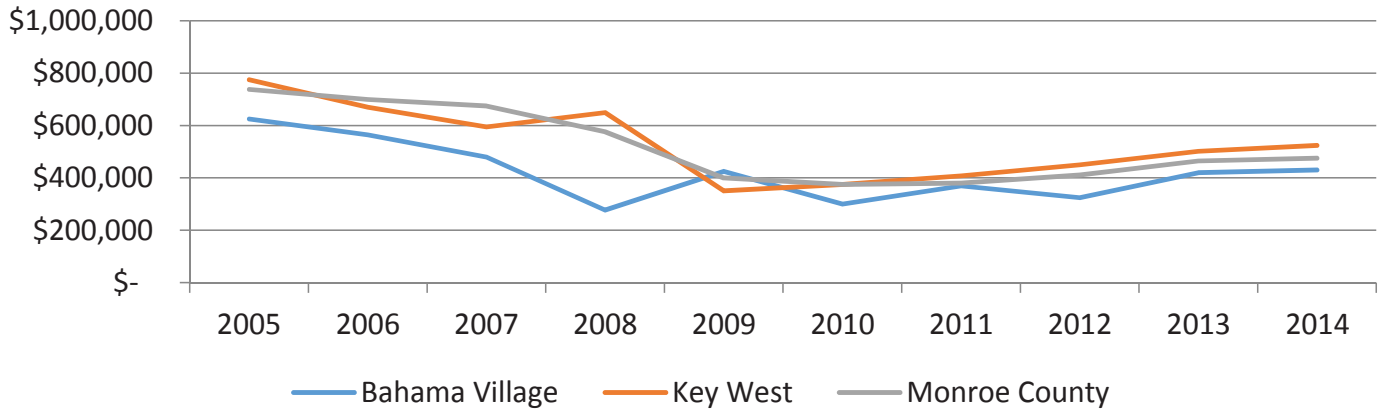
According to U.S. Bureau of the Census, single family housing permit activity in Monroe County declined from 2006 levels but is shows increasing trend. Multifamily housing permits varied with notable higher than average years of 2008, 2012, and 2015 as shown below.

Figure 3.6: Monroe County Residential Building Permit Activity 2006-2015
Source: U.S. Bureau of the Census Building Permit Estimates



As shown in the figure below, the median price for single family homes in Key West was approximately $525,000 in 2014, while in 2005 it was close to $775,000. This same trend is evident in Monroe County and Bahama Village, with Bahama Village having the lowest median single family home price, $425,000 in 2014. The median single family home prices continue to trend upwards from the lows of 2007-2010.

Figure 3.7: Monroe County, Key West and BVCRASA Single Family Sales Activity 2006-2015
Source: Source: Monroe County Property Appraiser



The median price for condominiums in Bahama Village was approximately $315,000 in 2014, remaining similar to the prices in 2005. This is lower than Monroe County and Key West with values in the mid $500,000 range in 2005 and $400,000 range in 2014.

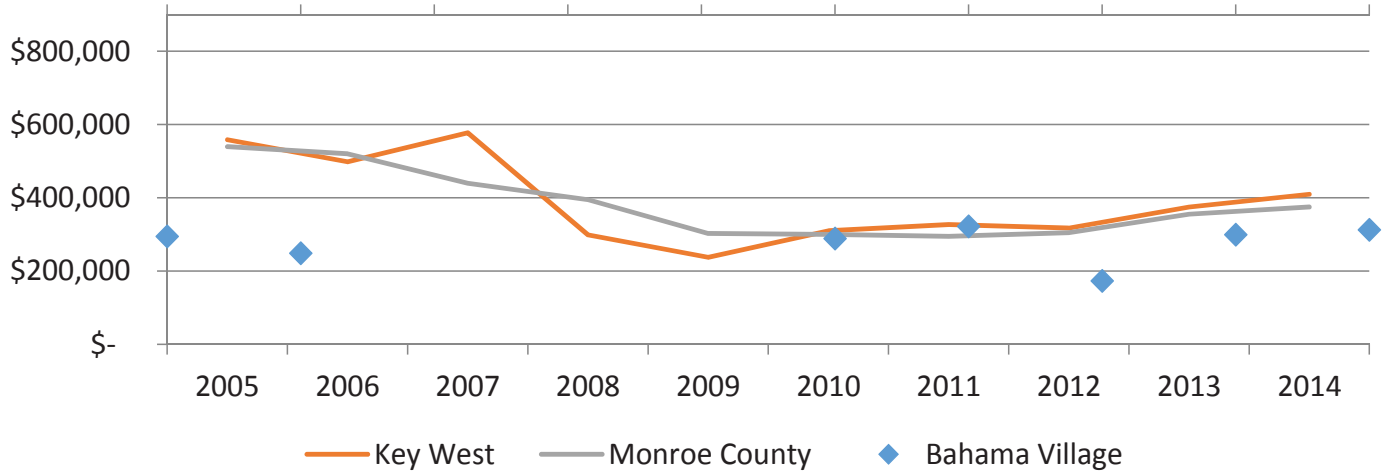


Figure 3.8: Monroe County, Key West and BVCRASA Condominium Sales Activity 2006-2015
Source: Monroe County Property Appraiser

In terms of rental housing, the analysis herein focuses in on the larger scale, and more traditional, rental properties that would be comparable/competitive to rental housing proposed within BVCRASA. A profile of notable properties, including:

Ocean Walk Apartments: This property is one of two of the large multifamily rental developments within the City. Ocean Walk has 297 apartments offering one to three bedroom options, a pool and fitness center. The apartments reportedly had occupancy of 97 percent. The monthly rental price range from: $1,700 to $1850 for one bedroom units; $2,135 to $2,350 for two bedroom apartment; and, $2,470 for three bedroom units. Rental rates have been on a steady rise (at least 3 percent per annum on average) during the past several years, and the resident mix generally comprises young professionals as well as retirees.

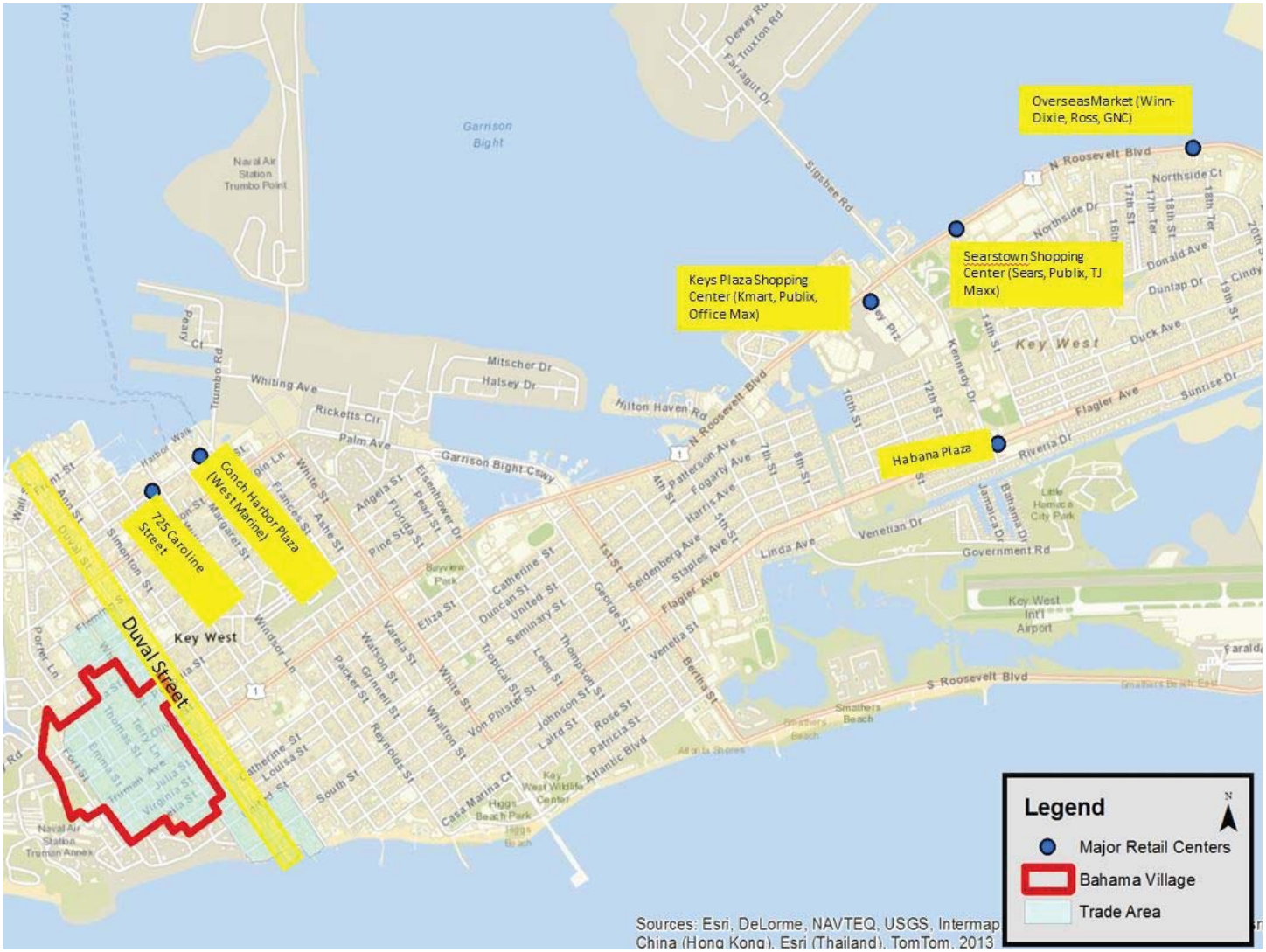
West Club Isle: This property has 192 apartments offering one to three bedroom options, a pool, tennis court, basketball court and laundry. The apartments reportedly had occupancy of 95 percent. The monthly rental price range from: $1,775 to $1800 for one bedroom units; $2,200 to $2,300 for two bedroom apartment; and, $2,400 for three bedroom units. Rental rates have been on a steady rise (at least 3 percent per annum on average) during the past several years, and the resident mix generally comprises young professionals as well as retirees.

These two market rate properties have continually performed well, and illustrate the relatively tight conditions in the market in terms of occupancy. Accordingly, rental rates are fairly solid for these communities, and generally indicate pricing on a per square foot basis ranging from $1.80 to $2.30.

Retail Summary

There are six major retail centers in Key West dispersed over the island as shown below. Old town including Duval Street offers mostly tourism retail, while the major retail centers, displayed below, offer a wide range of retail and services for locals and tourists.

Figure 3.9: Key West Retail Profile (Select Properties) – Location and Major Tenants
Source: Lambert Advisory



As shown in the chart below, the five major retail centers in Key West contains more than 725,000 square feet of retail space in addition to Duval Street and old town area.

Name	Yr. Built	Total sq.ft.	Occ %	Rates
Conch Harbor Plaza	2014	20,200	100%	$19-$21/sf NNN
Habana Plaza	1984	75,000	96%	$18-$23/sf NNN
Key Plaza Shopping	1974	229,000	95%	$18-$21/sKf NNN
Searstown Shopping	1970's	225,000	99%	$23-$26/sf NNN
Overseas Market	(Renovate 2015/16)	177,000	93%	$27-$30/sf NNN
Duval Street	N/A	N/A	Est. 95%	$50-$150+/sf NNN

Figure 3.10: Key West Retail Profile (Select Properties) – Performance Overview
Source: Lambert Advisory

A brief summary of the select retail properties includes:

Conch Harbor Plaza was constructed in 2014 with 100 percent occupancy and 20,200 square feet for retail. This development is located near old town and Duval Street, catering to the local and tourist market with West Marine, restaurants, shops, and bars. Lease rates were $19 to $21 per square foot in a triple net lease.

Habana Plaza was constructed in 1984 but was renovated in 2009 with 96 percent occupancy and 75,000 square feet for retail. Located on the eastern half of the island, near the residential areas, the retail caters towards locals with stores such as Family Dollar. The City of Key West offices are also located in this development. Triple net lease rates were $18 to $23 per square foot.

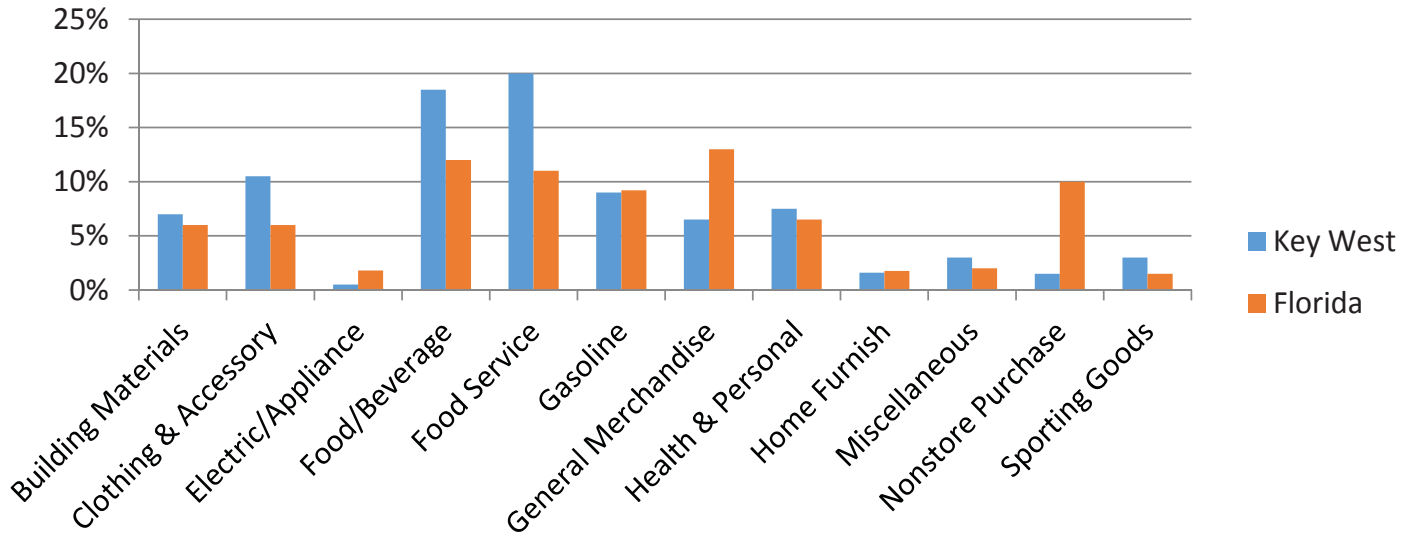
Key Plaza caters to both tourists and locals offering Kmart, Publix, and Office Max as the anchors. The older development has 229,000 square feet of retail space and the triple net lease rates were $18 to $21 per square foot.

Searstown Shopping Center is also located off of North Roosevelt Boulevard and offers retail such as Sears, Publix, and TJ Maxx. This development has 225,000 square feet of retail and was built in the 1970s. Triple net lease rates were $23 to $26 per square foot and was 99 percent occupied.

The Overseas Market also is located off of North Roosevelt Boulevard and offers retail such as Ross, Winn Dixie, and GNC, catering to both tourists and locals. Renovated in 2015, it offers 177,000 square feet of retail with triple lease rates of $27 to $30 per square foot.

As shown in the Figure below, food/beverage and food service combined comprise close to 40 percent of the retail sales by merchandise (18 percent and 20 percent). The next highest category was clothing and accessories at 12 percent. These categories represent a strong tourism industry within Key West. Florida, in comparison, has several categories that comprise between 10 and 15 percent of the overall share.

Figure 3.11: Key West and Florida Comparative Retail Sales by Type of Goods as % of Total Sales (2012)
Source: CLR Research



As illustrated, Key West's retail is heavily oriented to the visitor base as food and drinking and apparel dominate the mix of goods. The City's overall retail market is relatively strong with occupancy levels well above 90 percent and rates; however, rates are somewhat sensitive for retail properties not directly serving the tourism core exemplified by the significant rate differential between Duval Street and the smaller, older centers to the north. Nonetheless, the BVCRASA can be positioned to capture some of the visitor base (ie. dining), while also serving the needs of the surrounding community (ie. convenience and service). However, this will likely be limited to 10,000 to 20,000 square feet in aggregate and most of which will anchor the ground floor of mixed use development.

Hotel Summary

Tourism is the economic staple for The Florida Keys, and Key West in particular, and the region continues its history of strong growth over time. From 2009 to 2014, total visitors to the Florida Keys increased from 3.6 million to 4.5 million (4.5 percent average annual growth). Key West increased from 2.26 million to 2.67 million; or, 3.4 percent average annual growth and currently represents 60 percent of the regions visitor demand.

According to the Monroe County Tourist Development Council, cruise passenger arrivals to Key West presents nearly 30 percent of total visitors; however, there has been a modest (but steady) decline in cruise arrivals during the past five years. Conversely, airline passenger growth (Key West Airport) has generally been on a positive growth tract for the past five years, as has arrivals by auto. The airline and auto based visitor trends bode well for the hotel sector as they primarily comprise overnight demand, while cruise visitor is for a single day.

	2010	2011	2012	2013	2014	2015
Occupancy	78%	83%	83%	87%	87%	85%
ADR	$187.67	$205.06	$221.52	$248.02	$277.21	$292.33

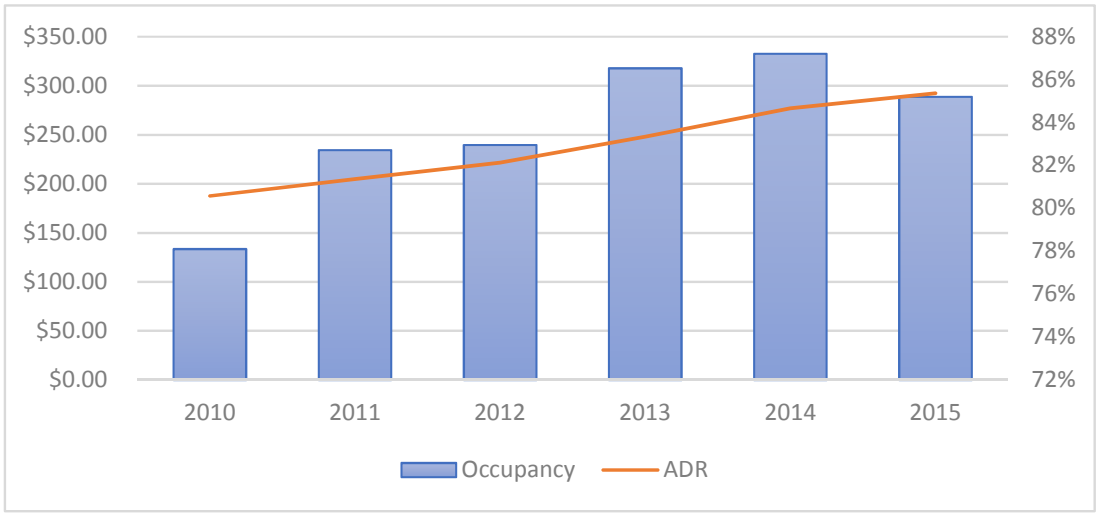
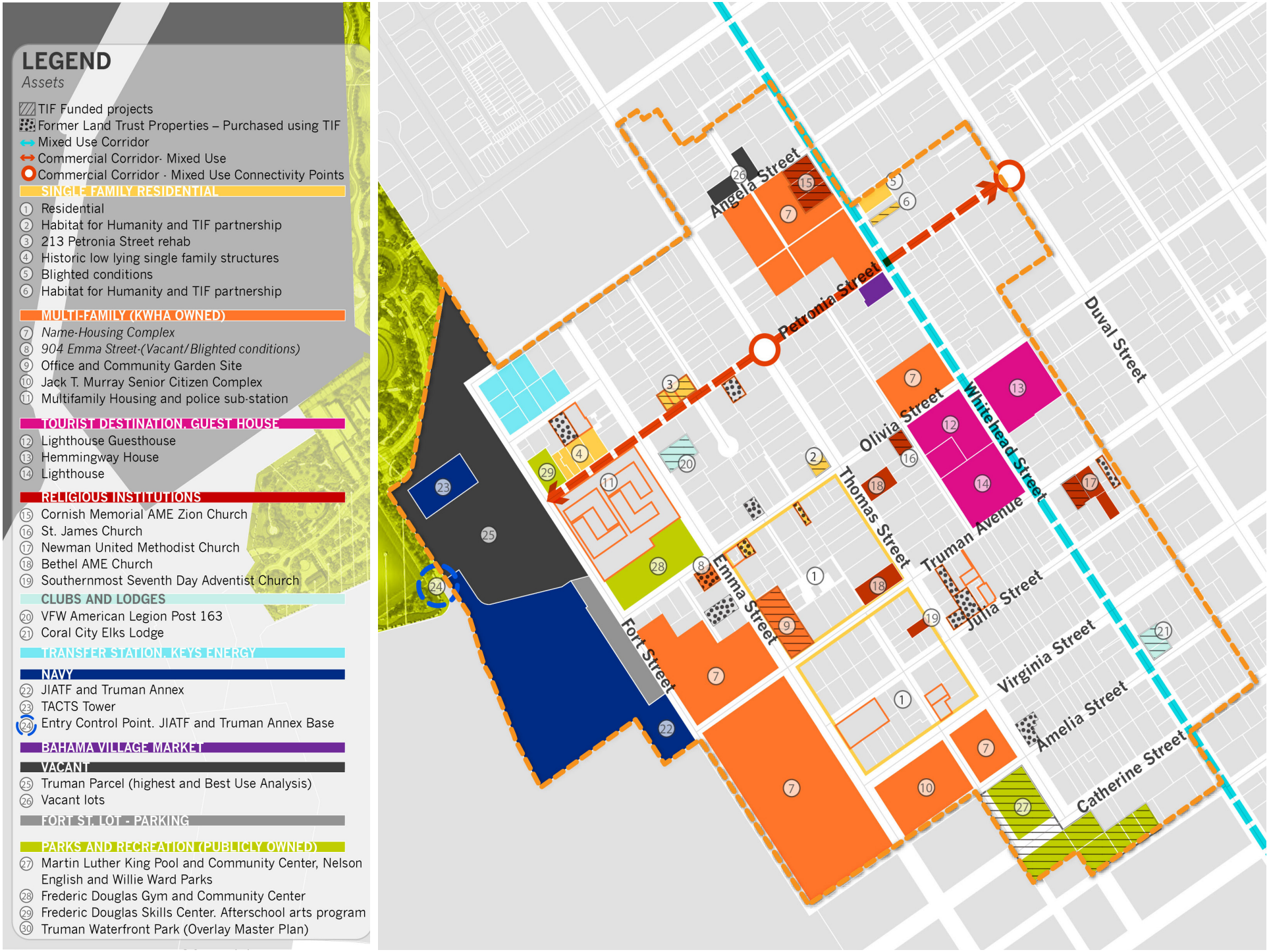


Figure 3.12: Key West Hotel Occupancy and Rate Trend
Source: KeyWestTravelGuide.com

As shown above, Key West's hotel occupancy increase from 78.1 percent in 2010 to 87 percent in 2014. In 2015, occupancy dropped to 85 percent; however, there were 362 new rooms added to the market (including new development and re-opening from renovation). As a result, annual occupied room nights during the past year actually increased.

Accordingly, average daily rates increased from $188 in 2010 to $293 in 2015, which is among the highest hotel submarkets in the US. This has resulted in Bed Tax Collections increasing from $11.5 million in 2010 to more than $19 million in 2015.

The challenge in Key West's hotel market is less of demand, the cost to build new product in light of scare land and exorbitant land costs. As a result, we believe there is a strong opportunity to support hotel development within the BVCRASA. The concept envisions a smaller select service property that, although may be considered a secondary location in comparison to the higher quality waterfront hotels, can be supported given the strong market demand, location within a revitalized historic neighborhood, and will present new quality product.


LEGEND
Assets
TIF Funded projects
Former Land Trust Properties – Purchased using TIF
Mixed Use Corridor
Commercial Corridor- Mixed Use
Commercial Corridor - Mixed Use Connectivity Points
SINGLE FAMILY RESIDENTIAL
1 Residential
2 Habitat for Humanity and TIF partnership
3 213 Petronia Street rehab
4 Historic low lying single family structures
5 Blighted conditions
6 Habitat for Humanity and TIF partnership
MULTI-FAMILY (KWHA OWNED)
7 Name-Housing Complex
8 904 Emma Street-(Vacant/Blighted conditions)
9 Office and Community Garden Site
10 Jack T. Murray Senior Citizen Complex
11 Multifamily Housing and police sub-station
TOURIST DESTINATION, GUEST HOUSE
12 Lighthouse Guesthouse
13 Hemmingway House
14 Lighthouse
RELIGIOUS INSTITUTIONS
15 Cornish Memorial AME Zion Church
16 St. James Church
17 Newman United Methodist Church
18 Bethel AME Church
19 Southernmost Seventh Day Adventist Church
CLUBS AND LODGES
20 VFW American Legion Post 163
21 Coral City Elks Lodge
TRANSFER STATION, KEYS ENERGY
NAVY
22 JIATF and Truman Annex
23 TACTS Tower
24 Entry Control Point. JIATF and Truman Annex Base
BAHAMA VILLAGE MARKET
VACANT
25 Truman Parcel (highest and Best Use Analysis)
26 Vacant lots
FORT ST. LOT - PARKING
PARKS AND RECREATION (PUBLICLY OWNED)
27 Martin Luther King Pool and Community Center, Nelson English and Willie Ward Parks
28 Frederic Douglas Gym and Community Center
29 Frederic Douglas Skills Center. Afterschool arts program
30 Truman Waterfront Park (Overlay Master Plan)
Angela Street
Petronia Street
Olivia Street
Whitehead Street
Duval Street
Thomas Street
Truman Avenue
Emma Street
Fort Street
Julia Street
Virginia Street
Amelia Street
Catherine Street

ASSETS TO BUILD ON

The Bahama Village subarea of the Community Redevelopment Area is located west of Duval Street, the City's most intense commercial street. This area has a rich physical and cultural history and many families have lived in the neighborhood for multiple generations. Much of the area is residential in character, with small corner stores interspersed throughout the subarea. Petronia Street and a portion of Emma Street are the main commercial corridors in the area and have been the focus of smallscale commercial redevelopment efforts. However, Whitehead Street also contains a variety of commercial and office uses, as well as the Hemingway House, a historic tourist attraction.

The Bahama Village subarea is bounded, and to some extent isolated, by the Naval Air Station to the east. This facility is limited access and not integrated with the street network of the subarea. A portion of the Naval Air Station was surplussed to the City of Key West in 2002, including a portion of land totaling 3.2 acres (commonly known as the Truman Waterfront) which was incorporated into the Bahama Village subarea in anticipation of the City's base reuse planning activity. Because this addition to the redevelopment area occurred prior to the actual conveyance of the land from the Navy to the City, a portion of the CRA boundaries extend onto Navy land. Substantial redevelopment activities are not expected to occur within that portion of the subarea remaining in Navy control.

The portions of the subarea which are not historically commercial, or the focus of commercial redevelopment plans, are predominantly residential in nature. Residential development is generally either contained in relatively large, homogenous housing projects (most of which are controlled by the Housing Authority of Key West) or small scale lots, most of which have evolved from lot-by-lot subdivisions intended to reflect patterns of development which began over a hundred years ago. These historic areas are characterized by many small lots, many with historic structures, and some of which have limited access along small lanes and alleys which penetrate most blocks. The area contains an important community recreational resource at Dr. Martin Luther King Community Park (which includes Nelson English and Willie Ward Parks, the community pool and other recreational facilities), which is located at the south end of the redevelopment area and the historic Frederick Douglass Gym located in the heart of Bahama Village. The area also contains some of the City's most important civic structures, particularly in the form of its important historic churches and community gathering places. Several of these structures have been the subject of redevelopment efforts and examples of historic and cultural preservation within the Bahama Village subarea. The subarea has experienced a number of small scale redevelopment successes, but several redevelopment projects have also failed. Further, the subarea continues to demonstrate blighted area conditions.

PROGRAM PRIORITIES LIST: RECOMMENDED CAPITAL PROJECTS

	A Consistent with Chapter 163	B Estimated Total Project Costs (2017 $'s)	C Potential Costs to CRA (2017 $'s)	D Potential Annual Increment (b)	E Prioritization Level	F Timing
1. HEALTH CENTER	YES	$720,000	$360,000	$0.00	CRITICAL	YRS. 1-2
2. DOUGLAS GYM EXPANSION *New Resource Center, Early Childhood Education (ECE) Programming and Fitness Center (a)*	YES	$6.6 MILLION	$4.5 MILLION	$0.00	CRITICAL	YRS. 1-6
3. INFILL & DILAPIDATED *Structure Rehabilitation Program*	YES	$7.4 MILLION	$740,000	$47,300	CRITICAL	YRS. 1-3
4. NEW AFFORDABLE HOUSING / MIXED-USE *Development Opportunity at 3.2 Acre TWP CRA Parcel*	YES	$21.7 MILLION	$0.00	$175,000	CRITICAL	YRS. 1-3
5. ADAPTIVE REUSE *Keys Energy Power Plant and New Market Tax Credits*	YES	$6.7 MILLION	$2.97 MILLION	$8,500	IMPORTANT	YRS. 6-8
6. CONNECTIVITY & BEAUTIFYING COMMUNITY *with focus on Petronia and Emma Streets*	YES	$10.8 MILLION	$250,000	N/A	STRATEGIC	YR. 8
7. NELSON ENGLISH PARK *Playground Shade Structure*	YES	$180,000	$180,000	$0.00	STRATEGIC	YRS. 1-2

(a) Phased Development to include Gym Rehab; Community Structure & Parking; Courtyard.
(b) Increment values herein reflect estimated current dollars.

RECOMMENDED CAPITAL PROJECT 1

HEALTH CENTER

In the mid 1980's, the Monroe County Health Department established the Roosevelt Sands Community Health Resource Center, a clinic located in the southern wing of the Douglass Gym, to offer a wide range of public health services to underserved populations. Due to planned renovations to the Gym, the health center has been relocated within the Bahama Village community.

The $360,000 investment proposed to be expended by BVCRA for the health department will occur in the first year of the projection period. There will be no corresponding tax increment revenue from this specific investment.









RECOMMENDED CAPITAL PROJECT 2

DOUGLASS GYM EXPANSION

Located on Olivia and Fort Streets, the Frederick Douglass Gym is considered by all residents to be the heart of the Bahama Village community. The planned renovations and expansion of the Douglass Gym supports the CRA Plan goals to encourage the “provision, maintenance and policing of parks (both small and large), recreation facilities and open public space improvements in a manner that enhances the Community Redevelopment Area as a vibrant community, as well as increase active and passive recreation opportunities throughout the community and support a diversity of safe, activated, interconnected active and passive recreational opportunities within the community, including pocket parks, greenways and recreational corridors, and better access to a variety of recreational opportunities.”

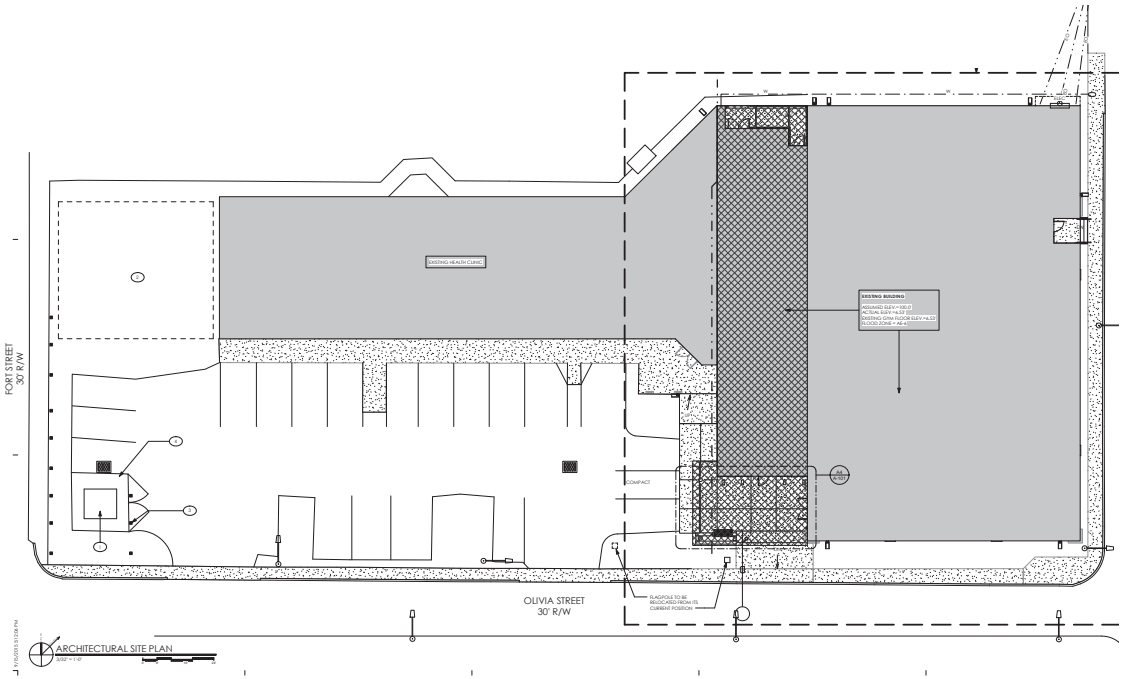
The Gym houses an indoor basketball court and activity room, and offers a tutorial after school program on Monday through Friday to children in need of after school tutoring. Adjacent to the Gym is the one-story Roosevelt Sands Complex which is planned for demolition and replacement with a new multi-use structure to complement the planned renovations and expansion to the Gym and allow for a central open courtyard to accomodate public gatherings and community activities.

The BVCRA investment for the gym expansion is estimated to be $4.5 million and the improvements will occur over a six year time period. There will not be any corresponding tax increment derived from this use.

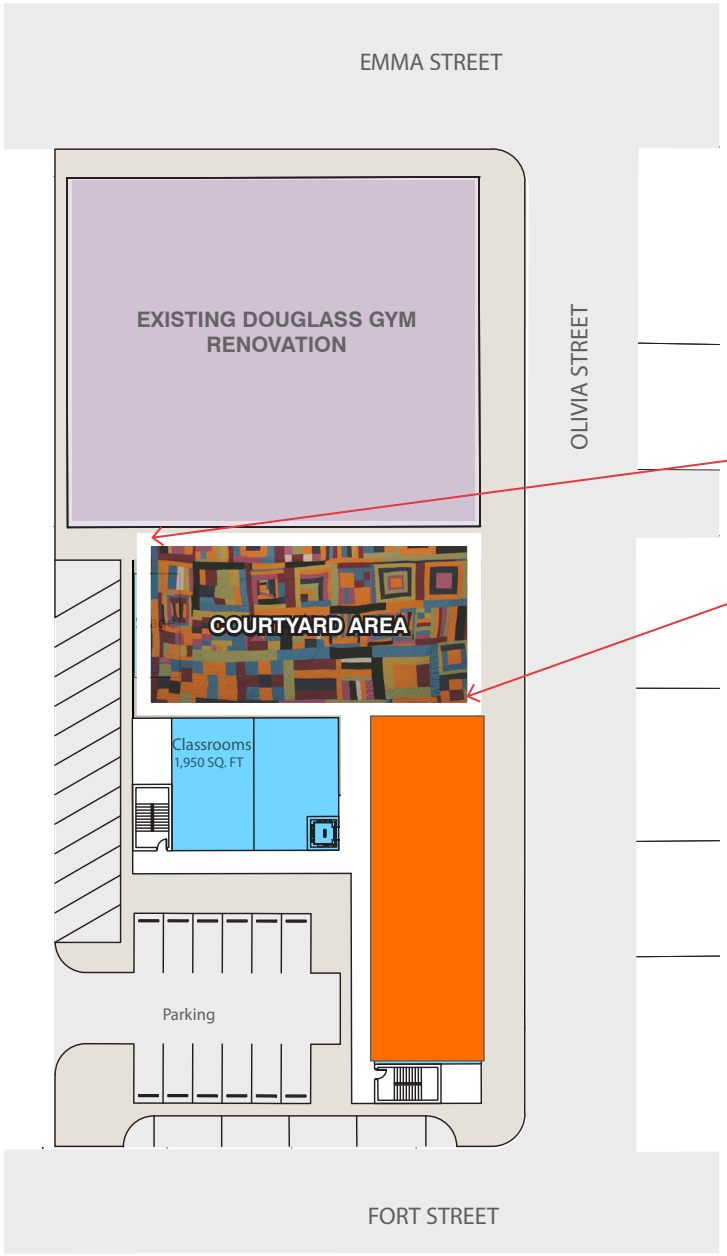


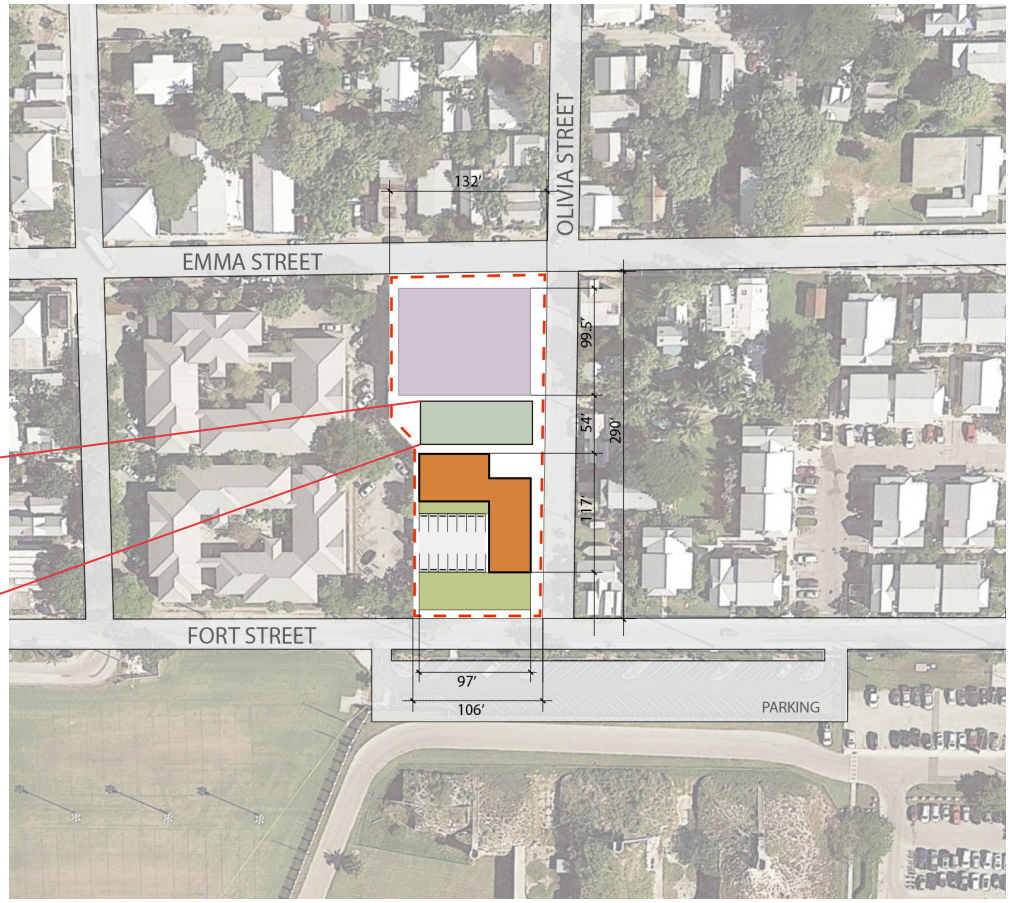



EMMA STREET
OLIVIA STREET
FORT STREET


FORT STREET
30' R/W
EXISTING HEALTH CLINIC
EXISTING BUILDING
COMPACT
OLIVIA STREET
30' R/W
ARCHITECTURAL SITE PLAN





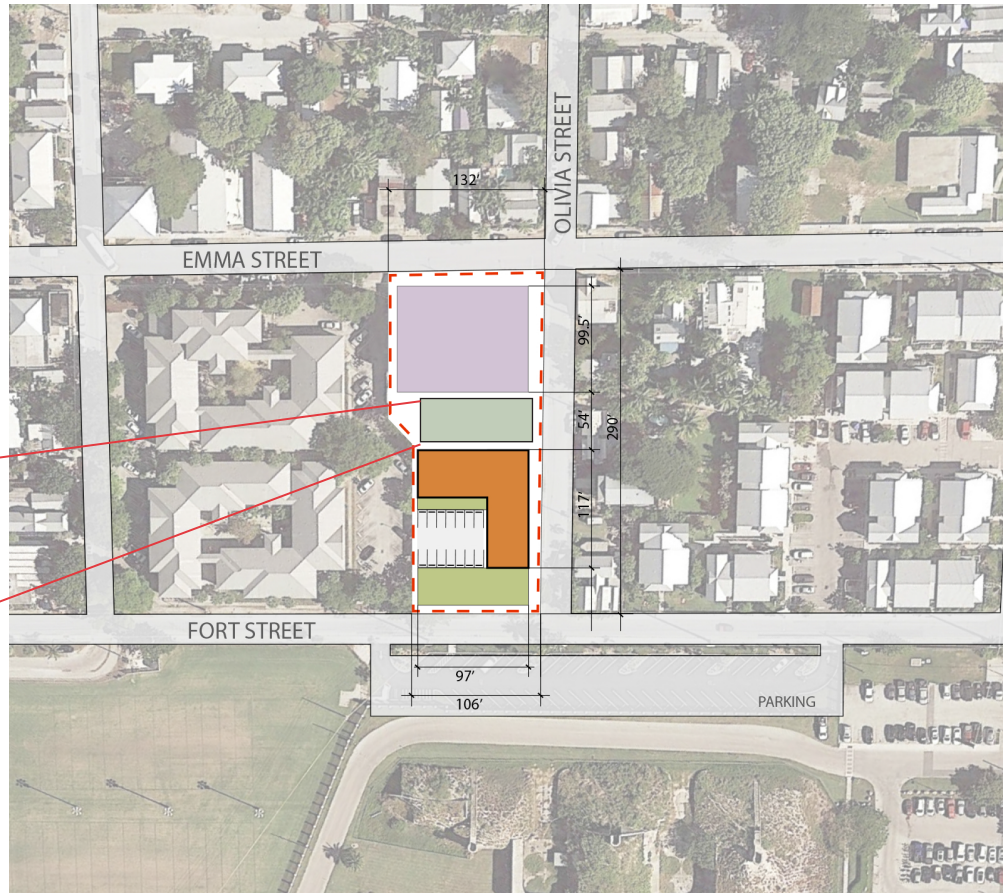


LEVEL 1

FIRST FLOOR
TOTAL PROGRAM AREA = 5,600 SF (INDOOR)

- GALLERY OR CLASSROOM SPACE (3,500 SF)
- CLASSROOMS (1,950 SF)
- COURTYARD AREA (6,200 SF + 1,100 SF)
- OFFICE SPACE - NA
- WORKSPACE - NA





LEVEL 2

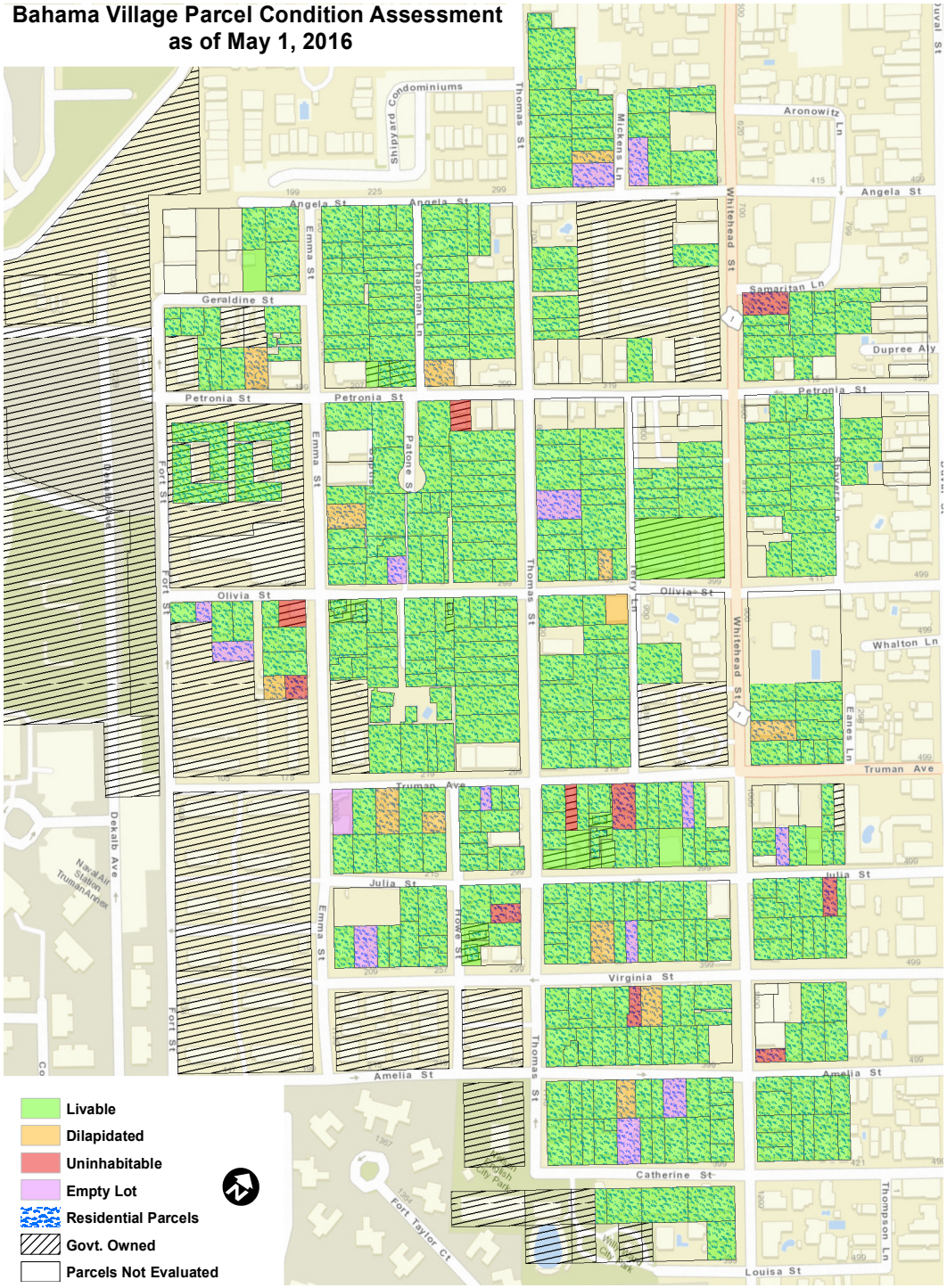
SECOND FLOOR
TOTAL PROGRAM AREA = 5,600 SF (INDOOR)

- GALLERY OR CLASSROOM SPACE - NA
- CLASSROOMS (3,100 SF)
- COURTYARD AREA
- OFFICE SPACE (990 SF)
- WORKSPACE (1,500 SF)



Example of community center activities at the Little Haiti Cultural Center in Miami, Florida.

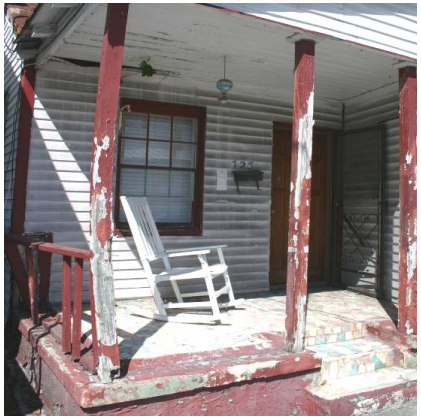
Bahama Village Parcel Condition Assessment as of May 1, 2016















The Lot Next Door (LND) Program would provide an opportunity to owners of property that share a common boundary with a City-owned property to purchase that property to own or expand and make qualifying improvements. The LND program was originally established in 2007 by a New Orleans City Council Ordinance. Since its inception, 1,300 property owners have participated in the LND Program intended to incentivize neighborhood revitalization and beautification.

RECOMMENDED CAPITAL PROJECT 3

INFILL AND DILAPIDATED STRUCTURE REHABILITATION

The Bahama Village subarea of the Community Redevelopment Area has a rich physical and cultural history and many families have lived in the neighborhood for multiple generations. Much of the area is residential in character, with small corner stores interspersed throughout the subarea.

Consisting of approximately 22 blocks at the west end of the City of Key West, residential development is generally either contained in relatively large, homogenous housing projects (most of which are controlled by the Housing Authority of Key West) or small scale lots, most of which have evolved from lot-by-lot subdivisions intended to reflect patterns of development which began over a hundred years ago. These historic areas are characterized by many small lots, many with historic structures, and some of which have limited access along small lanes and alleys which penetrate most blocks. While several of these structures have been the subject of redevelopment efforts and examples of historic and cultural preservation within Bahama Village, the area continues to demonstrate blighted area conditions as demonstrated by a recent Parcel Condition Assessment completed in May 2016 with the following results:

- 100% Street-by-Street Survey of Non-Public Housing Structures in BVCRA
- 508 Total Parcels Surveyed indicating Dilapidated = 13 (2.6%); Uninhabitable = 10 (2.0%); Empty Lots = 14 (2.8%)

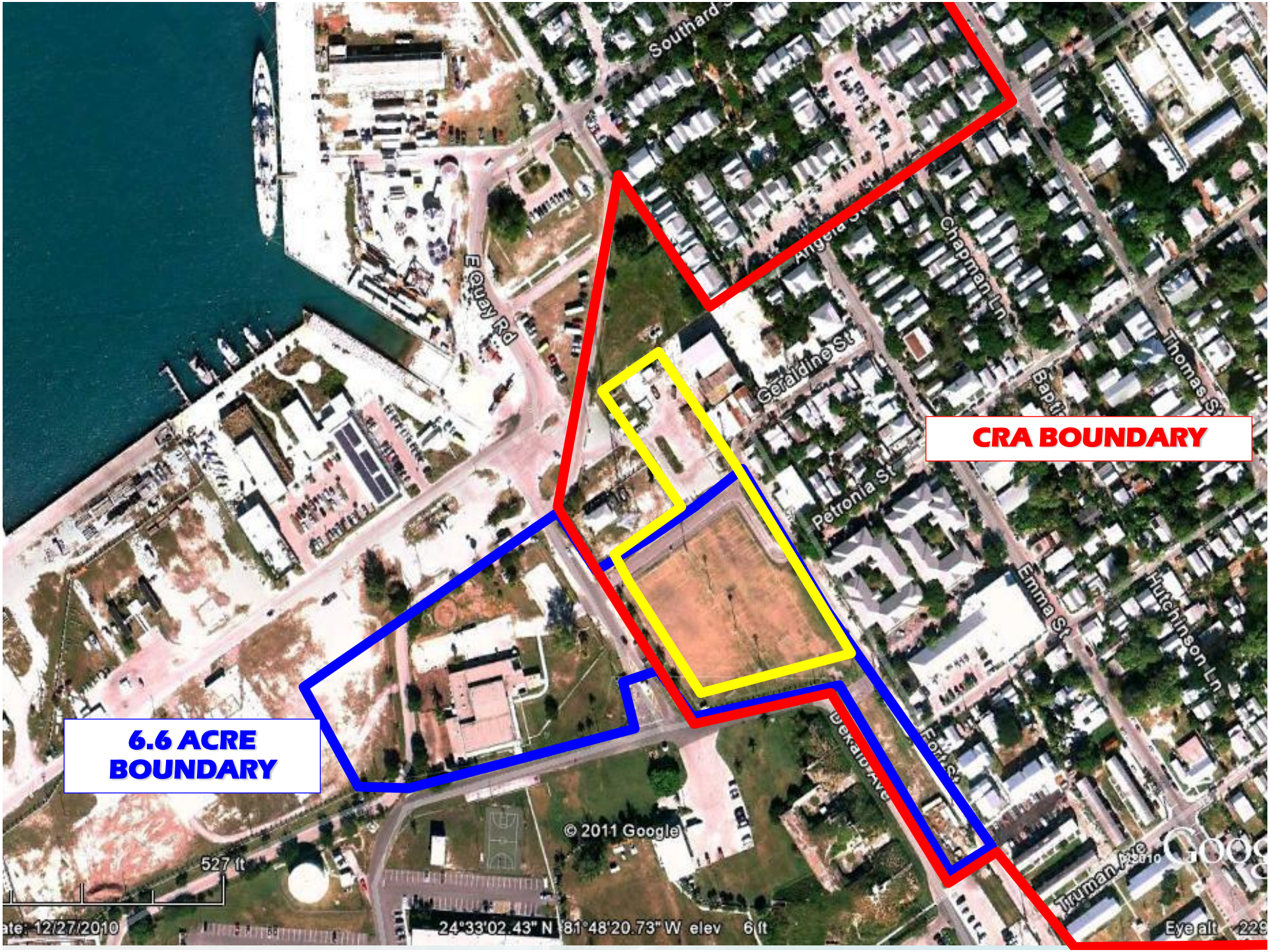
The primary objectives of the CRA Plan are to reinvest in, refurbish or replace housing stocks; address and encourage incorporation of affordable and workforce housing into the fabric of the Community Redevelopment Area; and, preserve and empower homeownership and longterm rentals for City residents. A series of strategies to achieve these objectives include:

1. Redevelopment within the Bahama Village subarea shall not result in a net reduction of affordable or workforce housing below what exists within Bahama Village prior to redevelopment.
2. Identify and/or create a variety of appropriate programs to assist in the renovation and redevelopment of housing stock using care not to encourage speculative investment.
3. Ensure that the historic and cultural values of existing structures are supported and maintained through application of existing HARC guidelines and through loan and funding programs.

Strategic initiatives to be placed into action to address, reverse and remove the blighted area conditions that have substantially impaired the quality of life and redevelopment of the Community Redevelopment Area should include:

- Use of TIF as 2nd Home Loan Fund to Build or Rehabilitate Parcels ($20,000 per unit)
- Adopt program similar to “Lot Next Door” Legislative Program

The rehabilitation funds should be available to property owners only if they agree to rehabilitate the property to habitable status. The CRA should actively contact and develop outreach strategies and materials to property owners which could benefit from the dilapidated rehabilitation funds to make them aware of the program and what the application process would entail. The program should require owners to either contract for the work themselves and then be reimbursed by the CRA or in turn CRA funds can be released directly to contractors upon completion of the work. In order to insure that the program creates the desired results and incentive in a timely manor, it is important that property owners are made aware that funds will be available for only a discrete period of time (a recommended 24-36 months). “Sunsetting” of the program creates pressure on owners to complete the improvements in short order. This pressure is particularly helpful in complicated situations where there are challenges created by inheritance and subsequent multiple owners for example. Likewise, the City can enhance its code enforcement efforts to further encourage the reinvestment in properties. There is little excuse for property owners not to improve their delapidated properties when public funds are being made available to do so.


CRA BOUNDARY
6.6 ACRE BOUNDARY
Equay Rd
Geraldine St
Petronia St
Chapman Ln
Thomas St
Emma St
Hutchinson Ln
Truman Ave
Dekalb Ave
© 2011 Google
527 ft
24°33'02.43" N 81°48'20.73" W elev 6 ft
Eye alt 229

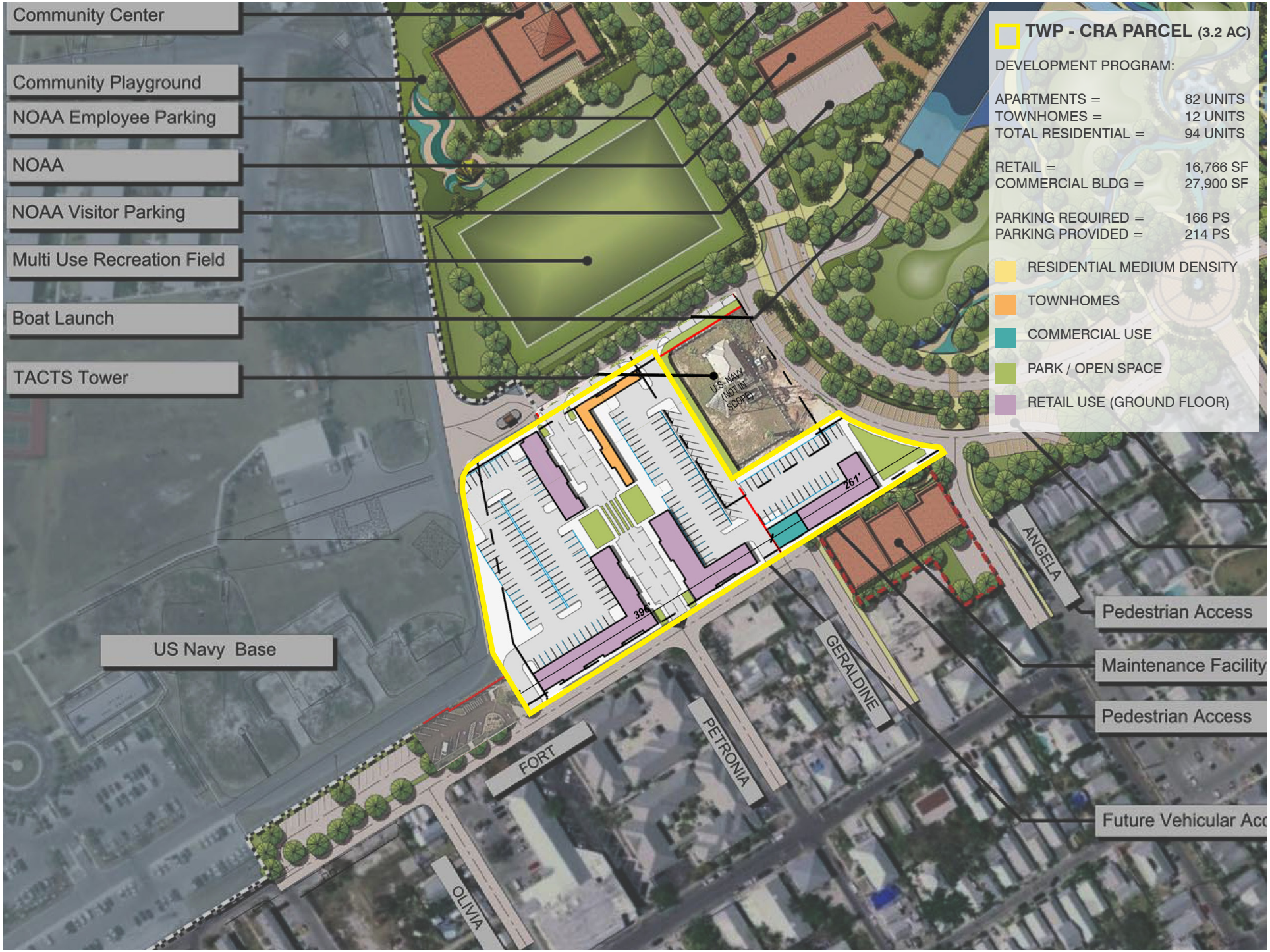
RECOMMENDED CAPITAL PROJECT 4

AFFORDABLE HOUSING AND MIXED-USE DEVELOPMENT

The Bahama Village Community Redevelopment Subarea (BVCRSA) Visioning and Capital Projects Work Plan has established estimates of demand, along with the assessment of current and prospective market conditions, to identify the real estate investment opportunities from a market perspective which could be realized within the Bahama Village broadly and the Truman Waterfront parcel specifically. Importantly, the economic and market analysis can help guide planned investments and the redevelopment process by identifying the market demand for for-sale and rental housing, office, and retail/ entertainment while at the same time highlight the economic and/or financial challenges associated with developing these uses. This will enable the City and CRA to implement strategies through the CRA Capital Project Workplan based upon a strong market understanding and foundation to effectively promote investment and redevelopment within Bahama Village.

In spite of its history and development limited to some degree as a result of the Naval Station's need for security relating to the nearby waterfront and the fencing of the western and southern boundaries of the area, Bahama Village continues to be the historical, cultural and spiritual center for many of Key West's oldest families, some of whom have lived and worked in Bahama Village for many generations. New affordable housing and mixed-use development presents an opportunity to revitalize and redevelop in a manner particularly sensitive to the needs and desires of the Bahama Village community and its residents and business proprietors. The proposed housing and mixed use development for the 3.2 acre Truman Waterfront parcel comprises the following program components:




Community Center
Community Playground
NOAA Employee Parking
NOAA
NOAA Visitor Parking
Multi Use Recreation Field
Boat Launch
TACTS Tower
US Navy Base
TWP - CRA PARCEL (3.2 AC)
DEVELOPMENT PROGRAM:
APARTMENTS = 82 UNITS
TOWNHOMES = 12 UNITS
TOTAL RESIDENTIAL = 94 UNITS
RETAIL = 16,766 SF
COMMERCIAL BLDG = 27,900 SF
PARKING REQUIRED = 166 PS
PARKING PROVIDED = 214 PS
RESIDENTIAL MEDIUM DENSITY
TOWNHOMES
COMMERCIAL USE
PARK / OPEN SPACE
RETAIL USE (GROUND FLOOR)
U.S. NAVY (NOT IN SCOPE)
261'
396'
ANGELA
GERALDINE
PETRONIA
FORT
OLIVIA
Pedestrian Access
Maintenance Facility
Pedestrian Access
Future Vehicular Acc


Community Center
Community Playground
NOAA Employee Parking
NOAA
NOAA Visitor Parking
Multi Use Recreation Field
Boat Launch
TACTS Tower
US Navy Base
TWP - CRA PARCEL (3.2 AC)
DEVELOPMENT PROGRAM:
APARTMENTS = 82 UNITS
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TOTAL RESIDENTIAL = 94 UNITS
RETAIL = 16,766 SF
COMMERCIAL BLDG = 27,900 SF
PARKING REQUIRED = 166 PS
PARKING PROVIDED = 214 PS
RESIDENTIAL MEDIUM DENSITY
TOWNHOMES
COMMERCIAL USE
PARK / OPEN SPACE
RETAIL USE (GROUND FLOOR)
ANGELA
GERALDINE
PETRONIA
FORT
OLIVIA
Pedestrian Access
Maintenance Facility
Pedestrian Access
Future Vehicular Acc







RECOMMENDED CAPITAL PROJECT 5

ADAPTIVE REUSE | KEYS ENERGY PLANT

KEYS Energy Services (KEYS) has approached the City of Key West (City) with the option to acquire a portion of the Key West Diesel Plant located in Bahama Village and consisting of three buildings identified as 100 Angela Street, 709 Fort Street and 101 Geraldine Street and the Fort Street Extension right-of-way. A Structural Condition Assessment, summarized existing environmental considerations and estimated costs for building demolition and selective ("white box") renovation.

Due to the unsafe/unstable roof and deteriorated wall and steel framing conditions, demolition is recommended for 101 Geraldine and 709 Fort Street. 100 Angela has been reported to be in "good condition" with relatively new roofing/rafter system and masonry wall repairs. Based on this assessment, the City would have the option to rehabilitate 100 Angela for future use. Considering the historical use of the buildings (i.e., housing generators used for electrical power generation), the presence of impacted soil, and the proximity of the site to the electrical Keys Substation, future development and use of the Site as a commercial property or for City operations (e.g. Community Services) has been recommended.

Acquisition of the Former Key West Diesel Plant buildings will make available additional land and buildings for future development and potential adaptive reuse by the City. Additionally, acquisition will support development and access to, adjacent properties including the Truman Waterfront Park, the Caroline Street Corridor and Bahama Village Community Redevelopment Agency, and the Fort Street right-of-way.

The adaptive reuse of the energy plant into an education, job training, and event space is estimated to cost a total $6.7 million, which proposes to be funded by a combination of New Market Tax Credit (NMTC) funds, commercial loans supported by education/event space lease revenue, and $2.97 million from BVCRA. The improvements for this proposed plan is presumed to be completed between the 6 and 8 year period of the projection timeline, and upon completion will generate more than $11,000 in tax increment from the taxable value of the commercial space.






BAHAMA VILLAGE





RECOMMENDED CAPITAL PROJECT 6

CONNECTIVITY AND BEAUTIFYING COMMUNITY

The vision for the Community Redevelopment Area focuses on creating a sustainable, more energy efficient and environmentally-friendly community. The vision encompasses both residential and non-residential redevelopment and includes development and provision of vibrant and attractive gathering places for the entire community, better access to open spaces, facilities and services, a pedestrian friendly street and access network, increasing and refurbishing affordable housing stock, addressing vehicular flow, parking and intermodal transportation needs, seeking opportunities to conserve water resources while creating urban landscaping opportunities, implementing crime prevention measures and developing linkages that better integrate the Community Redevelopment Area with existing City, County and community resources.

These goals are to be achieved not only through revitalization and redevelopment of housing and delivery or refurbishment of infrastructure, but by new and coordinated transportation improvements as well. The transportation component of the vision must focus both on vehicular and pedestrian traffic. A combination of safety-conscious bicycle and pedestrian features can significantly reduce vehicular traffic. The greatest positive impact on transportation will be increasing the pedestrian and bicycle-friendly orientation of the area. Rather than having to use a vehicle for shopping, work, recreation, or visits to friends; walking, bicycling and use of intermodal or multi-modal transportation will become a more favorable option with solutions and investments that can accommodate the potential for shuttles and various forms of transit service which further reduce the vehicular demand on the roadway network.

The connectivity and beautification improvements pertain to the effort of complete streets and represents a myriad of proposed hardscape, landscaping, drainage, and roadway improvements for several streets within the BVCRA. However, as it relates to the BVCRA investment, the proposed funding focuses more narrowly on Petronia and Emma Streets.

The total value of the BVCRA related connectivity and beautification improvements is $250,000 and is anticipated to be primarily expended in Year 8 of the projection period. While these improvements will be important to the overall planning effort for BVCRA, the corresponding value created will come from growth in overall taxable value from existing and proposed development.


Nelson English
City Park





RECOMMENDED CAPITAL PROJECT 7

NELSON ENGLISH PARK

Nelson English City Park is located in the southwest corner of Bahama Village, at the intersection of Thomas Street and Catherine Street. The park is named for the civic leader who was the island's first African-American postmaster of Key West from 1882 to 1886. Directly adjacent to the park is the Dr. Martin Luther King Jr. Memorial Community Center and diagonally across, the Willie Ward Park. These two parks are within fifty feet of each other and offer different amenities to community residents. Nelson English was recently restored with new playground equipment and basketball courts for the entire family to enjoy. Willie Ward has no playground equipment or basketball courts but has a picnic gazebo and park benches arranged in a beautiful relaxing atmosphere for older patrons.

As part of the capital improvement effort, the BVCRA will invest $180,000 for a playground shade structure which will be completed in Year 1 of the program planning.

TAX INCREMENT FINANCING

TAX INCREMENT FINANCING

04

TAX INCREMENT FINANCING

BACKGROUND

Based on a Finding of Necessity, first adopted in 1995 and updated in 2009, that establishes that the Bahama Village (BV) Redevelopment Area meets the state definitions for blighted districts, a special taxing district was established created from tax increment growth known as the Community Redevelopment Trust Fund (CRTF).

Each year the property tax increment growth generated from within the BV subarea that has accrued above the baseline year (1995), is taken from both the City and the County's general property tax fund base and held in the CRTF. The Community Redevelopment Trust Fund generated by property taxes are allowed to be allocated to projects located within the district boundaries that meet the adopted Community Redevelopment Plan and alleviate blight.

As part of the adopted Community Redevelopment Plan and the City's Strategic Plan each of the CRA districts is required to adopt a 5-year capital plan in order to prioritize expenditure of the CRTF Fund which is a taxpayer based fund.

BVRAC CRITERIA FOR RANKING TIF APPROPRIATION REQUESTS

Today, the BVRAC evaluates and ranks requests for funding based on established criteria consistent with the 2010 Amended and Restated Community Redevelopment Area Plan. The evaluation is based on the following factors:

A. Compliance with the amended and restated Community Redevelopment Plan.
An applicant seeking project financial assistance must demonstrate that the recommended community redevelopment project or program is consistent with the objectives and strategies in the applicable Community Redevelopment Plan.

B. Need for Public Contribution of Tax Increment.
The need for a tax increment appropriation must be demonstrated to the satisfaction of advisory committee (if in Bahama Village), CRA and staff, and the CRA. Documentation, including development budgets, cash flow projections, market studies and other financial and market information should be carefully analyzed.

C. Amount of Tax Increment Contribution versus Private Investment. A redevelopment proposal requesting tax increment funding assistance should, to the greatest extent possible, maximize the ratio of private investment to public contribution.

D. Term of Appropriation.
The length of the term of the tax increment funding assistance shall be kept to the minimum necessary to achieve the desired result. The proposed term of any tax increment funding assistance shall be fully documented.. If this appropriation is for a reoccurring program, at what point does program become self sustaining and meet measurements of success?

E. Development Benefits and Costs.
The direct and indirect benefits of any proposed community redevelopment project (including rehabilitation, infrastructure, redevelopment, development and programs) should, where possible, be determined and quantified based upon advancing the Primary Objectives of the Plan.

TAX INCREMENT FINANCING ANALYSIS

The BVCRA (Bahama Village Caroline Street Tax Increment Fund) was established in the City's Fiscal Year (FY) 1996/97. The baseline taxable value upon formation was $88.2 million. By FY 2014/15, the taxable value reached $344 million, increasing another 8.6 percent to $374 million in FY 2015/16. Therefore, from its inception nearly 20 years ago, the BVCRA's taxable value has increased more than four times, or a compound average annual growth rate of approximately 8 percent.

For this analysis, the planning team has prepared a financial analysis for the BVCRA over a 25 year projection period. It outlines an implementation plan and budget which ties a projection of sources of funding including CRA funding and other funding sources to uses over a 25-year term. While a 25-year budget is helpful for long term planning purposes, we strongly recommend that the CRA institute a process of a formal revisiting of the budget every 5 years given that markets and funding sources/availability, particularly at the State and Federal levels, can change dramatically over a 5-year period. For the first 5 years of the budget in particular we make specific recommendations of non-CRA funding sources that should be able to be leveraged in the near term.

For the BVCRA financial analysis herein, the proforma budget utilizes data from the current FY 16/17 budget which helps to establish baseline (Year 1, Fiscal 2017/18) including TIF revenue from existing properties, carry over from CRA reserves, and general operating/administrative costs. Beyond these set of established (base) assumptions, the financial model builds upon the proposed capital improvements set forth herein (and in current dollars), with the following key assumptions for each project investment:

1. HEALTH DEPARTMENT RELOCATION
The $360,000 investment proposed to be expended by BVCRA for the health department will occur in the first year of the projection period. There will be no corresponding tax increment revenue from this specific investment.

2. DOUGLASS GYM EXPANSION
The BVCRA investment for the gym expansion is estimated to be $4.5 million and the improvements will occur over a six year time and there will not be any corresponding tax increment derived from this use.

3. INFILL AND DILAPIDATED STRUCTURE REHAB
The BVCRA plan proposes a $740,000 investment in various structures throughout the area, which will occur during the initial three years of the forecast period. It is regarded that this investment will translate directly to taxable value growth and, therefore, this will create roughly $52,000 in tax increment revenue annually, increasing at 2.5 percent per annum.

4. AFFORDABLE HOUSING MIXED USE DEVELOPMENT
The housing and mixed use development for the Truman Waterfront comprises the following development components: 94 affordable housing units (82 apartments and 12 townhome units) and 16,766 square feet of retail development on the 3.2 acre CRA site. The BVCRA expenditure will pertain specifically to the 3.2 acre CRA property which has an estimated cost totaling $21.7 million. The proposed program is anticipated to commence development during the first three years of the projection period, and will contribute tax increment revenue in the amount of roughly $193,000 upon stabilization, increasing 3.0 percent per annum thereafter.

5. ADAPTIVE REUSE OF KEYS ENERGY PLANT

The adaptive reuse of the energy plant into an education, job training, and event space is estimated to cost a total $6.7 million, which proposes to be funded by a combination of New Market Tax Credit (NMTC) funds, commercial loans supported by education/event space lease revenue, and $2.97 million from BVCRA. The improvements for this proposed plan is presumed to be completed between the 5 and 10 year period of the projection timeline, and upon completion will generate more than $11,000 in tax increment from the taxable value of the commercial space.

6. CONNECTIVITY AND BEAUTIFICATION

The connectivity and beautification improvements pertain to the effort of complete streets and represents a myriad of proposed hardscape, landscaping, drainage, and roadway improvements for several streets within the BVCRA. However, as it relates to the BVCRA investment, the proposed funding focuses more narrowly on Petronia and Emma Streets. The total value of the BVCRA related connectivity and beautification improvements is $250,000 and is anticipated to be primarily expended in Year 8 of the projection period. While these improvements will be important to the overall planning effort for BVCRA, the corresponding value created will come from growth in overall taxable value from existing and proposed development.

7. NELSON ENGLISH PARK SHADE STRUCTURE

As part of the capital improvement effort, the BVCRA will invest $180,000 for a playground shade structure which will be completed in Year 1 of the program planning.

As noted above, the BVCRA projected budget incorporates incremental tax revenue from existing properties, the incremental tax increase from capital improvements, the cost of delivering the proposed planning improvements and administrative/operating expense. The detailed 25 year projection analysis is provided in the Appendix, with a summary of key findings as follows:

Increment from Existing Taxable Properties: The annual tax increment revenue from existing properties within the BVCRA is forecast to increase from FY17/18 level of approximately $820,000 to $1.45 million by FY41/42; or total incremental revenue during the 25 year period of nearly $24 million.

Project Investment Increment Revenue: The capital improvements proposed as part of the redevelopment planning effort will have a measurable impact on taxable revenue growth; whether, directly related to new development (such as the new housing and commercial development), or more of an intangible increase related to overall value growth of existing properties. As it relates specifically to new direct tax increment growth, the proforma estimates a total $7 million in project investment tax increment growth during the 25 year projection period, with the majority increment coming from infill rehabilitation, new housing and commercial development and the adaptive reuse of the energy plant.

Project Investment Expenditure: As set forth above, the capital improvements proposed for BVCRA as part of the redevelopment plan will total $9 million (in current $'s), with nearly all capital outlays for the various project to be expended within the first 10 years (FY 26/27).

Operating/Administrative Expenses: The BVCRA budget allocates $15,160 for operations and administration and $30,000 for Monitoring/ Measuring of Neighborhood Progress, which will be maintained throughout the projection period and increasing 2.5 percent per year. During the first two years of the projection period (FY 17/18 and FY 18/19), BVCRA will incur debt payments of $158,000 per year from prior investments; however, these debt payments will cease after Year 2.

Presently, the BVCRA has approximately $1.3 million in carry over from its reserves. These funds will be utilized immediately for the initial phases of the capital improvement program. As a result of the projected increment revenue, capital improvements, and operating expenses that are estimated to occur based upon the projection analysis, the BVCRA will not have any reserve funding during the first 8+ years of the 25 year capital improvement projection. However, as the capital funding is expended, and the benefits from these improvements begin to notable value (and in turn create tax increment revenue), the BVCRA is forecast to have approximately $25 million tax increment revenue reserve by FY 41/42.

BAHAMA VILLAGE 25 YEAR FINANCIAL PLAN |
VALUE AND ASSUMPTIONS FOR 25-YEAR PROJECTIONS

Increment Rate of Growth Assumption			2.50%				
Operating & Capital Cost Inflation Assumption			2.50%				
Plan Year	**FY 16-17 Dollars**		**1**		**2**		**3**
Fiscal Year	Est. CRA Investment Requirement		FY 17/18		FY 18/19		FY 19/20
Increment from Existing Taxable Properties as of FY 16/17		$	820,000	$	840,500	$	861,513
Carry Over From Reserve		$	1,300,000	-$	0	$	0
Project Investment/Initiatives Increment:							
Health Department Relocation							
Douglas Gym Expansion							
Infill and Dilapidated Structure Rehab				$	16,565	$	25,468
Affordable Housing Mixed Use Development 3.2 acre site							
Adaptive Reuse of Keys Energy Plan							
Connectivity & Beautification (Petronia and Emma)							
Nelson English Park							
Total Additional Increment		**$**	**-**	**$**	**16,565**	**$**	**25,468**
Expenses:							
Operations & Administration		$	15,160	$	15,539	$	15,927
Monitoring/Measurement of Neighborhood Resident Progress		$	30,000			$	31,519
Debt Service		$	158,000	$	158,000	$	-
Total Expenses		$	203,160	$	173,539	$	47,446
Available for Capital Investment and/or Additional Debt		**$**	**1,916,840**	**$**	**683,526**	**$**	**839,535**
Cumulative Available (no use of additional debt)							
Project Investment							
Health Department Relocation	$ 360,000	$	369,000				
Douglas Gym Expansion	$ 4,500,000	$	1,110,507	$	424,371	$	573,902
Infill and Dilapidated Structure Rehab	$ 740,000	$	252,833	$	259,154	$	265,633
Affordable Housing Mixed Use Development 3.2 acre site	$ -						
Adaptive Reuse of Keys Energy Plan	$ 2,970,000						
Connectivity & Beautification (Petronia and Emma)	$ 250,000						
Nelson English Park	$ 180,000	$	184,500				
Total Investment		**$**	**1,916,840**	**$**	**683,525**	**$**	**839,535**
Net Available		-$	0	$	0	$	0

Increment Rate of Growth Assumption
Operating & Capital Cost Inflation Assumption

Plan Year	**FY 16-17 Dollars**		**4**		**5**		**6**
Fiscal Year	Est. CRA Investment Requirement		FY 20/21		FY 21/22		FY 22/23
Increment from Existing Taxable Properties as of FY 16/17		$	883,050	$	905,127	$	927,755
Carry Over From Reserve		$	0	$	0	-$	0
Project Investment/Initiatives Increment:							
Health Department Relocation							
Douglas Gym Expansion							
Infill and Dilapidated Structure Rehab		$	52,210	$	53,516	$	54,853
Affordable Housing Mixed Use Development 3.2 acre site		$	193,167	$	197,996	$	202,946
Adaptive Reuse of Keys Energy Plan							
Connectivity & Beautification (Petronia and Emma)							
Nelson English Park							
Total Additional Increment		**$**	**245,378**	**$**	**251,512**	**$**	**257,800**
Expenses:							
Operations & Administration		$	16,326	$	16,734	$	17,152
Monitoring/Measurement of Neighborhood Resident Progress				$	33,114		
Debt Service		$	-	$	-	$	-
Total Expenses		$	16,326	$	49,848	$	17,152
Available for Capital Investment and/or Additional Debt		**$**	**1,112,102**	**$**	**1,106,791**	**$**	**1,168,402**
Cumulative Available (no use of additional debt)							
Project Investment							
Health Department Relocation	$ 360,000						
Douglas Gym Expansion	$ 4,500,000	$	1,112,102	$	1,106,791	$	890,947
Infill and Dilapidated Structure Rehab	$ 740,000						
Affordable Housing Mixed Use Development 3.2 acre site	$ -						
Adaptive Reuse of Keys Energy Plan	$ 2,970,000					$	277,455
Connectivity & Beautification (Petronia and Emma)	$ 250,000						
Nelson English Park	$ 180,000						
Total Investment		**$**	**1,112,102**	**$**	**1,106,791**	**$**	**1,168,402**
Net Available		$	0	-$	0	$	0

Increment Rate of Growth Assumption
Operating & Capital Cost Inflation Assumption

Plan Year	**FY 16-17 Dollars**	**7**	**8**	**9**
Fiscal Year	Est. CRA Investment Requirement	FY 23/24	FY 24/25	FY 25/26
Increment from Existing Taxable Properties as of FY 16/17		$ 950,949	$ 974,722	$ 999,090
Carry Over From Reserve		$ 0	-$ 0	$ 0
Project Investment/Initiatives Increment:				
Health Department Relocation				
Douglas Gym Expansion				
Infill and Dilapidated Structure Rehab		$ 56,225	$ 57,630	$ 59,071
Affordable Housing Mixed Use Development 3.2 acre site		$ 208,020	$ 213,221	$ 218,551
Adaptive Reuse of Keys Energy Plan				
Connectivity & Beautification (Petronia and Emma)				
Nelson English Park				
Total Additional Increment		**$ 264,245**	**$ 270,851**	**$ 277,622**
Expenses:				
Operations & Administration		$ 17,581	$ 18,020	$ 18,471
Monitoring/Measurement of Neighborhood Resident Progress		$ 34,791		$ 36,552
Debt Service		$ -	$ -	$ -
Total Expenses		$ 52,372	$ 18,020	$ 55,023
Available for Capital Investment and/or Additional Debt		**$ 1,162,822**	**$ 1,227,552**	**$ 1,221,690**
Cumulative Available (no use of additional debt)				
Project Investment				
Health Department Relocation	$ 360,000			
Douglas Gym Expansion	$ 4,500,000	$ -		
Infill and Dilapidated Structure Rehab	$ 740,000			
Affordable Housing Mixed Use Development 3.2 acre site	$ -			
Adaptive Reuse of Keys Energy Plan	$ 2,970,000	$ 1,162,822	$ 922,951	$ 1,221,690
Connectivity & Beautification (Petronia and Emma)	$ 250,000		$ 304,601	
Nelson English Park	$ 180,000			
Total Investment		**$ 1,162,822**	**$ 1,227,552**	**$ 1,221,690**
Net Available		-$ 0	$ 0	-$ 0

Increment Rate of Growth Assumption
Operating & Capital Cost Inflation Assumption

Plan Year	**FY 16-17 Dollars**		**10**		**11**		**12**
Fiscal Year	Est. CRA Investment Requirement		FY 26/27		FY 27/28		FY 28/29
Increment from Existing Taxable Properties as of FY 16/17		$	1,024,068	$	1,049,669	$	1,075,911
Carry Over From Reserve		-$	0	$	1,083,645	$	2,378,336
Project Investment/Initiatives Increment:							
Health Department Relocation							
Douglas Gym Expansion							
Infill and Dilapidated Structure Rehab		$	60,548	$	62,062	$	63,613
Affordable Housing Mixed Use Development 3.2 acre site		$	224,015	$	229,615	$	235,356
Adaptive Reuse of Keys Energy Plan		$	10,881	$	11,153	$	11,432
Connectivity & Beautification (Petronia and Emma)							
Nelson English Park							
Total Additional Increment		**$**	**295,444**	**$**	**302,830**	**$**	**310,400**
Expenses:							
Operations & Administration		$	18,933	$	19,406	$	19,891
Monitoring/Measurement of Neighborhood Resident Progress				$	38,403		
Debt Service		$	-	$	-	$	-
Total Expenses		$	18,933	$	57,809	$	19,891
Available for Capital Investment and/or Additional Debt		**$**	**1,300,578**	**$**	**2,378,336**	**$**	**3,744,756**
Cumulative Available (no use of additional debt)							
Project Investment							
Health Department Relocation	$ 360,000						
Douglas Gym Expansion	$ 4,500,000						
Infill and Dilapidated Structure Rehab	$ 740,000						
Affordable Housing Mixed Use Development 3.2 acre site	$ -						
Adaptive Reuse of Keys Energy Plan	$ 2,970,000	$	216,933				
Connectivity & Beautification (Petronia and Emma)	$ 250,000						
Nelson English Park	$ 180,000						
Total Investment		**$**	**216,933**	**$**	**-**	**$**	**-**
Net Available		$	1,083,645	$	2,378,336	$	3,744,756

Increment Rate of Growth Assumption
Operating & Capital Cost Inflation Assumption

Plan Year	**FY 16-17 Dollars**		**13**		**14**		**15**
Fiscal Year	Est. CRA Investment Requirement		FY 29/30		FY 30/31		FY 31/32
Increment from Existing Taxable Properties as of FY 16/17		$	1,102,809	$	1,130,379	$	1,158,639
Carry Over From Reserve		$	3,744,756	$	5,104,990	$	6,540,585
Project Investment/Initiatives Increment:							
Health Department Relocation							
Douglas Gym Expansion							
Infill and Dilapidated Structure Rehab		$	65,204	$	66,834	$	68,505
Affordable Housing Mixed Use Development 3.2 acre site		$	241,239	$	247,270	$	253,452
Adaptive Reuse of Keys Energy Plan		$	11,717	$	12,010	$	12,311
Connectivity & Beautification (Petronia and Emma)							
Nelson English Park							
Total Additional Increment		**$**	**318,160**	**$**	**326,114**	**$**	**334,267**
Expenses:							
Operations & Administration		$	20,389	$	20,898	$	21,421
Monitoring/Measurement of Neighborhood Resident Progress		$	40,347			$	42,389
Debt Service		$	-	$	-	$	-
Total Expenses		$	60,735	$	20,898	$	63,810
Available for Capital Investment and/or Additional Debt		**$**	**5,104,990**	**$**	**6,540,585**	**$**	**7,969,681**
Cumulative Available (no use of additional debt)							
Project Investment							
Health Department Relocation	$ 360,000						
Douglas Gym Expansion	$ 4,500,000						
Infill and Dilapidated Structure Rehab	$ 740,000						
Affordable Housing Mixed Use Development 3.2 acre site	$ -						
Adaptive Reuse of Keys Energy Plan	$ 2,970,000						
Connectivity & Beautification (Petronia and Emma)	$ 250,000						
Nelson English Park	$ 180,000						
Total Investment		**$**	**-**	**$**	**-**	**$**	**-**
Net Available		$	5,104,990	$	6,540,585	$	7,969,681

Increment Rate of Growth Assumption
Operating & Capital Cost Inflation Assumption

Plan Year	**FY 16-17 Dollars**	**16**	**17**	**18**
Fiscal Year	Est. CRA Investment Requirement	FY 32/33	FY 33/34	FY 34/35
Increment from Existing Taxable Properties as of FY 16/17		$ 1,187,604	$ 1,217,295	$ 1,247,727
Carry Over From Reserve		$ 7,969,681	$ 9,477,953	$ 10,979,397
Project Investment/Initiatives Increment:				
Health Department Relocation				
Douglas Gym Expansion				
Infill and Dilapidated Structure Rehab		$ 70,217	$ 71,973	$ 73,772
Affordable Housing Mixed Use Development 3.2 acre site		$ 259,788	$ 266,283	$ 272,940
Adaptive Reuse of Keys Energy Plan		$ 12,618	$ 12,934	$ 13,257
Connectivity & Beautification (Petronia and Emma)				
Nelson English Park				
Total Additional Increment		**$ 342,624**	**$ 351,189**	**$ 359,969**
Expenses:				
Operations & Administration		$ 21,956	$ 22,505	$ 23,068
Monitoring/Measurement of Neighborhood Resident Progress			$ 44,535	
Debt Service		$ -	$ -	$ -
Total Expenses		$ 21,956	$ 67,040	$ 23,068
Available for Capital Investment and/or Additional Debt		**$ 9,477,953**	**$ 10,979,397**	**$ 12,564,025**
Cumulative Available (no use of additional debt)				
Project Investment				
Health Department Relocation	$ 360,000			
Douglas Gym Expansion	$ 4,500,000			
Infill and Dilapidated Structure Rehab	$ 740,000			
Affordable Housing Mixed Use Development 3.2 acre site	$ -			
Adaptive Reuse of Keys Energy Plan	$ 2,970,000			
Connectivity & Beautification (Petronia and Emma)	$ 250,000			
Nelson English Park	$ 180,000			
Total Investment		**$ -**	**$ -**	**$ -**
Net Available		$ 9,477,953	$ 10,979,397	$ 12,564,025

Increment Rate of Growth Assumption
Operating & Capital Cost Inflation Assumption

Plan Year	**FY 16-17 Dollars**		**19**		**20**		**21**
Fiscal Year	Est. CRA Investment Requirement		FY 35/36		FY 36/37		FY 37/38
Increment from Existing Taxable Properties as of FY 16/17		$	1,278,920	$	1,310,893	$	1,343,665
Carry Over From Reserve		$	12,564,025	$	14,141,480	$	15,806,330
Project Investment/Initiatives Increment:							
Health Department Relocation							
Douglas Gym Expansion							
Infill and Dilapidated Structure Rehab		$	75,616	$	77,507	$	79,444
Affordable Housing Mixed Use Development 3.2 acre site		$	279,764	$	286,758	$	293,927
Adaptive Reuse of Keys Energy Plan		$	13,589	$	13,928	$	14,276
Connectivity & Beautification (Petronia and Emma)							
Nelson English Park							
Total Additional Increment		**$**	**368,968**	**$**	**378,193**	**$**	**387,647**
Expenses:							
Operations & Administration		$	23,644	$	24,236	$	24,841
Monitoring/Measurement of Neighborhood Resident Progress		$	46,790			$	49,158
Debt Service		$	-	$	-	$	-
Total Expenses		$	70,434	$	24,236	$	74,000
Available for Capital Investment and/or Additional Debt		**$**	**14,141,480**	**$**	**15,806,330**	**$**	**17,463,643**
Cumulative Available (no use of additional debt)							
Project Investment							
Health Department Relocation	$ 360,000						
Douglas Gym Expansion	$ 4,500,000						
Infill and Dilapidated Structure Rehab	$ 740,000						
Affordable Housing Mixed Use Development 3.2 acre site	$ -						
Adaptive Reuse of Keys Energy Plan	$ 2,970,000						
Connectivity & Beautification (Petronia and Emma)	$ 250,000						
Nelson English Park	$ 180,000						
Total Investment		**$**	**-**	**$**	**-**	**$**	**-**
Net Available		$	14,141,480	$	15,806,330	$	17,463,643

Increment Rate of Growth Assumption
Operating & Capital Cost Inflation Assumption

Plan Year	**FY 16-17 Dollars**		**22**		**23**		**24**	
Fiscal Year	Est. CRA Investment Requirement		FY 38/39		FY 39/40		FY 40/41	FY
Increment from Existing Taxable Properties as of FY 16/17			$ 1,377,257		$ 1,411,689		$ 1,446,981	
Carry Over From Reserve			$ 17,463,643		$ 19,212,776		$ 20,953,991	
Project Investment/Initiatives Increment:								
Health Department Relocation								
Douglas Gym Expansion								
Infill and Dilapidated Structure Rehab			$ 81,430		$ 83,466		$ 85,553	
Affordable Housing Mixed Use Development 3.2 acre site			$ 301,275		$ 308,807		$ 316,527	
Adaptive Reuse of Keys Energy Plan			$ 14,633		$ 14,999		$ 15,374	
Connectivity & Beautification (Petronia and Emma)								
Nelson English Park								
Total Additional Increment			**$ 397,339**		**$ 407,272**		**$ 417,454**	
Expenses:								
Operations & Administration			$ 25,462		$ 26,099		$ 26,751	
Monitoring/Measurement of Neighborhood Resident Progress					$ 51,647			
Debt Service			$ -		$ -		$ -	
Total Expenses			$ 25,462		$ 77,746		$ 26,751	
Available for Capital Investment and/or Additional Debt			**$ 19,212,776**		**$ 20,953,991**		**$ 22,791,674**	
Cumulative Available (no use of additional debt)								
Project Investment								
Health Department Relocation	$	360,000						
Douglas Gym Expansion	$	4,500,000						
Infill and Dilapidated Structure Rehab	$	740,000						
Affordable Housing Mixed Use Development 3.2 acre site	$	-						
Adaptive Reuse of Keys Energy Plan	$	2,970,000						
Connectivity & Beautification (Petronia and Emma)	$	250,000						
Nelson English Park	$	180,000						
Total Investment			**$ -**		**$ -**		**$ -**	
Net Available			$ 19,212,776		$ 20,953,991		$ 22,791,674	

Increment Rate of Growth Assumption
Operating & Capital Cost Inflation Assumption

Plan Year	**FY 16-17 Dollars** Est. CRA Investment Requirement	**25** FY 41/42
Fiscal Year		
Increment from Existing Taxable Properties as of FY 16/17		$ 1,483,155
Carry Over From Reserve		$ 22,791,674
Project Investment/Initiatives Increment:		
Health Department Relocation		
Douglas Gym Expansion		
Infill and Dilapidated Structure Rehab		$ 87,692
Affordable Housing Mixed Use Development 3.2 acre site		$ 324,440
Adaptive Reuse of Keys Energy Plan		$ 15,759
Connectivity & Beautification (Petronia and Emma)		
Nelson English Park		
Total Additional Increment		**$ 427,890**
Expenses:		
Operations & Administration		$ 27,420
Monitoring/Measurement of Neighborhood Resident Progress		$ 54,262
Debt Service		$ -
Total Expenses		$ 81,682
Available for Capital Investment and/or Additional Debt		**$ 24,621,038**
Cumulative Available (no use of additional debt)		
Project Investment		
Health Department Relocation	$ 360,000	
Douglas Gym Expansion	$ 4,500,000	
Infill and Dilapidated Structure Rehab	$ 740,000	
Affordable Housing Mixed Use Development 3.2 acre site	$ -	
Adaptive Reuse of Keys Energy Plan	$ 2,970,000	
Connectivity & Beautification (Petronia and Emma)	$ 250,000	
Nelson English Park	$ 180,000	
Total Investment		**$ -**
Net Available		$ 24,621,038

IMPLEMENTATION

IMPLEMENTATION

05

IMPLEMENTATION PLAN

FINANCIAL PLANNING FOR FY 2017/18 THRU FY 2041/42 AND LEVERAGING OPPORTUNITIES

Based upon the assessment of existing conditions, economic and market evaluation, and on-going discussions with BVCRA staff during this planning process, a recommended group of capital projects program has been identified to anchor the BVCRASA redevelopment efforts during the near, mid- and long-term period.

The capital program projects represent the culmination of the entire planning process and contemplates the viability, relative impact, and importance of certain investments within BVCRASA. Importantly, the recommended programs cannot be developed by the planning team alone, as it must have full community buy in. That is why the community outreach component of this broader planning effort was so important, to ensure that the investments proposed occur in a reasonable time frame. This includes an understanding of the timing of these investments and tranche the projects into critical, mid-term and long-term categories based upon their level of importance to the development area. Furthermore, it outlines an implementation plan and budget which ties a projection of sources of funding including CRA funding and other funding sources to uses over a 25-year term. While a 25-year budget is helpful for long term planning purposes, we strongly recommend that the CRA institute a process of a formal revisiting of the budget every 5 years given that markets and funding sources/availability, particularly at the State and Federal levels, can change dramatically over a 5-year period. For the first 5 years of the budget in particular we will make specific recommendations of non-CRA funding sources that should be able to be leveraged in the near term.

The following is a summary of the proposed capital improvement programs, including: project name and description; project/program estimated preliminary cost; potential funding source(s); and, level of importance to the redevelopment of the area. Additionally, we have included a summary matrix for the programs outlined below at the end of this section.

1. Health Department Center

The Health Department Center improvement is considered to be critical in terms of importance to the BVCRASA. The table below highlights the preliminary estimated development costs, as well as potential funding from non BVCRA and BVCRA investment:

Item	Amount
Hard Cost of Construction	$600,000
Soft Cost (@20%)	$120,000
Total Development Cost:	$720,000
State Investment	*($360,000)*
CRA / Other Public Investment	**$360,000**

With an estimated $720,000 total development cost, it is presumed that the State will invest up to $360,000. Therefore, the balance ($360,000) will come from BVCRA, or another public entity.

2. Douglass Gym Expansion

The Douglass Gym Expansion represents a redevelopment aimed at the New Resource Community Center and Early Childhood Education (ECE) Programming. This proposed improvement is considered to be critical in terms of priority. The total development cost associated with this improvement is estimated to be $4.5 million.

Item	Amount
Hard Cost of Construction	$3,750,000
Soft Cost (@20%)	$ 750,000
Total Development Cost:	$4,500,000
State Investment	*($0.00)*
CRA / Other Public Investment	**$4,500,000**

The Douglass Gym Resource Community Center and ECE will generate revenue from user fees for programming such as use of gym, classes and meetings. However, it is largely assumed that the fees generated will at best cover the cost of operating the facility. Therefore, the entire investment will be from BVCRA or other public entity.

3. Infill and Dilapidated Structures Rehabilitation

As part of the BVCRA planning process, a 100 percent street-by-street survey of non-public housing structures was conducted. There were 508 total parcels of which: 13 parcels (2.6 percent of total inventory) were dilapidated; 10 parcels (2.0 percent of total inventory) were uninhabitable; and 14 parcels (2.8 percent of total inventory) were vacant. To address these deficiencies, the BVCRA plan contemplates a few options including: a.) use TIF dollars as Second Home Loan Funds to build or rehabilitate the identified parcels and may consider an investment of $20,000 per unit; and/or, b.) the BVCRA adopt the "Lot Next Door" legislative program that provides an opportunity to owners of property that share a common boundary with the dilapidated BVCRA owned property to purchase that property. Preliminary estimates for the Infill and Dilapidated Structures Rehabilitation program proposed herein is estimated to be $740,000, of which the BVCRA would be responsible for 100 percent of total costs; or, $740,000.

4. Affordable Housing and Commercial Development at Truman Waterfront

Affordable housing and mixed-use development is proposed for the Truman Waterfront Parcel and is identified as:

- ***CRA Parcel:*** Represents the 3.2 acre site proposing 94 affordable housing units, and 16,766 square feet of ground floor retail. The total development cost estimated for this concept, including parking, is $21.7 million. The affordable housing units will be affordable to households earning up to 120 percent of area median income (AMI), which for a two person household is $82,560; importantly, though, there will be a requirement for a mix of incomes below 120% AMI, with some families

earning below 80% and some below 50%. Considering this, the maximum monthly rent (2016 $'s) is approximately $2,300, or $2.15 per square foot. The 16,766 square feet of retail is estimated to lease at $25 per square foot (NNN). Based upon standardized industry operating costs, and resultant net operating income (NOI), the unleveraged internal rate of return on investment is 10.8 percent; which does not include land value. *Footnote: For purposes of this analysis, the CRA Parcel is evaluated based upon the townhomes operating as rental units.*

Based upon the unleveraged returns above (not inclusive of land), the preliminary analysis herein indicates that the BVCRA would need to contribute the land, as well as some level of additional incentive, to encourage a private developer to undertake this proposed development program. Nonetheless, the tax increment generated from the taxable value of the vertical development alone is estimated to generate roughly $193,000 per year upon stabilized operations with an minimum average annual escalation of 3.0 percent thereafter.

5. Keys Energy Plant – Adaptive Reuse

The BVCRA plan contemplates the adaptive reuse of the energy plant into a potential education, job creation/training, and event space which is estimated to have approximately 10,000 square feet of leasable area. The estimated cost to clean up and restore the facility to accommodate the proposed uses is estimated to total $6.7 million.

Item	Amount
Rough Stabilization & Clean Up Cost	$2,000,000
Rough Restoration & Interior Fit Out	$3,600,000
Soft Costs:	$1,120,000
Total Estimated Gross Development Cost	$6,720,000
less: NMTC	($1,250,000)
Net Redevelopment Cost	**$3,750,000**
Supportable Investment (Commercial Lease @ $20/SF NNN)	*$2,500,000*
CRA Investment	**$2,970,000**

We believe that the reuse of this facility to encourage job creation and training would represent it as a strong candidate for New Market Tax Credits (NMTC). In this case, the facility would generate an estimated $1.25 million in equity toward the reuse improvements. Accordingly, the event/commercial space is presumed to be leased to a third party operator for $20 per square foot (NNN), which would could effectively underwrite roughly $2.5 million construction loan. Therefore, the CRA would need to invest approximately $2.9 million to cover the remaining funding gap.

6. Connectivity & Beautifying Community

The BVCRA plan recommends a comprehensive improvement program associated with capital investments made for street and roadway improvements and, namely focusing on Petronia and Emma Streets along with certain improvements for Angela and Southarard Streets. This includes implementation of "complete streets" programming resulting from community and stakeholder input. Complete streets is intended to focus on safety/traffic calming, wayfinding/signage, shading, bicycle lanes, and parking. Additionally, the program envisions more intensive improvements such as hardscape, landscaping, and roadway drainage. As it pertains to budgeting, the total estimated capital budget is $10.8 million; though, the BVCRA's commitment is limited to $250,000 which is projected to be expended in the eighth year of the capital improvement timeline.

7. Nelson English Park - Shade Structure

Nelson English City Park is located in the southwest corner of Bahama Village, at the intersection of Thomas Street and Catherine Street. As part of the capital improvement effort, the BVCRA will invest $180,000 for a playground shade structure which will be completed in Year 1 of the program planning.

CRA GOVERNANCE

Once BVRAC has approved the prioritization of investments over the next 5 to 7 years, the role of the committee will naturally evolve.

The principal goal of the committee will no longer be focused on allocation of funding (given that those decisions had already been made) but on monitoring, evaluating and modifying, to the extent necessary, the investments and project outcomes. As a result, BVRAC should be provided a new and enhanced reporting system and institute a standardized evaluation process which includes the collection and organization of data which indicates progress (or lack of progress) against a set of metrics for Bahama Village. Specifically, we recommend the following reports and systems be put in place:

Quarterly Project/Investment Report

A quarterly investment/project update package which would detail the progress on every prioritized project and include information such as: project/investment description and scope, start and completion date and for projects in process, the expectation of being able to maintain the schedule, project/investment budget broken down by funding source with information on the firmness of commitment for each source, actual expenditure to date in relation to budget, and any other relevant information which may provide context to ability to meet project/investment objectives and budget on a timely basis;

Annual Report

The annual report will both detail the progress of projects/investments but also detail the financial position of the CRA including baseline vs. year-over-year property values within the CRA by land use category, increment generated by land use category current and historic, past year expenditure by principal category (actual vs. budget), trust fund account balances, and forward looking budget for the subsequent year. It is important that this report capture the progress in numbers of the CRA since the baseline valuation was set. Long term charts and graphs indicating change over time are an excellent way for board members and the public to obtain a sense of how the pace of financial performance has changed over time; and,

Bi-Annual Evaluation Report

While increment is a standard and traditional metric of progress for a CRA, even the most successful CRA as it relates to growth in increment should be answering the question as to “How does the change in real estate values translate into benefits for the life of residents of the district?” As a result, we recommend that every two years, a broad evaluation of the district be completed which includes financial and market measures of success, but also demographic, social and other measures which define broadly the health of the community. The report should include information on the following:

- Summary of changes in land values by land use category and increment generated;
- Housing values and pricing on a per unit and per square foot basis trends;
- Commercial rental rate trends;
- Updated identification of blighted and dilapidated properties compared against 2016 baseline information;
- Trends in crime within CRA boundaries broken down by Type 1 major crime and other crimes;
- Survey results of residents within CRA collecting data on key demographic measures (i.e. tenure, length of tenure in Bahama Village, race, household income, age, educational attainment, number of children in home), measures of family health, employment, access to education, perceptions of safety, satisfaction with neighborhood and general physiological measures of happiness;
- Working with Monroe County school board data, the number of children from the CRA enrolled in school and achieving at or above grade level performance in reading and math in grades 4, 8, and 10.

BAHAMA VILLAGE

VISIONING AND CAPITAL PROJECTS WORKPLAN

CITY OF KEY WEST AND BAHAMA VILLAGE REDEVELOPMENT ADVISORY COMMITTEE (BVRAC)

Lambert ADVISORY

ZYSCOVICH ARCHITECTS