

RESOLUTION NO. RES2011-03

A RESOLUTION OF THE CITY OF DUNNELLON, FLORIDA, RELATING TO COMMUNITY REDEVELOPMENT PURSUANT TO CHAPTER 163, PART III, FLORIDA STATUTES (THE "COMMUNITY REDEVELOPMENT ACT"); SAID RESOLUTION BEING SUPPORTED BY DATA AND ANALYSIS; DEFINING THE CITY OF DUNNELLON COMMUNITY REDEVELOPMENT EXPANSION AREA; FINDING THE EXISTENCE OF CONDITIONS IN THE CITY OF DUNNELLON COMMUNITY REDEVELOPMENT AREA THAT WARRANT THE EXPANSION OF THE COMMUNITY REDEVELOPMENT AREA; MAKING A LEGISLATIVE FINDING THAT CONDITIONS IN THE CITY OF DUNNELLON COMMUNITY REDEVELOPMENT EXPANSION AREA MEET THE CRITERIA DESCRIBED IN SECTION 163.340 (7) OR (8), FLORIDA STATUTES ("FINDING OF NECESSITY"); PROVIDING FOR FILING WITH THE CITY CLERK; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Florida Legislature duly enacted Chapter 163, Part III, Florida Statutes (the "Community Redevelopment Act") establishing the conditions and procedures for the establishment or expansion of community redevelopment areas and agencies; and finding that areas or portions thereof which are deteriorating or economically distressed could be revitalized and redeveloped in a manner that will vastly improve the economic and social conditions of the community; and

WHEREAS, the City Council of the City of Dunnellon adopted Resolution 93-11 on May 24, 1993 declaring certain areas of the City in need of redevelopment consistent with Chapter 163, Part III, Laws of Florida; and

WHEREAS, the City of Dunnellon adopted Ordinance 00-3 establishing the Dunnellon Community Redevelopment Agency to implement a redevelopment plan within the area that was adopted pursuant to Resolution 93-11 and established thereby the Redevelopment Trust Fund; and

WHEREAS, the City of Dunnellon held a Community Redevelopment Board meeting on October 20, 2010 to consider the need for expanding the Community Redevelopment Area in the City of Dunnellon; and

WHEREAS, the City of Dunnellon commissioned Kimley-Horn and Associates, Inc. to prepare an independent finding of necessity analysis of the City; and

WHEREAS, the City of Dunnellon Community Redevelopment Board, following an advertised public workshop meeting on October 20, 2010 reviewed the independent Community Redevelopment Area Finding of Necessity Report 2010 prepared by Kimley-Horn and Associates, Inc., considered public input, the recommendation of the staff, and the standards and guidelines of Chapter 163, Part III, and agreed to proceed with consideration to expand the City's community redevelopment area; and

WHEREAS, the City of Dunnellon City Council considered the recommendations of the Community Redevelopment Board on October 20, 2010 and agreed to allow the City Manager to proceed with the required steps to formally consider the Finding of Necessity Report pursuant to Chapter 163, Part III; and

WHEREAS, pursuant to Section 163.346, Florida Statutes, the City of Dunnellon has provided public notice of its intent to consider adopting a resolution declaring a finding of necessity for expansion of the City of Dunnellon Community Redevelopment Area at least fifteen (15) days before such proposed action by registered mailed notice to each taxing authority which levies ad valorem taxes on real property contained within the geographic boundaries of the proposed expansion of the redevelopment area and in compliance with the notice requirements set forth in Section 166.041(3)(a), Florida Statutes; and

WHEREAS, conditions are present which are detrimental to the sound growth of the City of Dunnellon Redevelopment Area expansion and which substantially impair or arrest appropriate growth within the area, and present conditions and uses which are detrimental to the public health, safety, morals and public welfare; and

WHEREAS, the City of Dunnellon Community Redevelopment Area Finding of Necessity Report confirmed that: conditions in the expansion area meet the criteria described in Section 163.340 (7) or (8), blighted areas exist within the Community Redevelopment Area expansion, and the rehabilitation, conservation, or redevelopment of the Community Redevelopment Area expansion is necessary and in the interest of public health, safety, morals or welfare of the residents of the City of Dunnellon; and

WHEREAS, the Community Redevelopment Area expansion is an area that is deteriorating and economically distressed due to outdated building density patterns, inadequate transportation and parking facilities, faulty lot layout and inadequate street layout; and

WHEREAS, within the Community Redevelopment Area expansion there is a predominance of defective or inadequate street layout, parking facilities, roadways, drainage facilities, or other public infrastructure; and

WHEREAS, aggregate assessed values of real property in the Community Redevelopment Area expansion for ad valorem tax purposes have failed to show any appreciable increase and in fact for some properties within the expansion area such values have declined at rates significantly greater than that of the City of Dunnellon and Marion County as a whole; and

WHEREAS, within the Community Redevelopment Area expansion there exists faulty lot layout in relation to size, adequacy, accessibility, or usefulness; and

WHEREAS, within the Community Redevelopment Area expansion there exists unsafe or unsanitary conditions; and

WHEREAS, within the Community Redevelopment Area expansion there exists inadequate or outdated building density patterns; and

WHEREAS, within the Community Redevelopment Area expansion there exists a substantial commercial vacancy rate; and

WHEREAS, the Community Redevelopment Area expansion exhibits a diversity of ownership and unusual property configurations which prevent the free alienability of land; and

WHEREAS, within the Community Redevelopment Area expansion there exists a significant degree of nonconformities relative to parking, stormwater management, landscaping, architectural design and community standards; and

WHEREAS, the City of Dunnellon Redevelopment Area expansion can be revitalized and redeveloped in a manner that will vastly improve the economic and social conditions of the community; and

WHEREAS, after considering the recommendation of the Community Redevelopment Board and after providing proper notice to all taxing authorities which levy ad valorem taxes on real property in the redevelopment area expansion, and providing the public an opportunity to present testimony and evidence, the City Council, finds as a matter of fact that conditions exist which warrant the expansion of the community redevelopment area.

NOW THEREFORE, BE IT RESOLVED BY THE DUNNELTON CITY COUNCIL, THAT:

Section 1. Recitals. The above recitals are true and correct, are hereby accepted as legislative findings of fact, and incorporated into this Resolution by this reference.

Section 2. Approval. This Resolution is supported by data and analysis and the City Council makes a legislative finding of fact that the conditions in the City of Dunnellon Community Redevelopment Area expansion meet the criteria described in Section 163.340 (7) or (8), Florida Statutes. The City Council adopts the Community Redevelopment Area Finding of Necessity Report prepared by Kimley-Horn and Associates, Inc. ("Exhibit A", attached hereto) and in accordance with Section 163.356, Florida Statutes finds that there is a need for expansion of the community redevelopment area for the City of Dunnellon. The geographic area of the City of Dunnellon Redevelopment Area expansion is designated as depicted on the map attached hereto as "Exhibit B".

Section 3. Recordation Required. This Resolution relating to the City of Dunnellon Community Redevelopment Area expansion shall be recorded in the Minutes of this Board and filed with the City of Dunnellon City Clerk's Office.

Section 4. Effective Date. This Resolution shall take effect immediately upon adoption.

PASSED IN OPEN AND REGULAR SESSION of the Dunnellon City Council on the 14th day of February 2011.

ATTEST:

CITY OF DUNNELLON,
FLORIDA

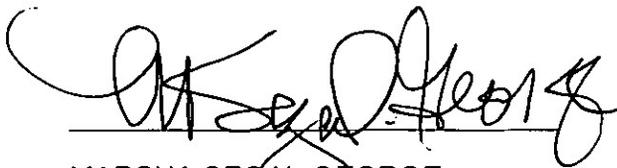


for DAWN M. BOWNE, M.M.C
CITY CLERK



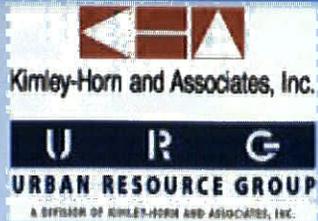
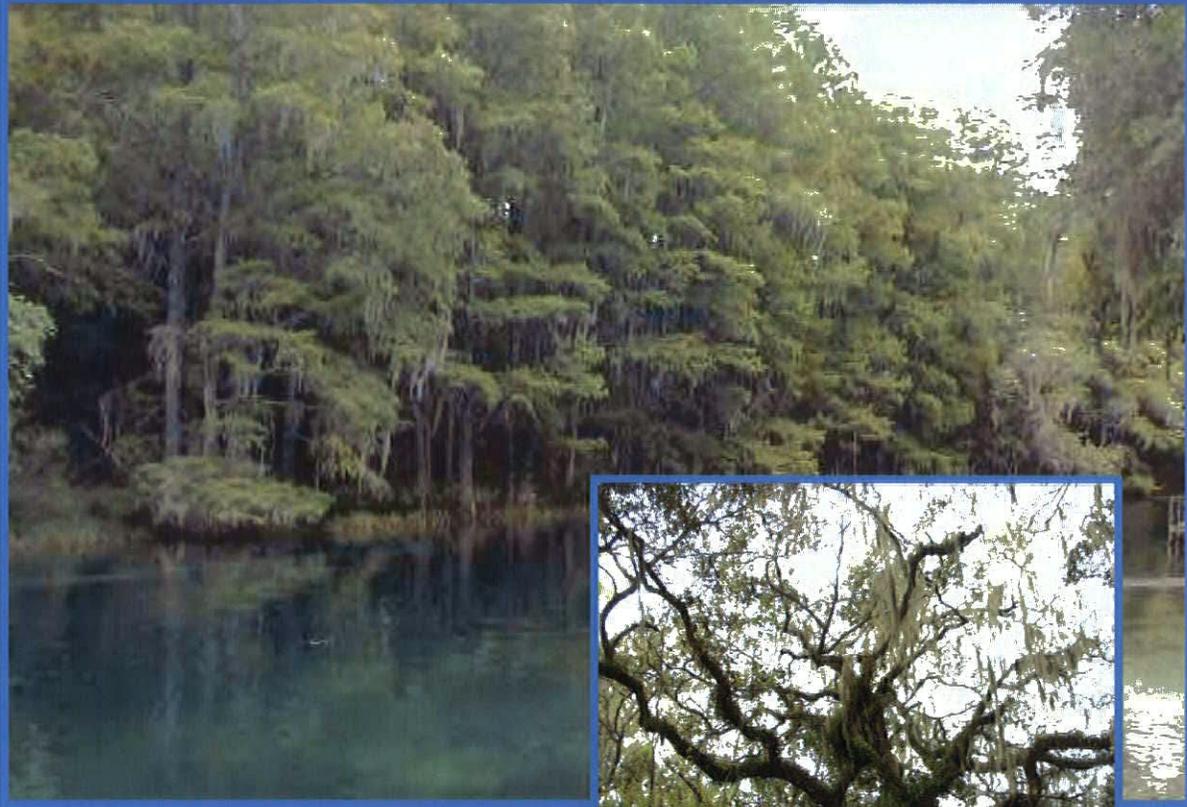
FRED R. WARD, MAYOR

Approved as to form and legality:



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CITY OF DUNNELLO
COMMUNITY REDEVELOPMENT AREA
EXPANSION STUDY
JULY 2010



ACKNOWLEDGEMENTS

This report was created with the help and guidance of a number of individuals. This section is intended to recognize those who have had an active role in the report's creation and community planning.

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Fred Ward, Mayor
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Dennis Evans
Penny Fleeger
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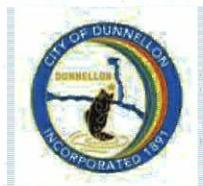
Consultant Team

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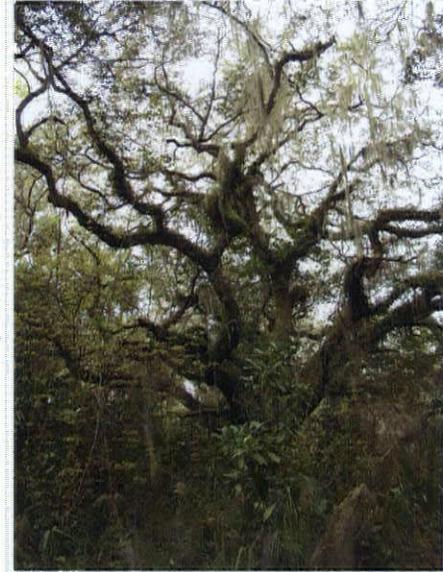
EXECUTIVE SUMMARY

Introduction and Background

The City of Dunnellon was incorporated in 1891 and has a current population of approximately 2,000 permanent residents. Located in Marion County, the City encompasses approximately 6 square miles. Recognizing the importance of creating an economically and environmentally sustainable community, the City Council has targeted undertaking a redevelopment of the downtown and adjoining area as one of its strategic priorities on behalf of the community.

As part of the City's strategic planning focus, several components are supporting the community's redevelopment efforts. These include:

- Support the establishment of a core area that is "walk-able" and serviceable to the public.
- Promote development that makes the City more independent (self sufficient) of outside areas
- Establish both short and long-term community plans for "infill" opportunities and "sphere of influence" areas surrounding the City.
- Encourage the establishment of more small business/specialty shops on main streets
- Pursue new revenue opportunities, while addressing the City's increasing financial pressures associated with service delivery, grant compliance, and procurement.
- Pursue city planning that is future-oriented, visionary, and values long-term benefits.



In light of existing conditions and a renewed emphasis on balancing economic development and revitalization of the downtown area, the City authorized a review of areas surrounding the established community redevelopment area to determine whether an expansion of the area and amendment to the community redevelopment plan is supported at this time. Representatives of Kimley-Horn and Associates met with City staff, conducted field reviews of existing conditions and infrastructure, and performed an analysis of statutory requirements as part of this effort.

Methodology

The Community Redevelopment Act of 1969 (the "Act") was created and adopted as Chapter 163 Part III into the Florida Statutes as a local government tool to remedy areas that are found to contain certain degrees of declining and adverse conditions. The Act affirms that the prevention of these deteriorating conditions is a matter of state policy and state concern. As it relates to the City of Dunnellon, the targeted downtown redevelopment area contains many of the conditions that are cited as a State concern and that are directly applicable to the Act. The Act acknowledges the need for redevelopment and creates a mechanism by which a local government can administer change in a given area through the creation and expansion of a Community Redevelopment Area. For this local analysis, the project approach commenced with a scoping and local conditions meeting with representatives of the City Manager's Office and Community Development Department to receive local input early in the development of the study analysis and fact-finding.

This report is intended to be consistent with the statutory requirements for expanding a community redevelopment area while considering the future implications for public and private entities. The following sections summarize the various conditions as they exist in the targeted potential redevelopment expansion area and that exhibit many of the required indicators needed to qualify for expansions of the existing community redevelopment area designation.

Transportation Network

The independent analysis confirms that existing street layout, parking facilities, circulation patterns, pedestrian connectivity, mobility, and access management conditions are inadequate or defective. These are contributing factors to meeting the statutory indicators necessary for designation as a community redevelopment area.



With a planned redevelopment strategy and implementation, the existing and expanded community redevelopment area can be developed in a manner to eliminate or mitigate existing bicycle, pedestrian and traffic safety, and circulation problems. In addition, access management strategies are desirable to improve safe circulation as a result of pattern inadequacy.

Lots & Property Ownership

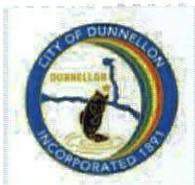
Lot location, size, and the ability to support development are key determining factors when considering the likelihood of redevelopment. If lots are irregular in shape or size, it is difficult to meet current building and zoning codes. Many of the properties within the targeted redevelopment expansion area have irregular or below minimum lot dimensions that create lot sizes and shapes that make compliance with current building, zoning and other land development regulations difficult.

Faulty lot layout in relation to size, adequacy, accessibility, or usefulness is clearly one of the most significant criteria demonstrated in the existing and expanded community redevelopment area that are contributing factors in meeting the statutory requirements for designation for expansions of the redevelopment area.



Value

The targeted redevelopment expansion area has suffered depreciation in value over the past several years. Some of the properties reflect reduced values ranging from twenty five (25) percent to fifty (50) percent from last year alone. An indicator of blight exists when the aggregated assessed values of real property in the area for ad valorem tax purposes fail to show a stable increase concurrent with the City and County over prior years. While there have likewise been decreases in city and county-wide taxable values, the decrease experienced within the targeted expanded community redevelopment area have exceeded those declines seen at the Dunnellon and Marion County-wide conditions.



Nonconformities

With the City's adoption, revision and enforcement of its own land development regulations and comprehensive plan, some of the existing structures and lots within the proposed expansion area do not conform to Dunnellon community standards. Examples of nonconformities found throughout the proposed community redevelopment expansion area include landscaping, parking design standards, buffering, stormwater management, and signage.

The predominance of these nonconformities serve as an indicator of inadequate and outdated building density patterns, as well as a further indicator of faulty lot layout conditions that demonstrate the criteria for designation are met in the identified expanded community redevelopment area boundary.

Sanitation and Drainage

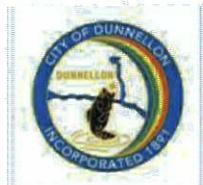
A substantial portion of the proposed expanded community redevelopment area exhibits poor drainage conditions as a result of historic construction techniques and lack of sufficient stormwater management facilities and conveyances. Many of the existing developed sites pre-date current environmental and stormwater management requirements and redevelopment of these sites will likely trigger some level of compliance with stormwater treatment standards. Redevelopment of the expanded community redevelopment area with a master stormwater management plan and system can significantly aide in supporting new construction and rendering parcels more easily developable.



Recommendations

Based upon an independent assessment of the proposed community redevelopment expansion area, sufficient criteria have been met to qualify the area for consideration pursuant to the requirements of the Florida Community Redevelopment Act (Chapter 163, Part III, Florida Statutes).

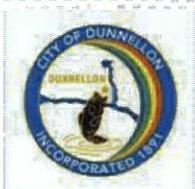
Consideration to formally designate the area within the community redevelopment area requires the following steps:

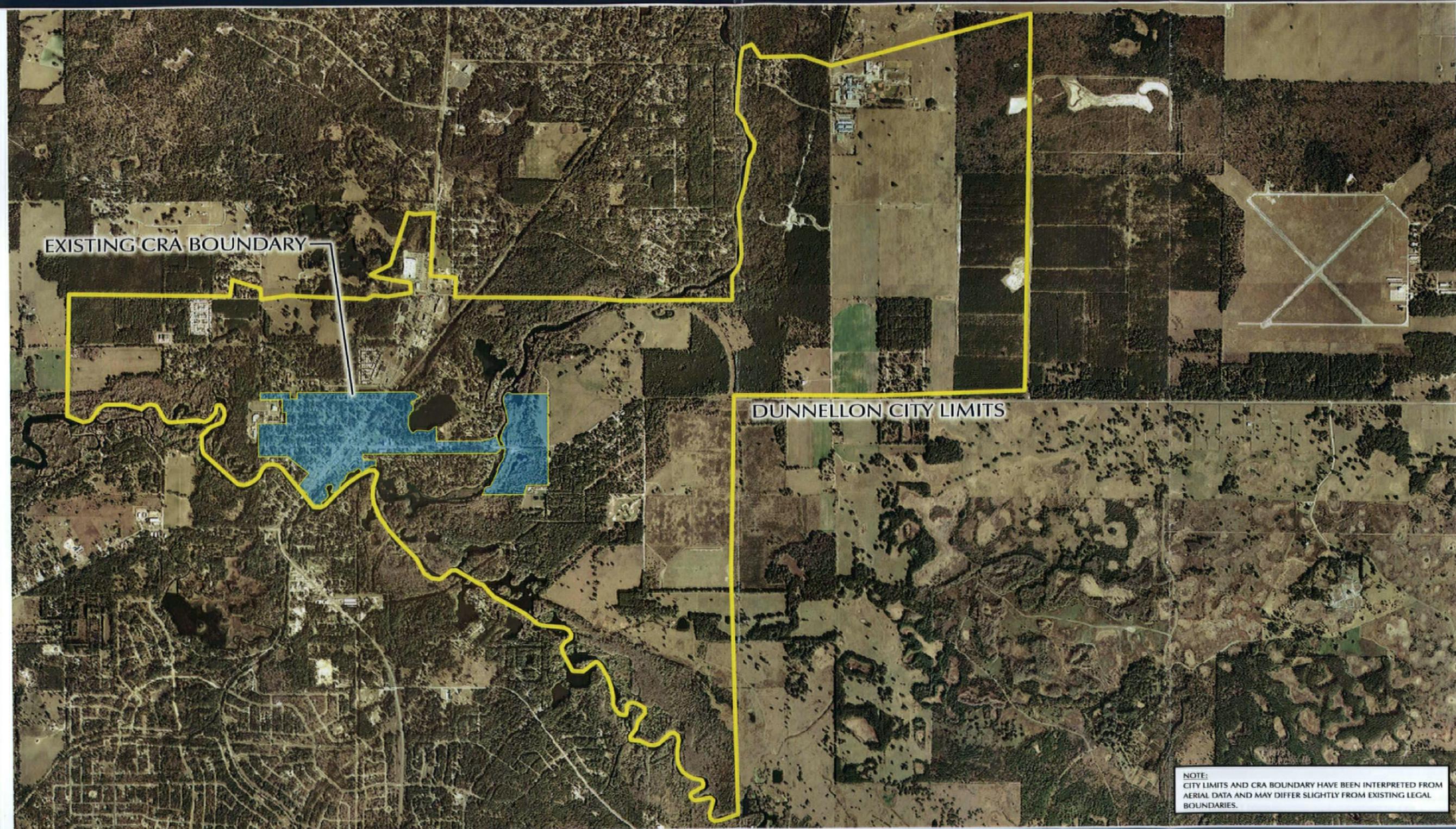


1. Adopt this Finding of Necessity Report after required public notice to all impacted taxing authorities.
2. Amend the Community Redevelopment Plan to include the identified expansion areas after required public notice to all impacted taxing authorities.
3. Provide required notice to the taxing authorities after approval of the expansion to the community redevelopment area to adjust the areas subject to the tax increment collection/allocation.

Four distinct areas have been identified for consideration and inclusion within the community redevelopment area as identified on the following maps. Area 2010-1 represents an existing, prior subdivided parcel that exhibits deteriorating infrastructure and a predominate residential use pattern together with and including the Dunnellon Middle School site. This area is west of downtown and portions are bounded by the Withlacoochee River. Area 2010-2 represents a portion of the properties owned by the First Baptist Church of Dunnellon that is bounded by the existing community redevelopment area fronting W. McKinney Avenue and Cedar Street. This property includes two older lots and would clean up or straighten out the existing CRA Boundary. Area 2010-3 represents the historic strip of commercial development along north US 41 that reflects relatively high commercial vacancy rates and opportunities for significant redevelopment. Area 2010-4 is a smaller strip of commercial property extending east from the existing community redevelopment area fronting SR 484 and taking in some underutilized commercial properties and areas in need of infrastructure improvements.

The existing Community Redevelopment Area is depicted on the following page in relation to the City of Dunnellon city limits and nearby unincorporated Marion County and is followed by an overview of the Community Redevelopment Area additions reviewed and recommended through this Finding of Necessity.





EXISTING CRA BOUNDARY

DUNNELLO CITY LIMITS

NOTE:
CITY LIMITS AND CRA BOUNDARY HAVE BEEN INTERPRETED FROM
AERIAL DATA AND MAY DIFFER SLIGHTLY FROM EXISTING LEGAL
BOUNDARIES.

City of Dunnellon

Aerial With City Limits And Existing CRA

CITY OF DUNNELLO



DATE: JUNE, 2010
© URBAN RESOURCE GROUP 2010



AERIAL FLIGHT DATA: NOVEMBER 2007
CONTACT: MARTIN P. BLACK, AICP (941) 379-7600



City of Dunnellon

Existing CRA and CRA Addition Map

CITY OF DUNNELLON



URA
Kimley-Horn and Associates, Inc.
URBAN RESOURCE GROUP

AERIAL FLIGHT DATA: NOVEMBER 2007
CONTACT: MARTIN P. BLACK, AICP (941) 379-7000

INTRODUCTION & BACKGROUND

Recognizing resident, business and property owner desire to create a core activity area for Dunnellon, the City Council confirmed as one of the City's priorities during its strategic planning sessions the establishment of a core area that is "walk-able" and serviceable to the public, promote development that makes the City more independent (self sufficient) of outside areas, and to establish both short and long-term community plans for "infill" opportunities.

In order to qualify for expansion of a community redevelopment area under the provisions of the Community Redevelopment Act, a city must prepare a "finding of necessity" determining that the rehabilitation, conservation, or redevelopment of an area proposed to be included within the existing community redevelopment area meets criteria broadly described as "slum" or "blighted" and is necessary in the interest of the health, safety, morals, or welfare of the residents of the community. These terms carry specific statutory references and qualifiers distinct from their common understanding and use.



This report is intended to be consistent with the statutory requirements for expanding a Community Redevelopment Area pursuant to Chapter 163, Part III, Florida Statutes. In the late 1990's, Dunnellon residents committed to the existing community redevelopment area and the City has completed expansion to the original boundaries through subsequent analyses. Much of the existing community redevelopment area was developed prior to establishment and enforcement of the City's own regulatory framework. Generally the expansion area appears to contain similar conditions – infrastructure deficiencies, development hardships, and stunted investment – as those found in the original redevelopment area as well as other exiting community redevelopment areas within the State of Florida.

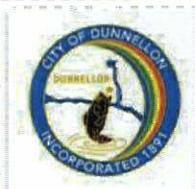
The Community Redevelopment Act provides that certain areas that reflect conditions unresponsive of community standards may be determined locally to fall under two broad categories defined in the statute as falling under criteria that may lead to or support the continuation of "slum" and "blight". It is important to understand that these terms have specific criteria that require a local analysis of conditions in order to determine whether a particular geographic area qualifies for the designation and benefits that come with creation and expansion of a community redevelopment area.

While the Community Redevelopment Act acknowledges the need for redevelopment in distressed areas, it also creates a mechanism by which a local government can administer change in a given area – the creation and expansion of a formal Community Redevelopment Area. Prior to approving an expansion to an existing community redevelopment area, the local government must adopt a resolution supported by appropriate data and analysis which allows for the legislative finding that the conditions in the area meet the criteria established by statute.



The data and analysis is also required to find that the redevelopment of the area is necessary in the interest of the public health, safety, morals or welfare. One or more of the following factors must be demonstrated through the data and analysis in order to meet the statutory criteria for the expansion to be approved:

- Inadequate provision for ventilation, light, air, sanitation, or open spaces;
- High density of population, compared to the population density of adjacent areas within the county or municipality; and overcrowding, as indicated by government-maintained statistics or other studies and the requirements of the Florida Building Code;
- The existence of conditions that endanger life or property by fire or other causes;
- Predominance of defective or inadequate street layout, parking facilities, roadways, bridges, or public transportation facilities;
- Aggregate assessed values of real property in the area for ad valorem tax purposes have failed to show any appreciable increase over the 5 years prior to the finding of such conditions;
- Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- Unsanitary or unsafe conditions;
- Deterioration of site or other improvements;
- Inadequate and outdated building density patterns;
- Falling lease rates per square foot of office, commercial, or industrial space compared to the remainder of the county or municipality;
- Tax or special assessment delinquency exceeding the fair value of the land;
- Residential and commercial vacancy rates higher in the area than in the remainder of the county or municipality;
- Incidence of crime in the area higher than in the remainder of the county or municipality;
- Fire and emergency medical service calls to the area proportionately higher than in the remainder of the county or municipality;
- A greater number of violations of the Florida Building Code in the area than the number of violations recorded in the remainder of the county or municipality;
- Diversity of ownership or defective or unusual conditions of title which prevent the free alienability of land within the deteriorated or hazardous area; or



- Governmentally owned property with adverse environmental conditions caused by a public or private entity.

Section 163.361, Florida Statutes provides the standards and initial procedures for consideration of a modification of an existing community redevelopment plan. In particular, the statute provides:

“163.361 Modification of community redevelopment plans.--

(1) If at any time after the approval of a community redevelopment plan by the governing body it becomes necessary or desirable to amend or modify such plan, the governing body may amend such plan upon the recommendation of the agency. The agency recommendation to amend or modify a redevelopment plan may include a change in the boundaries of the redevelopment area to add land to or exclude land from the redevelopment area, or may include the development and implementation of community policing innovations.

(2) The governing body shall hold a public hearing on a proposed modification of any community redevelopment plan after public notice thereof by publication in a newspaper having a general circulation in the area of operation of the agency.

(3)(a) In addition to the requirements of s. 163.346, and prior to the adoption of any modification to a community redevelopment plan that expands the boundaries of the community redevelopment area or extends the time certain set forth in the redevelopment plan as required by s. 163.362(10), the agency shall report such proposed modification to each taxing authority in writing or by an oral presentation, or both, regarding such proposed modification.

(4) A modification to a community redevelopment plan that includes a change in the boundaries of the redevelopment area to add land must be supported by a resolution as provided in s. 163.355.”

The statutes provide that prior to exercising the benefits created by inclusion of the proposed expansion area into the community redevelopment authority, the city must adopt a resolution supported by data and analysis that establishes the ability for the City Council to find that the conditions in the expanded community redevelopment area meet these criteria. Specifically, the statute provides:

“163.355 Finding of necessity by county or municipality.--No county or municipality shall exercise the community redevelopment authority conferred by this part until after the governing body has adopted a resolution, supported by data and analysis, which



makes a legislative finding that the conditions in the area meet the criteria described in s. 163.340 (7) or (8). The resolution must state that:

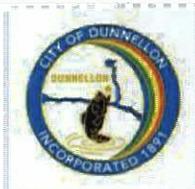
- (1) One or more slum or blighted areas, or one or more areas in which there is a shortage of housing affordable to residents of low or moderate income, including the elderly, exist in such county or municipality; and*
- (2) The rehabilitation, conservation, or redevelopment, or a combination thereof, of such area or areas, including, if appropriate, the development of housing which residents of low or moderate income, including the elderly, can afford, is necessary in the interest of the public health, safety, morals, or welfare of the residents of such county or municipality."*

Some examples of evidence and testimony to establish that an area may be designated for redevelopment include:

1. An assessment of extent of nonconforming uses and structures, such as setbacks, parking, design and density.
2. Traffic accident frequency data.
3. Inadequate public utilities to support allowable zoning or existing use.
4. Evidence of building or life safety code violations.
5. Number and percentage of code violations.
6. General infrastructure inadequacies: deterioration of sanitary and storm sewers; inadequate alleys; or deterioration of streets.
7. Economic deficiencies, such as commercial vacancy rates.
8. Wide diversity of land ownership in the area, making it relatively impossible to acquire adequate-sized parcels for development.

Additional support for a finding of necessity may stem from lack of bike paths, pedestrian and bicycle accidents, circulation problems, and any other deficiency in the infrastructure of the community.

The State of Florida recognizes the potentially negative impacts to cities created by areas that may be inferior to community standards and quantitative and value-based expectations. These areas tend to be unsustainable and ultimately may become a burden on the jurisdiction in which they exist. The Community Redevelopment Act was created and adopted through Chapter 163 Part III, Florida Statutes as a tool to assist in remedying areas to improve the general public welfare, local tax base, and for redevelopment of specific geographic areas.



The Community Redevelopment Act declares that the rehabilitation, conservation, or redevelopment of deteriorated and distressed areas are necessary in the interest of public health, safety, morals, and welfare.

The first phase of this effort included a technical analysis, examining conditions within the proposed expanded community redevelopment area that may hinder or support maintaining the quality of life and services needed for redevelopment. Building upon the Dunnellon Community Redevelopment Plan, the Dunnellon Comprehensive Plan, city strategic planning, and parking and landscaping enhancements in the downtown area, the opportunity exists to strengthen local values and reinforce community design standards and the unique Dunnellon identity.

Particular attention to the following statutory provisions is highlighted to guide city actions moving forward with consideration to expand the community redevelopment area:

“163.346 Notice to taxing authorities.--Before the governing body adopts any resolution or enacts any ordinance required under s. 163.355, s. 163.356, s. 163.357, or s. 163.387; creates a community redevelopment agency; approves, adopts, or amends a community redevelopment plan; or issues redevelopment revenue bonds under s. 163.385, the governing body must provide public notice of such proposed action pursuant to s. 125.66(2) or s. 166.041(3)(a) and, at least 15 days before such proposed action, mail by registered mail a notice to each taxing authority which levies ad valorem taxes on taxable real property contained within the geographic boundaries of the redevelopment area.”

“163.387 Redevelopment trust fund.-- (2)(a) Except for the purpose of funding the trust fund pursuant to subsection (3), upon the adoption of an ordinance providing for funding of the redevelopment trust fund as provided in this section, each taxing authority shall, by January 1 of each year, appropriate to the trust fund for so long as any indebtedness pledging increment revenues to the payment thereof is outstanding (but not to exceed 30 years) a sum that is no less than the increment as defined and determined in subsection (1) or paragraph (3)(b) accruing to such taxing authority. If the community redevelopment plan is amended or modified pursuant to s. 163.361(1), each such taxing authority shall make the annual appropriation for a period not to exceed 30 years after the date the governing body amends the plan but no later than 60 years after the fiscal year in which the plan was initially approved or adopted. However, for any agency created on or after July 1, 2002, each taxing authority shall make the annual appropriation for a period not to exceed 40 years after the fiscal year in which the initial community redevelopment plan is approved or adopted.”

Taken together with the provisions of Sections 163.361 and 163.155, these provisions serve to guide the required public notice and steps to appropriately consider amendment and expansion of the community redevelopment area.



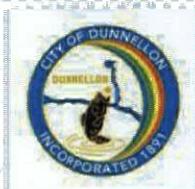
EXISTING PLANNING CONDITIONS

Of a total of approximately 90 parcels within the expanded community redevelopment areas (all four addition areas), approximately 60 properties (approximately 66 percent) remain undeveloped or underdeveloped at this time; sites with buildings or some form of improvement but currently vacant are not included in this number. Specifically, some of the existing sites were developed prior to current building, planning, community design and environmental standards. Lots that may be identified as underdeveloped include those that may have an existing use but either do not utilize a significant portions of the lot or are developed with uses or intensities at less than what is permitted under the Zoning Code (i.e., residential structure in a commercial zoning district).

Zoning

The expanded community redevelopment areas reflect a zoning pattern that provides for primarily medium density residential or general commercial uses; however, there exist smaller areas zoned for public use or central business within the redevelopment areas. Area 1 consists of mostly vacant properties zoned medium density residential. This area also includes the Dunnellon Middle School property which is zoned Public. Area 2 is a primarily vacant property zoned medium density residential. This area is adjacent to and across from residential business office and central business zoning districts on two sides. Area 3 is primarily a commercial/retail corridor and is zoned central business and general business. Area 4 is also primarily a commercial/retail corridor and is zoned general business. Area 4 fronts CR 484 and is adjacent to existing platted lots zoned residential medium density.

The medium density residential zoning designation is intended to provide for single family uses with densities up to 5.0 dwelling units per acre (du/ac). Two family and multi-family dwellings are not permitted within this zoning district. The general business district zoning designation is intended to serve more standard, large scale and/or single use commercial, retail and service oriented uses along primary thoroughfares (i.e., arterials) and serve the entire community or larger area. As part of the evaluation of redevelopment alternatives, consideration of creating new implementation zoning districts that can serve to encourage redevelopment of these areas is appropriate. A separate review of existing zoning code provisions has confirmed several internal inconsistencies within the code and some barriers to redevelopment that should be addressed.



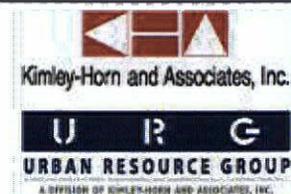
Future Land Use

The City of Dunnellon Future Land Use designations for the expanded community redevelopment area include designations of Conservation, Residential Medium Density, Traditional Neighborhood, and Public (Area 1); Public (Area 2); and Commercial (Areas 3 and 4).

Area 1, as identified above, includes four land use designations with the residential and conservation land use located on properties adjacent to the Withlacoochee River, (i.e., previously subdivided parcel), public (Dunnellon Middle School) and Traditional Neighborhood (property to the north of the middle school, adjacent to CR 40). Similar to the zoning districts, these land use designations are intended to provide for single family residential development or general commercial/retail opportunities, respectively. Properties adjacent to Area 4 are primarily residential designations with areas currently occupied by single family residences and through redevelopment can support local and community commercial needs.

TRANSPORTATION NETWORK

Independent site visits served to highlight several criteria met for consideration of the proposed expansion area for inclusion within the existing community redevelopment area based upon the existing conditions of the general transportation and mobility network. These include: poor circulation, and adequacy of parking, bicycle, pedestrian and transportation conditions that have been identified as hindering the desirability for redevelopment of the proposed community redevelopment expansion area. In particular, locations of driveway connections to public roadways, conflicts within interior site parking areas, lack of or poor sidewalk and bicycle facility design, and lack of interconnected sites that allow for easy movement between destinations within block areas were identified as areas needing correction. In addition, in some cases existing streets remain unimproved or in a deteriorating condition that limits access and desirability of the area for new uses.



These conditions within the community redevelopment expansion area clearly support a finding that the following statutory conditions exist for meeting the criteria for expansion of a redevelopment area: unsafe conditions, defective or inadequate street layout, parking facilities, roadways, bridges, or public transportation facilities and the existence of conditions that endanger life or property by fire or other causes.

An additional concern raised through the site review process included the lack of inter-connectivity between existing developed and undeveloped sites. These conditions are well documented in the community redevelopment expansion area and are reflected in the historical design of the parcels that has served to hinder it from achieving vehicle interconnections.

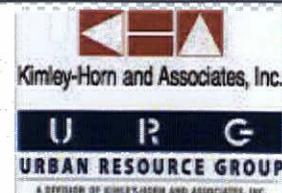
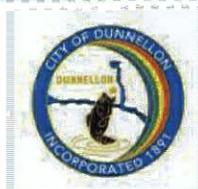


In addition, the lack of a viable, comprehensive system of accessible sidewalks, bicycle facilities and dedicated multi-modal facilities, creates additional support for finding that the statutory criteria for expansion of the redevelopment area are supported. As an example, there are several links of existing sidewalks that are not only sub-standard in respect to current designs standards, but many areas are without adequate pedestrian and bicycle circulation routes.

The Kimley-Horn team completed physical reviews of the proposed community redevelopment expansion area and identified drive-way connections that do not meet current driveway separation or intersection separation criteria and accepted right-of-way design standards. Multiple driveway connections within limited distances may contribute to poor traffic circulation by creating potential vehicle and pedestrian or bicycle conflicts, poor sight triangle visibility or difficulty in achieving accessible routes.

The results of the independent analysis of the existing transportation network conditions confirm that it contributes to the area's conditions to such a degree as to demonstrate that the following statutory criteria for expansion of the redevelopment area are met:

- Predominance of defective or inadequate street layout, parking facilities, roadways, bridges, or public transportation facilities;
- Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- Unsanitary or unsafe conditions;



- The existence of conditions that endanger life or property by fire or other causes;
- Police/emergency service calls to the area proportionately higher than in the remainder of the city.



LOTS AND PROPERTY OWNERSHIP

Lot location, size and ability to support redevelopment are key determining factors when considering the likelihood of redevelopment. If lots are irregular in shape or size, it is difficult to meet current building, fire, land development and zoning code requirements. Irregular parcel configurations also make it necessary to acquire additional lands to accommodate a modest redevelopment plan. If ownership is fragmented as well, property acquisition is difficult and serves to stunt redevelopment activity.

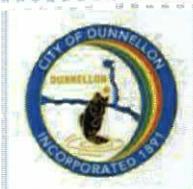
The majority of properties within the targeted redevelopment expansion areas are located within the General Commercial and Residential Medium Density zoning districts. These districts are intended to support development needed to meet the commercial and office needs of the Dunnellon community, as well as to serve some of the future lower density housing needs along the riverfront. Specific state and local standards must also be met when developing in these riverfront areas.



When determining a parcel's ability to support redevelopment, location and lot width are critical determining factors. Existing city standards require parking stalls to have at 10 feet of width and at least 18 feet of depth and drive aisles must be of sufficient width to accommodate vehicle movements. When considering a single driveway (one-way traffic), double loaded with a row of parking on each side, the aggregated width of this may exceed 50 feet. Depending on adjacent uses, a landscape buffer is also required on either side as well as provisions for interior landscaping. In addition, driveway flares at the right-of-way to facilitate traffic flow into the adjoining roadways typically require additional width to accommodate entering and existing vehicles. Evaluating these existing standards for parking and landscaping, plus the potential for increased parking quantities necessary to serve proposed redevelopment, lots with less than 50 to 75 of frontage may fail to redevelop.



Several properties within the targeted redevelopment Area 4 have widths less than 75 feet and in some cases individual lots are approximately 25 wide. Although there is no minimum lot width for properties zoned general commercial, the reduced lot widths limit development and redevelopment opportunities. Although Area 3 overall has larger lots and lot widths, there are some properties with reduced widths that may be impacted as well. Lot widths with Area 1 vary; however, there are lots that do not meet the 85' lot width minimum required as part of the residential medium density zoning. Over time, there is a small likelihood that these parcels will be redeveloped. In order to ensure that desirable redevelopment occurs, these properties should be considered for aggregation with adjoin parcels, developed with less intense uses or considered for inclusion with shared parking facilities or on-street parking.



The targeted development areas have over 90 individual parcels. There are fewer than ten (10) instances where a given parcel is under the same ownership as the property it abuts. This pattern of few parcel groupings underscores the opportunity to encourage redevelopment through parcel aggregation. In terms of reinvestment, the properties in the area may be difficult to consolidate into a more cohesive redevelopment plan.



The Kimley-Horn team also identified several existing and potential instances of building or life safety code concerns on existing properties. Included amongst these conditions were lighting and wiring fixtures exposed to the environment, vegetative overgrowth, unapproved parking surfaces, illegal right-of-way parking, damaged and non-functioning stormwater conveyances, sidewalks in need of maintenance or repair, and other general building and site conditions not typical or desired within the Dunnellon

community.

The results of the independent analysis of the existing lot and property ownership conditions confirm that they contribute to the area's conditions to such a degree as to demonstrate that the following statutory criteria for expansion of the redevelopment area are met:

- Predominance of defective or inadequate street layout, parking facilities, roadways, bridges, or public transportation facilities;
- Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- Unsanitary or unsafe conditions;
- Inadequate and outdated building density patterns;
- Diversity of ownership or defective or unusual conditions of title which prevent the free alienability of land within the deteriorated or hazardous area.



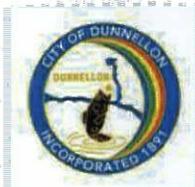
VALUE

The targeted redevelopment expansion area has been examined in terms of changes in historical taxable value in relation to Marion County and the City of Dunnellon as a whole. The most recent tax valuations reflect a profound impact of declines within the proposed community redevelopment expansion area from 2007 to 2009. The 2007 total taxable valuation in the City was \$157,522,399 declining to \$143,317,851 in 2009. These compare with a 18.2 percent reduction in total taxable value on a county-wide basis for Marion County from 2007 to 2009 and approximately 10.14 percent on a city-wide basis for Dunnellon during the same period.

| TOTAL TAXABLE VALUATION | | |
|-------------------------|-------------------|------------------|
| YEAR | City of Dunnellon | Marion County |
| 2007 | \$175,691,212. | \$22,347,382,181 |
| 2008 | \$169,149,246 | \$20,647,852,987 |
| 2009 | \$157,868,426 | \$18,273,739,206 |

Source: Marion County Property Appraiser and City Of Dunnellon.

The results of the independent analysis of the taxable valuable conditions suggest that the community redevelopment expansion area has been disproportionately impacted by changes to taxable valuation as compared to both the City of Dunnellon and Marion County on a community-wide basis. Some sample reductions in taxable value of parcels within the designated expansion areas ranged from 20 percent to over 50 percent (individual property changes in valuation are not reported here but are available through the Marion County Property Appraiser). Continuation of this trend may meet the statutory provisions of the Act that provide if an area's aggregate assessed values of real property for ad valorem tax purposes have failed to show any appreciable increase over the 5 years prior to the finding of such conditions as compared to the changes on the city or county-wide basis. Without intervention, these trends may be expected to continue.



NONCONFORMITIES

Parking

The review of the community redevelopment expansion area confirmed numerous locations where un-approved parking is occurring. These instances include parking within or upon drainage and stormwater conveyance and treatment areas, sidewalk and pedestrian ways, as well as encroachments upon setback or buffers areas required by the City's land development regulations. Properties with these conditions are considered nonconforming to these standards within the existing city land development regulations.



Stormwater Management

As a result of historical development permitted and constructed within the existing and proposed community redevelopment expansion area prior to the City's and state/water management district current design standards, in most cases developed properties lack adequate stormwater management facilities and are nonconforming to local and state regulatory requirements.

Landscaping

Dunnellon landscape and buffer standards are evident upon some of the more recent redevelopment that has occurred but generally the proposed community redevelopment expansion area reflects design that pre-dates the City's land development regulations, including landscape and architectural treatments. The lack of compliance with these standards creates a legacy of nonconforming properties relative to these expected community design standards.



The results of the independent analysis of the proposed community redevelopment expansion area relative to existing nonconformities confirm that these conditions contribute to the area's meeting of the following statutory criteria for creation of a redevelopment area:

- Predominance of defective or inadequate street layout, parking facilities, roadways, bridges, or public transportation facilities;
- Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- Unsanitary or unsafe conditions;



SANITATION AND DRAINAGE



The results of the independent review of the existing stormwater management conditions confirm that the following statutory criteria for expansion of a redevelopment area are met:

- The existence of conditions that endanger life or property by fire or other causes;
- Predominance of defective or inadequate street layout, parking facilities, roadways, bridges, or public transportation facilities;
- Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- Unsanitary or unsafe conditions;
- Inadequate provision for ventilation, light, air sanitation, or open spaces;
- Deterioration of site or other improvements.

In particular, physical conditions were noted were existing stormwater management facilities are not under proper maintenance and exhibiting conditions that may contribute to on-street and adjoining property ponding or flooding, together with adverse discharge impacts to the river systems which are important to the local community's sense of identity and tourism draw.



Examples include standing water, damaged inlet structures, clogged piping and inappropriate use of facilities (parking, storage, etc.). Expansion of the community redevelopment area and evaluation of an area-wide, comprehensive stormwater management strategy are appropriate efforts in support of economic revitalization.

Other conditions noted in support of designation of the proposed community redevelopment expansion areas as a redevelopment area include unsanitary conditions. In particular, siting and placement of refuse collection inconsistent with typical design standards was noted in a majority of existing facilities and sites.



CRA IMPLEMENTATION OVERVIEW

Tax Increment Financing

Tax increment financing (TIF) provides most of the funding for the community redevelopment area. This special funding tool provides all increases in taxes within the community redevelopment area beyond the year the community redevelopment area was established into a redevelopment fund. The year the community redevelopment area was established is the "base year." Any increases in taxes beyond the base year are provided to the redevelopment fund. Therefore, as the taxable property values increase due to redevelopment projects, the redevelopment fund also increases. Tax increment financing is not an additional tax to the property owner.

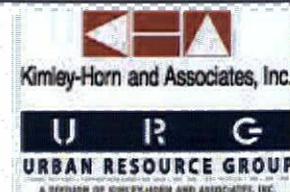


Since all the monies used in financing community redevelopment area activities are locally generated, Community Redevelopment Agency's are not overseen by the state, however, redevelopment plans must be consistent with local government comprehensive plans and funds derived from within the community redevelopment area must be used to benefit the targeted redevelopment area.

It is important to note that property tax revenue collected by the School Board and any special district are not affected under the tax increment financing process. Funds are deposited to a trust fund by the taxing entities (city and county), after monies are received from the tax collector. The tax increment revenues can be used immediately as they are received to undertake planning studies or capital projects or other programs that serve the community redevelopment area. In addition, these funds can be saved for a particular project or can be bonded to maximize the funds available. All funds received from a tax increment financing area must be used for specific redevelopment purposes within the targeted area and not for general government purposes.

Section 163.387(1), Florida Statutes provides the following guidance for determining the TIF:

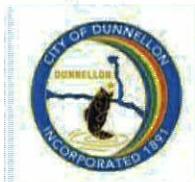
The annual funding of the redevelopment trust fund shall be in an amount not less than that increment in the income, proceeds, revenues, and funds of each taxing authority derived from or held in connection with the undertaking and carrying out of community redevelopment under this part. Such increment shall be determined annually and shall be that amount equal to 95 percent of the difference between:



- (a) The amount of ad valorem taxes levied each year by each taxing authority, exclusive of any amount from any debt service millage, on taxable real property contained within the geographic boundaries of a community redevelopment area; and
- (b) The amount of ad valorem taxes which would have been produced by the rate upon which the tax is levied each year by or for each taxing authority, exclusive of any debt service millage, upon the total of the assessed value of the taxable real property in the community redevelopment area as shown upon the most recent assessment roll used in connection with the taxation of such property by each taxing authority prior to the effective date of the ordinance providing for the funding of the trust fund.

Funds deposited in the redevelopment trust fund may be expended only within the boundary of the redevelopment area and as described in the approved redevelopment plan. These requirements are articulated in Section 163.387(6), Fla. Stat., as follows:

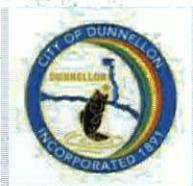
- (a) Administrative and overhead expenses necessary or incidental to the implementation of a community redevelopment plan adopted by the agency.
- (b) Expenses of redevelopment planning, surveys, and financial analysis, including the reimbursement of the governing body or the community redevelopment agency for such expenses incurred before the redevelopment plan was approved and adopted.
- (c) The acquisition of real property in the redevelopment area.
- (d) The clearance and preparation of any redevelopment area for redevelopment and relocation of site occupants as provided in s. 163.370.
- (e) The repayment of principal and interest or any redemption premium for loans, advances, bonds, bond anticipation notes, and any other form of indebtedness.
- (f) All expenses incidental to or connected with the issuance, sale, redemption, retirement, or purchase of agency bonds, bond anticipation notes, or other form of indebtedness, including funding of any reserve, redemption, or other fund or account provided for in the ordinance or resolution authorizing such bonds, notes, or other form of indebtedness.
- (g) The development of affordable housing within the area.
- (h) The development of community policing innovations.



Community Redevelopment Plan

The Community Redevelopment Agency is responsible for developing and implementing the Community Redevelopment Plan that addresses the unique needs of the targeted area. The plan includes the overall goals for redevelopment in the area, as well as identifying the types of projects planned for the area within a long-term capital improvements program specific to the community redevelopment area.

Projects may include a variety of elements or programs intended to spur private reinvestment in the community redevelopment area. Streetscapes and roadway improvements, building renovations, new building construction, flood control initiatives, water and sewer improvements, parking lots and garages, neighborhood parks, sidewalks and street tree plantings are typical of projects funded by community redevelopment agencies across the state. The plan can also include redevelopment incentives such as grants and loans to private owners and businesses within the community redevelopment area for such things as façade improvements, sprinkler system upgrades, signs, and structural improvements.



RECOMMENDATIONS

Based upon an independent assessment of the proposed community redevelopment expansion area, sufficient criteria have been met to qualify the area for consideration pursuant to the requirements of the Florida Community Redevelopment Act (Chapter 163, Part III, Florida Statutes).

Consideration to formally designate the area within the community redevelopment area requires the following steps:

1. Adopt this Finding of Necessity Report after required public notice to all impacted taxing authorities.
2. Amend the Community Redevelopment Plan to include the identified expansion areas after required public notice to all impacted taxing authorities.
3. Provide required notice to the taxing authorities after approval of the expansion to the community redevelopment area to adjust the areas subject to the tax increment collection/allocation.

Four distinct areas have been identified for consideration and inclusion within the community redevelopment area as identified on the following maps. Area 2010-1 represents an existing, prior subdivided parcel that exhibits deteriorating infrastructure and a predominate residential use pattern together with and including the Dunnellon Middle School site. This area is west of downtown and portions are bounded by the Withlacoochee River. Area 2010-2 represents a portion of the properties owned by the First Baptist Church of Dunnellon that is bounded by the existing community redevelopment area fronting W. McKinney Avenue and Cedar Street. This property includes two older lots and would clean up or straighten out the existing CRA Boundary. Area 2010-3 represents the historic strip of commercial development along north US 41 that reflects relatively high commercial vacancy rates and opportunities for significant redevelopment. Area 2010-4 is a smaller strip of commercial property extending east from the existing community redevelopment area fronting SR 484 and taking in some underutilized commercial properties and areas in need of infrastructure improvements.



The expanded community redevelopment areas (2010-1, 2010-2, 2010-3, 2010-4) meet the statutory requirements for inclusion within the community redevelopment area and have the potential to attract private reinvestment and support the downtown as a walkable, destination and commercial heart of the community. In doing so, it is recommended that several conditions be remedied and that the City pursue a series of short-and long-range planning and implementation endeavors to ensure a sustainable future.

Tax Increment Financing (TIF) – Local governments are given the authority to allocate up to 95 percent or a smaller portion of the incremental increase to projects within the community redevelopment area upon establishment of the TIF district. Use of the TIF alternative financing tool in concert with the existing and expanded community redevelopment area master plan and implementation strategy can have a powerful effect if used to leverage additional funding sources, and therefore is a substantial tool to encourage effective redevelopment.

Dunnellon Comprehensive Plan – The City of Dunnellon Comprehensive Plan should be reviewed to determine the extent of needed and desired amendments to support the future vision for the existing and expanded community redevelopment area. In particular, the City should incorporate those projects and programs ultimately indentified by the community redevelopment area master plan into the applicable sections of the Comprehensive Plan and annual/five year capital improvements program.

