



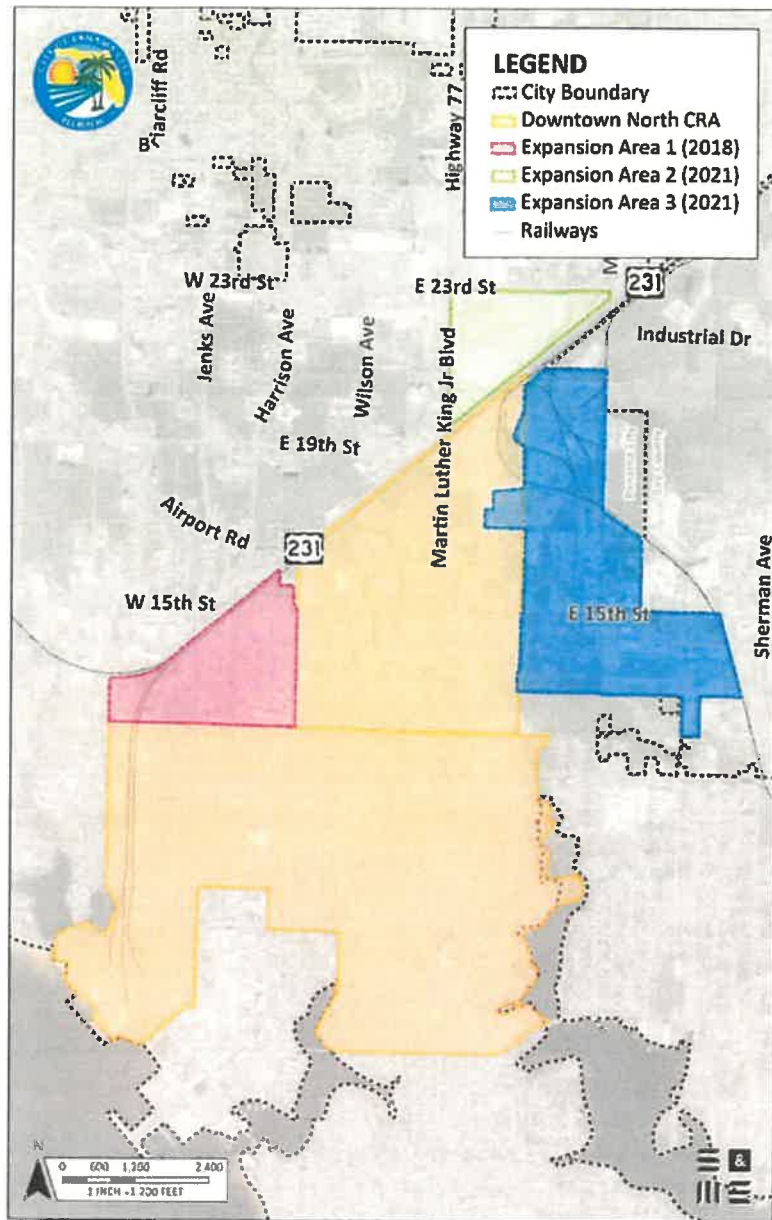
## I. Introduction

This Finding of Necessity (FON) study evaluates the conditions in the slated **Expansion Area 3** site to determine if they satisfy the Florida Statute-defined conditions of “slum and blight” and if affected land parcels can be added to the established Downtown North Community Redevelopment Area (CRA). The Downtown North CRA is one of four total community redevelopment areas (districts) in the City of Panama City – the four being: Downtown (est. 1984), St. Andrews (est. 1989), Downtown North (est. 1993), and Millville (est. 2004). All four of these districts are known collectively as the Panama City North Community Redevelopment Area (CRA) and are governed by the Panama City Community Redevelopment Agency.

The establishment and operations of the CRAs are to address conditions of ‘slum’ and ‘blight’ that have been identified within the areas. In 2018, S&ME, Inc. was retained by the City of Panama City to perform a Finding of Necessity (FON) study to determine if specific additional properties demonstrated conditions of

‘slum’ and ‘blight’ and therefore warranted consideration for inclusion within the Downtown North Community Redevelopment Area’s boundaries. The FON study was completed, and an additional area (Expansion Area 1) was added to the Downtown North CRA boundaries. Before the Panama City Downtown North CRA Plan could be modified to reflect the new CRA boundaries, Panama City was devastated by Hurricane Michael in October 2018. Subsequently the City has requested that the Downtown North CRA boundaries be expanded to include Expansion Area 2 (completed in 2021) and Expansion Area 3.

Map 1 – Downtown North CRA and CRA Expansion Areas



Sources: Bay County Property Appraisers, FGDL, City of Panama City, S&ME, 2021

TO: NJZ  
FROM: Caroline Smith  
RE: Summaries of DTN ILA/FON #2 (Mall Expansion) and FON #3 (East Expansion)  
DATE: January 28, 2022

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**SUMMARY OF DOWNTOWN NORTH COMMUNITY REDEVELOPMENT AGENCY  
INTERLOCAL AGREEMENT BETWEEN PANAMA CITY, PANAMA CITY COMMUNITY  
REDEVELOPMENT AGENCY AND BAY COUNTY**

- Downtown North CRA established 1993.
- Seeks to expand its boundaries by adding 71.4 acres (Mall Expansion/12 parcels) and 261 acres (East Expansion/152 parcels);
- Notice provided to the County in November.
- County provided notice of competing goals.
- Extends life of CRA until the year 2052.
- The County will pay a reduced percentage of 85% to the ad valorem increment
- The base year will be January 1, 2021

**SUMMARY OF FINDING OF NECESSITY #2 (MALL EXPANSION)**

**WHAT:** Evaluation of the Mall site to determine conditions of slum and blight to include in the Downtown North CRA..

**WHERE:** Triangle site bounded by US 231/MLK/23rd Street and adjacent to DTN CRA at the expansion site's southern angle. Expansion site is north of Hwy 231.

**SIZE:** Approximately 71.5 acres/12 Parcels

**KEY BUSINESSES/PARCELS:** The Mall, Dillards, JCPenney, movie theatre

**CONDITIONS:** Blight-exposed steel reinforcement bars, debris, falling down walls, boarded up businesses, standing water, water damage, decrease in taxable value, anchor tenants complicate redevelopment. Three businesses remain open; Remainder of Mall is closed.

**SUMMARY OF FINDING OF NECESSITY #3 (EAST EXPANSION)**

**WHAT:** Evaluation of the East site to determine conditions of slum and blight to include in the Downtown North CRA.

**WHERE:** L-shaped property adjacent to the DTN CRA on the eastside and bounded roughly by Hwy 231, Mercedes Ave., 13th St, and the railroad tracks, south of Hwy 231.

**SIZE:** Approximately 261 acres/152 Parcels

**KEY BUSINESSES/PARCELS:** Gulf Power/FPL, PCPD, fairgrounds, USPS, Rosenwald Heights; mix of primarily industrial, and also commercial, residential, public/institutional.

**CONDITIONS:** Sium: Hurricane damaged and abandoned buildings, infrastructure needing repair; Blight: defective street layout, lack of appreciable increase in ad valorem tax assessed values, unsanitary or unsafe conditions, deteriorations of site, outdated building density patterns, defective or unusual conditions of title; ill-maintained structures, trash, storm debris.

**INTERLOCAL AGREEMENT BETWEEN  
THE CITY OF PANAMA CITY, PANAMA CITY REDEVELOPMENT AGENCY  
AND BAY COUNTY, FLORIDA**

THIS AGREEMENT made this \_\_\_\_\_ day of February, 2022, by and between the CITY OF PANAMA CITY (hereinafter the “City”), PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY (hereinafter the “CRA”) and THE BOARD OF COUNTY COMMISSIONERS OF BAY COUNTY, FLORIDA (hereinafter the “County”).

**WITNESSETH:**

WHEREAS, in 1993, the City of Panama City established the Panama City Downtown North Community Redevelopment Area by adopting a Redevelopment Plan and a Redevelopment Trust Fund (the “Downtown North CRA Plan”);

WHEREAS, the Downtown North CRA Plan, as originally adopted and amended, is scheduled to sunset in 2039;

WHEREAS, Panama City now seeks to modify the Downtown North CRA Plan, as amended, to expand its boundaries by adding the Mall Expansion (71.5 acres) and the East Expansion (261 acres) (the “Downtown North CRA Plan Expanded Area”) by extending the life of the Downtown North CRA Plan an additional 30 years;

WHEREAS, in 2022 the City adopted Resolution No. \_\_\_\_\_ on \_\_\_\_\_, \_\_, 2022 which included a legislative finding that the Downtown North CRA Plan Expanded Area contains conditions of “slum” and “blight” and meets the statutory criteria for inclusion in the Downtown North CRA Plan boundaries;

WHEREAS, in November, 2021, the City provided the County notice that it would be considering adoption of an updated Redevelopment Plan and Redevelopment

Trust Fund ordinance that would include the Downtown North CRA Plan Expanded Area and extended term;

WHEREAS, the County responded by providing the City and the CRA notice pursuant to Fla. Stat. 163.361 that it has competing policy goals and plans for the public funds that the County would be required to deposit into the Redevelopment Trust Fund as a result of the CRA modification; and

WHEREAS, the parties wish to settle the dispute over the proposed Downtown North CRA Plan modification and have agreed to a settlement, the terms of which are reflected in this Interlocal Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements of the parties, the County, the City and the CRA agree:

1. Authority.

This Interlocal Agreement is entered into pursuant to the provisions of Chapter 163.01, Florida Statutes, and any other applicable provisions of law.

2. Downtown North CRA Plan Expanded Area

The Downtown North CRA Plan Expanded Area consists of the Mall Expansion (71.5 acres and is comprised of 12 parcels) and the East Expansion (261 acres and is comprised of 152 parcels) by extending the life of the Downtown North CRA Plan an additional 30 years until \_\_\_\_\_, 2052. The CRA expanded area is more fully described on **Exhibit A** (hereinafter "Downtown North CRA Plan Expanded Area").

3. Consent to Modification of the CRA

The County consents to the City's modification of the Downtown North CRA Plan to include the Downtown North CRA Plan Expanded Area and the additional 30-year term until \_\_\_\_\_, \_\_, 2052.

**4. No Litigation**

In consideration of the covenants and agreements of the parties herein, the County agrees not to file any administrative or judicial complaint or petition challenging the City's 2021 Finding of Necessity or the modification of the CRA Redevelopment Plan and Redevelopment Trust Fund to include the Downtown North CRA Plan Expanded Area and extended 30-year term.

**5. County Contribution of Tax Increment Revenues**

Upon the City's adoption of an updated Redevelopment Plan and Redevelopment Trust Fund ordinance that includes the Downtown North CRA Plan Expanded Area and extended 30-year term, the parties agree to an alternate tax increment formula. Specifically, the County, the City, and the CRA agree that the County will pay the reduced percentage of eighty-five percent (85%) percent of the ad valorem increment levied by the County for the Downtown North CRA Plan Expanded Area into the CRA Redevelopment Trust Fund as otherwise determined by 163.387(1), Florida Statutes. In addition, the parties agree that, for purposes of determining the County's contribution, the base year shall be set as the assessed amount of the real property subject to ad valorem taxation in the Expanded Area as determined by the Bay County Property Appraiser as of January 1, 2021. The County's tax increment contribution for those properties within the original CRA boundaries (prior to the modification) shall continue as previously calculated in accordance with 163.387(1), Florida Statutes.

**6. Entire Agreement/Amendment**

This Agreement constitutes the entire agreement between the parties with respect to the subject matter contained herein. The Agreement shall not be modified or amended, except by written instrument, executed by all parties.

**7. Dispute Resolution**

The parties shall first attempt to resolve any dispute that arises under this Agreement by engaging in mediation. The cost of the mediation shall be borne equally between the parties. If the parties are unable to resolve the dispute in mediation, the parties shall otherwise comply with the provisions of Chapter 164, Florida Statutes, otherwise known as the Florida Governmental Conflict Resolution Act, except that they shall not be required to mediate a second time prior to resorting to other available legal remedies.

**8. Severability**

If any section, subsection, clause, phrase, or provision of this Agreement is held invalid or unconstitutional, such invalidity or unconstitutionality shall not be construed as to render invalid or unconstitutional the remaining provisions of this Agreement.

**9. Notices**

Any written notices given under this Agreement shall be provided by hand delivery, recognized overnight delivery service, or by first class mail, registered and return receipt requested as follows:

As to City  
& the CRA

City Manager, City of Panama City  
501 Harrison Ave.  
Panama City, FL 32444

As to County: County Manager, Bay County  
840 W. 11<sup>th</sup> St.  
Panama City, FL 32401

IN WITNESS WHEREOF, the parties hereto, by and through the undersigned,  
have entered into this Interlocal Agreement on the date and year first written above.

BOARD OF COUNTY  
COMMISSIONERS OF BAY  
COUNTY, FLORIDA

Attest:

\_\_\_\_\_  
Bill Kinsaul, Clerk of Court

\_\_\_\_\_  
Robert Carroll, Chairman

Approved in Form:

\_\_\_\_\_  
County Attorney

**CITY OF PANAMA CITY**

\_\_\_\_\_  
**Greg Brudicki, Mayor**

**PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY**

\_\_\_\_\_  
**Chair**

**Attest:**

\_\_\_\_\_  
**Jan Smith, City Clerk**

**Approved in Form:**

\_\_\_\_\_  
**Nevin J. Zimmerman, City Attorney**