



AGENDA
HARBOR COMMUNITY REDEVELOPMENT AGENCY
ADVISORY COMMITTEE
WEDNESDAY, MAY 12, 2021
5:30 PM
DESTIN CITY HALL ANNEX COUNCIL CHAMBERS

- 1. CALL TO ORDER**
- 2. ROLL CALL/PLEDGE OF ALLEGIANCE**
- 3. APPROVAL OF MINUTES**
 - A) April 14, 2021 Minutes**
- 4. OLD BUSINESS**
 - A) Harbor Capacity Study Update**
 - B) Harbor CRA Master Plan Update**
 - C) Development Projects and City Projects Update**
 - D) Capital Project Status**
 - E) Operations Financial Report**
- 5. NEW BUSINESS**
 - A) Background Information for RFP 21-03-FIN Tax Exempt Loan Financing**
 - B) Resolution CRA 21-01 - Approving the form of and authorizing the execution of an interlocal agreement with the City of Destin**
- 6. COMMITTEE MEMBER COMMENTS/QUESTIONS**
- 7. PUBLIC COMMENTS**
- 8. NEXT MEETING DATE: June 9, 2021**
- 9. ADJOURNMENT**

Any person requiring a special accommodation at this hearing because of a disability or physical impairment should contact the City Clerk at (850) 837-4242 at least 48 hours prior to the hearing. If a person decides to appeal any decision made with respect to any matter considered at such meeting, such person will need a record of the proceeding and for such purpose may need to ensure that a verbatim record of the proceeding is

made, which record includes the testimony and evidence upon which the appeal is to be based. (Sec. 286.0105, Florida Statutes)

**MINUTES
HARBOR COMMUNITY REDEVELOPMENT
AGENCY ADVISORY COMMITTEE MEETING
APRIL 14, 2021 - 5:30 PM
DESTIN CITY HALL BOARDROOM**

1. CALL TO ORDER:

Vice Chairman Green called the meeting to order at 5:30 p.m. on Wednesday, April 14, 2021 in the Destin City Hall Board Room.

2. ROLL CALL & PLEDGE OF ALLEGIANCE:

Present

James Green
Casey Jones
Jan Best
Ian Blaise

Members Absent

Mike Buckingham
Sandy Trammell
Mike Raim

Staff Present

Kim Montgomery, Deputy City Clerk
Lauren Witt, Principal Planner
Louis Zunguze CD Director
Daniel Butler, Planner
Don Smith, City Engineer

3. MINUTES: March 10, 2021

Motion to approve the minutes of the March 10, 2021 as corrected was made by Committee member Best with Committee member Jones providing the seconded. The motion passed with a 4-0 vote for approval.

4. OLD BUSINESS:

➤ **Harbor CRA Master Plan**

According to Mr. Butler, based on their last motion from the previous meeting, staff would like to know if they would prefer to review the Plan in regard to consistency with the Comprehensive Plan and as well as the plan itself after staff has added the necessary inclusions or in chapters.

According to Committee member Best, they never did get a chance to completely review the Plan in its entirety. Noting there is a lot that they didn't get to review and comment on. She stated that she would like to review her concerns with staff in a one-on-one meeting.

Vice Chairman Green stated that he would like to review her comments and asked that it be placed on a next agenda for review and discussion. He also suggested taking it in chapters at a time.

➤ **2021 Work Plans**

Mr. Butler explained that from their last meeting, the work plan for Historical Plaques was added. And will be incorporated into the Wayfinding Plan.

Committee member Blaise asked what measures are being put in place for the Prevention of Rogue Operators in the Establishing Harbor Regulations Work Plan Item.

According to Mr. Forgione he and his staff are aware certain operations and asked if there are any violators that anyone in the public sees, he encourages them to contact the Code Compliance Department.

DRAFT

Adding that some of the complaints that are coming in are vague in description and there is not a lot that can be done unless the FL number, business name and location is reported. He commented on how complaints that come in just stating a blue boat with people on it in the harbor does not help at all. He also mentioned that he has gotten authorization from the City Manager and soon his department will be able to run tags in house. Additionally, he informed the member that there is not a lot he can do about the ones that are operating outside of the city's jurisdiction. However, he has recently caught a couple running out of Joe's Bayou. And the Sheriff's Office does assist his staff with these issues.

The Vice Chairman added that the Coastguard has cracked down on the illegal Charters that are working the in the waters of the State.

Committee member Best spoke Kudos to Committee Blaise's business that he runs in the harbor and how it is one of the few that is a respectful business and polite to everyone. Committee member Blaise thanked her and stated that its very important to both him and his staff.

➤ **Development Project Update**

Mr. Butler explained to the members that in their binders are the Development projects that have been approved in the Harbor CRA District.

The Vice Chairman asked about the status of the Capt. Royal Melvin Heritage Park.

According to the City Engineer, Don Smith, the footers have been poured and in the next 2-3 weeks the slabs should be poured. And is still on schedule to be finished by October 31st.

Vice Chairman Green asked about the bottom area where the Seafood Festival is held. According to Mr. Smith, the grant's expiration date is November 1, 2021 so, all the major work has to be done before that date.

The Vice Chairman also asked about the status of the Cross-Town Connector. According to Mr. Zunguze, Council has scheduled a workshop for May 10th and encouraged all the members to attend.

➤ **Zerbe/Calhoun Historical Update**

Mrs. Witt explained that the ordinance was drafted and recommended for approval by the Local Planning Agency at their March meeting and was brought before City Council for its first reading on April 5th, which was approved and will go for its second and final approval by Council on April 19th.

5. **NEW BUSINESS:**

➤ **Harbor Capacity Study Update**

According to Mrs. Witt, at the meeting last month, the members and staff worked on identifying issues currently in the harbor as well as the potential widening of the navigational channel, which was brought before City Council on April 5th for direction. And at that April 5th meeting, Council directed staff on performing the research and to see what that process would look like based on what the original authorization was. So currently, staff is working with the ACOE representative to find out what it would take to widen the channel.

The Vice Chairman mentioned that he spoke at both of the meetings Mrs. Witt mentioned regarding how important it is to widen the channel being that there has been significant growth since it was first opened. Not to mention that it was way too narrow to begin with and the importance of the environmental standpoint to flush the water out and not just divert it. As well as this would offer more transient slips to the owners if it's widened.

6. COMMITTEE MEMBER COMMENTS

➤ **Committee member Jones:**

Spoke of being approached by a few Livery Vessel Business owners questioning how in the middle of the season if they have a boat break down, how are they to exchange it out for one that is working until the broken boat can be repaired. Adding that he was told that there is not a process in place.

According to Mr. Forgione, there is a process that has been in place and he will provide that information to him as well as anyone that contacts his department.

➤ **Committee member Blaise:**

Asked about the if the Point One Marina Project was the same thing that Chairman Buckingham mentioned at their last month's meeting.

According to the Vice Chairman, it is not the same and is a private marina on private property.

The City Attorney also stated to Committee member Blaise that he would be glad to speak to him about what he could, outside of the meeting. But since it is a project with a pending Development Applications and is considered a Quasi-Judicial Hearing there is some components that he cannot speak on. But once it is finished at the staff level, there will be a public hearing when it goes before City Council for approval.

Committee member Blaise asked if the project is on the harbor, then how come they cannot speak on it. According to the Vice Chairman, the Harbor CRA District does not include Holiday Isle, where the pending project is located.

➤ **Public Comment:**

None

➤ **DIRECTORS REPORT:**

Mr. Zunguze explained that Council has directed him and his staff to go forward with the update to the Land Development Code, which will impact the Harbor Parking Work Plan Item. And staff will bring forth their proposed remedies, as necessary.

- **Next meeting: May 12, 2021**

7. ADJOURNMENT:

DRAFT

Having no further business at this time, the meeting was adjourned at 7:00 PM.

Adopted and approved this ____ day of _____ 2021.

James Green, Vice Chairman

Kim Montgomery, Deputy City Clerk

CITY OF DESTIN – COMMUNITY DEVELOPMENT



AGENDA ITEM

MEETING DATE: May 12, 2021

BOARD/COMMITTEE: Harbor Community Redevelopment Agency Advisory Committee

TYPE OF AGENDA ITEM: Presentation

OUTLINE NUMBER: 4.A.

TO: Harbor Community Redevelopment Agency Advisory Committee

THRU: Louis Zunguze, Community Development Director
Kyle Bauman, City Attorney
Lauren Witt, Principal Planner

FROM: Daniel Butler, City Planner

DATE: May 7, 2021

SUBJECT: Harbor Capacity Study Update

I. BACKGROUND: The City of Destin has partnered with the U.S. Army Corp of Engineers to conduct a capacity study for the Destin Harbor. The Harbor Capacity Study will, among other things focus on the following three goals & objectives:

- Protect the environmental health of the harbor and surrounding waterways.
- Promote safety and enjoyment on our local waters.
- Promote the economic viability of businesses operating on or along the Harbor.

II. DISCUSSION: As part of this effort, the Harbor Capacity Steering Committee (HCSC) was asked to prioritize the formally identified issues and/or concerns related to each study objective, in addition to identifying supported City Policies. Below lists the results of this effort:

1. **Environmental health of the Harbor and surrounding waterways**
 - a. Parking Lot Runoff
 - b. Pump Out Stations
 - c. Water Quality
 - d. Relocation of the Navigational Channel
 - e. Harbor Pump Efficiency

Supportive City Policies:

- Policy 1-1.1.3: Major Natural and Manmade Corridors
- Policy 5-1.4.2: Implement Environmental Policies
- Policy 5-1.5.9: Improve Water Quality within Destin Harbor (Old East Pass)
- Policy 6-1.2.2: Prohibit Stormwater Run-off into Coastal Waters
- Policy 6-1.2.3: Protect Water Quality within Destin Harbor
- Policy 6-1.2.7: Require Pump-out Facilities.
- Policy 6-1.1.6: Reduce Commercial Land Use Impacts to Choctawhatchee Bay
- Policy 6-1.3.8: Prevent Erosion Impacts Generated by Motorized Watercraft
- Destin Harbor Area Master Plan (1998)

2. Promote safety and enjoyment of local waterways.

- a. Number of Boats operating in and around the Destin Harbor.
- b. Adequate parking and/or launch facilities.
- c. Boat Operators familiarity with local conditions and/or boat operation
- d. Commercial and Recreational conflicts
- e. Lack of Wayfinding Signage (Upland & Waterward)

Supportive City Policies:

- Policy 2-1.3.9: Complete Existing Pedestrian and Cycling Infrastructure
- Policy 2-1.3.11: Create Safe Pedestrian and Cycling Roadway Crossings
- Policy 2-1.3.17: Prioritize Community Parking Over On-site Parking
- Policy 2-1.3.19: Pursue Parking Solutions and Funding Strategies
- Policy 6-1.3.2: Control Boat Launching Locations
- Policy 6-1.3.8: Prevent Erosion Impacts Generated by Motorized Watercraft
- Policy 7-1.3.6: Provide Beach, Shoreline, and Park Directional Signage.
- Destin Harbor Area Master Plan (1998)
- Harbor Community Redevelopment Area (CRA) Master Plan (2004)

3. Promote of the economic viability of businesses operating on or along the Harbor.

- a. Lack of public/transient boat slips
- b. Relocation of the Navigational Channel
- c. Lack of vehicle parking
- d. Vehicle and Pedestrian Accessibility
- e. Wayfinding Signage

Supportive City Policies:

- Policy 1-1.3.3: Major Mixed Use and Resort Planning Areas (1. Harbor Planning Area)
- Policy 1-2.4.3: Mixed Use (MU) (2. Calhoun Area) (3. SHMU)
- Policy 1-3.3.4: Harbor CRA Redevelopment, Infrastructure, and Design Enhancements
 1. Continue land acquisition/construction of off-site parking facilities
- Policy 2-1.3.9: Complete Existing Pedestrian and Cycling Infrastructure
- Policy 2-1.3.11: Create Safe Pedestrian and Cycling Roadway Crossings
- Policy 2-1.3.14: Promote Water Taxi/Shuttle Service
- Policy 2-1.3.15: Encourage and Facilitate Expanded Water Taxi/Shuttle Operations
- Policy 2-1.3.17: Prioritize Community Parking Over On-site Parking
- Policy 2-1.3.19: Pursue Parking Solutions and Funding Strategies
- Policy 6-1.1.6: Reduce Commercial Land Use Impacts to Choctawhatchee Bay
- Destin Harbor Area Master Plan (1998)
- Harbor Community Redevelopment Area (CRA) Master Plan (2004)

A. Link to Strategic Goals / Objectives:

B. Effect on Budget (EOB):

C. Level of Service (LOS):

III. CONCLUSION: The above list encompasses issues the Harbor Capacity Study Steering Committee has identified as priorities for the Study. The attached presentation also includes proposed recommendations from the Committee. This is an informational item.

IV. RECOMMENDED MOTION: Informational Only

Attachments:

1. Destin Harbor Carrying Capacity Study – Stakeholder Meeting #3 with notes

DESTIN HARBOR CARRYING CAPACITY STUDY – STAKEHOLDER MEETING #3

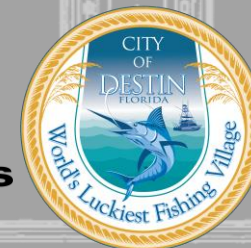
U.S. Army Corps of Engineers Mobile District
and City of Destin

April 28th, 2021 – 5:30pm

“The views, opinions and findings contained in this report are those of the authors(s) and should not be construed as an official Department of the Army position, policy or decision, unless so designated by other official documentation.”



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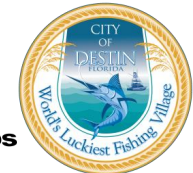


AGENDA

1. Channel Modifications
2. Issue Review
3. Prioritizations
4. Recommendations



US Army Corps
of Engineers



CHANNEL MODIFICATION OPTIONS

Section 216 Study

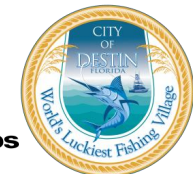
1. Provide letter on request for support to USACE
2. Submit 7001 request – Annual Report to Congress
3. **Congress establishes the authority for USACE to conduct the study**
4. **The study is included in the President's Budget, indicating Administration support for addressing that specific study**
5. **Congress provides Federal appropriations to initiate the study.**
6. Feasibility Study process – 24-36 months
7. Recommendation to Congress
8. **Congress appropriates money for Construction**
9. PPA signed for Design and Construction
10. Construction period

Move Channel Only

1. Likely can be completed with some study effort
2. Approval would be with USACE



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ENVIRONMENTAL HEALTH OF THE HARBOR AND SURROUNDING WATERWAYS

Issues

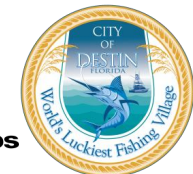
- Boat Cleaning (Upland – contributing to runoff)
- **Parking Lot/Roadway Runoff**
- Litter
- **Pump out stations**
- Harbor pump efficiency
 - How often has the pump been inoperable
- ~~Shoreline erosion~~
- **Relocation of the Navigational Channel** – (better movement of water in the harbor)
- US 98 Runoff
- **Water Quality – water clarity issues (driven as a function of people and excessive rainfall)**
- People are using 5gal gas cans to fuel vessels themselves which is causing spills
- Proper disposal of fish carcasses in the harbor
- Storm water runoff – (no current projects planned in the harbor area)

Recommendations

- Parking lot/Roadway runoff:
 - Treatment of water prior to entering the waterway
 - Run-off capture
 - FDOT – filtration updates, utility updates (new system)
- Pump out stations (look at demand first):
 - Private pump-out laws
 - Move pumps
 - New pumps
- Water Quality-
 - Repair/Rehab/Replace Pumping System
 - Pump needs to run more
 - Pipe between harbor and gulf – (limited tidal fluctuation)
- Oil containment
- Proper fueling enforcement



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PROMOTE SAFETY AND ENJOYMENT OF LOCAL WATERWAYS

Issues

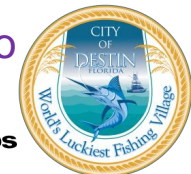
- Number of Boats operating in and around the Destin Harbor
- Adequate parking and/or launch facilities
 - Lack of sufficient parking both public and private
 - Parking slips are directly related to boat capacity
- Boat Operators familiarity with local conditions and/or boat operation
- Commercial and Recreational conflicts
- Lack of Wayfinding Signage (Upland & Waterward)
- People swimming across the channel
- Congestion around fuel docks
- How do you address congestion of private PWC operators?

Recommendations

- Number of boats
 - Additional slips, transient slips, public slips
 - City Marina
 - ~~No mooring along Noriega Point (lots of opposition likely to this)~~
 - ~~Establish a mooring field (Eastern half of harbor) — (this would require upland facilities to be present)~~
- Promote water taxi
- Parking solutions
 - Parking garage
 - Private public partnership
 - Parking Enforcement
- Better defined channel markers – additional channel markers (FWC is adding more signage)
- General navigability and safety improvements
- Patrol of PWC's
- Creation of Destin specific safety video



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PROMOTE OF THE ECONOMIC VIABILITY OF BUSINESSES OPERATING ON OR ALONG THE HARBOR

Issues

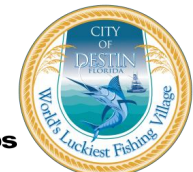
- Lack of vehicle parking
- Vehicle and Pedestrian Accessibility
- **Lack of public/transient boat slips**
 - People cramming two boats in one slip
- ~~No support infrastructure for water dependent businesses (Dry Storage)~~
- **Modification of the Navigational Channel**
- Wayfinding Signage

Recommendations

- Move and ~~widen~~ navigation channel
- Extend docks - give property owners the ability to expand the slips
- Review the current marina rule that constrains the length of the dock to 1.5 times length of the land property (11.05.01m(1&2) Land development code)
- Add additional public slips
- Add additional transient slips in convenient location



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CITY OF DESTIN – COMMUNITY DEVELOPMENT



AGENDA ITEM

MEETING DATE: May 12, 2021

BOARD/COMMITTEE: Harbor Community Redevelopment Agency Advisory Committee

TYPE OF AGENDA ITEM: Presentation

OUTLINE NUMBER: 4.B.

TO: Harbor Community Redevelopment Agency Advisory Committee

THRU: Louis Zunguze, Community Development Director
Kyle Bauman, City Attorney

FROM: Lauren Witt, Principal Planner

DATE: May 7, 2021

SUBJECT: Harbor CRA Master Plan Update

I. BACKGROUND: During the Harbor CRAAC Meeting on April 14, 2021, The Committee requested Committee Member Best and Staff meet prior to the May Harbor CRAAC meeting to discuss Ms. Best's notes and recommendations regarding the update of the Harbor CRA Master Plan.

II. DISCUSSION:

Per the direction received from the Harbor CRA Advisory Committee on April 14, 2021, Planning Staff met with Committee Member Best to discuss requested changes to the Harbor CRA Master Plan on April 21, 2021. Specifically, the following items were discussed:

1. Format of the Master Plan
2. Redundancies throughout the Plan
3. Outdated Information

Staff would like to approach the update to the Harbor CRA Master Plan with the following steps:

1. Review the Comprehensive Plan policies listed in the Harbor CRA Master Plan with the current applicable Comprehensive Plan policies.
2. Identify and propose new format for the Harbor CRA Master Plan to reduce repetitive information.

3. Bring each chapter to Harbor CRA Advisory Committee for discussion and proposed revisions from Committee.
4. Draft Harbor CRA Master Plan based on recommendations from the Harbor CRAAC and present to Committee for recommendation to City Council.
5. Present updated Harbor CRA Master Plan to CRA Board/City Council for approval.

A. Link to Strategic Goals / Objectives:

B. Effect on Budget (EOB):

C. Level of Service (LOS):

III. CONCLUSION: CONCLUSION:

Staff's approach to the Harbor CRA Master Plan Update includes a review of the Plan for consistency with the current Comprehensive Plan policies, reformatting, and a chapter-by-chapter review with the Harbor CRA Advisory Committee.

RECOMMENDATION:

Staff is seeking direction from the CRA Advisory Committee regarding the proposed approach to the update of the Harbor CRA Master Plan.

IV. RECOMMENDED MOTION: I move that the Harbor CRA Advisory Committee adopt the proposed/recommended approach to updating the Harbor CRA Master Plan.

Attachments:

1. 5-23-03-HarborRedevelopmentPlan-Final
2. Sasaki Report -Destin Harbor Master Plan 1998

City of Destin

Harbor Community Redevelopment Plan

May 23, 2003

Prepared for:

City of Destin

4200 Two Trees Road

Destin, Florida 32541

And

Destin CRA

Prepared by:

The Cardwell Law Firm

Real Estate Research Consultants, Inc. (RERC)

Herbert-Halback, Inc. (HHI)

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1.0 Introduction

1.1 Background

Over the last several months, the City has organized a redevelopment initiative, which addresses the Redevelopment Area. This area has become generally known or referred to as "Harbor Community Redevelopment Area." The name and the concept generally encapsulate a vision for the entire Redevelopment Area as the principal tourist and business corridor within the City. This vision represents the community's commitment to revitalization and anticipates addressing and/or mitigating the constraints or conditions associated with site and/or structure deterioration, economic decline, inadequate street layout, harbor and bay access, transportation and parking facilities, functional deterioration or obsolescence and other conditions of "blight" as described in the *Harbor Finding of Necessity Report*.

The task of documenting and then implementing such a redevelopment initiative is complex and addresses numerous variables. From the outset, the City's policy has been to structure an approach that focuses upon creating a favorable public foundation for redevelopment while fostering an environment that induces and encourages substantial participation and commitment from the private sector. The City's objective is to limit its direct economic participation to leveraging and reinvesting various revenues that accrue to the specific benefit of the redevelopment area itself. These include primarily tax increment revenues derived from the Redevelopment Area but might also include other special programs that might not otherwise be directed to this area but for its special status. Private sector contributions in the form of direct capital investments, contributions, assessments or other vehicles may be partially offset by or combined with tax increment revenues or other public sources of funds.

The City has expressed its desire to create a redevelopment framework that can address potential redevelopment in not only the Redevelopment Area, but throughout Destin. The availability of tax increment revenues in support of community redevelopment initiatives is one of the most attractive elements within the community redevelopment regime. Tax increment is a means of capturing additional, or a share of additional, new tax revenues generated by redevelopment and revitalization in a specific redevelopment area and which might be used to fund projects or to repay debt incurred in promoting the redevelopment. The envisioned

approach will have the CRA aggressively apply its special resources to a series of public programs that seek or induce the flow of private capital.

In the present case, this approach offers the City substantial opportunity to leverage significantly underutilized assets. To the degree that much of the new or prospective development might not occur without substantial public investments to mitigate either site specific or area wide deterioration, it is important to understand that the incremental revenue identified herein might also never be generated.

1.2 Finding of Necessity Overview

Determining if blight conditions exist within a Redevelopment Area is the first step in ascertaining an area's appropriateness as a community redevelopment area. The *Harbor Finding of Necessity Report* describes the various physical, economic, and regulatory conditions within the Harbor Redevelopment Area that potentially are associated with blight or its causes and discusses the need for a community redevelopment area. Based on this analysis, there is a conclusion that there are blighted conditions within the Redevelopment Area, and that the repair, rehabilitation, and/or redevelopment of such areas is in the interest of public health, safety, and welfare.

A resolution adopted by the local governing body finding that such conditions exist is the required first legal step in initiating the full redevelopment regime envisioned under Section 163 Florida Statutes. Subsequent actions consist of the preparation of a community redevelopment plan for the area designated in the finding of necessity resolution. This community redevelopment plan provides physical information on the Redevelopment Area, identifies potential project types that can diminish or eradicate blighted conditions, and establishes a legal framework for a series of specific programmatic and policy actions that advance these projects.

Section 163.340 (8) Florida Statutes identifies fourteen criteria associated with blight or blighting conditions. The *Finding of Necessity Report* documents a minimum of six conditions present in the Harbor Redevelopment Area that are retarding its immediate and longer term social, economic and physical development. The legal tests described in Section 163 and pertinent to the City of Destin require that at least *two* of these criteria be satisfied. These criteria and their related conditions include the following.

Predominance of defective or inadequate street layout. (Section 163.340 (8) (a) Florida Statutes). The totality of the Harbor Redevelopment Area is comprised of a road grid that functions below current standards and requires substantial budgetary commitment to maintain and/or upgrade over time.

The absence of satisfactory internal connections forces local traffic onto US 98, which adds unnecessary and potentially dangerous trips to this arterial road. US 98 is not yet at capacity year round but the level of service does not consider how conditions might change should the area be developed to its allowable intensity. Though improvements are being discussed conceptually for US 98, the funds have not been committed to budgets or plans.

Localized ponding is known to occur in certain neighborhoods within the Redevelopment Area. It remains unclear if this occurs as the result of inadequate controls or poor execution. Regardless of its origin, periodic ponding is in need of correction and such intervention is frequently through some kind of public action or vehicle. Such drainage solutions usually occur in conjunction with road (re)construction.

The absence of sidewalks is deemed to be not only a safety issue but also further evidence of inadequate transportation. The condition of the existing road grid precludes the provision of sidewalks without costly reconstruction.

There is a documented parking deficiency in excess of 400 spaces. As a result, the City has observed that most visitors simply park where they can find space on private business property, whether they are patrons or not, and walk around the harbor area. The fact that there is no public parking visible from US 98 is an issue. Motorists that park their vehicles on the north side of US 98 must cross this busy corridor and/or parking lots with speeding motorists.

The observed traffic patterns during the busy tourist seasons in Destin, clearly, contributes much to circulation and to the safety conditions within the Harbor Redevelopment Area. Vehicular stacking remains a problem within the Harbor Redevelopment Area. This is especially true on the intersection of US 98 and Stahlman Avenue, near the East Pass Bridge. The stacking that occurs in this area is very problematic because of the aforementioned proximity to the bridge. The East Pass Bridge serves as the major conduit for commuters between the Destin area

and the Fort Walton Beach area. The abrupt start and stop motion, typically present in a stacking situation, can easily lead to numerous vehicular accidents.

Faulty layout in relation to size, adequacy, accessibility and usefulness. (Section 163.340 (8) (c) Florida Statutes). The commercial lots suffer from inadequacies as a result of their size, a condition partially reflected in the number of vacant or underutilized parcels. Where properties are, in fact, developed, depth and width limitations that force an increased number of ingress and egress points on major roads are observed. The typical lot dimensions, in conjunction with immediate proximity to residential areas, preclude adequate space for landscaping or other treatments that might buffer these residential zones. In today's competitive environment, contemporary development practices favor larger sites to vary and mix uses and activities. Although each non-residential site may be buildable, in the aggregate the commercial lots are largely economically dysfunctional or deteriorated because they simply do not meet contemporary design and investor requirements. It is highly likely that only aggressive actions to assemble lots can solve some of these site deficiencies.

There are numerous properties along the south side of US 98, as well as the west side of Calhoun Avenue that restrict access to the harbor and to Choctawhatchee Bay, respectively. A visual inspection of property lines in the aforementioned areas reveal that certain properties exist that preclude other properties from being accessed from the main roads. Private easements or agreements between property owners are most likely the form in which specific property owners can access their properties through other people's properties.

An analysis of land value, relative to total taxable value, suggests that many real estate assets are not adequately utilized. Individually and collectively, properties with such characteristics may be neither adequate, accessible nor useful.

Unsanitary or unsafe conditions. (Section 163.340 (8) (d) Florida Statutes). Insufficient sidewalks pose an immediately identifiable problem within all the neighborhoods that comprise the Redevelopment Area and along US 98. While accidents will occur, whatever safeguards are put in place, clearly having sidewalks for pedestrians on which to walk and a visible pedestrian-designated space wherein motorists are alert and vigilant, will diminish the number of accidents involving pedestrians. Left unchecked, the frequency of accidents will most likely continue to escalate.

Because parts of the sub-areas are not connected, the existing grid forces local traffic onto the perimeter arterials. Not only is capacity diminished, the unnecessary loading for local travel subjects more cars to the potential of accidents. Today's contemporary planning approaches recognize the need to capture internal trips as a means of achieving neighborhood safety.

Deterioration of site or other improvements. (Section 163.340 (8) (e) Florida Statutes). As noted in the “*Findings*”, most *buildings* within the Redevelopment Area are physically sound overall. The primary concern is deterioration in context and setting, which will discourage long-term sustainability and lead to a reduction in useful life more rapidly than will be the case in a stable residential and commercial environment

The context and setting is defined in large part by the quality of the public infrastructure. Among the most noticeable deficiencies are the lack of sidewalks and other pedestrian-oriented amenities, the perceived traffic stacking, the lack of adequate public parking, and the inability of the current stormwater system to prevent localized flooding. Individually, these conditions appear to be somewhat innocuous, but collectively they present a real challenge to redevelopment within the Harbor Redevelopment Area.

As for many of the commercial improvements, many simply do not meet current demands of the marketplace. Although they may not be deteriorated from a physical standpoint, many are nearing, or have reached, the end of their useful economic life and are functionally deteriorated. Parking and access conditions are clearly deficient.

Inadequate and outdated building patterns. (Section 163.340 (8) (f) Florida Statutes). Conditions of inadequate and outdated building patterns are literally self evident based on the most casual inspection of the Redevelopment Area.

Many contemporary designs or regulatory practices are violated by conditions in the Harbor Redevelopment Area. Among the deficiencies that speak to inadequate and outdated building patterns are the following:

- Planned intensity relative to the size and adequacy of platted lots
- Absence or deterioration of infrastructure

- Poor connectivity among neighborhoods prompting the use of regional arterials for local travel
- No sidewalks
- No designated public spaces
- Unrestricted and divided ingress and egress among numerous commercial properties
- Commercial intrusion into residential areas stemming from inadequate lot depth, poor design controls, and the absence of transitional zones that preclude opportunities to insert buffering.
- No view corridors

Diversity of Ownership. (Section 163.340 (8) (m) Florida Statutes). Arguably, the Redevelopment Area's diverse ownership is among its most onerous and fractious problems. Given the number of owners, the non-resident status of these owners, the pattern of small lots, and the demands of contemporary market or building requirements, it will be difficult for private interests to acquire sufficient property to alter the established patterns of development and use. Aggressive intervention will be needed to assemble parcels or holdings adequate in size such that the larger community is evidently committed to changing the Redevelopment Area's social, physical and economic character.

1.3 Intent of the Community Redevelopment Plan

The intent of this Plan is to serve as a framework for guiding development and redevelopment of the Harbor Community Redevelopment Area over the next 40 years. This Plan identifies redevelopment objectives, programs and capital projects to be undertaken to reverse blighting trends within the Harbor Redevelopment Area. This Plan addresses financing and implementation strategies as well as management and administration opportunities. These strategies will continue to be refined as they are implemented. It is clearly intended that special assessments and other revenues must be used in conjunction with available tax increment revenue to achieve stated goals. While based on the most accurate data available, the various strategies and costs identified in this Plan will require additional study and action by the CRA as specific projects are initiated, refined and implemented.

The Plan's focus is mitigation or correction of various transportation, parking, waterfront access and safety issues documented in the Harbor Finding of Necessity Report. Changing conditions could warrant the modification of this Plan.

The Harbor Community Redevelopment Plan describes objectives, initiatives, and a financial plan to mitigate or correct blight factors and concludes with a demonstration of how this Plan is consistent and complementary with the City of Destin's Comprehensive Plan and other studies done for the Harbor redevelopment area.

2.0 Legal Boundary Description of CRA

A parcel of land lying and being in unsectionalized township 2 South, range 22 West, City of Destin, Okaloosa County, Florida, being more particularly described as follows:

Commence at the Southeast Corner of Sandpiper Cove Phase I as recorded in Plat Book 1 Page 146 of the Public Records of Okaloosa County, Florida, thence proceed along the approximate mean high water line of Destin Harbor N-78°46'39"-W, 420 feet to the Point Of Beginning (POB). Thence N-13°49'-E, 493 feet to the South Right Of Way (ROW) of U.S. Highway 98 East, thence westerly along U.S. Highway 98 East to the intersection of Beach Drive, thence Northerly along Beach Drive to the Southeast corner of Sea Hills Third Addition as recorded in Plat Book 5 Page 104 of the Public Records of Okaloosa County, Florida, thence follow the South boundary of Sea Hills Third Addition, N-82°10'54"-W, 1048.41 feet, thence South, 24.88 feet, thence West, 139.75 feet, thence North, 130.4 feet to the South ROW of Legion Drive, thence Westerly along Legion Drive to the South intersection of the centerline of Benning Drive, thence Southerly to the North extension of the ROW line at the intersection with Azalea Drive, thence Northwest along the North ROW to the Southwest corner of Etretat Subdivision as recorded in Plat Book 10 Page 6 of the Public Records of Okaloosa County, Florida, thence North, 114.49 feet to the Southeast corner of Gulf Manor First Addition as recorded in Plat Book 8 Page 9 of the Public Records of Okaloosa County, Florida, thence N-76°9'22"-W, 720.19 feet, thence N-0°05'50"-W, 51.44 feet, to the Southeast corner of Ridge Wood Manor as recorded in Plat Book 12 Page 69 of the Public Records of Okaloosa County, Florida, thence N-76°07'54"-W, 955 feet, thence N-50°23'11"-E, 124.12 feet, thence N-39°41'11"-W, 307.92 feet, thence N-50°20'52"-E, 800 feet to the South ROW of Pine Street, thence Northwesterly along the South ROW of Pine Street to the West ROW of Calhoun Avenue, thence Southwesterly along the West ROW of Calhoun Avenue to the Northwest corner of lot 14, Moreno Point Military Reservation as recorded in Plat Book 26 Page 172 of the Public Records of Okaloosa County, Florida, thence N-59°05'37"-W, 468.3 feet to the approximate high water line of Choctawhatchee Bay, thence Southwesterly along the approximate high water line to Destin Harbor thence easterly along the approximate high water line to the POB; said parcel contains 397.34 acres more or less.*

*Note: Acreage will vary depending on actual mean high water level and shoreline conditions at time of survey.

Insert Figure 1 Boundary Map of CRA

3.0 Harbor Redevelopment Initiatives

The Harbor Redevelopment Area is to be redeveloped as an easily accessible, economically sustainable and attractive waterfront oriented district that provides safe transportation, pedestrian and recreation facilities in a manner that promotes a favorable identity for the City of Destin.

3.1 REDEVELOPMENT OBJECTIVES

In partnership with the private sector and other governmental entities, the Harbor redevelopment initiative will reverse the observed blighting conditions within the Harbor Area over a 40-year period by leveraging public assets to improve the overall economic condition and the physical condition of the Redevelopment Area. Strategic initiatives are to be identified and placed into action to address and remove blighting conditions that might forestall the achievement of these redevelopment objectives. Ultimately, the Harbor Area will be revitalized to benefit residents, businesses, property owners and visitors.

The objectives and redevelopment initiatives contained in this section address blight conditions within the Redevelopment Area as identified in the Finding of Necessity Report. These objectives are supported by the City's recently amended Comprehensive Plan and Land Development Code in addition to past studies performed for and by the City of Destin. The objectives shall be viewed as sound planning steps in the realization of the redevelopment initiative.

3.1.1 Objective 1 - Transportation and Pedestrian Safety. The transportation condition of US 98 and the lack of safe pedestrian facilities are among the identifiable blighting conditions within the Harbor Redevelopment Area. Its condition shall be seen as a priority in the implementation of this Plan. To address this priority an enhanced and interconnected network of right-of-way and other infrastructure projects that focuses on improving pedestrian movement, shall be planned. To spotlight and establish the area as an attractive and competitive destination in the larger regional framework, existing transportation, and access points shall be enhanced. Ingress/egress and evacuation routes along US 98 and its major connectors throughout the year and during periods of peak visitations or periods of emergency or distress shall be realized.

3.1.2 Objective 2 – Parking Improvements. Parking shall be made available to support development and access points throughout the Harbor Redevelopment Area and the US 98 corridor in particular.

3.1.3 Objective 3 – Harbor Access, Open Space and Recreation. The waterfront is one of Destin’s premier assets; yet the public access, open space and recreation opportunities within the Harbor Redevelopment Area are limited. Redevelopment initiatives shall be implemented that promote access to the Harbor and provide adequate open space and recreation facilities to meet citizen and visitor demand.

3.1.4 Objective 4 – Urban Design and Infrastructure. The first impression of the “quality of life” in the Harbor Redevelopment Area is expressed through the overall visual characteristic of the Harbor Redevelopment Area’s built environment. There are numerous properties that limit the ability to redevelop in an orderly and integrated fashion due to their condition, size and orientation. The City, through redevelopment initiatives, shall encourage owners of private properties to improve their sites. Public rights-of-way and property shall be improved in order to create a sense of place for the Harbor Redevelopment Area while enhancing basic infrastructure, specifically sidewalks, stormwater and utilities.

3.1.5 Objective 5 – Funding, Financing, Management and Promotion. The funding and financing portion of this objective calls for a creative, efficient, practical and equitable funding and financing mechanism to properly implement this Plan. It is perceived that these will be tied to the expected flow of tax increment dollars at the very least. The CRA shall implement programs that provide proper management of the redevelopment initiatives and promotion of the Harbor Redevelopment Area.

The remainder of this section identifies redevelopment programs and capital projects that when implemented support the redevelopment objectives as presented in this Plan. The capital and program costs of implementing the redevelop initiatives are addressed in Section 4.2 of this Plan.

3.2 TRANSPORTATION AND PEDESTRIAN SAFETY REDEVELOPMENT INITIATIVES

Improving transportation and pedestrian safety will positively transform the visual and general perception of the Harbor Redevelopment Area. The following initiatives shall be considered in improving transportation and pedestrian safety within the Redevelopment Area. Each of these initiatives will be amplified in an annual work program undertaken by the City of Destin and the CRA.

3.2.1 Transportation and Pedestrian Safety Program Initiatives

The following provides descriptions of potential programs that shall encourage improving transportation and pedestrian safety in the Harbor Redevelopment Area. Many of these programs are time sensitive while others are on going in nature. Programs such as the transportation study referenced in 3.2.1.2 will result in the identification of specific capital projects that shall be undertaken to realize redevelopment results.

3.2.1.1 *Transportation and Pedestrian Safety Design Guidelines.* The CRA shall establish design guidelines and/or standards that contain the following.

- Establish driveway spacing to prevent a motorist from encountering more than one conflict at a time.
- Address corner clearance and wherever practical control distance between driveways and the corner of an intersection.
- Develop driveway designs to allow vehicles to quickly exit the through lane.
- For wider driveways, the use of a driveway median shall be encouraged to provide a safe space for pedestrians, help to provide positive guidance to motorists and allow beautification and signing opportunities.
- Use medians and other innovative design methods to reduce the turning movements across lanes as well as provide a safe haven for pedestrians crossing the roadway.
- Develop and incorporate lighting and landscape standards to design a safe and inviting environment.

These guidelines/standards shall be drafted in coordination with the urban design standards referenced later in this Plan.

3.2.1.2 Transportation Enhancement Study. The CRA shall complete a transportation study to determine the most effective manner in which to control traffic, access and safety on US 98 and its major connectors. The transportation study shall include pedestrian, bicycle and other multi-modal transportation elements in addition to identifying ways to enhance emergency evacuation. The transportation study shall consider past transportation studies and recommendations in addition to evaluating other innovative methods to accomplish this objective.

3.2.1.3 Access Management Program Initiatives. Investigate alternative or innovative access management solutions for transportation problems. Pursue agreements allowing joint access, cross access, or other innovative uses between adjacent property owners to help control the number of access points on the road network.

3.2.2 Transportation and Pedestrian Safety Capital Improvement Projects.

3.2.2.1 Roadway Improvements. As indicated in the study referenced in 3.2.1.2, the CRA shall, in partnership with other agencies as deemed appropriate, implement the roadway improvement recommendations contained in the transportation study. Roadway improvements may include improvements on US 98, Stahlman Avenue, Mountain Drive, Benning Drive, and Beach Ridge Drive.

3.2.2.2 Multimodal Transportation Improvements. To provide safe and easy access for bicyclists and pedestrians, as well as motorists, traveling through the Redevelopment Area the CRA shall, in partnership with other government agencies as deemed appropriate, implement the multi-modal transportation improvement recommendations contained in the transportation study referenced in 3.2.1.2. Multimodal transportation improvements will include bike paths and other multimodal access improvements concurrent with roadway improvements.

3.2.2.3 Pedestrian Sidewalks and Crosswalks. An enhanced and interconnected network or right-of-way and other infrastructure projects that focus on improving pedestrian movement, parking, ingress/egress and evacuation routes along US 98 and its major connectors shall be realized. The CRA shall, in partnership with other government agencies as deemed appropriate, implement the sidewalk and crosswalk improvement recommendations contained in the transportation study referenced in 3.2.1.2. Projects will also include Bluff Ridge Walk, and Harbor Walk.

3.2.2.4 Evacuation Improvements. The CRA shall, in partnership with other government agencies as deemed appropriate, implement the emergency evacuation improvement recommendations contained in the transportation study referenced in 3.2.1.2.

3.3 PARKING REDEVELOPMENT INITIATIVES

Parking concerns addressed comprehensively will improve the function, appearance and safety of the Harbor Redevelopment Area. Furthermore, it is expected that any additional parking provided will increase property utilization in the area, substantially increase the number of spaces available and encourage cooperative public/private partnerships. Each of these initiatives will be amplified in an annual work program undertaken by the City of Destin and the CRA.

3.3.1 Parking Program Initiatives

The following provides descriptions of programs that shall improve parking in the Harbor Redevelopment Area. Many of these programs are time sensitive while others are on-going in nature. Programs such as the parking study referenced in 3.3.1.1 will result in the identification of specific capital projects that shall be undertaken to realize redevelopment results.

3.3.1.1 Parking Study. The City of Destin has performed several assessments identifying parking deficiencies within the Harbor Redevelopment Area, specifically the US 98 corridor. The City shall prepare a parking implementation plan. In drafting the implementation plan the City shall review past studies, update the deficiencies based on this review and current conditions and then prepare an action plan that specifies capital improvements, programs and other methods to eliminate parking problems and promote redevelopment within the Harbor Redevelopment Area. The parking study shall include the identification of locations where shared parking will work, an evaluation of the City's parking codes and the need to provide public parking and perhaps even the construction of parking garages or structures to increase capacity in critical areas.

3.3.2 Parking Capital Improvements

3.3.2.1 Parking Improvements. As indicated in the study referenced in 3.3.1.1, the CRA shall, in partnership with other government agencies, organizations or individuals as deemed appropriate, implement the parking improvement recommendations contained in the parking study. Parking improvements will include on-street parking concurrent with roadway improvements, and public parking garages and lots.

3.4 HARBOR ACCESS, OPEN SPACE AND RECREATION

The opportunity exists for the Harbor Redevelopment Area to provide prime recreation programs and facilities within the general community, specifically along the waterfront. Open space areas shall be present throughout the redevelopment area on both private and public lands. The design and placement of open space will provide the opportunity to intertwine pedestrian facilities throughout the corridor creating an environment that is walkable. Each of these initiatives will be amplified in an annual work program undertaken by the City of Destin and the CRA.

3.4.1 Harbor Access, Open Space And Recreation Program Initiatives

3.4.1.1 Recreational Programs and Special Events. The CRA shall support holding recreational programs and special events within the Harbor Redevelopment Area to promote Destin as a destination in addition to meeting local recreational needs.

3.4.1.2 Programs and Activities Supporting Commercial Access to the Harbor.

The Destin area was founded as a fishing village and many of its residents want to preserve and protect the commercial fishing industry. The CRA shall evaluate measures to support the economic stability of the commercial and sport fishing industries

3.4.2 Harbor Access, Open Space and Recreation Capital Improvements

The following open space and recreational improvements have been derived through conversations with community leaders and from past studies performed for and by the City of Destin for the Harbor Redevelopment Area.

3.4.2.1 Harbor Boardwalk. The City of Destin has undertaken numerous planning initiatives to improve the functionality, aesthetics and long-term prosperity of the City. During these planning exercises one of the highest ranked projects is the development of a boardwalk along the north shore of the Destin Harbor. The City of Destin has created a committee comprised of property owners along the north shore of the Destin Harbor, formally called the North Shore Landowners Committee. Their sole mission was to draft a proposal to the City that will result in the voluntary conveyance of public easement along the water's edge in order to construct a continuous boardwalk. The CRA shall support the initiatives of the North Shore Landowners Committee as they complete the planning process. The committee is currently completing Phase I of the Harbor Boardwalk Proposal. Phase II will be to complete an economic and parking demand analysis of the boardwalk project. The parking assessment can be completed as part of the parking study referred to in 3.3.1.1. Phase III will be the actual engineering and construction of the boardwalk. The completion of the boardwalk area will enhance the provision of access to the waterfront, provide recreation opportunities and serve as an economic stimulator.

3.4.2.2 Other Water Access Improvements. The CRA shall consider other physical improvements that will advance access to the Harbor for not only the general public but the commercial industries dependent on the Destin Harbor for their livelihood. Such improvements will include marinas, boat ramps, fishing piers and supporting infrastructure such as parking and utilities.

3.4.2.3 Special Events Area. Create a special events area that serves to unify existing civic facilities at Stahlman Avenue and US 98. This space will serve as an area for special events and programs to provide recreation and promote the Harbor Redevelopment Area as a destination point of interest.

3.4.2.4 Other Open Space and Recreation Improvements. Improvements to Taylor Park shall be planned and implemented in addition to the creation of a new harbor side park with access from US 98. Open space can be provided and enhanced through the establishment of landscape promenade to serve the US 98 corridor and Harbor. Other improvements include a Visitor Center.

3.5 URBAN DESIGN AND INFRASTRUCTURE

The aesthetic or design framework of an urban area is a composite of its various visual and planning elements. Each of these elements may have a different visual character or use when perceived separately. When viewed together, these discrete elements can determine the overall visual character or “image” of an urban area. The individual elements that help to define the character of an urban area may include major roadways, streetscape, public rights-of-way, buildings, landmarks, signage, greenspace, recreational areas, conservation areas and the edges of separate distinct areas.

The Finding of Necessity Report documented that the majority of commercial development is functionally obsolescent throughout the Redevelopment Area. The current proliferation of private signage and lack of uniform landscaping creates a visual blight that detracts from the area’s aesthetic environment.

In general the urban design initiatives presented in this Plan will abide by the overall goals, objectives and policies, including type, size, density, massing and building height, as outlined in the City of Destin’s Comprehensive Plan and Land Development Code. The following emphasizes urban design and infrastructure strategies that can greatly enhance the aesthetic and infrastructure conditions within the Harbor Redevelopment Area. Each of these initiatives will be amplified in an annual work program undertaken by the City of Destin and the CRA.

3.5.1 Urban Design and Infrastructure Programs

3.5.1.1 Evaluation of the Urban Design Framework. The Destin Harbor Area Master Plan addresses the Harbor Redevelopment Area’s urban design framework. The framework initiated by the Master Plan, shall be evaluated to ensure that the urban design framework correctly captures the desired enhancements for gateways, roadways, streetscape, right-of-way, parking, building and site components, location of open space and recreational areas, waterfront access, land uses and zoning. The urban design framework is a planning tool that establishes the foundation and tone for all planned improvements within the Harbor Redevelopment Area. The urban design framework evaluation shall result in a base plan that will guide the redevelopment as it relates to aesthetics in addition to function. The City of Destin’s Land Development Code, which is expected to be adopted by the end of 2003, shall also address the redevelopment area’s urban design framework.

3.5.1.2 Design Standards. The City shall encourage improved appearance and design of public and private projects as a means of encouraging more investment throughout the Harbor Redevelopment Area. The City shall prepare a document that presents the development regulations and design standards in a simple design manual format for public use. The design manual shall address streetscape, architectural, site, landscape, signage, public art and open space to provide visual continuity and a positive environment throughout the Redevelopment Area. Design standards establish a harmonious design vocabulary throughout an area for both new and existing facilities. The City's Comprehensive Plan discusses development intensities, densities, maximum height, and buffers. This shall be considered when developing design standards for the Harbor Area. The City's anticipated land development code shall be tested to insure that they do the following.

- Create an environment that is attractive and safe for pedestrians, bicyclists and motorists.
- Promote the use of proper construction materials that impart a sense of quality and permanence.
- Balance aesthetic values with function and economic realities.

3.5.1.3 Beautification Programs. Beautification programs such as Adopt-A-Median or Adopt-A-Right-of-Way can assist in the implementation and maintenance of landscaped areas within the Redevelopment Area. City sponsored beautification will be provided through the implementation of streetscape and gateway improvements. The beautification program will also include the preservation and enhancement of existing open spaces and natural features within the Redevelopment area.

3.5.1.4 Incentives for Site and Structure Improvements. The City through the CRA initiative will encourage private properties to improve their sites and structures. The City can provide non-monetary incentives such as code waivers and special exemptions to private parties to upgrade and maintain their properties. The CRA can also provide assistance in identifying and pursuing CDB Grants (Community Development Block Grants) and other funding sources to assist private property improvements.

3.5.2 Urban Design and Infrastructure Capital Improvements

3.5.2.1 Streetscape Improvements. Incorporate streetscape strategic planning in all projects to improve access, pedestrian and bicycle facilities and overall beautification for US 98 and other major roads within the Redevelopment Area. Streetscape planning shall provide a typical section for each roadway using consistent design guidelines throughout the Redevelopment Area. Any roadway and streetscape planning must include a phasing/prioritization plan to construct the recommended improvements. Streetscape improvements may include improvements on US 98, Stahlman Avenue, Mountain Drive, Benning Drive, and Beach Ridge Drive.

3.5.2.2 Gateway/Signage/Wayfinding System. Promote the location of important destinations in the Redevelopment Area through a gateway/signage/wayfinding system. Such a visual directional system, besides giving the Harbor Redevelopment Area an identity, is particularly important in its relationship to neighborhoods that are predominately residential and wish to enhance their security and integrity.

3.5.2.3 Stormwater and Utilities Improvements. All new development is required to provide adequate on-site stormwater and utility upgrades for the required development. The City of Destin's City-wide Stormwater Management Plan will include the Harbor redevelopment area and address stormwater issues. This plan is anticipated to be completed by the end of the year 2003. Specific projects will be reviewed as part of an annual work program that will be undertaken by the City of Destin and the CRA.

3.6 GENERAL STRATEGY FOR FUNDING FINANCING, MANAGEMENT AND PROMOTION PROGRAMS

The following programs and activities address the funding, financing, management and promotion of the Harbor Redevelopment Area. Detailed funding, financing, and management strategies will be provided in the annual work program that will describe the timing and components of the activities or improvements to be supported by the City and CRA.

3.6.1 Identification and Securing Equitable Funding and Financing Mechanisms

Identify and secure all feasible sources of funding to support the redevelopment initiatives described in this Plan. Such mechanisms can include, but are not limited to, tax increment revenues, ad valorem revenue, non-ad valorem assessment revenue, taxable or non-taxable bonds, other public instruments, grants and public/private partnerships.

3.6.2 Property Assembly Program

The intent of the property assembly program is to provide suitable sites for parking and associated commercial development by aggregating specially targeted or adjacent substandard lots to create larger parcels. Parcel aggregation is an expensive proposition, especially in the case of waterfront property. Nonetheless, the City of Destin and CRA must develop an acquisition approach. Decisions to aggregate must substantially support the vision, objectives and initiatives as indicated in this Plan and public money allocated for aggregation shall be returned at resale when feasible. Because of the high cost of land acquisition and limited tax increment financing capabilities, the City shall have a multi-faceted approach to acquiring properties for redevelopment. When feasible, encourage acquisition and subsequent redevelopment by the private market; second, explore land acquisition by either the CRA or the City for the Redevelopment Area properties. Other program include:

- Identify and inventory all relevant substandard properties.
- Document and analyze over all parking demands and constraints throughout the Redevelopment Area.

- Document site criteria for modern commercial developments by business type to facilitate the understanding of contemporary developer site and parking requirements.
- Map and index all commercial properties in the Redevelopment Area to provide detailed information on parcel boundaries, sizes, and ownership.
- The City shall facilitate aggregation and redevelopment of “problem” or constrained parcels or groups of parcels.
- The CRA and City shall assist in the purchase, sale, negotiation and coordination of land assembly.
- To assure the City’s and CRA’s success, public resources must be dedicated to fund the mapping and indexing of all properties in the Redevelopment Area; funding to research or otherwise obtain contemporary site development requirements; provision of City resources and staff time to negotiate acquisitions and public/private partnerships with potential developers; and, funding to finance land acquisitions by either the City or the CRA (some of which will be recovered or rolled over as properties are resold).

3.6.3 Branding and Promotion

Create a logo and identify package that can be used to identify the Harbor Redevelopment Area on literature, banners, gateways and promotional campaigns.

3.6.4 Comprehensive Plan, Land Use and Zoning Changes

As redevelopment initiatives are implemented, the CRA shall evaluate the impact of such initiatives on the City’s comprehensive plan, existing/future land use and zoning.

3.6.5 Programs that Encourage Public-Private Partnerships

The CRA shall develop programs and identify opportunities for public-private partnerships in the redevelopment of the Harbor Redevelopment Area. The establishment and maintenance of partnerships will serve not only to leverage the tax increment and other revenue sources but also stimulate community interest and support. Partnerships may take several forms from financial partnering to technical support to the promotion of the area. Each partnership opportunity shall be evaluated on a case-by-case basis for its overall value and impacts.

An interesting opportunity public-private partnership opportunity is identified in the Comprehensive Plan Policy 2-1.3.6: Promote Destin Harbor Water Taxi Service. The City shall coordinate with the private sector to encourage the development of a water taxi service within the Destin Harbor. The intent is to encourage the development of water taxi service as an alternate mode of transportation.

3.6.6 Programs that Maintain a Safe and Clean Environment

The CRA shall consider programs that enhance the safety or perception of safety within the Redevelopment Area. The following are a few recommended programs.

3.6.6.1 Community Policing. The Florida Community Redevelopment Act encourages “community policing innovation.” This is defined as policing techniques or strategies designed to reduce crime by reducing opportunities for, and increasing the perceived risks of engaging in, criminal activity through visible presence of law enforcement in the community, including, but not limited to, community mobilization, neighborhood block watch, citizen patrol, foot patrol, storefront police stations or intensified motorized patrol. The intent of these programs will be to improve the actual and perceived security, building safety and appearance of the Redevelopment Area. The following principles, based upon the experience of other communities, shall be established to guide these programs, they include: addressing environmental problems which cause or encourage criminal activity; involve local citizens in the campaign against crime; make the police force approachable and trusted and foster an image of the community as a safe place to live, work and do business. To realize the full intent of the community-policing, the following initiatives shall be undertaken.

- Law enforcement officers will circulate throughout the Redevelopment Area on a regular basis to meet visitors, residents and business owners, listen to their security concerns and ask for their ideas to solve crime problems. Whenever possible, officers shall attend community meetings and special events.
- Periodically analyze the crime “blotter” to assess the numbers and types of law enforcement responses within the Redevelopment Area. This analysis can be used to identify problems and trends.
- Create a special patrol or “beat” for the Redevelopment Area to provide a stronger law enforcement presence, additional door checks, bicycle patrols and like alternatives.

- Develop innovative techniques to address special needs of visitors.
- Develop and implement Crime Prevention Through Environmental Design (CPTED) standards to correct any security problems related to site improvements such as lighting and vegetation. These standards can be printed and distributed throughout the Redevelopment Area. The CPTED standards can be developed as part of the design guidelines for the Redevelopment Area.

3.6.6.2 Code Enforcement. In addition to community policing, the City shall evaluate the potential of more aggressive code enforcement activities both within, and near, the Redevelopment Area. This will be undertaken to assist in elimination of substandard zoning, building, landscaping and signs. It is important to assure the surrounding and adjacent properties are treated in the same manner. The following are implementation strategies for code enforcement activities.

- The City can evaluate existing and proposed codes for the Redevelopment Area and develop a more focused code enforcement program in order to respond to the specific needs of this area.
- To accomplish these strategies the City will need to develop and refine a code enforcement program and use code enforcement staff as required. The City in developing and enhancing the code enforcement program within the Redevelopment Area may use redevelopment funds.

3.6.7 Maintenance of Redevelopment Area Database

Creating and maintaining a public database will encourage businesses to remain, relocate or start-up within the Redevelopment Area. The creation and maintenance of such a database will consist of compiling and regularly updating a database of available land and commercial building space to provide prospective recruits with detailed location information. The database shall include the address and parcel identification number, total square footage, proposed projects, available square footage and price for each available housing, retail, office and industrial property in the Redevelopment Area. It shall also include information on property contacts and a brief property description. The database shall also include prospective tenants, owners and developers as a complement to the available space database described. This database can help identify potential recruits who fit the profiles shown in the market analysis and the spaces shown in the available database. Among the information to be compiled will be the sites, location and price range criteria of potential recruits.

Insert Figure 2 Redevelopment Initiatives Diagram

4.0 FINANCIAL ANALYSIS AND PLANNING

Among the most powerful tools associated with Part III Section 163, Florida Statutes, is the availability of tax increment financing to support a wide range of redevelopment initiatives. While tax increment is the single source of revenue enabled through the legislation, it is anticipated in most cases that a variety of revenue sources will be strategically assembled to meet the overall redevelopment objectives of this plan. When used in conjunction with these other means of funding or financing, tax increment, in effect, leverages the dollars that might otherwise be available.

This section of the plan provides some perspective on the tax increment that could accrue to the City of Destin's benefit under assumed conditions. This money will become available to support or further the program framework generally described in this Plan. This section also describes the funding and financing arrangements that are the most prudent means to support redevelopment activities. As noted in Section 3.6, the financial analysis necessarily requires greater detail, specific to the program or components contained in the annual work program. As the annual work program is prepared, financial analysis and funding strategies will be prepared to reconcile to each activity.

4.1. Tax Increment Revenue Forecasts

Estimates of prospective tax increment revenue that might be generated in the Harbor Redevelopment Area, assuming this redevelopment plan is implemented as anticipated, were completed by the City's economic advisor, RERC. The stream of prospective revenue is dependent on several factors, including the pace of development which occurs in the Harbor Redevelopment Area, the content of that development, its assessed and taxable value, the millage levied against the taxable base and the rate of appreciation in the existing tax base and the level of public intervention. Together, these many variables suggest a wide range of outcomes, all possible depending on the specific conditions imputed into the analysis. RERC illustrated these many possibilities by producing alternative estimates and projections that incorporate high, medium and low assumptions. The alternative sets reflect a range of parameters in which sound financial planning shall occur.

The analysis is based on Okaloosa County Property Appraiser tax roll data for 2002. The data indicates a taxable value for all properties within the Harbor Redevelopment Area of approximately \$198,800,000. It is assumed, for the purposes of this Plan, that the base year will reflect this sum as the base year valuation. Given the probability of some variability in the data set, the actual base is likely to differ from this sum. Any differences, however, that might occur through inclusion or exclusion will be relatively immaterial in the context of total valuation.

Specific increases in the tax base area shown in terms of expected development and its value. This expected development is based exclusively on past patterns of activity within the area as well as the anticipated development of Harborwalk Village – a 14.70-acre mixed-use development consisting of condominiums/time shares and commercial facilities – and two other condominium type projects (Marbella and Sides Marina Point). Developers for Harborwalk Village have secured a non-binding, preliminary assessment of their project from the Okaloosa County Property Appraiser's office. Coupled with input from the developer regarding potential timing of the aforementioned project, this preliminary assessment was used to assist in ascertaining valuations for near-term future development of other projects. Beyond these specific projects, the analysis is largely trend based and could be conservative.

RERC reviewed the improvements that have been developed within the Harbor Redevelopment Area since 1998 to estimate some trends that might reasonably be incorporated in this mix of future development. Generally, the high scenario assumes that most, if not all, development (Harborwalk Village, Marbella and Sides Marina Point) that is now being discussed with City officials will be built in the next five years, in part because of expectation about the area's newly envisioned set of public improvements. Further, in the high scenario, it is assumed that the Harbor Redevelopment Area could achieve improvements that are similar to the highest values associated with development since 1998. The medium scenario reflects a lower number of development projects in the redevelopment area in the long term (past 2010), compared to the high scenario. The low scenario represents the lowest development activity, as reported in the last five years of development within the Harbor Redevelopment Area. Both the medium and low scenarios include Harborwalk Village, but exclude Marbella and Sides Marina Point because even with approved development orders, the timing for these two projects are at least moderately speculative at this point. The absence of these other major projects, again are reflected in the medium and low scenarios.

Even with input from the developers of Harborwalk and City staff, any development occurring beyond 2010 shall be considered largely conjectural in all of the scenarios because the basis for such growth is speculative at this point. Given the nature of economic cycles and future uncertainties, the near term analysis shall be considered materially more reliable than the term extending past the year 2010. The Legislation allows this revenue stream to accrue to the benefit of the Harbor Redevelopment Area for 40 years. At this point, it is uncertain what the future will hold beyond that shown in the short term. This analysis, while useful for planning, shall be repeated periodically to account for major changes, additions and deletions as they occur. Over the next several years, an analysis that extends the tax increment evaluation to a full 40-year period will be more valid. In any case, the probability of achieving the pace of development identified herein is highly dependent on the City achieving its redevelopment goals. While the high scenario might be achieved, the low scenario is consistent with an absence of planned intervention.

The creation and use of mass appraisal data maintained by the Okaloosa County Property Appraiser is for ad valorem taxation purposes. Such database reflects a modern and professionally maintained public asset. The cooperation and assistance of the Okaloosa County Property Appraiser's office is appreciated. However, the use of such data for other purposes, such as economic forecasting, does present certain problems. Among the primary difficulties of the analysis is the manner in which Okaloosa County maintains its historical tax record information.

The *year built* is frequently omitted from records, especially as it pertains to condominiums and timeshares, so the City's economic advisor had to draw inferences about the period(s) during which various properties were added to the rolls. In contrast, the tax rolls appear to be very reliable regarding the year a commercial property and single-family house was placed in service.

For perspective on the growth in the Harbor Redevelopment Area's potential valuations, as mentioned earlier and as required by Part III Section 163, Florida Statutes, RERC reviewed tax roll data from the last 5 years, ending in 2002. That review revealed that taxable additions to the Redevelopment Area ranged from \$609,000 to \$7,800,000 on an annual basis. These figures were used as a guide to project reasonable growth figures for development beyond 2010.

In most cases, development will occur where various buildings have already been cleared from a site. While in a specific situation the ratables associated with these

parcels could have the effect of a diminution, the impact will most likely be immaterial relative to the total assumed values of approximately \$198,800,000. Further, any additions reflected on the tax rolls are based on structural values only, not underlying land which, though potentially understated, is included in the base evaluation. The City's (1.800) and the County's (4.250) current operating millage rates (i.e. those for FY 2003) are incorporated in the analysis and these are held constant over the planning horizon. For the last several years, the operating millages of Okaloosa County and City of Destin have been relatively unchanged.

As for the structure of the revenues that might be accrued, only the taxable value(s) net of the base year taxable value is considered in calculating current or future tax increment revenue. The general procedures used to calculate available revenue are shown in the following equations.

1. Assessed values, including new construction, LESS exemptions or exclusions EQUAL current taxable values.
2. Current taxable value LESS established base year taxable values EQUAL net valuations subject to applicable jurisdictional millages.
3. Net valuations TIMES applicable millages EQUAL tax increment revenue. Pursuant to Section 163.387, Florida Statutes, the maximum revenue available to a community redevelopment trust fund will be 95% of the calculated tax increment.
4. These various calculations are reflected in Tables 1, 2 and 3 in Appendix B.

An examination of each of the three scenarios indicates the value of the Redevelopment Area tax base at the end of 30 years. It ranges from approximately \$652,000,000 to \$924,000,000 depending on the scenario and yields a total of tax increment of \$453,000,000 to \$725,000,000. In the year 2011, the area will generate about \$531,000 to \$768,000 in revenue.

Again, all three scenarios assume development of Harborwalk Village in the relatively near-term future. The main difference among the scenarios is the rate at which taxable properties in the Redevelopment Area are added to the tax rolls. The value of these additions is primarily based on the pattern of growth that occurred within the Redevelopment Area from 1998 to 2002. The high scenario reflects the most aggressive year in terms of additions in that time period, while the low scenario mirrors the lowest period of growth within the redevelopment area.

4.2 Capital Improvement Plan and Operating Budget

This section presents the initial work plan based on redevelopment objectives and capital projects described within this Plan. The identified projects represent capital improvements necessary to realize the objectives contained in this Plan and are meant to be the type of projects to be undertaken within the Harbor Redevelopment Area. As budgets, funding and financial formulas are refined and finalized the sequence for the implementation of the projects in the capital improvement initial work plan may change. The projects listed all those given a priority that reflects practical and logistical efforts required to achieve the desired results. Specific activities will be detailed in the annual work program prepared by the City of Destin and CRA.

The recommended budgets for the capital improvement projects include design and construction costs as well as costs for additional studies, data manipulation or research needed to implement each project. The costs generally do not include the costs of land acquisition or right-of-way.

On-going or annual programs have also been identified under redevelopment initiatives in section 3.2 through 3.6 but are not referenced here since they are not capital projects. Additional projects that serve to implement the objectives contained in this Plan are anticipated. The work plan shall be formalized and reviewed annually as part of the City's and CRA's capital improvement process.

The Capital Work Plan projects and dollar amounts are primarily based on past studies performed for and by the City of Destin. The projects and numbers listed in the work plan and operating budget have been used for budgetary purposes only and are considered to be relatively conservative.

The budget for each project includes the costs of design, associated inventories, construction documents and implementation for each project. While representing and consistent with all analysis and discussions, these projects and their budgets are preliminary.

Harbor Community Redevelopment Area Projected Capital Budget

	Name of Improvement	Recommended Budget	
A	Roadway Improvements		
	• US 98	\$830,000	
	• Stahlman Avenue	\$400,000	
	• Mountain Drive	\$830,000	
	• Benning Drive	\$230,000	
	• Beach Ridge Drive	\$1,970,000	
	• New Secondary Streets	\$1,780,000	
	• Miscellaneous Secondary Streets	\$270,000	\$6,310,000
B	Multimodal Transportation Improvements		
	• Concurrent with roadway improvements	\$2,380,000	
	• Bike paths	\$1,070,000	\$3,450,000
C	Pedestrian Sidewalks and Crosswalks		
	• Concurrent with roadway improvements	\$5,750,000	
	• Bluff Ridge Walk	\$660,000	
	• Harbor Walk	\$7,990,000	\$14,400,000
D	Streetscape Improvements		
	• Concurrent with roadway improvements	\$5,750,000	\$5,750,000
E	Stormwater and Utilities Improvements		
	• Concurrent with roadway improvements	\$4,360,000	\$4,360,000
F	Evacuation Improvements		
	• Concurrent with roadway improvements	\$60,000	\$60,000
G	Parking Improvements		
	• Concurrent with roadway improvements	\$990,000	
	• Public Parking Garages	\$23,100,000	\$24,090,000
H	Harbor Boardwalk		
	• Bayside Boardwalk and Extension	\$2,650,000	\$2,650,000
I	Water Access Improvements		
	• Other access	\$270,000	\$270,000
J	Special Event Area		
	• Public Plaza	\$5,700,000	\$5,700,000
K	Open Space and Recreation Improvements		
	• Taylor Park	\$740,000	
	• Community Piers	\$1,110,000	
	• Visitor Center	\$390,000	\$2,240,000
L	Gateway/Signage/Wayfinding System		
	• Area wide	\$290,000	\$290,000
	TOTAL COST OF INITIAL CAPITAL PROJECTS		\$69,570,000

Table 1: Harbor Community Redevelopment Area Projected Capital Budget

4.3 FUNDING SOURCES

To supplement and leverage the funds available through tax increment revenues, the following sources can provide financial support for the implementation of the Harbor Community Redevelopment Plan. Their use and application is a function of specific project initiatives.

- The City is an appropriate source of funds for initial redevelopment planning support through its staff and consultants. These costs could be recovered from the CRA.
- Non-ad valorem assessments could be developed and imposed to fund the construction and maintenance of specific public improvements and essential services. Non-ad valorem assessments can facilitate the underlying credit for issuance of bonds or other financial instruments for anticipated capital improvement programs. A substantial portion of the tax increment revenues can be earmarked to offset or buy down such special assessments.
- The Florida Department of Transportation (FDOT) has a number of programs that could contribute funding for redevelopment efforts involving state highways. These include the Highway Beautification Grants Program, The Highway Safety Grants Program, T-21, Local Government Cooperative Assistance Program and the Adopt-a-Highway Program.
- Criteria considered by FDOT for participation and scheduling is availability of matching community funding which the CRA provides. The City shall approach FDOT regarding the impacts of the CRA and the possibility of FDOT as an additional funding source.
- The Florida Department of Community Affairs sponsors a grant program providing financial assistance to local governments within Florida's coastal counties. Florida Coastal Management Program grants are funded by the National Oceanic and Atmospheric Administration and the US Department of Commerce for such projects as management of coastal development and redevelopment, protection and management of coastal resources and hazard mitigation.

- The Florida Department of Community Affairs can also provide technical and financial assistance through such programs as the Community Development Corporation Support and Assistance Program and Emergency Management Preparedness and Assistance Competitive Grant Program.
- The Northwest Florida Water Management District may provide technical assistance in the design of stormwater improvements.
- The Florida Department of Environmental Protection has a number of sources that may be used in the acquisition and development of recreation and open space facilities.
- The Florida Department of Agriculture and Consumer Services' Florida Small Business Administration Tree Planting Program and the Urban and Community Forestry Matching Grant program offer financial support for tree planting and urban forestry programs.
- The Economic Development Administration of the U.S. Department of Commerce provides funding for public work works projects that create permanent jobs or construction jobs through the Grants and Loans for Public Works and Development Facilities Program through the Public Works Impact Projects Program.
- The Waterfront Florida Community through the DCA makes a total of \$75,000 in funds available to three communities that are designated to help with revitalization efforts in their traditional working waterfront areas.

Many of the sources listed also provide technical support such as expert advice, training or intern staffing for redevelopment initiatives. In addition to these public sources, the CRA shall investigate other state and federal redevelopment programs and funding opportunities involving the private sector to aid in implementing this Plan.

4.4 APPLICATION OF SOURCES

Tax increment revenue by itself will be insufficient to fund or support the range of initiatives identified as project priorities in this Plan. The medium scenario suggests that some \$9,000,000 to \$10,000,000 in debt may be supported, growing to a potential of \$13,000,000 to \$14,000,000 with increased collections. The high scenario enhances debt capacity to \$16,000,000 to \$20,000,000. While likely conservative because of the highly speculative nature of the analysis, the prospective revenues available point to the need to secure and to apply other sources of money(ies) if all program goals are to be achieved. The most likely scenario is a combination of increment and special assessments targeted to properties and structures most benefited by planned improvements. The use of funds unrelated to tax increment or assessments would be applied to projects or activities for which specific dollars may be available.

Some projects are more suited to the use of tax increment revenue than others. Generally, it is our opinion that these revenues be preserved for their ability to leverage other dollars, that they be applied to truly public facilities or services, that they be used for assemblages, and/or that they comprise a source of incentives for projects deemed most commensurate and supportive of the overall plan. Within these broad categories might be considered the acquisition of substandard or well located parcels that might fulfill some stated purpose, the financial support of parking or like facilities, and the direct support of as yet specified private projects if needed or desired.

We also recommend the use of benefit assessments that will be the source of funding for very specific improvements that benefit discrete activities, areas or properties. Among the improvements that can be funded through assessments are streetscape and parking. The assessment strategy will be married to tax increment to maximize impacts and results.

In general, it shall be noted that tax increment is not a viable source of funding for bond debt. Assessments, on the other hand, because they are assured and are secured by real property provide the needed revenue stream to place taxable and tax exempt debt.

5.0 Neighborhood Impact Assessment

The Harbor Redevelopment Area is approximately 601 acres and currently contains a mix of general land uses such as tourist retail and residential, light industrial, single family and multi-family residential. The actual harbor area itself is located south of US 98 and is mainly made up of charter boat rental shops (and related infrastructure such as parking and storage facilities), restaurants, bars and tourist retail shops. The land uses on the north side of US 98 include office, retail and light industrial. The residential component within the Harbor Redevelopment Area is located primarily north of the commercial corridor of US 98. This residential area does not have strong ties to tourist and commercial activities along US 98 but it is dependent upon US 98 for access. A few single-family homes are dispersed along US 98 surrounded by non-residential uses. The location of these low-density uses on harbor front parcels is an underutilization of the land.

An estimated 390 parcels of the total 956 parcels in the Harbor Redevelopment Area are ostensibly used for residential purposes. Of these about 242 are reported as single units with about 29% of these constructed prior to 1970. Only 150 single-family units currently claim the homestead exemption. Many of the residential properties, regardless of their appearance, are either used as second homes and/or rented out to seasonal users.

The residential area north of US 98 is a mix of residential levels; it is cohesive and shall be maintained. This area has infrastructure deficiencies including stormwater problems and the lack of sidewalks. The redevelopment initiatives discussed in Section 4 speak to improving Clement Taylor Park in addition to correcting stormwater problems and improving pedestrian safety throughout this residential area.

Urban design and land use is also addressed in Section 3 of this Plan. For the Harbor Redevelopment Area to revitalize, there needs to be comprehensive efforts to establish a consistent and dynamic land use pattern along the US 98 corridor, specifically the harbor side. The Harbor Redevelopment Area will benefit materially if the single-family uses along US 98 were replaced by higher intensity land use. The existing single-family units along US 98 are not low or moderate housing.

The purpose of redevelopment activities is to improve and enhance parking, transportation, pedestrian safety, harbor access, open space and recreation, urban design and infrastructure in the Harbor Redevelopment Area. These activities will include new construction and improvements that are intended to be beneficial to area residents, property owners, businesses and visitors within the redevelopment area as well as within the region. The Harbor Redevelopment Area is not seen as an area where residential uses are the primary land use. To support the provision of affordable housing the City in accordance with the Comprehensive Plan Policy 1-3.2.5 (4) – Develop Work Force Housing within the North Harbor Mixed Use Area – The City shall develop a market sensitive affordable housing incentive program for the local low wage work force that generally cannot achieve access to the housing market. The affordable housing program shall include innovative approaches that address both demand and supply issues. The affordable housing program shall incorporate non-conventional housing options such as dormitory housing or other alternatives designed to meet the basic housing and supportive amenities and service needs of the local low wage work force.

We do not foresee any effect on the school population or the need for additional community services or facilities, not already mentioned elsewhere in this Plan, to support the residential element within the Harbor Redevelopment Area.

The displacement of permanent residents is not foreseen; however, if the relocation of permanent residents is required as a result of the development or redevelopment activities, the City of Destin and CRA will consider providing assistance to minimize hardship to those being displaced. Relocation is further discussed in Section 6 of this Plan.

Existing residential properties may be temporarily impacted during the construction of any improvements. Impacts may include construction detours, noise and dust. Impacts are expected to be minimal while the benefits of redevelopment activities will be of long duration, adding greatly to the quality of life by providing a safe and attractive area that has adequate waterfront access, sidewalks, recreation, parking and other needed infrastructure improvements.

6.0 Implementation Plan

6.1 The Redevelopment Trust Fund

Once the Harbor Redevelopment Plan has been adopted by resolution, the City of Destin shall establish a Redevelopment Trust Fund through an appropriate ordinance. The trust fund will receive all tax increment money, grants, gifts or profits generated by redevelopment activities in the Harbor CRA.

Such ordinance is adopted after the City Council has approved the Redevelopment Plan. The annual funding of the redevelopment trust fund will result from additional incremental taxes collected in the Redevelopment Area by Okaloosa County and the City. Such increment will be determined annually in an amount equal to 95 percent of the difference between:

- (1) The amount of ad valorem taxes levied each year by the County, exclusive of any amount from any debt service millage, on taxable real property contained within the geographic boundaries of a community redevelopment area; and
- (2) 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 the City and County, 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 the City and County prior to the effective date of the ordinance providing for the funding of the trust fund.

6.2 Redevelopment Powers

The City of Destin Resolution Number _____ created and established the Destin Community Redevelopment Agency, pursuant to Section 163.356, Florida Statutes. The Community Redevelopment Agency is authorized to exercise all of the powers conferred by Section 163, Part III, Florida Statutes, which are necessary and convenient to carry out and effectuate the purposes of the Harbor Community Redevelopment Plan. The Community Redevelopment Agency will appoint an advisory board to assist the Agency in evaluating redevelopment initiatives and carrying out redevelopment activities in the Harbor CRA.

6.3 Relocation Procedures

The intent of the Harbor Community Redevelopment Plan centers on the revitalization of the tourist commercial area, enhancing the safety within the corridor and providing public access to the harbor. The redevelopment envisions substantial capital improvements relating to the right-of-way, harbor access, parking and recreational facilities. There is limited permanent residential use within the Redevelopment Area. The displacement of permanent residents is not foreseen; however, if the relocation of permanent residents is required as a result of the development or redevelopment activities, the City and CRA will provide assistance to minimize hardship to those being displaced.

Displacement is also addressed in the City's Comprehensive Plan Policy 3-1.7.1 – Provide Alternate Housing Sites for Displaced Structures and Residents. The City shall continue to enforce its Displacement and Relocation Ordinance. The City shall assist any person who is required to move from any real property as a direct result of the City's acquisition of such real property for public purposes, by locating other sites and housing facilities available to them as replacement dwellings. When planning the location of land acquisition for public purposes the City shall assess the degree of displacement that may occur. Destin shall not be responsible for relocating City residents who are displaced as the result of county, state, or federal programs or actions.

The CRA shall follow the relocation policies and procedures established by the Federal Department of Housing and Urban Development when Federal dollars are involved.

6.4 Duration of the Plan

The redevelopment initiatives and work program described in the Harbor Community Redevelopment Plan funded through tax increment revenues must occur within 40 years after the fiscal year in which this plan is approved or adopted, which is the time certain for completing all redevelopment financed by increment revenues.

6.5 Plan Modification

The Harbor Community Redevelopment Plan may be modified in a manner consistent with Florida Statutes 163.361. If the City of Destin Community Redevelopment Agency deems that the Harbor Community Redevelopment Plan be amended, it shall make a recommendation to the City of Destin. 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. The City of Destin shall hold a public hearing after giving proper public notice.

6.6 Severability

If any provision of the Harbor Community Redevelopment Plan is held to be unconstitutional or otherwise legally infirm, such provisions shall not affect the remaining portions of the Harbor Community Redevelopment Plan.

6.7 Safeguards, Controls, Restrictions or Covenants

All redevelopment activities under taken in the Harbor Redevelopment Area must be consistent with this Plan, the City's Comprehensive Plan and applicable land development regulations; all redevelopment plans will undergo review by the City.

Issues concerning restrictions on any property acquired for redevelopment purposes and then returned to use by the private sector will be addressed on a case-by-case basis to ensure that all activities necessary to perpetuate the redevelopment initiative are advanced in a manner consistent with this Plan and any amendment thereto. Such restrictions or controls would be expected to be in the form of covenants running with any land sold or leased for private use.

6.8 Consistency with Other Plans

The Harbor Community Redevelopment Plan is consistent with the City of Destin's Comprehensive Plan, 2003. Goals and Objectives that are specifically addressed by the Plan include, but are not limited to:

6.8.1 Future Land Use Element

Goal 1-1: Ensure that the character and location of land uses incorporate best management practices and principles of resource conservation, smooth and orderly land use transition, and aesthetics, and minimize threats to health, safety, and welfare which may be engendered by incompatible land uses, environmental degradation, hazards, and nuisances.

Obj. 1-1.1: Urban Design Principles. Within one year from the adoption

Policy 1-1.1.1: Standards Design Criteria. Design criteria to be adopted in the LDC are intended to ensure that new development will be in harmony with the appearance and character of adjacent and surrounding development and

Policy 1-1.1.3: Major Natural and Manmade Corridors.best management principle and practices for preserving and/or improving the character of major natural and manmade corridors, including:

1. Destin Harbor
5. US Highway 98

Policy 1-1.1.4: Scenic Vistas and Waterfront Views. A special design study or studies may be prepared by the City to identify view corridors as well as

Policy 1-1.2.1: Protect Residential Areas

Policy 1-1.3.3: Major Mixed Use and Commercial Activity Centers

1. Harbor Area Festive Market Place and Boardwalk

Policy 1-1.7.3: Underground Utilities.

Policy 1-3.2.5: Tier 3 Development Incentives.

2. South Harbor Off-Site Garage Parking
3. Improve Harbor Access and Preserve Significant View of the Gulf and Harbor
4. Develop Work Force Housing within the North Harbor Mixed Use Area

5. Relocation and Conversion of Above Ground Utilities to Below Ground Locations
6. Construct Open Space Malls and Arcades Equipped with Pedestrian-Oriented Furniture and Streetscape that Serve as Gathering Spaces for the General Public
7. Create and/or Reinforce a Pedestrian Friendly Transit System

Policy 1-3.4.1: Revitalizing Harbor Area. The City shall pursue the establishment of a CRA program and seek additional funding sources to implement redevelopment of the North and South Harbor Areas. The City shall continue Destin Harbor redevelopment planning using the proposed Destin Harbor Area Master Plan as a preliminary foundation for further consensus building.

Policy 1-3.4.2: Preserving Harbor Access

Policy 1-3.4.4: Grants for Improvements

Policy 1-3.4.5: Public and Private Sector Partnerships

Policy 1-3.4.6: Reinforce and Enhance Appearance of City Gateway along the US 98 Corridor

Policy 1-3.4.7: Code Enforcement Activities

Policy 1-3.4.8: Prioritization of Capital Improvements

Policy 1-3.5.7: Promote Compact Development

Policy 1-3.9.3: Hurricane Evacuation and Roadway Improvements

Policy 1-3.12.8: Urban Design and Community Appearance

6.8.2 Transportation Element

Goal 2-1: Multimodal Transportation System. Develop an efficient, high quality, multimodal transportation system that balances community circulation needs with regional travel demand.

Policy 2-1.1.1: Additional Access Roads.These access roads shall include an east/west roadway parallel to and north of US 98 to relieve existing congestion on US 98 by providing an alternative for traffic.

Policy 2-1.2.2: Manage Access Points. The City shall limit new access pointsby continuing to enforce distance requirements for driveways and median cuts.....

Policy 2-1.2.3: Shared Access

Policy 2-1.3.1: Bicycle and Pedestrian Facilities. The City shall develop bicycle and pedestrian facilitiesto link residential

areas and recreational commercial areas in a safe, comfortable, and convenient manner.....

Policy 2-1.3.6: Promote Destin Harbor Water Taxi Service

Policy 2-1.4.3: Coordinate Pedestrian Crossing System with FDOT. The City shall work with FDOT to ensure that new computerized traffic signal control system along US 98 provides adequate phase time

Policy 2-1.4.4: Additional Pedestrian Access Points. The City shall identify and design pedestrian crossing on US 98 between Stahlman and Benning Drive.

6.8.3 Housing Element

Goal 3-1: Quality Residential environment. Allocate land area to accommodate a supply of housing responsive to the diverse housing needs of the existing and projected future population and assist the private sector in providing affordable quality housing in neighborhoods protected from incompatible uses and served by adequate public facilities.

Obj. 3-1.1.1: Provide adequate and affordable housing for current and future populations.

Policy 3-1.1.2: Assist Affordable Housing Provisions

Policy 3-1.2.1: Enforce Building Codes and Zoning Regulations

Policy 3-1.3.3: Provision of Diverse Housing Types

Obj. 3-1.5: Conserve Neighborhood Quality and Existing Housing Stock. The useful life of existing housing stock shall be conserved through

Policy 3-1.5.2: Maintain Active Code Enforcement

Policy 3-1.5.3: Minimize Potential Blighting Influences

Policy 3-1.7.1: Provide Alternate Housing Sites for Displaced Structures and Residents

6.8.4 Public Facilities Element

Goal 4-1: Safe Water Supply. The City of Destin.....

Goal 4-2:to ensure that a safe wastewater collection, treatment and disposal system with sufficient quantity and quality to serve the City.

Policy 4-2.1.4: Elimination of Septic Tanks

- Goal 4-3:* Solid Waste Services.
- Goal 4-4:* Stormwater Management Services. Minimize stormwater runoff into Destin Harbor.
- Goal 4-5:* Flood Management. Provide adequate stormwater drainage to protect against flood conditions and prevent degradation of quality receiving waters
- Policy 4-5.1.4:* Roadway Drainage Facilities
- Policy 4-5.1.6:* Citywide Drainage Study
- Goal 4-6:* Protect Natural Groundwater Recharge Areas. Provide for the recharge of.....

6.8.5 Conservation Element

- Goal 5-1:* Natural and Environmental Resources. To conserve, manage, use, and protect the natural and environmental resources.....
- Obj. 5-1.4:* Protection of Natural Resources.
- Policy 5-1.4.7:* Managing Stormwater Runoff
- Policy 5-1.5.2:* Connection to Central Sewer Systems and Limited Use of Septic Tanks

6.8.6 Coastal Management Element

- Goal 6-1:* Coastal Management. Restrict development activities that would damage or destroy coastal resources, protect human life, and limit public expenditures in areas subject to destruction by natural disasters.
- Obj. 6-1.1:* Protect coastal resources, wetlands, estuaries, living marine resources, and coastal wildlife habitats.
- Policy 6-1.2.1:* Stormwater System Improvements
- Policy 6-1.4.2:* Preservation of Public Shoreline Access
- Obj. 6-1.9:* Hurricane Evacuation. The City shall coordinate with
- Policy 6-1.9.4:* Designated Evacuation Routes

6.8.7 Recreation & Open Space Element

Goal 7-1: Provide Adequate Recreation and Open Space. Insure provision of an adequate comprehensive system of public and private recreation and open space sites which meet the needs of existing and projected populations.

Obj. 7-1.4: Adequate Recreation Facilities and Park Design

Policy 7-1.1.5: New Neighborhood Parks

Policy 7-1.1.6: Maintain Beach and Shoreline Access Points

Policy 7-1.3.1: Coordinate Recreation Plans with Transportation Plans and Improvements

Policy 7-1.3.6: Beach and Park Directional Signage

6.8.8 Intergovernmental Coordination Element

Goal 8-1.1: Provide for Improved Intergovernmental Coordination

6.8.9 Capital Improvements Element

Goal 9-1: Management of Capital Improvements. The City of Destin shall undertake actions necessary to ensure that needed facilities and services are adequately provided.....

Policy 9-1.1.2: Capital Improvement Program. To set forth a financing program that identifies potential funding sources, including but not limited to:

- a. ad valorem taxes/general obligation bonds

Every effort has been made to prepare the Harbor Community Redevelopment Plan consistently with the City of Destin's Comprehensive Plan 2003, as demonstrated above. Other plans past studies done by or for the City of Destin have also been extensively reviewed for consistency to this plan.

6.9 Conclusions

The Harbor Community Redevelopment Plan provides a framework for an easily accessible, economically sustainable and attractive waterfront oriented district that provides safe transportation, pedestrian and recreation facilities in a manner that promotes a favorable identity for the City of Destin. Many projects have been identified. To realize effective redevelopment community leaders, businesspersons and residents alike must unilaterally support the redevelopment objectives and continue to do so over time and changing administrations.

Realization of the plan is a 40-year, time certain effort and it is anticipated that the CRA will update, or amend the plan on a regular basis to keep the redevelopment plan requirements focused and timely. The City of Destin and CRA will undertake an annual work program to focus and prioritize any activities or improvements within the Harbor Redevelopment Area.

Appendix

- A. Definitions
- B. Tax Increment Financing Tables
- C. Resolutions and Ordinance

Scope of Services

**Destin Harbor Area Master Plan
Destin, Florida**

Prepared by

Sasaki Associates, Inc.

64 Pleasant Street

Watertown, Massachusetts 02172

617 926-3300

August 10, 1998

SCOPE OF SERVICES

A. Introduction

Sasaki Associates, Inc. (SA or the Consultant), will undertake a comprehensive, multidisciplinary planning and design study of the Destin Harbor Area. The study is in the State Highway 98 corridor in the downtown area on the north shore of the harbor, generally bounded by Azalea Drive on the north, from the bridge to Main Street, and the harbor on the south.

The overall objective will be to prepare a detailed development program and site development plan which addresses long-standing issues of land use and vehicular circulation; pedestrianization, including public access corridors to the harbor and along the waterfront; aesthetics, including the visual character of the Highway 98 corridor and the general character of building development, including height and bulk; and the boating capacity of the harbor and its approach channel. An action plan will be prepared which describes the "public" improvements necessary to carry out the plan, the cost of improvements, sources of funding, and recommendations for regulatory changes including zoning and legal instruments to assist in implementation.

The planning and design study will build upon previous studies and available data including "Destin's Vision 2000" and the extensive transportation and traffic studies that have been carried out by FDOT within the State Highway 98 corridor.

The planning and design process will be carried out as a public/private partnership by the principal affected property owners and the city acting through a not-for-profit corporation. The property owners and city will form a "Task Force" which will act as the client to the consultant. A public outreach program of communication and public workshops will be carried out during the planning period before the plan and implementation program are submitted to the City Council for approval. The planning period is anticipated to take approximately 6 months.

Sasaki Associates will serve as prime contractor and will direct a series of subcontractors including:

- Transportation: Hall Planning & Engineering, Inc.
Tallahassee, Florida
- Economics: (*Harbor Market Analysis and Fiscal Impacts*)
Miami Economic Associates, Inc.
Miami, Florida
- Economics (*Programming and Financial Analysis*)
Amenta & Co.
Hartford, Connecticut
- Legal: Apgar & Pelham
Attorneys at Law
Tallahassee, Florida

The proposed scope is grouped into five phases of work:

- Phase 1: Goals and Issues
- Phase 2: Analysis and Program Development
- Phase 3: Alternative Concept Plans
- Phase 4: Master Plan for the north Harbor Area
- Phase 5: Implementation Program

B. Work Program

Phase 1: Goals and Issues

Objective

To define overall goals and critical issues, and to prepare a public outreach program.

Methodology

Task 1.1 Project Commencement

- a) Sasaki will meet with the Task Force to discuss the framework for the overall project, the key stakeholders, and the project schedule. At this time, we will confirm our understanding of the Task Force's goals and objectives and confirm the project schedule.
- b) Sasaki will work with the Task Force to establish a public participation program for the project that reaches out to the various constituencies affected by and interested in the Downtown Harbor Area Study. A definitive project schedule, which identifies the milestones during the planning process when the public and other interested parties can be most effectively engaged, will be prepared.
- c) Interviews will be carried out with the key stakeholders in the Downtown Harbor Area and within the community. The purpose of these interviews will be to elicit the critical issues, goals and ideas from each of these participants.

Products

- ✓ • Technical memorandum summarizing goals, objectives and confirmation of schedule.
- ✓ • Technical memorandum summarizing public participation process including identification of stakeholders, community groups, and schedule for public outreach.
- ✓ • Technical memorandum summarizing findings of interviews.

Phase 2: Analysis and Program Development

Objective

To define the planning, urban design, infrastructure, economic, legal, and vehicular, pedestrian, and waterborne transportation opportunities and constraints and to develop program options.

Methodology

Task 2.1 Site and Urban Development Analysis

- a) Previous planning studies including Destin's Vision 2000 and extensive existing traffic data will be reviewed for supporting information and analysis.
- b) A site reconnaissance will be carried out with a focus on the Highway 98 corridor and the water's edge to determine their physical and visual relationship to the abutters and the larger community.

Task 2.2 Market Overview

The market analyst will develop a baseline economic, demographic, and real estate market analysis. The analysis will focus on those factors that inform various redevelopment programs or scenarios including demographics, population, family size, income, GDP, evolution of the local economy and tourism. Economic trends for the next five to ten years and potential events that may effect real estate value will be forecast. The primary focus will be an overview of:

- a) **Supply:** An inventory of existing residential, office, retail, restaurant, entertainment and lodging supply; dimensioned by the number of units, area, project type; and segmented by the character and quality of space, typical floor area, number of levels, parking ratio, rent and ownership characteristics.
- b) **Demand:** Determine the evolution and trends of the market demand for primary and secondary residential development, office, retail, restaurant, entertainment and lodging; future demand forecast based on potential major socio-economic events and the potential market share appropriate to the Downtown Harbor Area.

Task 2.3 Vehicular Transportation Analysis

The transportation planner will review past planning studies and related traffic impact studies conducted within the study area, including FDOT's studies and the Azalea Trail PD&E study, in order to provide an existing conditions database for transportation conditions within the downtown Highway 98 corridor. The transportation assessment will include: traffic circulation, volumes, and capacity of key arterial streets serving the area; and pedestrian volumes, as appropriate. The product will be a baseline statement of study area transportation conditions, and a general assessment of existing arterial and intersection capacity at a planning level of analysis. Specific elements to be addressed include:

- The methodology for counting traffic between the city and the county.
- Potential capacity of the DOT's proposed State Highway 98 bypass and the implications to the existing Highway 98 corridor.
- Levels of service as they relate to concurrency.
- Inventory of existing parking supply.

Task 2.4 Harbor Analysis

A preliminary assessment of existing harbor use and capacity will be carried out, including an inventory of existing dockage, classification of boats by size and use; and peak use identification of conflicts within the harbor and its entry channel.

Task 2.5 Legal Analysis

Legal counsel will assess existing zoning and land use regulations and explore alternative land use regulations including zoning overlay techniques, urban design controls and mechanisms for financial implementation.

Task 2.6 Public Participation Process

Near the end of Phase 2, a work session will be held with the Task Force, followed by a public community meeting to discuss the goals and objectives and analysis issues.

Products

- ✓ • Technical memorandum and diagrams documenting the analysis of urban design, site, land use, and surrounding context.
- ✓ • Technical memorandum summarizing the market conditions, key economic opportunities and constraints, as well as visitor and resident demographics.
 - Technical memorandum outlining the existing zoning and land use regulations and summarizing potential legal and regulatory options. The memorandum will also address format and content parameters required by Florida laws governing Comprehensive Plan amendments.
- • Technical memorandum documenting the base transportation analysis of existing conditions and potential impact of the proposed Highway 98 bypass.
- ✓ • Technical memorandum documenting the Harbor Analysis.
- • Opportunities and constraints analysis.
- ✓ • Phase 2 report, summarizing the technical findings and synthesizing the opportunities and constraints within the study area.
- • Technical memorandum summarizing the comments, dialogue, and public input derived from the focus groups and the community meeting.

Phase 3 Alternative Concept Plans

Objective

To define physical design and program alternatives for the Harbor Area and the Highway 98 corridor.

Methodology

Task 3.1 Economic Development Alternatives

Based on the previous tasks, the market analyst will integrate the findings of the demographic, economic and real estate market conditions overview to inform the redevelopment plan alternatives for the Destin Harbor Area:

- Expected range of market support;
- Desired market characteristics and mix of uses, including size;
- Estimated timing and phasing of development, including absorption.

Up to three (3) alternative programs will be formulated for the Destin Harbor Plan site, based on the density/FAR capacity of the specific sites and the demands identified in Phase 2. These programs will consider a mix of appropriate uses including boating and other water dependent uses, residential, office, retail, food service, entertainment, recreation, lodging and parking. The development program will mix uses based on documented urban prototypes, market evaluation, and the economic imperatives of development financing. Specifically:

- **Water-Dependent:** Supporting uses for Destin Harbor and boating industry.
- **Residential:** Mix of sale/rental housing; architectural type, number of units and room mix; primary and secondary home.
- **Office:** Target market, multi-tenant, medical/wellness, professional, commercial.
- **Recreation:** Aerobics, health club, dance, racquet sports.
- **Retail:** Convenience, grocery, shoppers' goods, specialty, apparel, lifestyle, et al.
- **Food Service:** Full service, restaurants, food court, bar/café.
- **Entertainment:** Cinema, billiards, game room, cyber-tech, laser tag; discotheque.
- **Lodging:** Occupancy types; amenities, number of rooms and public spaces.

A separate specially focused and detailed program statement for the retail, restaurant, entertainment and public space components of the Destin Harbor Area will be prepared. The program statements will consider the site, competitive location, configuration, access, view, visibility and the community's objectives. Prototypical concepts to be investigated will include traditional "main street", community center, family entertainment centers, recreation and theme/specialty/entertainment.

Evaluation and interpretation of the market feasibility will be made on the basis of information provided in the previous phases and the professional judgment of the consultants.

Task 3.2 Destin Harbor Area Sketch Plans

Up to three (3) alternative sketch plans of the Destin Harbor Area at a scale of 1" = 200' will be prepared, as will preliminary sketches of prototypic areas, including beautification, pedestrian access and the harborwalk. Alternative concepts for the harbor and its channel approach will be prepared addressing shared use, dockage, common areas, and holding capacity.

Task 3.3 Transportation Alternatives

The transportation planner will assess the most recent concept proposal by FDOT and the Visions 2000 concept, and will develop site planning and street system alternatives for the corridor. Preliminary site plan concepts will be explored for the accommodation of DOT's proposed Highway 98 bypass on Azalea and Mountain Drive, the conversion of US 98 to a local street serving land use in the downtown and north shore of the harbor and restructuring the street network to accommodate the proposed bypass couplet. A preliminary assessment of parking requirements for the study area and the feasibility of a public parking program will be carried out. Also included will be an assessment of trip generations for the different program options.

Task 3.4 Legal Options

Land use regulation options for the alternative development and transportation scenarios will be summarized.

Task 3.5 Cost Estimates

Order-of-magnitude cost estimates will be prepared for the proposed development improvements in the alternative concepts.

Task 3.6 Public Participation

Near the end of Phase 3, a work session will be held with the Task Force, followed by a public meeting to discuss plan alternatives.

Products

- Phase 3 report including graphic and narrative presentations of the alternative concepts for the Highway 98 corridor and the Destin Harbor Area.
- Technical memorandum summarizing the discussions, comments, and public input from the community meetings regarding the different alternatives.

Phase 4 Plan for the Destin Harbor Area

Objective

To document the plan for the Harbor Area based upon selection of the preferred alternative in Phase 3 above.

Methodology

Task 4.1 Downtown Harbor Area Master Plan

A master plan for the Downtown Harbor Area at a scale of 1" = 200' and illustrative plans of prototypic areas will be prepared showing land use, vehicular circulation, parking and pedestrian ways. Prototypic plans will include cross-sections of roadway improvements, pedestrian access ways and the boardwalk. Recommendations will be made for the harbor, its entry channel and use of the shoreline for boating and other water-dependent and water-enhanced uses. The master plan format will be consistent with the State of Florida's requirements for comprehensive planning.

Task 4.2 Transportation/Parking Plan Element of the Master Plan

The recommended transportation improvements and measures will be compiled into a final transportation plan, including recommendations on roadway and intersection improvements, circulation and any transit system features, site planning and design guidelines. A proposed parking plan with financing options will be recommended.

Task 4.3 Draft Report

A draft report will be prepared to summarize the proposed master plan, including a summary of existing condition issues, proposed changes, and implementation strategy and recommendations as prepared in Phase 5.

Task 4.4 Public Participation

Near the end of Phase 4, a work session will be held with the Task Force, followed by a public meeting to discuss the draft master plan.

Task 4.5 Final Report

Following the review of the draft master plan by the Task Force and comments from the interested public, a final master plan will be prepared. Text materials for the master plan will be consistent with State of Florida requirements for Destin's Comprehensive Plan including, definition of goals, objectives and policies.

Products

- Illustrative master plan of the Downtown Harbor Area (in Autocad format), prototypic sections, and illustrative sketches of the proposed improvements.
- Draft and final phase report including graphic and narrative presentations of the master plan.
- Executive summary report for widespread distribution.

Phase 5 Implementation Program

Objective

To identify improvement costs, potential sources of funding, and other legal/regulatory actions that may be required to implement the proposed Destin Harbor Area Master Plan.

Methodology

Task 5.1 Cost Estimates

Cost estimates will be prepared for the master plan, including Highway 98 improvements and the proposed harborwalk, parking and landscape improvements.

Task 5.2 Financial Feasibility Analysis

The economist will provide a financial proforma for the Destin Harbor Area in order to demonstrate the "highest and best use" development option. This financial proforma will include line item development costs, revenue projections, financing and residual land value based on absorption.

A financial proforma will be prepared based on the master plan and advice on the financial arrangements which may be sought by property owners, developers, tenants, and lender/investors. Components will include:

Construction Budget: The construction budget for work contained in the Destin Harbor Area plan, including infrastructure and private development. This will be available for incorporation into the design/development process.

Development Budget: The pre-development and development costs for architecture, engineering, permits, developer fee, insurance, financing, interim interest, marketing, leasing and pre-opening will be determined

and included in the development budget.

- Market Absorption:** The development schedule and absorption will effect the financial feasibility, development sequence, strategy and expenditure requirements for infrastructure. The primary determinant of this is the market absorption of these uses.
- Fiscal Impacts:** In a general manner, the consultants will determine the employment impact and fiscal impacts on the City of Destin. This will be demonstrated by the growth of employment for construction, permanent employment and the multiplier on the secondary employment sector. We will estimate the increase in property tax generated from the existing base.
- Financing:** A description of the supportable debt and equity structure based on an allocation of the net revenues and cash flows available for private investment. Options for funding of infrastructure, public space improvements and public development projects, such as parking, will be profiled. This will include, but not be limited to, land sales or land lease proceeds; conventional debt financing; municipal/state grants; special below-market-rate second mortgages; industrial revenue bonds; Tax Increment Financing (TIF) approaches; special assessment districts; revolving loan funds; state-designated enterprise zones; pooled loan reserves; tax abatements and the availability of funding from FDOT, Okaloosa County and the City of Destin. Appropriate financing options for each target project will be outlined and an assessment carried out regarding the applicability of each option.

Task 5.3 Legal Requirements

The legal work to implement the master plan will include: (a) the preparation of an amendment to the comprehensive plan and the required application transmittal for State of Florida review, and (b) the preparation of land development regulations.

a) **Amendment to the Comprehensive Plan**

Legal counsel will prepare an application to the State of Florida for an amendment to the Comprehensive Plan, according to State Regulations Chapter 163. This transmittal will be presented to City Council for review and approval prior to forwarding to the State. Upon return from the State, amendments to the transmittal will be made as necessary, and, according to law, two public hearings will be held for community comments. The consultant will support the city in up to three public hearings relative to the proposed transmittal and the amendment.

b) **Preparation of Land Development Regulations**

In order to codify any new zoning techniques, land development regulations, urban design guidelines, or other regulatory provisions as proposed by the Destin Harbor Area Master Plan, legal counsel will prepare zoning and land development regulations. For the purpose

of this proposal, we have assumed that the two public hearing that are required will be coupled with the hearings for the Comprehensive Plan Amendment, as listed above.

Additional implementation strategies such as consideration of community redevelopment or tax increment financing that require legal analysis and recommendations are considered an additional service and can be priced during Task 5.

Task 5.4 Public Participation

The master planning team will support the City in presenting the legal proposals to the City in up to three public meetings.

Products

- Technical memorandum summarizing implementation recommendations, including estimated capital and operating costs, financial feasibility, funding sources, and cost/benefit analysis.
- Complete application to the State of Florida for an amendment to the Comprehensive Plan.
- Zoning and Land Development Regulations, as necessary, to implement the Destin Harbor Area Master Plan.

Destin Harbor Area Master Plan

Goals, Objectives and Public Participation Process

Prepared for:	Destin Harbor Task Force
Subject:	Project Commencement
Scope of Service Task Reference:	Phase 1, Task 1.1
Prepared by:	Sasaki Associates, Inc.
Date:	September 1998

GOALS AND OBJECTIVES

Overall Goal and Strategy:

Develop a plan for the Harbor Area that City of Destin officials can use as a guide for action and decision making and a plan that is compatible with the Destin Comprehensive Plan mandate of compact urban development.

Objectives of the Plan:

The objectives of the Destin Harbor Area Master Plan must recognize the set of distinct user groups of the harbor and its immediate environs and understand the different needs of each of these groups. The three critical groups are the fishermen, the permanent residential community of the City of Destin, and the tourists who include seasonal residents. Owners of property within the study area are included in the first two groups.

1. Contribute to an improvement in the quality of life for Destin permanent residents, for seasonal residents, as well as for the tourists. To meet this objective, the plan will address issues identified in "Destin's Vision 2000," including the lack of:
 - visual coherence in streetscapes and development projects
 - institutions, such as a hospital and a high school
 - open space and recreation areas
 - public beach access points
 - a complete pedestrian system
 - a transit system
2. Develop a consensus plan that appeals to the fishermen, the retirees, as well as those property owners who wish to realize the "highest and best use" development. Develop a plan for the City of Destin, that all its citizens can agree to as representing a vision for the future of Destin.
3. Develop a physical and economic plan that ensures the sustainability of the existing fishing and boating industries. The continuity of these industries is essential for the maintenance of the "Destin character." The harbor is the greatest asset the City possesses and without the industries of the working harbor, Destin would be less distinct from any other coastal settlement with beach resorts and strip commercial development along US 98.
4. Develop a "Harbor District" plan for Destin that provides a sense of place for the water front and for the upland areas bordering US 98. Create a land use and urban design development plan which integrates uses along the harbor with development parcels north of US 98; a plan that identifies a viable area of harbor tourism development with connections along the water edge and across US 98 to inland parcels. The Harbor District will give Destin a "fishing village" identity that is perceived not only from the water, but also apparent from the land side, both from a vehicular and pedestrian perspective. Currently the vehicular and pedestrian experience along US 98 is completely divorced from the water experience which is focused on the harbor.

5. Create a plan that identifies the potential for further water-dependent development in and along the harbor.
6. Ascertain the conflicts, if any, between the tourist and seasonal residents on the one hand, and the permanent residents on the other. Ensure that these conflicts are addressed in the plan.
7. Generate a vehicular and pedestrian circulation plan which addresses traffic issues comprehensively: a) vehicular traffic through the Harbor District, connecting to the CRA district at Main Street; b) a vehicular traffic pattern that minimizes through traffic across the more residential areas of Azalea Drive and Legion Drive; c) a network of pedestrian and bike paths that connects the various tourist attractions and destinations, perhaps including the beaches as well.

Specific Objectives by Phase of Work, as outlined in Scope of Services and as confirmed during the Task Force Meeting, August 12, 1998:

1. Phase 1 Define overall goals and issues.
2. Phase 2 Define planning, urban design, infrastructure, economic, legal, and transportation opportunities and constraints. Develop program options.
3. Phase 3 Define specific economic development alternatives (focused on water-dependent and water-enhanced uses). Generate up to three Harbor Area sketch plan alternatives with their associated transportation alternatives and cost estimates.
4. Phase 4 Define a Destin Harbor Area Master Plan based on the preferred alternative in Phase 3. Produce a draft report and, following public input, a final report.
5. Phase 5 Generate order-of-magnitude cost estimates for the Master Plan and produce a financial feasibility analysis. Implementation of the plan encompasses the preparation of Comprehensive Plan amendment(s) and Land Development Regulations.

PUBLIC PARTICIPATION PROCESS

1. Stakeholders who are being interviewed:
 - a. Task Force:
 - Alicelyn Hudson (Sharon Slivko)
 - Fred Schultz (Brant Kelly)
 - John Himes (Dewey Destin)
 - Lloyd Taylor (Jim Foreman)
 - Bob Nunn (John LeGrand)
 - Rick Seevers (Tom Rice)
 - Charles Morgan, Jr. (Craig Barker)
 - Steve Bennett (property owner)
 - Olin Marler (Property owner)
 - Jim Neilson (Co-Chair, property owner)
 - Dale Peterson (Co-Chair, property owner)
 - Keith Howard
 - Merlin Allan (at-large)
 - Samuel Blimling
 - Rev. Mike Hessee (at-large)
 - b. City of Destin:
 - Mayor Kenneth Beaird
 - City Council
 - Craig Barker
 - Dewey Destin
 - Sharon Slivko
 - Brant Kelly
 - John LeGrand
 - Jim Foreman
 - Tom Rice
 - City of Destin Staff
 - Jill Scroggs, Interim City Manager
 - Bob Franke, Planning Director
 - Chuck Meister, City Engineer
 - c. Charter Boat Captains
 - Coordinated by Olin Marler
2. Community Groups that have been contacted:
 - a. Greening of Destin

3. Schedule for public outreach:

All Task Force meetings are public meetings; the interested public is invited and encouraged to attend all Task Force meetings and consultant presentations. A charette is planned for October 14, 1998. All venues will be advertised in the local media at least 72 hours in advance, as customary in the City of Destin.

Special arrangements have been made with *The Destin Log*. The consultants will contact the paper on each Friday prior to a public meeting scheduled for the following week, so that substantive information may be available to the public in the Log's Saturday edition.

INTERVIEW FINDINGS

Introduction

Over the course of two visits to Destin (August 11th and 12th, and September 9th and 10th, 1998), members of the planning team interviewed the following individuals as part of *Phase I: Goals and Issues* of the Destin Harbor Area Master Plan. This technical memorandum outlines views and opinions that were shared by the interviewees. The resulting statements and themes do not represent an exhaustive list of all comments made during our conversations, but rather are an interpreted summary based on sentiments expressed repeatedly by a number of stakeholders in the community.

Merlin Allan	Jim Neilson
Craig Barker	Bob Nunn
Mayor Kenneth Beard	Olin Marler
Steve Bennett	Charles Morgan, Jr.
Samuel Blimling	Dale Peterson
Peter Bos	Fred Schultz
Herb Brough	Jill Scroggs
Jim Foreman	Rick Seevers
Bob Franke	Sharon Slivko
John Himes	Gene Smith
Keith Howard	Lloyd Taylor
Alicelyn Hudson	Rod M. Wright

Destin: The Informal Fishing Village on the Emerald Coast

The harbor in Destin is the center of fishing for much of the Emerald Coast. It provides a destination and sense of place for an entire region, certainly for Walton and Okaloosa Counties. Some interviewees stressed that Sandestin Resort and resort towns such as Seaside are all part of a greater conception of Destin, in the sense that the harbor serves as the regional fishing port.

The City of Destin enjoys a unique character which the planning effort should capture and preserve. The informality of the small rustic fishing village should be maintained as much as possible; architectural guidelines with strict color palettes and restrictive sign ordinances are not appropriate for the spirit of individual entrepreneurship in Destin. Arbitrary design changes to building elements would also not be acceptable. The vision expressed was one of a pedestrian-friendly informal urban environment; others talked about the need to give buildings, spaces, and streets a "village feel."

Nevertheless, a group of interviewees expressed a vision of a mixed-use harbor area that would result in a 24-hour environment, which combines shopping, restaurants and entertainment, as well as residential uses: "a vital urban district with a concentration of restaurants and residential uses." For this group of stakeholders, the development program for the district should include hotels with convention facilities, since "a world-class city needs a world-class hotel." Given the existing mixed use character in some parts of the harbor, interviewees emphasized the importance of noise regulations to ensure successful coexistence of entertainment and residential uses. Comments were also made regarding the avoidance of "honky tonk" entertainment development in the center of Destin.

A group of interviewees suggested that development per se was not the problem, it was the type of development that has recently occurred in Destin which they object to. While some said that low-rise development along the harbor is essential to preserve the fishing village character of Destin, others believe there should be no height limits to development. Instead a variety of building heights should be encouraged to avoid repeating the uniformity of the building mass on Holiday Isle. Tall buildings should be placed perpendicularly to the shoreline in order to preserve view corridors to the water.

The Urgency of a Master Plan for the Harbor Area

"The thing that plagues us is the uncertainty of what to do."

Many interviewees expressed the need for a plan that would determine the future land use of the Destin Harbor Area as a guide for development, both from the point of view of public officials who need guidance in what kinds of development to approve, and for the private sector development community which seeks consistency and predictability in the development approvals process. "We can't have a shoot out every Monday night," concerning development decisions in Destin, as one council member put it. All interviewees said that "we have to do something." And one interviewee commented that "we need a spirit of a new found vision" for Destin

Most interviewees mentioned that any proposal would need to be feasible and thought that "without takings, 90% of property owners would support the plan." The plan should be implemented step by step as property owners build and renovate.

Public Open Space and Access to the Harbor

Many interviewees advocated for public open space on the harbor, several suggesting that the City should own property on the water. Other thought that additional access to the harbor could be provided by private property owners who make an easement available to the public in return for tax benefits.

The majority thought the existing boardwalk was a wonderful addition to the harbor and should be finished and expanded. In addition connections to the harbor from areas north of US 98 should be provided. One interviewee suggested that the boardwalk should be extended northwestward along Choctawhatchee Bay to Taylor Park. A small minority of interviewees expressed concern that the public boardwalk along private property might not provide any business to food and beverage establishments because some visitors bring their own provisions. Some also expressed boardwalk maintenance and liability concerns.

In addition there is a desire to save the remaining dunes and the mature tree coverage. The beach ridge between Mountain and Azalea Drives has been developed since the 1960s. The remaining natural areas of the ridge should be preserved.

Harbor Pollution

The water quality within Destin harbor has reportedly deteriorated over the past years. Many interviewees cited runoff from impervious surfaces, including parking areas and US 98, as the primary source of the pollution. Others mentioned that an increased number of vessels in the harbor add to the problem. While the Florida DEP aims for zero runoff, no concrete initiatives are known to have been implemented to achieve that goal. Many interviewees lamented the lack of a public pump out station within the harbor; some speculated that this deficiency added to the pollution problem in the water body.

Saving the Sports Fishing Industry

Threats to the Long-term Viability of the Charter Boat/Sports Fishing Industry

The charter boat/sports fishing industry is not a self-sustaining economic activity, "it's a very vulnerable business." Even though some interviewees said that there would always be interested captains joining the fleet, the majority of the current captains and owners of charter fishing operations are approaching retirement age and there is no established pattern of children continuing the parents' business. While there have been out-of-town owners of charter boat operations, their success has been mixed, primarily because of limited owner control and operations oversight. However, there seems to be a pool of available boat captains interested in free lancing.

The financial structure of the charter boating business is not economically feasible. The cost of new boats, which approaches \$200,000 for a fiberglass vessel, cannot be amortized with fees charged for fishing expeditions. Formerly advantageous tax laws have changed as well. Many of the captains already depend on the services provided by the Fishing Coop. Spare parts and diesel fuel are available to members at whole sale prices, an important aid since fuel is the highest expense incurred by charter boat operations.

Some of the fishermen expressed concern for the long-term availability of affordable dock space in Destin Harbor. There are approximately 100 charter fishing boats in the harbor, about a third of which is docked at the Fishing Coop. The majority of the remaining 65 boats is located on leased land and facilities. These businesses are vulnerable to commercial and residential real estate development. The highest and best use for land on the harbor from an individual property owner's point of view is a condominium building with private yacht slips. The latter, in particular, is in high demand. One interviewee stated that the slips may in fact be more highly prized than the condominiums, particularly since Destin is the only harbor for large sea-going vessels in the region.

The planning team was informed that the Kelly family had offered to donate land and dock facilities to the City in the past, but that liability issues prevented the City from accepting this offer at the time. Despite this history some interviewees felt certain that both the City and the community would support public docking facilities for the fishermen, even though some City officials said that there was no City money available for such a project.

Finally, a number of charter boat operators expressed concern about the lack of sufficient boat maintenance and repair businesses in Destin. There are captains in Destin who hire maintenance crew from out-of-town to perform routine maintenance and repairs. The existing boatyard on the harbor provides basic services and, in the view of some interviewees, its activities add to the working water front character of Destin Harbor. However, the boat yard's lease is about to expire and it may not be renewed, which was welcomed by a minority of interviewees who consider the facility a nuisance among the boardwalk and restaurants.

Interviewees were unanimous in their desire to maintain the sports fishing industry. All recognized the unique contribution to Destin's sense of place made by the sports fishing industry generally and the charter boat fleet in particular. Most interviewees were inclined to support the industry, if necessary.

The changing nature of the sports fishing industry

More and more sports fishing customers travel to Destin to enjoy fishing recreationally; they are not interested in catching large quantities of fish for transport home. The new clientele has also expanded to include business travelers at conventions in the region. The Sandestin Resort, for example, offers package tours to Destin for a fishing expedition. Fishermen as well as restaurateurs said preferred the newer customer who is recreation-oriented and who usually spends more liberally on recreation and dining .

Traffic and Parking

There was no consensus among interviewees regarding parking options for the Harbor Area. Some felt strongly that an off-site parking program was essential for the success of the area. This could include a public parking program, which some thought the City and certainly the Chamber of Commerce and the Florida Department of Community Affairs would support. Interviewees talked about the possibility of street parking as a strategy for accommodating additional cars, and for reducing traffic speeds on US 98. Perhaps there could be a trolley system as well which would connect parking areas north of US 98 with attractions on the harbor and elsewhere. The sports fishing industry in particular faces a significant parking problem. The regulations are unclear, but the demand by boaters and employees invariably exceeds the parking supply available to each charter operation.

Others were adamant about the need to accommodate all parking on site, in garages and underground, if necessary. The latter cited the current anti-pedestrian character of US 98 as a significant deterrent for off-site parking facilities north of US 98 for businesses and attractions south of US 98.

Public beach and harbor access is also plagued by a lack of parking. A majority of interviewees said that public beach access per se was sufficient, but that lack of parking was the real issue.

Concurrency is of significant concern to stakeholders in the Harbor Area. The planning effort needs to address concurrency. Some interviewees strongly oppose the idea of a "concurrency exception area," while others view such a strategy as a useful tool for addressing traffic and development issues in the Harbor Area.

The perception of traffic along US 98 varied considerably among those interviewed. Some thought that more than 50% constitutes through traffic and feared a worsening situation with continuing development along the Gulf coast east of Destin. Others said that traffic may be bad in comparison to years past, but that there is never grid lock. Local residents know how to maneuver through the side and back streets in order to avoid the heavily traveled US 98.

Pedestrian Connections

Many interviewees commented on the separation that exists between the permanent residential community one block north of US 98 and the resort area of Destin south of US 98. A majority emphasized the need for pedestrian connections between these two areas: "Kids cannot get from A to B safely." There are few crosswalks linking the north and south sides of US 98 for pedestrians, and the sidewalks along the heavily traveled road are narrow without any separation from lanes of fast-moving traffic. Many interviewees mentioned the need for bikeways in order to facilitate movement through town by alternate transportation means. The planning team was informed that the bikeways along Calhoun Avenue had not been completed.

Seasonality and Visitor Profiles

Destin attracts Snowbirds in the winter and summer family vacationers. In recent years a wealthier clientele has sought out Destin as a vacation destination, as witnessed by real estate prices for second home condominiums. As a result, however, some of the traditional snowbirds have been out-priced in the current Destin market.

Destin Needs a Civic Focal Point and Public Amenities

Many interviewees shared a vision for Destin that creates an integrated year-round attractive town for visitors and local residents alike. "Make the town good for the citizens, then it'll be good for the tourists, too." The existing civic institutions are "inadequate" and are dispersed throughout town, with the exception of a minimal concentration of facilities around the Community Center, the Fire Station, and the small library. There currently exists no public facilities such as a swimming pool, municipal golf course, or a YMCA. And with a growing snowbird population in the winter months, Destin would be well served with a hospital or at least a medical facilities.

Destin Harbor Area Master Plan

Analysis and Program Development

Prepared for:	Destin Harbor Task Force
Subject:	Project Commencement
Scope of Service Task Reference:	Phase 2, Task 2.1
Prepared by:	Sasaki Associates, Inc.
Date:	September 1998

PLANNING AND URBAN DESIGN ANALYSIS

I. Land Use

1.1 Study Area Development Pattern

The most dominant topographical features of the study area consists of two beach ridges, a minor ridge following the edge of the harbor and a more pronounced ridge arching from the East Pass Bridge northwest to the area between Mountain and Azalea Drive. The smaller of the two ridges separates a lower land area at the harbor from an upper shelf paralleling US 98. At the western end of the study area the lower shelf on the harbor is quite narrow at approximately 80 feet; it widens to 150 feet at Captain Dave's and then diminishes rapidly. The dominant beach ridge between Mountain and Azalea Drives rises to a height of more than 50 feet and affords views across to the harbor and the Gulf of Mexico to the residences located there.

These topographical features of the site have had a direct impact over time on the land use development of the harbor area: in broad terms the major beach ridge identifies a line of separation between the single-family residential uses to the north and the mixed but predominantly commercial uses to the south. Similarly, but at a smaller scale, the minor beach ridge separates boating, fishing and entertainment uses on the lower portion from the upper commercial functions directed towards the highway.

The different land use categories identify three primary user groups of the Destin Harbor area: the primary residents of the year-round community of Destin; the fishermen with their specific facility requirements; and the tourists.

1.2 Existing Site Characteristics and Current Building Use

The linear use pattern that has developed in layers along the north side of the harbor responds directly to the harbor and its amenity, visibility, and access from US 98. For example:

- Restaurants and marine uses are located directly on the harbor edge.
- Strip retail development and some commercial services are clustered along US 98.
- Commercial services with less dependence on visibility are located along Mountain Drive.
- Permanent community residential uses are located predominantly north of Azalea Drive.
- Community facilities and institutions are situated along the seam between the commercial interests along US 98 and the residential community to the north.

The overall development intensity is very low; the average FAR lies probably somewhere between 0.10 and 0.20. The pattern of development is extremely scattered; the extensive areas used for surface parking in the study area further illustrate the disjointed pattern of development: almost one third of the study area is dedicated to surface parking uses.

One of the consequences of an automobile-dominated environment is an underdeveloped system of pedestrian connections, which for any urban development limits mobility by relying almost entirely on a single mode of transport. In the context of an urban resort environment, such as Destin's harbor, a positive pedestrian experience is a key element for

tourism. The success of the existing board walk attests to this condition. For the long-term viability of the resort an extended pedestrian network is essential.

1.3 Land Ownership

There are approximately 504 properties within the 443 acre study area, excluding condominium subdivision of small lots. The primary pattern of small lots renders the assemblage of large tracts for redevelopment difficult. However, of the existing 504 properties, approximately, 59 are larger than 1.25 acres. These larger properties are located throughout the study area but are concentrated in specific regions:

- Between Beach Drive and Main Street, occupied by churches, shopping centers and large retail establishments.
- Along both sides of US 98 between the East Pass Bridge and Melvin Street occupied predominantly by hotels, highway commercial development, parking areas and waterfront commercial development
- Between Stahlman and Sibert Avenues, either vacant or occupied by a variety of uses including retail, housing, ministorage, and public facilities.
- In two particularly strategic gateway locations at the western and eastern end of the study area.

The city of Destin owns two properties in the study area occupied by the community center, fishing museum, cemetery, and public library. The city also owns two rights of way to the harbor south of US 98. One is the southern extension of Beach Drive, scheduled to be developed as a park with a public pier. The second is an unimproved parcel about 700 feet to the east of the first.

Location	Large Properties (>1.25 AC)	Other Properties*	Total Properties	Standard residential subdivision parcels (included in total)
West of Calhoun	3	15	18	
Between Calhoun and Sibert	3	17	20	
Between Sibert and Stahlman, northeast of Zerbe	6	14	20	
Between US 98, Siebert and Zerbe	1	2	3	
Between Stahlman, Palmetto, Mountain and US 98	4	5	9	
Between Stahlman, Palmetto, Mountain	1	3	4	
Between Palmetto, Marler, US 98 and Mountain	2	7	9	
Between Palmetto, Melvin, Mountain and Azalea	2	100	102	60
Between Marler, Melvin, US 98 and Mountain	3	19	22	
Between Melvin, Benning, US 98 and Mountain	1	20	21	
Between Melvin, Benning, Mountain and Azalea	2	22	24	
Between Benning, Beach, north of US 98	4	101	105	83
Between Beach, Main, north of US 98	12	66	78	41
South of US 98 between the bridge and Beach	14	36	50	
South of US 98 east of Beach	1	18	19	
Totals	59	445	504	184

*does not include subdivisions of small properties

1.4 Land Values

Land values follow the expected pattern of high prices along the water edge of the harbor and a progressive decrease heading north across US 98 and beyond. Approximate 1998 market values are as follows¹, measured by "front foot:"

\$250 - \$600 in residential areas between US 98 and Azalea Drive
\$1,000 for commercial property along Mountain Drive
\$4,000 for commercial property on the north side of US 98
\$5,000 - \$10,000 along the harbor front, south of US 98

There are two implications to this pattern. First, over time it will be difficult to maintain the needed support facilities to the boating and fishing industries, especially in the most expensive regions of the study area, which are also the most convenient to the docks. Second, any new transportation initiative within the study area which will allow better access to inland properties is likely to dramatically shift land values.

1.5 Existing Zoning Regulations

The study area contains parcels in six different zoning categories.

- **Business Tourism (BT)** is the dominant category in the study area encompassing nearly all of the parcels on either side of US 98 and those along Mountain Drive between Stahlman Avenue and Benning Drive. The category permits a wide range of community, commercial and residential uses, including hotels, motels, multi-family dwellings, as well as residential and commercial PUDs. This district, however, also permits a large variety of uses, which have adverse effects on a tourist district. Examples of such permitted uses are car-wash facilities, auto sales and repair establishments, self-storage miniwarehouses, building and lumber supply facilities, among others. There is no minimum lot area and maximum building height is dependent on setback provision.
- A small portion of the study area on the southern side of Azalea Drive near Palmetto Street is designated **Business General (BG)**. This category permits a wide variety of community and commercial uses and, through special exception, a variety of residential uses. There is no minimum lot area and maximum building height is dependent on setback provision.
- The area north of Azalea Drive and west of Stahlman Avenue, near their intersection, is designated **Business Retail (BR)**. This category, more restrictive than BT or BG, permits a smaller range of community and commercial uses and, through special exception, a variety of residential uses. As for the other business categories in the study area, there is no minimum lot area and maximum building height is dependent on setback provision.
- The residential subdivision on Sea View, Mountain and Sea Oats Drives just west of Beach Drive is designated **Residential Urban Single (RUS)**. This category permits detached one-family dwellings, churches, schools and community facilities. Minimum lot size is 7,500 square feet and maximum allowable building height is 35 feet.

¹ Information provided by D.E.P. Real Estate and The Real Estate Market, Inc.

- Most of the south side of Azalea Drive is designated **Residential Intensive Apartment (RIA)**. Minimum lot size ranges from 7,500 square feet for a one-family structure, to 6,500 square feet + 1000 additional square feet per unit in a three story building. Maximum building height is 35 feet, unless the building is three or more stories, in which case allowable building height is dependent on setbacks.
- The parcels along Sibert Avenue northeast of Zerbe Street and those south of US 98 immediately east of Beach Drive are designated **Residential Urban Duplex (RUD)**. This category permits one-family detached houses, duplexes, attached houses, churches, community facilities, rooming houses, bed and breakfasts, and nursing homes. Minimum lot size ranges from 7,500 square feet for a one-family building to 8,500 square feet + 3,000 additional square feet per unit for buildings of four or more stories. Maximum height is 35 feet, unless the building has four or more units, in which case allowable height is dependent on setbacks.
- The lots along Calhoun Avenue north of Zerbe Street are designated **Residential Suburban (RSS)**. Permitted uses include one-family detached dwellings, churches, and community facilities. Minimum lot size is 15,000 square feet and maximum building height is 35 feet.

The Zoning Ordinance sets forth no intensity requirements, as expressed in terms of FAR. The City's Comprehensive Plan and its accompanying Future Land Use Map use FAR to stipulate development intensity, as described below (see 1.7).

1.6 Existing Parking Regulations

The Destin Land Development Code requires specific minimum parking provisions for individual building uses. Requirements are defined either as spaces per quantity of gross floor area or as spaces per some customer interface characteristic of the specific use. Parking must be provided on the same lot or parcel as the use it serves.

Uses in the study area that require the most parking per area are churches (one space for every three fixed seats in the main auditorium, one space per 35 square feet of gross floor area if there are no fixed seats), cocktail lounges and restaurants (one space for every 75 square feet of gross floor area), and fare-carrying vessels (five spaces for each slip, excluding sightseeing or dinner cruise craft which require one space per 75 square feet of gross floor area).

Requirements for common uses are as follows:

Dwellings, single family	2 spaces per dwelling unit
Dwellings, multifamily	2.25 spaces per dwelling unit
Mobile home parks	2.25 spaces per mobile home
Multifamily resorts	1.75 spaces per dwelling unit
Churches	1 space for every three fixed seats or, if there are no fixed seats, 1 space for every 35 gross square feet within the main auditorium
Banks, medical and dental offices, general offices, general retail	1 space for every 200 gross square feet
Restaurants and cocktail lounges	1 space for every 75 gross square feet
Hotels, motels	1 space for every room + 1 space for every 2 employees on largest shift
Miniature golf	3 spaces for every hole + required spaces for

	all other uses on site
Shopping centers	1 space for every 250 gross square feet
Theaters, multi-screen	1 space for every 3 seats +5 spaces for employees
Dry boat storage facilities	2 spaces for each dry dock
Fare-carrying vessels	5 spaces for each slip
Sightseeing and dinner cruises	1 space for every 75 gross square feet
Marinas	1 space for every non fare-carrying boat slip + requirements for all other uses on site

Parking requirements may be reduced under the following circumstances, provided they are documented as required by the code:

- The area of leasable space is an unusually small percentage of the gross floor area
- Parking threatens mature trees of a specified minimum size
- Adjacent uses with noncoincidental peak parking demand periods employ a mixed or joint parking supply.

Parking may be provided off site only if the city council establishes a special parking district. In such a case an owner may pay a fee to the city towards the provision of public parking in lieu of providing private, on-site parking.

While the parking ratios required for specific land uses are not uncommon, the stipulation for on-site parking translates into limited flexibility to accommodate the parking needs creatively. The on-site parking requirement has further negative impacts on the pedestrian environment, as most buildings are isolated from one another by parking lots.

1.7 Future Land Use

The proposed future land use reinforces the existing linear development patterns including all its associated deficiencies. Low intensity of development regulations and on-site parking requirements perpetuate a scattered pattern of development, which perpetuates the deficient pedestrian environment.

The City of Destin Comprehensive Plan and its Future Land Use Map prescribe the following density requirements per land use category:

Low Density Residential (LDR)	0.00 - 2.59 DU/gross acre
Medium Low Density Residential (MLDR)	0.00 - 5.80 DU/gross acre
Medium Density Residential (MDR)	5.81 - 9.99 DU/gross acre
High Density Residential (HDR)	10.00 - 19.9 DU/gross acre
Low intensity urban (LIU), mix of residential and commercial	
permanent residential	5.81 - 9.99 DU/gross acre
lodging (hotels, motels, resort condominiums, roominghouses, resort dwellings)	24 DU/gross acre; 0.5 max FAR
total residential may not exceed 60% of gross land area in district	

Mixed Use (MU), intense mix of residential and non-residential	
permanent residential	19.9 DU/gross acre max.
lodging (hotels, motels, resort condominiums, roominghouses, resort dwellings)	30 DU/gross ac; 1.07 max FAR
(commercial, medical, recreational)	non-residential 1.07 max FAR
Commercial and Industrial Uses	1.07 max FAR

City Ordinance 152.9, Section 2, Article 7 describes a somewhat unusual method of calculating FAR. FAR in most cases is calculated by dividing the gross building floor area by the gross site area. The method prescribed in Ordinance 152.9 excludes from the site area building setbacks, as well as parking and landscape requirements to arrive at a net building site area. This number is then divided by the gross building site area. The method does not consider the actual building area of the structure, thus providing only an indirect measure of density.

II. Circulation

2.1 Existing Circulation

The existing circulation pattern in Destin is characterized by a stark hierarchy between the dominance of US 98 as the major east-west connection through town and the much less frequented side streets. Mountain and Azalea Drive provide east-west connections but only within the limits of the study area: Azalea ends at Benning Drive, while Mountain Drive continues on to Beach Drive, albeit via an off-set intersection at Benning Drive. Calhoun and Stahlman Avenues provide access from the East Pass bridge northeast to the residential portion of Destin, as do Benning and Beach Drives, and Main Street. Within the study area, north-south connections between Azalea, Mountain, US 98, and the harbor are minimal, resulting in large blocks along US 98 with multiple curb cuts. This pattern has direct impacts on traffic and congestion along US 98. In addition, the lack of connections to the harbor severs this most important amenity from much of the city.

Currently between 31,000 and 39,000 vehicles travel on US 98 per day.² While no exact data are available at this time, estimates suggest that 30-50% of this traffic volume is regional or through traffic, while the remainder constitutes local traffic with origins and destinations within City limits.³ There currently exists no formal alternative to US 98 for east-west travel, although anecdotally residents use side streets to maneuver through town while avoiding the heavily traveled state highway.

2.2 Previously Proposed East-West Connections

In 1993/94 a Florida Department of Transportation study entitled "Azalea Trail Study" proposed a four-lane alternate to US 98 along Azalea Drive and continuing beyond Benning Drive along a utility easement to connect with US 98 beyond Airport Road to the east. This alternative was rejected by the citizens of Destin, due to impact concerns, particularly for residents in close proximity to the alignment.

² US 98 24 hour traffic counts (April 28, 1998)

³ Hall Planning and Engineering, Inc.

“Vision 2000” explored the possibility of a one-way pair through the heart of the harbor area between Stahlman Avenue and Benning Drive, using a narrowed US 98 for three lanes of east-bound travel and converting Mountain Drive into a three lane on-way street heading west. Additional north-south connections between US 98 and Azalea Drive were proposed in this section of Destin as well.

In 1997, Carlan Killam was retained by the City of Destin to develop “Alternative East/West Roadway Improvements.” Alternative C was chosen from among a series of proposals as the preferred alternative. Alternative C suggests a local roadway connection between Azalea Drive at Benning Drive and Legion Drive at Beach Drive, which would lead east-bound traffic to Airport Road.

Currently the City of Destin has requested that the Metropolitan Planning Organization include again among its list of priority projects a study for an east-west alternative route to US 98.

III. Open Space

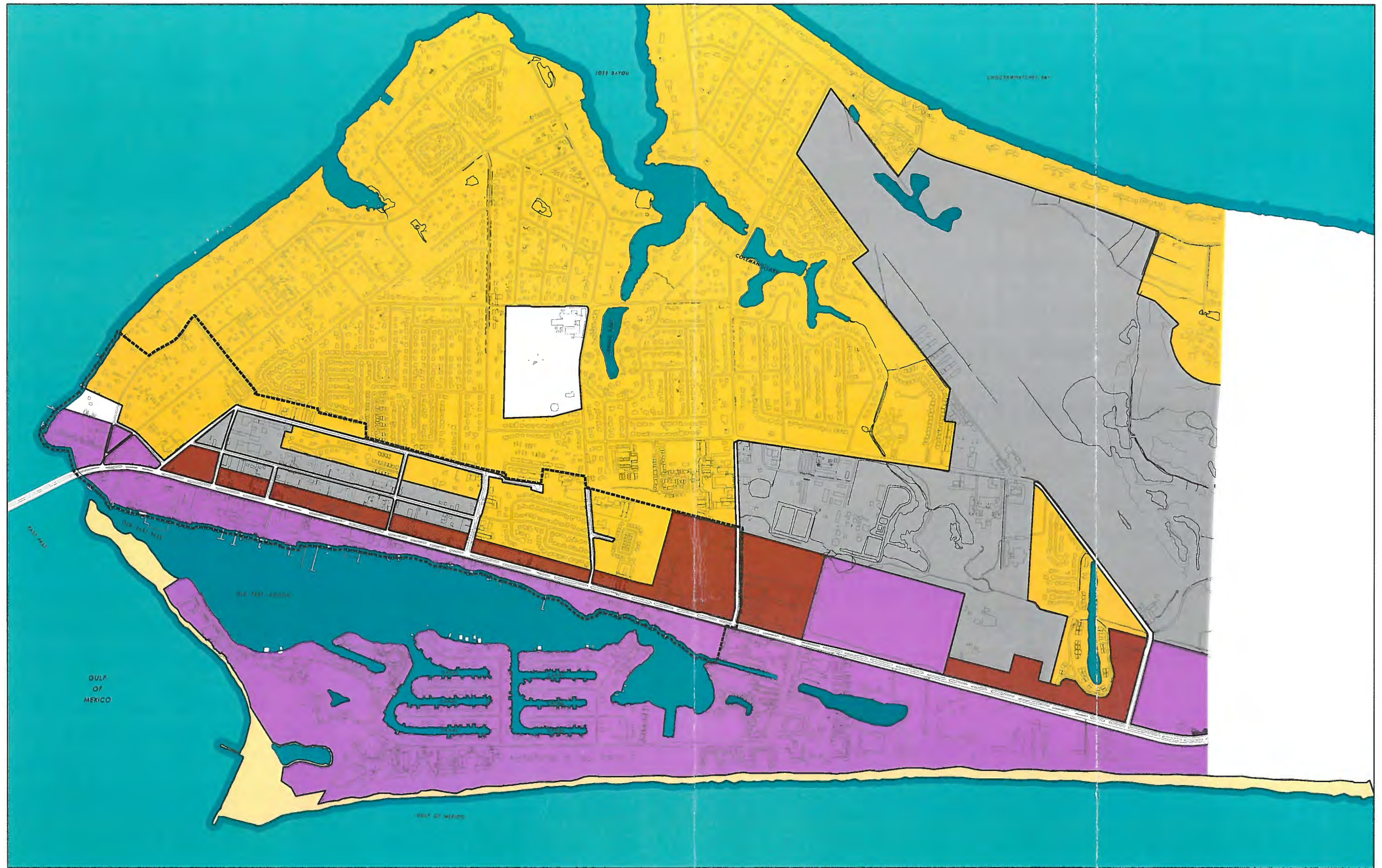
3.1 Public Open Space and Community Facilities

Public open spaces are restricted to Taylor Park and the community center green space, both located at the western end of the Study Area. No public open spaces exist that are linked to the harbor, with the exception of the boardwalk along the water edge.

The prominent recreation areas of Destin are not within walking distance of the study area. The beaches are inaccessible to the community from the downtown area and residents drive to Henderson State Recreation Area, where parking is provided. Although public access points to the beach and to two conservation areas exist on Holiday Isle, very limited public parking provisions render these open spaces unsuitable for use by most residents.

Community facilities are scattered throughout town: churches along the north side of US 98 and on both sides of Beach Drive at the northern edge of the Study Area; the post office on Main Street; and a cluster of facilities at the west end of the study area, comprising the Community Center, the museum, the library, and the fire station. The former city hall is located in the vicinity as well, but its functions have been relocated to a new City Hall on Two Tree Road, much farther to the east. As a result, Destin lacks a focused civic center.

Tree cover is residual and restricted to undeveloped areas. The remaining trees near the harbor are threatened by future development.



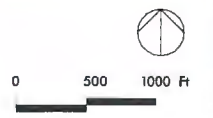
Primary User Zones

Destin Harbor Area Master Plan

- | | | | |
|---|--------------------------|---|---------------------------|
|  | Primary Residential Zone |  | Light Industrial/Services |
|  | Tourist Zone |  | Beach Study Area |
|  | Highway Commercial |  | |

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Public Open Space and
Community Facilities
Destin Harbor Area Master Plan

- Public Open Space
- Conservation Area
- Beach

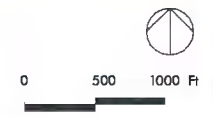
- Community Facility
- Significant Tree Cover

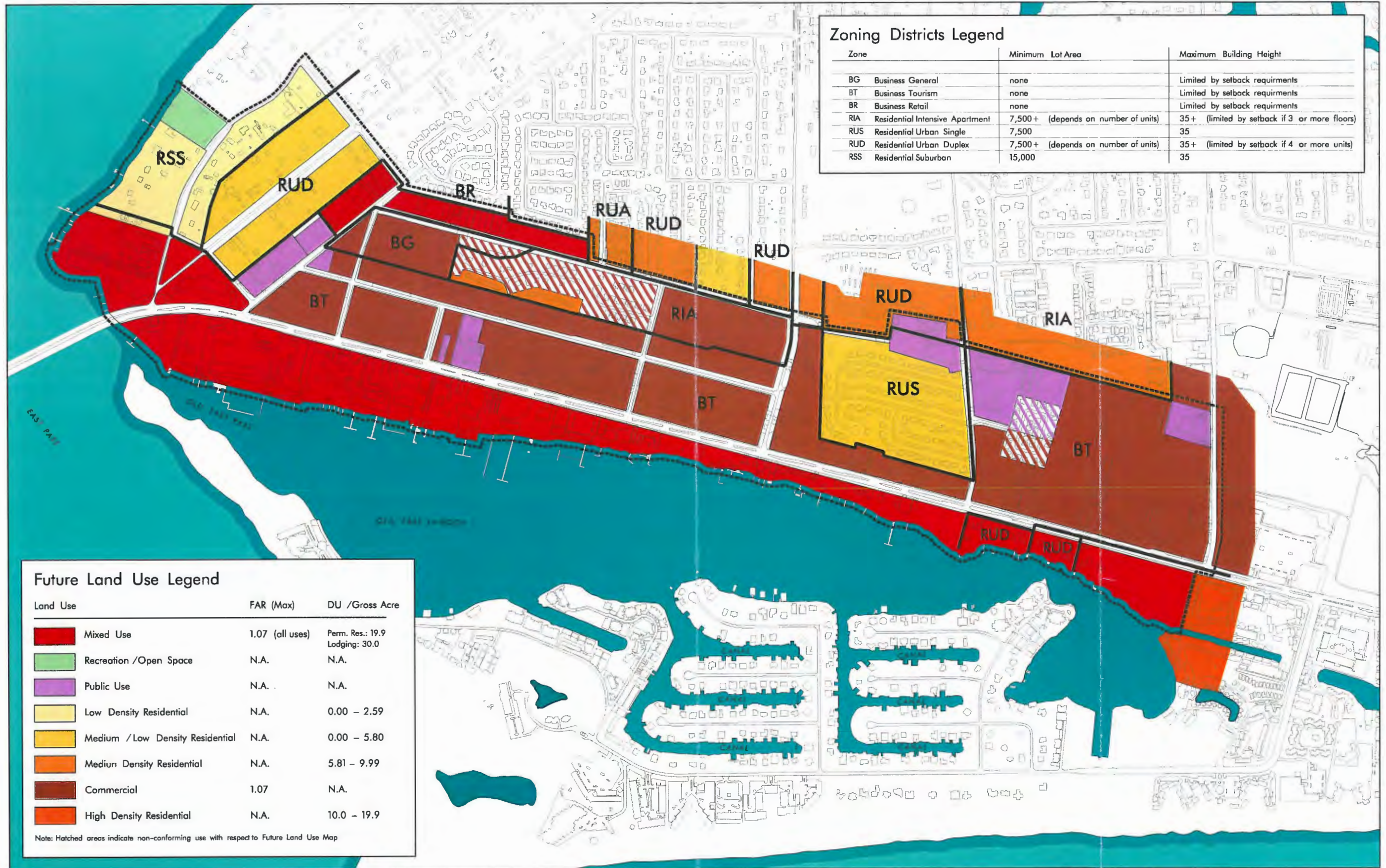
- Public Beach Access
- Study Area

City Hall →

Henderson Beach
State Recreation Area
and Beaches →

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Zoning Districts Legend

Zone	Minimum Lot Area	Maximum Building Height
BG Business General	none	Limited by setback requirements
BT Business Tourism	none	Limited by setback requirements
BR Business Retail	none	Limited by setback requirements
RIA Residential Intensive Apartment	7,500+ (depends on number of units)	35+ (limited by setback if 3 or more floors)
RUS Residential Urban Single	7,500	35
RUD Residential Urban Duplex	7,500+ (depends on number of units)	35+ (limited by setback if 4 or more units)
RSS Residential Suburban	15,000	35

Future Land Use Legend

Land Use	FAR (Max)	DU /Gross Acre
Mixed Use	1.07 (all uses)	Perm. Res.: 19.9 Lodging: 30.0
Recreation /Open Space	N.A.	N.A.
Public Use	N.A.	N.A.
Low Density Residential	N.A.	0.00 - 2.59
Medium /Low Density Residential	N.A.	0.00 - 5.80
Mediun Density Residential	N.A.	5.81 - 9.99
Commercial	1.07	N.A.
High Density Residential	N.A.	10.0 - 19.9

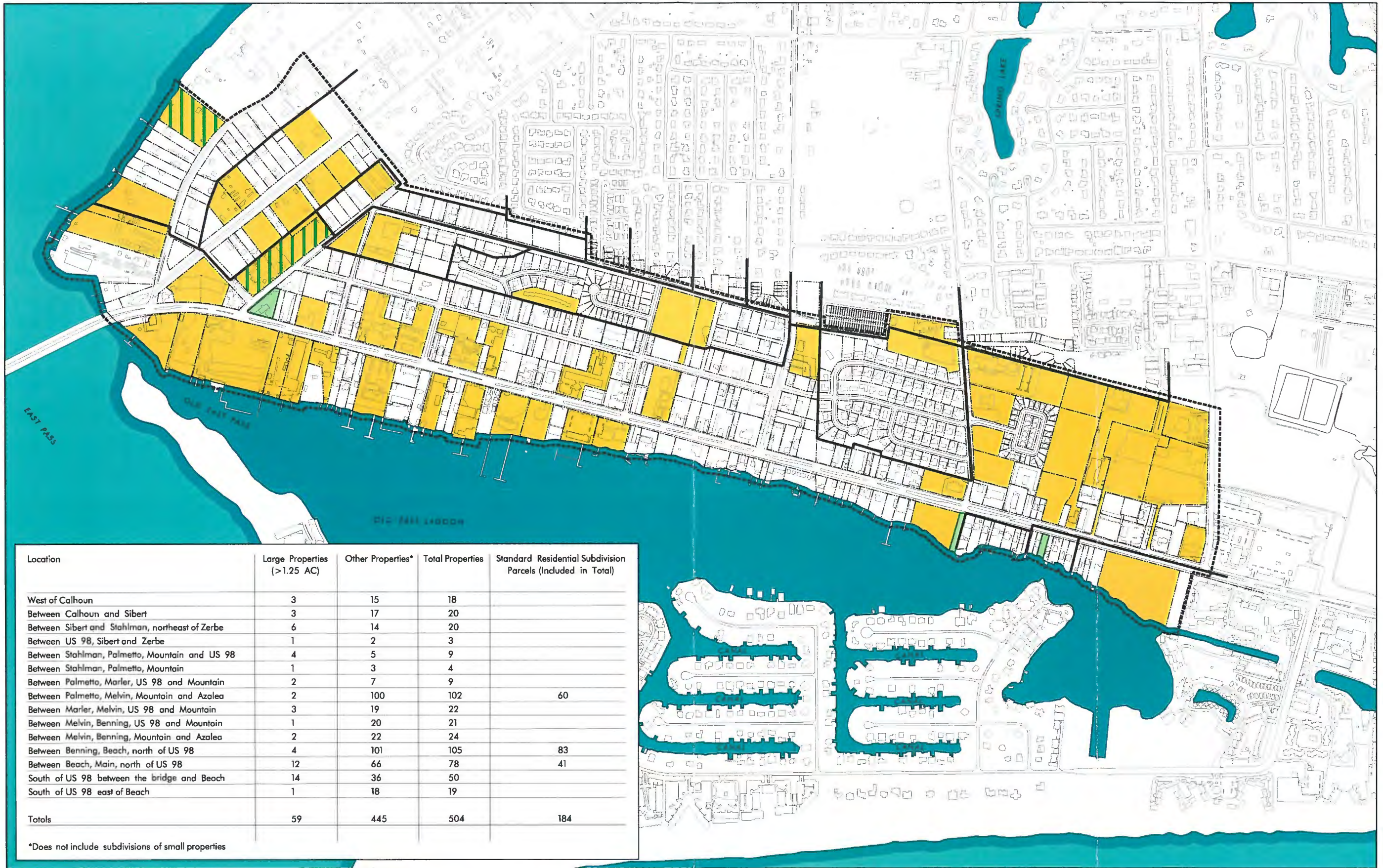
Note: Hatched areas indicate non-conforming use with respect to Future Land Use Map

Future Land Use Map and Zoning Districts
Destin Harbor Area Master Plan

— Zone Boundary
- - - - - Study Area

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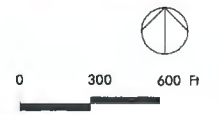
Land Ownership

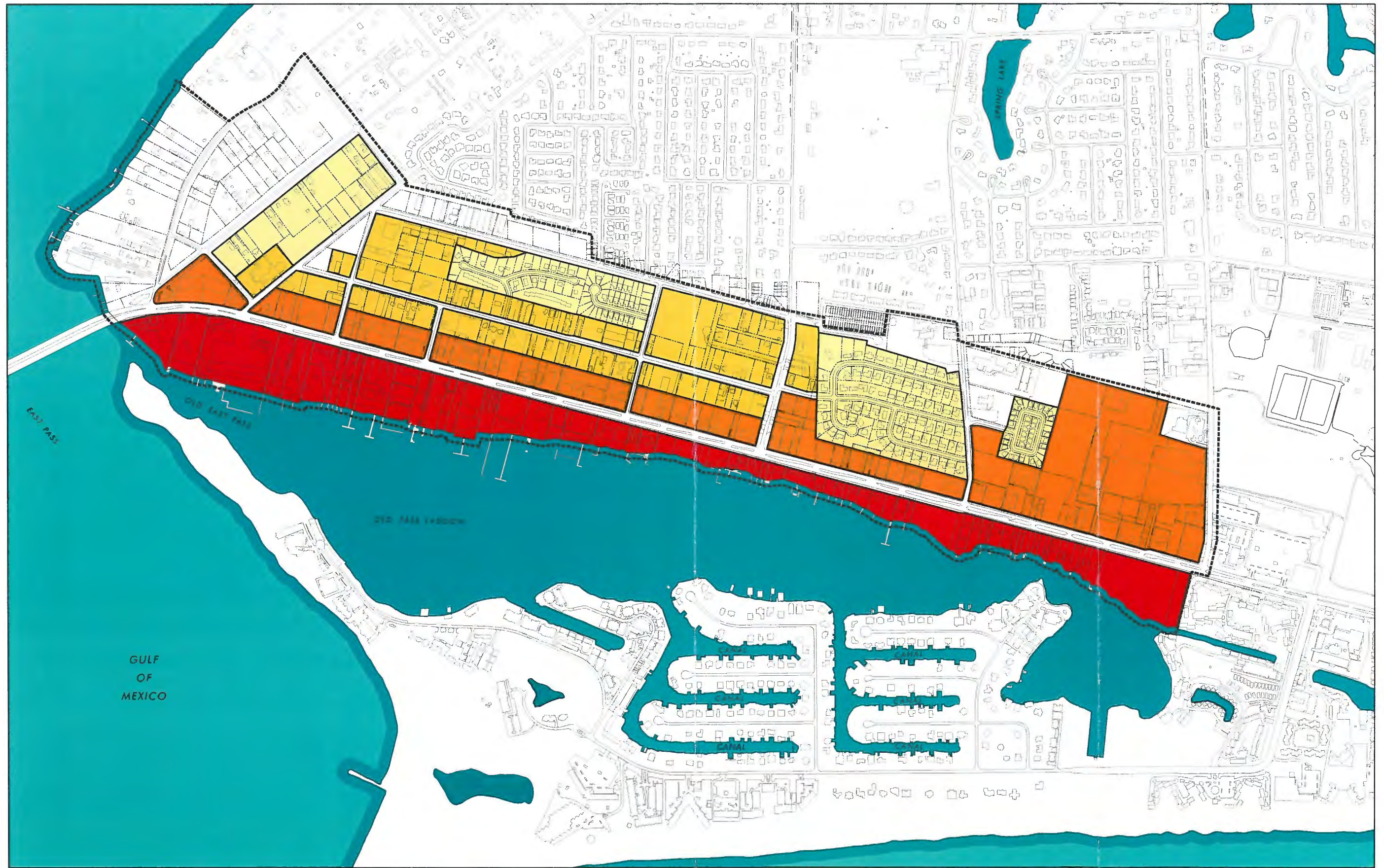
Destin Harbor Area Master Plan

- Parcels > 1.25 Acres
- Publicly Owned Area
- Publicly Owned Area > 1.25 Acres

- Zone Boundary
- Study Area

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Land Values
(Approximate 1998 Market Values)

Destin Harbor Area Master Plan



----- Study Area

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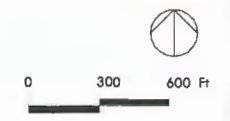


Figure - Ground

Destin Harbor Area Master Plan

- Beach Ridge
- Study Area

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Existing Building Use

Destin Harbor Area Master Plan



Primary Residential



Seasonal Residential/
Condominium



Retail



Hotel/Motel



Restaurant/Bar



Commercial Services



Marine Commercial



Public /Institutional



Study Area

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Existing Paved Surfaces

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- Study Area
- Existing Paved Surfaces

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Existing Vehicular Circulation

Destin Harbor Area Master Plan



Primary Road



Secondary Road



Tertiary Road



Access Drive



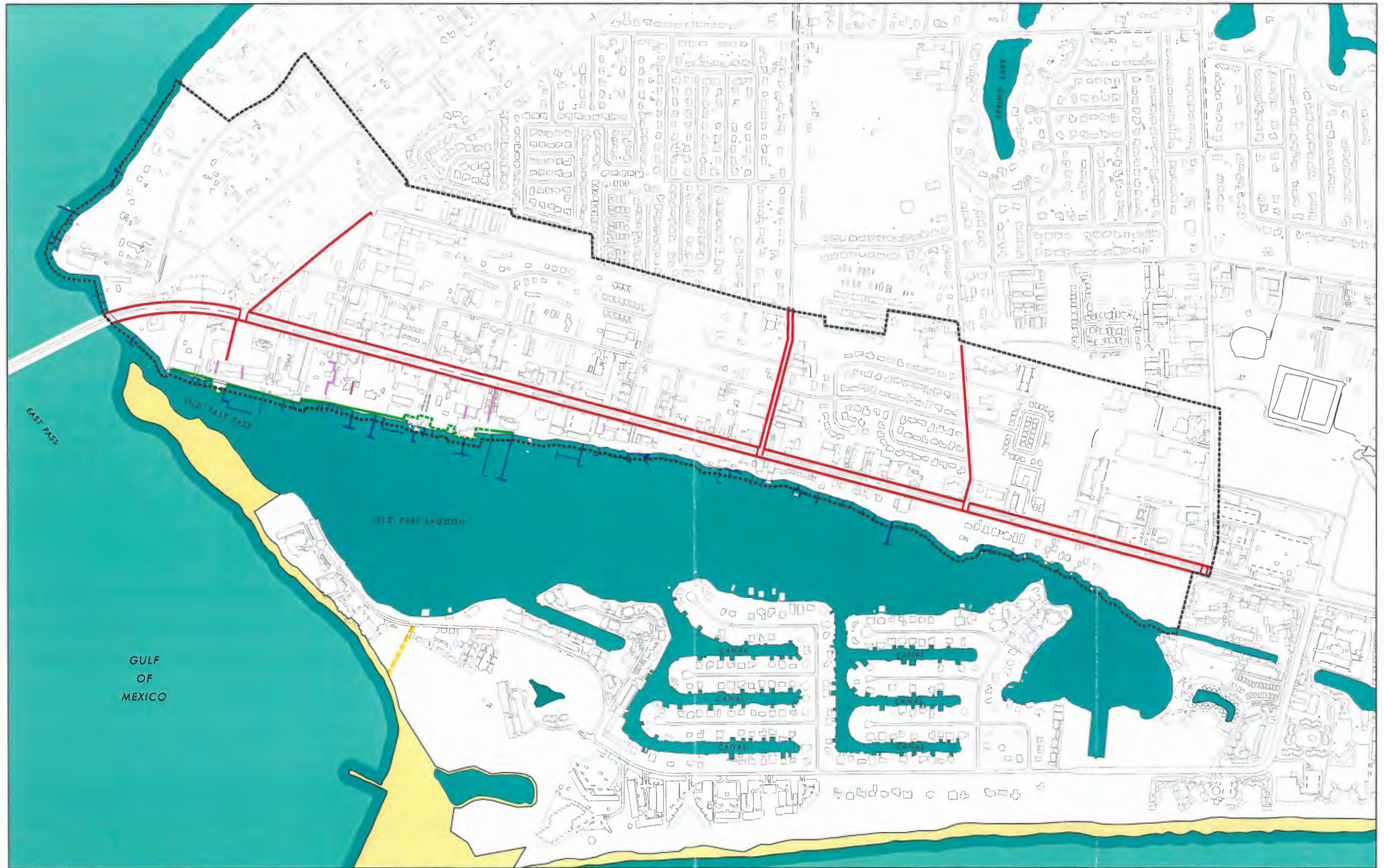
Study Area

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Existing Pedestrian Circulation

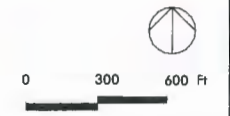
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- Sidewalks and Crosswalks
- Pedestrian Access to Harborwalk

- Harborwalk
- - - Incomplete Harborwalk
- Pier

- Beach and Public Beach Access
- Study Area

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Previously Proposed
East-West Connections

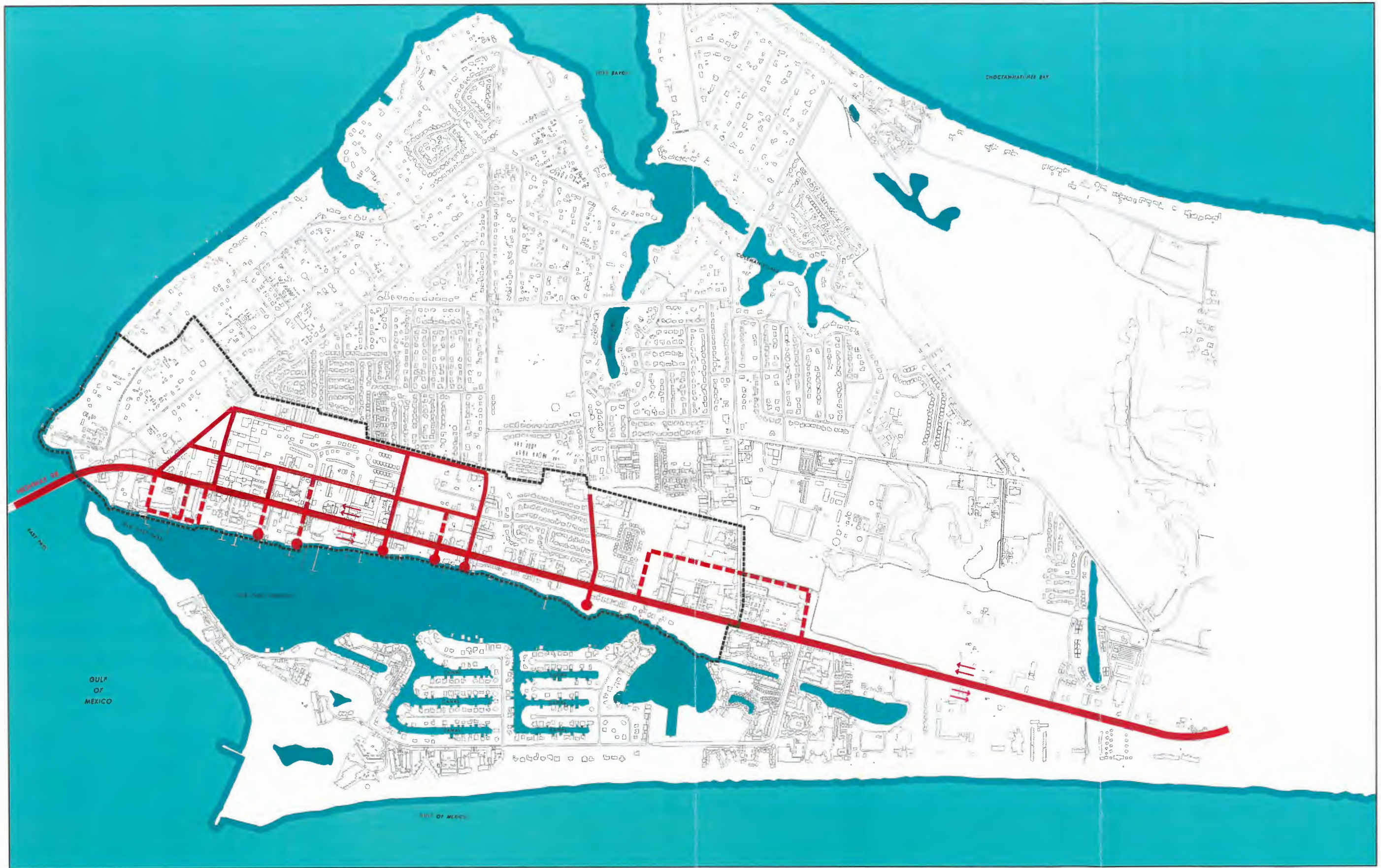
Destin Harbor Area Master Plan

- "Alternative C" Alternative East-West Roadway Improvements (1997)
- - - - - Vision 2000 (1995) and FDOT Azalea Trail Study (1993 /94)

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Study Area Circulation
Alternative 1

Destin Harbor Area Master Plan

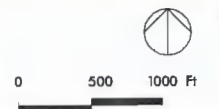
- Improved US 98
- Additional North-South Streets

 Existing Routes or Sections

 Proposed Routes or Sections

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Study Area Circulation
Alternative 2

Destin Harbor Area Master Plan

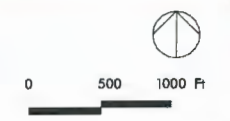
- Azalea Extension (Scheme C)
- Harbor District One-Way Pair (US98 and Mountain Dr.)
- Improved /Additional North-South Connections

 Existing Routes or Sections

 Proposed Routes or Sections

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Study Area Circulation
Alternative 3

Destin Harbor Area Master Plan

- Extended Two-Way Pair
- Additional North-South Streets

 Existing Routes or Sections

 Proposed Routes or Sections

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Destin Harbor Area Master Plan

Analysis and Program Development



Prepared for:	Destin Harbor Task Force
Subject:	Market Overview
Scope of Service Task Reference:	Phase II, Task 2.2
Prepared by:	Amenta & Co.
Date:	September 1998



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I. EXECUTIVE SUMMARY

Existing Market Conditions

The market overview that follows discusses the demand trends for additional development in Destin, Florida. Development is identified by specific land use. This overview also discusses the existing supply of these land uses and the potential for expanding the supply to meet future demands.

1997 Destin, FL Market Brief

Permanent Residents	11,500
Permanent Housing Units	4,875
Median Household Income	\$45,500 (1998 estimated)
Annual Visitors	3,100,000
Average Length of Stay	4.2 days
Average Visitors Each Day	8,450
Seasonal Housing Units	4,000 (condominiums, cottages etc.)
Hotel Rooms	1,680 (includes Sandestin)
Shopping Center Area	1,300,000 square feet

Market Demand Trends

The basic economic trends that influence the markets in Destin suggest a continuing demand for permanent and seasonal housing, hotel rooms, retail, restaurants and entertainment. Amenta & Co. estimates the rate of demand as follows:

Permanent Residential Units	100 - 150 housing units per year
Seasonal Residential Units	200 - 250 housing units per year
Hotel Rooms	30 - 60 rooms per year
Retail and Restaurants	60,000 square feet per year
Entertainment and Attractions	1 cultural civic attraction

Limits to Growth

Destin has been adding significant development in all real estate categories due to on-going interest in Destin as a location for permanent and seasonal living and the amenities and the social infrastructure that is required to support this. Development has been enabled by several years of overall economic prosperity, low interest rates and relatively high visitor demand.

This memorandum explores demand for additional development in Destin, Florida. It does not evaluate the potential or need for Destin to supply this demand. There are limits to growth. Appropriate land, drinking water, sanitation and utility systems and the intangible "quality of life." These will be discussed in the Program portion of our work.

II. OVERVIEW DESTIN, FLORIDA AND VICINITY MARKET

Destin is a thriving Gulf Coast community of permanent and seasonal residents that attracts tourists year round to its famous dazzling white sand beaches, brilliant green waters and the historic fishing port of Destin Harbor. Destin is located on the Gulf of Mexico in Okaloosa County and borders Walton County to the east.

Destin and Fort Walton Beach, located across the East Pass Bridge to the west and the Beaches of South Walton, located to the east, are all located on the Emerald Coast and are connected by US-89 south of Choctawatchee Bay. These communities are surrounded by Eglin Airforce Base that has a profound impact on the region as the largest single employer in Okaloosa County. Eglin Airforce Base, by its size and location separate the lifestyle of the Gulf communities to the south from that of the inland towns, within the County, located to the north.

The population trends of the Florida Gulf Coast and of Destin are tied to employment. People typically establish a permanent residence where they can work. The evolution in the style of living in Destin can be correlated to the work the people do. The growth or decline of employment most closely correlates to the increase, decline or evolution of the type of work that an area provides.

This market overview is based on interviews with local business people and secondary research of a variety of publications concerning the demographic and economic trends in Okaloosa County and in Destin. This memorandum provides preliminary observations provided to support the larger planning effort undertaken by other members of the planning team.

2.1 Regional Economic Overview

The total civilian labor force located in Okaloosa County in 1997 was 79,298 with a 3.3% unemployment rate. In addition, the total military labor force employed at Eglin Air Force Base including Duke Field personnel (10,047) and Hurlburt Field (7,282) was 17,329.

Total retail sales for Okaloosa County were \$3,454,131,360. In the county, there are a total of 11,540 total rooms available for tourists visitors, in 1997, as reported by the Economic Development Council of Okaloosa County.

2.1.1 Tourism

In excess of 3.1 million visitors chose to visit Okaloosa County in 1997. More than 92.5% of these visited Destin. The total economic impact of this was estimated to be in excess of \$650 million by the Okaloosa County Tourist Development and Convention and Visitors Bureau. (see Appendix 3.0). Statistics gathered on economic activity in a region generally do not identify "tourism" as a discrete category. Rather various methods are employed to extract the "tourist" impact on retail, restaurant, gasoline, paid admissions to entertainment, real estate and other activities. This is the case with data gathered for Okaloosa County and Destin tourism. It is the preliminary opinion of Amenta & Co. that the actual impact of tourism is substantially greater. This will be discussed in detail within the body of this memorandum.

2.1.2 Fishing

Destin, Florida, called locally the "World's luckiest fishing village," came into existence because of the abundance of fish in the Gulf of Mexico. American Indians came to the area in the 7th Century to fish and live. 900 years later in the 1600s Spanish explorers visited the area. Modern history of the area can be traced to Capt. Leonard Destin, who dropped anchor at East Pass in 1845 and pioneered the fishing industry. In the 1930s Destin was discovered by sports fisherman and quickly became a popular fishing resort.

Today the fishing industry continues to support the direct employment of over 1,100 in Okaloosa County. Destin has the largest and most elaborately equipped sports fishing fleet in Florida with more than 100 boats. Fishing is a major recreational component of Destin as a tourist destination. More than 20 varieties of fish live on the deep water shelf off shore. Destin claims five saltwater world records.

Fishing enjoys a high participation rate among tourists. 12% of the visitors to Destin fish or boat. The highlight of the year is the annual Destin Fishing Rodeo that runs the entire month of October. Anglers compete in 30 or more categories for more than \$100,000 in prizes. Fishing generates between \$50 million and \$100 million of direct expenditure by tourist in the recreational fishing industry.

2.2 Destin Economic Overview

When considering the economic potentials for the Destin Harbor Area Master Plan, it becomes apparent that the needs of water-dependent uses such as commercial and recreational fishing and water-enhanced uses, such as residential, retail and restaurant development are inter connected, interdependent and competitive.

Dimensioning aspects of the economic impact of tourism is more difficult than might first be suspected. Tourism is not a category of economic activity as defined by the Florida Department of Labor and Employment Security, or the US Department of Labor which gathers most of the basic data. The impact of tourism extends across several categories: services, trade and construction, and FIRE (finance, insurance and real estate). See Appendix 1.0

A brief review of employment by industry sector shows that Services, FIRE and Construction are growing at over 7% each year. Manufacturing and Government are relatively stable. The Government employment sector has grown slightly less than 0.5% in 5 years. Services (which contains tourism) has grown 40% and Trade (also impacted by tourism) has grown 24% in the same time period.

III. RESIDENTIAL MARKET DEMAND CHARACTERISTICS

3.1 Permanent Residents

The populations of Okaloosa County, Walton County and Destin are all growing. The permanent residential population in Okaloosa County increased 19%, to 171,038 people between the 1990 United States Census and 1997. This represents a 2.7% annual rate of increase. The total resident population in the year 2000 is estimated to be in excess of 181,00 people. The smaller permanent residential population of Walton County is in excess of 36,000 and growing at the faster rate of 3% - 4% each year.

The permanent resident population of Destin is increasing faster than that of Okaloosa County as a whole, according to the Shimberg Center at the University of Florida. Permanent Resident Growth in Destin is indicated in the table below.

Table 3-1 **Destin Permanent Resident Growth**

Year	Population
1990	8,090
1991	8,129
1992	8,260
1993	8,644
1994	8,985
1995	9,381
1996	9,902

In 1990 the US Census showed 3,378 occupied dwelling units in Destin, calculated at 2.39 persons per household. The rate of increase from the 1990 census to 1996 is 21.16%. By comparison the growth rate for Okaloosa County was 15% for the same period. The projected population for Destin can be used to anticipate the demand for additional housing units. The number of persons in each household is expected to decline to 2.34, such that the resulting demand for permanent dwelling units is forecast to be 4,613 by 2000.

Table 3-2 **Destin Permanent Resident Forecast**

Year	Population
2000	10,991
2005	12,607
2010	14,199

According to the Shimberg Center, in the year 2000, the projected demand for single family detached homes will represent 63% and the demand for multi-family homes will represent 37% of total demand. Florida Trend Magazine published in their April 1998 Economic Yearbook the following population trend for both Destin and for Walton Beach.

Table 3-3 Destin and Walton Beach Permanent Resident Forecast

Year	Population
1997	34,599
1998	35,410
2001	39,329
2005	43,099

Income levels effect the cost of housing that can be afforded by a family. The Median Household Income for Okaloosa County was \$35,398 in 1996. This is the highest in the Emerald Coast. The Median Household Income for Walton County in 1996 was somewhat lower at \$28,625. The median household income for Destin for 1998 is \$45,652 (National Decisions Systems).

In Destin, the permanent resident lives generally in housing located to the north of US98, many of these homes have an orientation to a neighborhood or to Choctawhatchee Bay. Large tracks of land in this area are devoted to Destin Airport and several golf courses. In contrast the seasonal resident lives in housing that lines the 8 miles of Gulf of Mexico Coast from Holiday Isle to Miamar Beach.

3.2 Seasonal Residents

Tourism and seasonal residential living is such a profound element of the character of Destin today that it must be considered in some detail. There are certain observations that can be made which characterize Destin as a market.

In the average month 258,323 visitors (8.33%) of the estimated 3.1 million total visitors (1998) are in Destin and Fort Walton Beach. In the off-peak month of December this number declines to a low of 116,203. In the peak month of July this number increases to 348,610 visitors. This is a relatively high increase. The seasonal resident and tourist may account for the high level of retail and food service in the market as these market segments spend approximately 10 times each day the average spent by permanent residents.

It is important to note that the average length of stay for these visitors is 4.2 days. Therefore, on any particular day the total number of visitors actually in Destin and Fort Walton Beach can be calculated as follows:

Peak Season	$\frac{348,610 \text{ (visitors)} \times 4.2 \text{ (average length of stay)}}{30 \text{ (days each month)}} = 48,805 \text{ average visitors}$
Off-Peak Season	$\frac{116,203 \text{ (visitors)} \times 4.2 \text{ (average length of stay)}}{30 \text{ (days each month)}} = 16,268 \text{ average visitors}$

The permanent resident population of Destin in 1998 is estimated to be 11,500. The visitor population (seasonal residents and tourists) ranges from 16,000 and 48,800. This indicates that the visitor population exceeds the permanent resident population by 1.5 to 4.2 times depending on the season. Refer to the following section on hotels for the computation of these visitation rates.

3.2.1 Seasonality

Destin is a seasonal resort. The number of visitors varies each month as a consequence of the school calendar, holidays, the seasonal weather promotional events. Closer inspection of these events reveals an additional understanding of the unique blend of permanent, seasonal residents and tourists that comprise the daily character of the day-to-day experience.

Table 3-4 - Seasonal Hotel Occupancy, Percentage (%)

	1992	1993	1994	1995	1996	1997	1998
January	36.2	31.2	33.7	35.6	46.3	35.0	35.8
February	54.4	57.2	53.8	65.0	62.8	52.3	50.0
March	70.8	59.2	73.5	76.9	73.9	62.6	50.5
April	68.4	66.7	69.9	68.7	72.9	59.6	58.3
May	72.4	67.1	70.7	65.1	70.9	64.5	62.6
June	83.6	84.8	88.5	81.5	82.6	79.4	77.8
July	88.1	90.8	82.5	87.6	84.0	81.2	82.5
August	78.0	79.0	67.1	69.9	76.8	78.4	
September	66.0	66.8	63.9	67.9	59.3	55.0	
October	56.6	56.2	49.4	40.7	48.6	50.7	
November	32.3	32.9	39.1	51.3	40.9	35.9	
December	19.1	27.8	25.3	40.0	28.1	20.1	
Average	60.6	60.0	59.8	62.5	62.2	56.2	

Source: Smith Travel Research

Scrutiny of the above table indicates that no actual monthly occupancy is equal to the computed average. For example in 1996 where the average occupancy is 62.2%, the low occupancy is 28.1 % and the high occupancy is 84%. A ratio of these levels of occupancy shows that the off-peak months are each approximately 45% of the average month and the peak month is 35% greater than the peak month. A ratio of these percentages applied to the estimated 3.1 million visitors in 1996, the result is shown in Table 3-5.

Table 3-5 - Monthly Visitation

	Average Month	Ratio	Monthly Visitors
January	258,230	x .74 =	191,090
February	258,230	x 1.01 =	260,812
March	258,230	x 1.19 =	307,293
April	258,230	x 1.17 =	302,129
May	258,230	x 1.14 =	294,382
June	258,230	x 1.33 =	343,445
July	258,230	x 1.35 =	348,610
August	258,230	x 1.23 =	317,623
September	258,230	x .95 =	245,318
October	258,230	x .78 =	201,258
November	258,230	x .66 =	170,432
December	258,230	x .45 =	116,203
Total Visitors			3,100,000

Source: Smith Travel Research/Amenta & Co.

IV. RESIDENTIAL MARKET SUPPLY CHARACTERISTICS

4.1 Accommodation Unit Inventory

Destin provides the largest collection, 5,149 (46.5%) of the tourist/visitor accommodations within the Destin/Fort Walton Beach market. Growth in the entire market is projected to increase from an inventory of 11,064 units in 1996-1997 by 2,500 units to 13,064 by 1999. The largest component of these accommodations is seasonal residential units occupied by the owners or rented to tourists. In addition, Destin and Fort Walton Beach offer hotel and motel accommodations.

The permanent resident population is growing at a rate of 2.7% per year while the seasonal resident and tourist population is growing at a rate of between 5.3% and 7.4%. This growth generates demand for both permanent housing, condominiums and hotel rooms.

4.2 Permanent Housing

Real estate sales for the past 3 years can be used to indicate the current pace of activity within the Okaloosa and Walton County markets. Lot sales are included as an indication of future development. These sales represent newly constructed homes and resale of existing homes. This information is provided in greater detail in Appendix 3.0 Residential Property Sales.

Table 4-1 - Residential Sales

	1995	1996	1997
Okaloosa County			
Single Family Detached	3,150	3,558	3,290
Condominiums	902	1,002	1,563
Lots	1,929	2,193	2,255
Walton County			
Single Family Detached	482	598	1,616
Condominiums	760	912	1,162
Lots	2,121	2,203	2,489

Source: Florida Realty

In general, the market for single family detached houses is the permanent resident and the market for condominiums is the seasonal resident.

4.3 Seasonal Housing

There is an ongoing industry devoted to the planning, construction, sale and resale of housing in Okaloosa and Walton Counties. The sale of these units may take place during planning, construction or after construction. This means that one must measure the volume of a moving process. During 1997, for example, some 928 condominiums defined as being "planned," were in planning; of these however

305 were sold and 574 were available for sale. During 1997 some 1,499 condominiums, defined as being "in construction" were being planned; 1,180 were sold and 319 units were available for sale.

This indicates that 33% of the units being planned were sold during the planning process and 78% had been sold during the construction phase of development. In principle, most lenders require approximately 50% of the residential units to be pre-sold before construction can begin.

Following behind these projects there are "waiting-in-the-wings" an additional 928 units, in a pre-planning or preliminary planning process. Additional information concerning these can be found in Appendix 3.0 – New Condominium Projects.

Approximately 45-55% of all condominium sales are of newly constructed units. The remainder is the resale of existing units. According to the Hutchison Report there were 326 condominium sales in Walton and Okaloosa Counties during the month of June 1998, 229 sales in May.

To date, 1,189 condominiums sold in Okaloosa and Walton Counties during this year. Of these 668 were located in Walton County. Of the June sales 147 (45%) units were new and 179% of the sales were re-sales. The average sale price of the new residential units was \$279,341 while the average resale price was \$203,155.

When considering the range of prices of new units the Hutchison Report notes that 17.3% were sold at a price below \$100,000; 32.9% were sold at a price between \$100,000 and \$199,000; 40% were sold at prices above \$200,000. 78% of these were sold to out-of-state residents and 22% were sold to in-state residents.

4.3 Destin Housing Capacity

There may be limits to growth for Destin. These limits may be an intangible "quality of life" desire of the community to sustain a balance of permanent, seasonal and vacation living. The intangible quality of life values may influence the market decision of potential new residents to bypass Destin and seek other less developed communities.

These limits to growth may also be tangible. There are the physical constraints of land availability, open space, potable water, sanitation and utilities. While it is not within the scope of this market evaluation to determine the limits of growth some work on this topic has been undertaken by the Shimberg Center. In 1996, the Shimberg Center projected the total population increases in Destin to reach 14,421 by the year 2000 and 18,629 by the year 2010. Of this number the Shimberg Center projected the seasonal population to be 3,429 in the year 2,000 and 4,430 by the year 2,010.

V. TOURIST VISITOR MARKET DEMAND CHARACTERISTICS

5.1 Destin Tourist Profile

Visitors to Destin lodge in a variety of accommodations. It is estimated that 56% use hotel accommodations, 33% stay with friends or relatives and 11% stay in mobile/ campers. Of these the most important to development planning is the hotel and condominium guest.

The ratio of visitor between the peak and off-peak season is 2:1. This is a relatively seasonal pattern when compared to Aruba 1.3:1. Seasonal tourism creates difficulty for year-round businesses. It would be preferable to build the off-peak and shoulder seasons.

4.2 days is relatively short when compared to Aruba at 7.2 days but highly preferred to Niagara Falls at 1.2 days. Increasing the length of stay is generally a measure of the variety and type of amenities and recreations available. It should be the objective to increase the variety and seasonal alternatives for attractions.

The ratio of seasonal residents, transients and hotel guests, to permanent residents is high when compared to other resort destinations. This is discussed in additional detail in subsequent portions of this text.

It is estimated that 95% of the visitors to Okaloosa County visit Destin and Fort Walton Beach. Tourism in Destin is highly seasonal. The following table indicates the variation in hotel occupancy, by season. There are 1,680 hotel/motel rooms available in Destin (and Sandestin), of these 1,280 rooms are ranked 3-star. These are the only 3-star hotels on the Emerald Coast. The inventory of hotels is concentrated in 1-star and 2-star properties.

Table 5-1 - Seasonal Tourism (Occupancy)

	% Occupancy	Comment
January	55.2%	Shoulder Season
February	73.0%	Shoulder Season
March	64.0%	Shoulder Season
April	52.0%	Shoulder Season
May	55.1%	Peak Season
June	75.0%	Peak Season
July	82.0%	Peak Season
August	70.3%	Shoulder Season
September	58.4%	Shoulder Season
October	48.2%	Off-Peak Season
November	36.3%	Off-Peak Season
December	36.0%	Off-Peak Season
Average	58.8% (rounded)	

Source: Okaloosa County Tourist Development Council/Amenta & Co.

The average 58.8% occupancy is for hotel and those condominiums that are actively reported to be on the rental market. The ratio of the peak occupancy (82%) during the high season and the off-peak occupancy (30%) during the low season is 2.3:1.0. This can be categorized as a relatively high degree of fluctuation when compared to many other resort destinations.

In general, resort hotels maintain a higher occupancy than condominium properties and capture the business traveler in addition to the vacationer. Properties with conference facilities will often supplement vacation shoulder season occupancies with group travel and corporate business.

5.2 Destin Lodging Market and Hotels

Destin is the center of tourist/visitor lodging in the Destin/Fort Walton Beach market. 75% of all hotel and motel rooms within the primary market are located in Destin. Two 3-star hotels are located in Destin (or Sandestin, which is located 10 miles east). The following table documents the major representative lodging properties in Fort Walton, Destin and the Sandestin resort.

Table 5-2 - Hotel/Motel Inventory

Destin/Sandestin

Hotel/Motel	Number Rooms	Published Rate
Comfort Inn	131 rooms	\$77 - \$87
Days Inn	60 rooms	\$60 - \$80 - \$100
Frangista Beach Inn	52 rooms	\$90 - \$115 - \$195
Hampton Inn	71 rooms	\$109
Holiday Inn	233 rooms	\$ 30 - \$170
Howard Johnson	88 rooms	\$70 - \$90
Sandestin	575 rooms	\$90 - \$360
Sandestin Beach Hilton	400 rooms	\$215 - \$285
Sleep Inn	77 rooms	\$70 - \$75
Total Rooms	1,680 rooms	

Fort Walton Beach

Hotel/Motel	Number Rooms	Published Rate
Days Inn	62 rooms	\$63 - \$ 68
Econo Lodge	59 rooms	\$42 - \$ 57
Marina Bay Resort	121 rooms	\$59 - \$119
Marina Motel	38 rooms	\$65 - \$80
Park Inn International	73 rooms	\$60 - \$65
Radisson	100 rooms	
Rodeway Inn	118 rooms	\$74 - \$109
Sea Isle Motel	60 rooms	\$55 - \$85
Super 8 Motel	34 rooms	\$55 - \$77
Total Rooms	665 rooms	

Source: AAA 1997 TourBook

Of 1,680 hotel/motel rooms available in Destin, 1,280 rooms are ranked 3-star. These are the only 3-star hotels on the Emerald Coast. Of 565 hotel/motel rooms available in Fort Walton, all are ranked as 1-star or 2-star. The permanent resident population is growing at a rate of 2.7% per year while the tourist population is growing at between 5.3% and 7.4 %.

5.2.1 Hotel Occupancy

Various leisure accommodations appeal to different segments of the market and perform differently. Hotels in Destin provide accommodations for business and group travel in addition to the tourist visitor. In addition, the ownership structure and financing of hotels are different from those of residential condominiums. For these reasons, a more focused view of the hotel supply is in order.

The first important trend is the average annual hotel occupancy. Hotel occupancy has remained slightly above 60% for the past six years. The major deviations from this have been 1995 and 1996 where the occupancy moved over 62%. This is an important symbolic threshold of potential hotel profitability that often triggers additional room construction in the market. This has occurred during the subsequent years.

The significant decline in occupancy experienced in 1997 can be attributed to two hurricanes during that period. The year to date occupancy remains below the occupancy for a similar period in previous years. This can be attributed to the increase in room supply mentioned above. With the on-going increase in visitors this increased supply should be absorbed and the occupancy gradually return to above 60%.

Table 5-3 – Hotel Occupancy Historical Trend

	Occupancy this Year	% Change
1992	60.6%	-0.8%
1993	60.0%	-1.0%
1994	59.8%	-0.3%
1995	62.5%	4.5%
1996	62.2%	-.5%
1997	56.2%	-9.6% (2 hurricanes)
1998	59.7%	3.9% (year-to-date)

Source: Smith Travel Research

The historical trend of hotel occupancy in Destin (and San Destin) shows the additional hotel supply that is brought into the market remaining in balance with the hotel demand as it grows. It is important to note that the period discussed is one that reflects the patterns of tourism that are emerging from a national recession in 1990 and follows the overall growth in the US economy.

This pattern of economic growth and increased tourism is more pronounced in the data that describes the average daily room rates charged. The following table shows the rapid increase in the actual room rate achieved by these hotels.

Table 5-4 – Hotel Room Rate Historic Trend

	Room Rate this Year	% Change
1992	\$86.15	3.0%
1993	\$88.79	3.1%
1994	\$96.84	9.1%
1995	\$106.05	9.5%
1996	\$106.08	-0.0%
1997	\$115.11	8.5% (2 hurricanes)
1998	\$130.19	6.4% (year-to-date)

Source: Smith Travel Research

Table 3-1 indicates that the average room rate of these selected hotels increased by more than 50% between 1992 and 1998, while the percentage of occupancy remained relatively constant. During this same period the US economy experienced a total inflation of approximately 18%.

One would expect the result to be a significant increase in the profitability of existing properties accompanied by frequent revaluation and refinancing.

VI. RETAIL, RESTAURANTS AND ENTERTAINMENT

Trade Area Defined

The trade area of a site for retail shopping, food service, personal and professional services, and entertainment is traditionally defined as that geographical region from which the preponderance of sales will be derived. The greater the market impact of the commercial concept, (size, convenience to the market, unique merchandise or menu and promotional appeal), the greater the extent of this trade area. Destin is, however, a physically limited market.

When evaluating the potential for very small collections of retail shopping or restaurants the micro-market attributes of merchandise type, price-point and ambiance quickly dominate the shopper decision to visit the site. The traditional analytical approach becomes a less reliable predictor. The following memorandum blends aspects of the traditional approach with more micro-market qualifiers, based on experienced judgment.

6.1 Market Demand

Retail, food, beverage and entertainment sales are derived from several market segments: over-night tourists, transients, permanent and seasonal residents. The needs and aspirations of these market segments are different. The amount of money spent and allocation of that expenditure varies for each market segments.

Tourists come to shop. Of the top tourist activities, shopping, restaurants and night life, rank second (22.6%) behind beaches, rest and recreation (50.3%) as the most preferred activities. There were 3.1 million tourist visitors to Okaloosa County in 1996-1997, who stayed an average of 4.2 nights.

Consumer demand for residents is determined as a percentage of total income after deducting for taxes, insurance, housing, health care and other non-retail consumer essentials. The remainder, the Effective Buying Income can be allocated to various merchandise items as follows. Note that auto, boat and entertainment purchases are omitted for this exercise.

Table 6-1 - Consumer Preference

	<i>Resident</i>	<i>Visitor</i>
Total 100% Retail Sales		
Restaurant	15.2%	52.0%
Footwear	2.9%	5.0%
Home Furnishings	1.6%	1.0%
Home Improvement	4.5%	0.0
Sporting Goods	.2%	5.0%
Toys	3.1%	5.0%
Apparel	13.2%	22.0%
Home Electronics	5.0%	1.1%
Grocery Items	54.0%	10.0%
Total Retail Items	99.7%	100.0%

Potential sales that might be attributed to new development in Destin will derive from several markets: Permanent Residents, Seasonal Residents and the Tourist-Visitor. The blend and balance of sales that might be derived from each market segment will influence the merchandise concepts that succeed in this location. Each of these market segments has greatly differing purchasing patterns, amount of money to be spent; the specific merchandise/menu demand; and the motivation to purchase, whether aspiration or need.

6.1.1 Retail Market Demand - Permanent Residents

There are approximately 11,500 permanent residents (4,800 households) living in Destin. These are located within five miles of the study area. There are 129,000 people living within 12.0 miles. This includes the towns of Niceville, Valparaiso, Mary Ester and Fort Walton Beach. This population might be characterized as a market of relatively modest density when compared with other "urban areas." Between 1980 and 1990 the population of Destin increased by 21.6% and Okaloosa County increased by 19%. The increase in the number of households was measurably greater (see Section 2.0 - Residential Market Characteristics).

This trend continues (although at a much slower rate) and is forecast to continue into the early years of the next century. At this time the population increase due to migration and family household formation shifts should stabilize. The Median Household Income reported by National Decision Systems for 1998 is estimated as \$45,652 in Destin and decreases progressively to \$40,117 at 12 miles. This is relatively strong when compared to the national average.

6.1.2 Residential Expenditure Potential

These residents represent an expenditure potential demand for retail goods and restaurants in excess of \$124 million within 5 miles and \$2.59 billion within 12 miles of the study area. Most of this demand will continue to flow away from the site to large collections of regional shopping centers. Comparing these potential sales with the potential sales that might be derived from the seasonal resident or tourist visitor will give direction to the appropriate tenant-mix that should be developed in the future.

6.1.3 Retail Market Demand - Leisure Visitor

There is a significant visitor market that is using lodging within the immediate area. A partial list of accommodations includes hotels and motels. In total, there are in excess of 1,680 hotel rooms in Destin (and Sandestin). There are an additional 665 hotel rooms in Fort Walton Beach. In addition the extensive inventory of rental condominiums provides accommodations for 3.1 million tourists visitors.

This is a relatively larger number than the residential population. In addition, leisure visitors tend to spend nearly 10 times as much each day as the average resident. A simple calculation can be used to dimension this potential purchasing demand of the hotel guest. 3.1 million visitors x 4.2 days x an estimated daily expenditure of \$100/visitor yields \$1.3 billion in retail sales.

6.1.4 Competitive Retail Supply

There is an inventory of existing retail shopping, restaurants and entertainment within the immediate area of the study area. These stores currently absorb a portion of the potential sales identified. Where the existing offering does not match the demands of the market, these potential sales flow away from the site, to shopping centers and restaurants outside the trade area.

When considering the ring that occupies the region that is greater than one half mile but less than one and one half miles from the site, there is an additional 196 retail stores and 46 new restaurants. These stores are too remote from the daytime working population to be reached by walking but are easily accessible by car during lunch. As the above, this equates to an increase of approximately 200,000 square feet of retail and 200,000 square feet of restaurants. This is a minor increase, relative to the increase in land area within the ring.

6.2 Representative Merchants

Destin is physically isolated from the adjacent communities of Valpariso and Niceville to the north by Choctawhatchee Bay and Fort Walton Beach to the west by the East Pass and the nearly 10 miles of Okaloosa Island. Therefore there is a tendency for tourists, seasonal and permanent residents to shop and dine in Destin.

There is in excess of 1,293,000 square feet of shopping center, restaurant and entertainment space in Destin. This represents more than five times the national average of 20 square feet per person when compared to the permanent resident population of Destin. Virtually 75% - 80% of all retail, food service and entertainment expenditures are made by non-permanent residents.

There is an additional 2,362,780 square feet of shopping center development serving the communities of Fort Walton Beach and Mary Esther to the east and Valpariso and Niceville to the north. The total permanent resident population of these communities is 117,680. This yields a ratio of 20.07 square feet of shopping per permanent resident.

Table 6-2

Representative Destin Shopping Centers

Downtown Seaside/Ruskin Place	Deli-market
Emerald Coast Plaza	
Manufacture's Outlet Center	
The Market Shops at Sandestin	35+ specialty shops/cafes
Santa Rosa Mall	Drug store
Scenic Route C-30a	Supermarket
Shoreline Village	Supermarket
The Shores Shopping Center	Supermarket/drug
Silver Sands Factory Stores	100 off-price designer

The expenditure patterns of the permanent residents of Destin varies substantially when compared to the seasonal resident or vacationing tourist. Most importantly, the seasonal visitor and particularly the tourist visitor spend more each day. This is a direct result of the exceptionally large daily visitor population that ranges from 16,000 to 48,000 depending on the season and the significantly higher expenditure pattern discussed above. As a result of this balance of market segments the preponderance of sales are derived from the visitor market.

6.2.1 Restaurant Supply

As with shopping centers, Destin has a disproportionate number of restaurants when compared to the permanent resident population.

Table 6-3 – Representative Restaurants and Food Service

AJ's Seafood	Live entertainment
Buster's Bar & Grill	Seafood, steaks
Captain Dave's on the Gulf	Seafood
Destin Chips	YC, premier steak, seafood
Fat Tuesday	Theme bar
Flamingo Café	Seafood, steaks
Fudrucker's	Theme, live music
Hooters	National theme
Hoe's Crabshack	Seafood casual
Harbor Docks	Seafood
Landry's	Seafood
Little Caesars Pizza	National franchise
Lucky Snapper	Seafood
Marina Café	Casual
Morgan's	Family
Purple Rooster	Contemporary
Trattoria Borgo	Italian

6.3 Entertainment, Recreation and Attractions

Surveys of visitors to Destin/Fort Walton Beach indicate that people participate in a number of activities. There are a variety of recreations along the Emerald Coast including the beach, water sports, shopping, dining, golf and sport fishing. The frequency of participation should not be confused with economic impact. Beach/ Rest/Relax in the following table are essentially free. Participation in these is ranked in the following table.

Table 6-4 – Activities Ranked by Participation

Beach/Rest/Relax	43%
Golf	21%
Shopping/Restaurants	18%
Boating/Charter Fishing	12%
Night life	6%

Source: Okaloosa County Tourist Development and Convention and Visitors Bureau

Attendance projections are a product of market populations (resident and tourist/ visitor) and penetration rates. The above participation rates vary slightly depending on the survey or year.

This is a direct result of the exceptionally large visitor population that ranges from 16,000 to 48,000 depending on the season and the significantly higher expenditure pattern discussed above. As a result of this balance of market segments the preponderance of sales are derived from the visitor market.

Market penetration rates can best be described as a product of participation rate and the frequency of visitation or attendance.

The dominant factor in the participation rate is the breadth of market appeal. Swimming has the greatest breadth of market appeal of any form of recreation in which tourist participate. Sky-diving, mountain climbing and bungee jumping rank low on most people's recreation list.

The second factor impacting the market penetration rate is the frequency of visit. The frequency of visiting an attraction is first dependent upon the visitor having the opportunity. Distance from an attraction decreases the opportunity to visit and the frequency of visitation.

A more important factor, particularly impacting the tourist/visitor market, is lack of time. If the average length of stay is short, for example one night, the tourist must choose among a number of options; if the length of stay is longer, the issue of choice is much less critical.

6.3.1 Attraction Supply

Destin competes as a leisure destination with other resorts in Florida and the Caribbean and warm weather resort destinations. The tourist visitor is attracted to Destin for a variety of reasons; the warm weather, beautiful beaches, water sports and the charm of the people themselves.

The review of attraction alternatives is useful for establishing the relative Recreation Value and cost and for recreation alternatives. Recreation is age-appropriate. That is certain amusements and recreations are preferred by young children (LEGO blocks) or adults (golf). The recreation value of any attraction can be measured by the duration (length of time) for the experience and the sensory saturation (romance, charm, amusement, thrill, adventure).

Table 6-5 - Representative Attractions and Recreation

Golf

Golf Courses There are 8, 18-hole and 10, 9-hole courses in the immediate area: Ft. Walton Beach Golf Club, Indian Bayou Golf & Country Club, Island Golf Center, Sandestin, Emerald Bay, Santa Rosa Bay

Watersports

Boogie's Watersports Watersports, wave runners, para-sailing, snorkeling, pontoon boats, dolphin excursions, glass-bottom boats.
Destin Pontoon Pontoon rentals, cruises and dolphin swims
Discovery Cruises Snorkeling and sun-set cruises.
Southern Star Dolphin Cruise
Gilligan's Watersports Wave runner, pontoon, wave runners, para-sailing
Glass Bottom Boats Dolphin Cruises, bird feeding, crab traps
Boat Charters Sport Fishing, private parties
Moody's/America II ½ day fishing trips/snack bar

Family Entertainment

Gulfarium Dolphin shows, sea lions, turtles, educational camp
Big Kahuna's Water Park and 54-hole mini golf
Morgan's FEC with electronic games and soft play
The Track Family Entertainment Center
Rollin' Wheels Roller Skating Rink

Cultural/Educational

National Museum	Naval Aviation Museum with IMAX, Pensacola
Zoo & Botanic Garden	Wildlife adventure

Okaloosa County Community College-Theater Performances

Nightlife

AJ'S Seafood	Live Raggae and rock
Grand Isle Sky Bar	Live music and dancing, bar and grill
Nighttown	Dancing, light shows, pool tables, bar

Source: See the Emerald Coast

Experience providers create attractions, leisure recreations and other activities to appeal to the physical, emotional and intellectual needs of the audience. It can be positioned within the context of other recreations in Destin by an awareness of the criteria for value and choice which people place often subconsciously on these activities.

Summary

Destin is amply supplied with shopping and restaurants. It also offers many entertainment and recreations choices. In such a competitive shopping environment a prudent strategy for additional development must seek voids in the market and service these.

The existing shopping and restaurant supply offers little in the form of small shops and local merchant boutiques; it lacks the shopping experience as might be found in Key West. Also the integration of entertainment with theme shopping, dining and entertainment that is frequently found in a leisure market as, for example, in Coconut Grove with CocoWalk is missing from the market.

The variety of attractions has a strong entertainment component. Addition of family oriented entertainment with an educational component would add a broad dimension to the offering. An example might be the Salvadore Dali Museum in St. Petersburg or the Mystic Seaport in Mystic Connecticut.

The consequence of additional development with a "niche" market approach would be to secure a position in the market that avoids over-building and increases the variety of attractions for the market as a whole. The overarching effect should be to increase the length of stay for the seasonal and tourist visitor.

APPENDIX 1.0 – EMPLOYMENT AND ECONOMIC DETERMINATES

Exhibit 1-1 – Non-Agricultural Employment by Industry

Annual

Industry	1991	1992	1993	1994	1995	Growth
Services	15,100	15,900	17,400	19,500	21,100	7.9%
Trade	14,600	15,500	16,200	17,400	18,100	4.8%
Government	13,500	13,900	14,000	14,200	13,900	0.6%
Manufacturing	4,800	4,300	3,900	3,900	4,100	-2.9%
FIRE	2,800	2,800	3,300	3,600	3,900	7.9%
Construction	2,800	3,100	3,200	3,500	3,800	7.1%
TCU	1,800	1,700	1,900	1,900	1,900	1.1%
Total	55,400	57,200	59,900	64,000	66,800	4.1%

Source: Florida department of Labor and Employment Security

Exhibit 1-2 – Employment Distribution by Industry

Industry	Walton County	Okaloosa County
Services	28%	29%
Trade	24%	28%
Government	21%	20%
Manufacturing	12%	6%
FIRE	4%	6%
Construction	5%	6%
TCU	5%	3%
Agriculture	2%	1%

Source: Florida department of Labor and Employment Security

Notes to Exhibits:

- Trade – Wholesale and Retail Trade
- FIRE – Finance, Insurance and Real Estate
- TCU – Transportation, Communication, Utilities

APPENDIX 2.0 – POPULATION AND HOUSEHOLD GROWTH TRENDS

EXHIBIT
POPULATION & HOUSEHOLD GROWTH TRENDS

	Bay County	Annual % Growth	Walton County	Annual % Growth	Okaloosa County	Annual % Growth
Population						
1970	75,283	-	16,087	-	88,187	-
1980	97,740	3%	21,300	3%	109,920	2%
1990	126,994	3%	27,759	3%	143,777	3%
1997e	144,584	2%	36,094	4%	171,038	3%
2000p 1)	151,500	2%	39,200	2%	181,200	1%
2005p	162,600	1%	43,700	2%	197,900	2%
2010p	173,200	1%	48,000	2%	213,600	2%
2020p	195,400	1%	57,000	2%	246,700	2%
Households						
1970						
1980	34,754	-	8,043	-	37,538	-
1990	48,938	4%	11,294	4%	53,313	4%
1997e	55,581	2%	14,156	4%	63,357	3%
2000p 2)	59,881	2%	16,066	3%	69,692	2%
2005p	64,269	1%	17,910	2%	76,115	2%
2010p	68,458	1%	19,672	2%	82,154	2%
2020	77,233	1%	23,361	2%	94,885	2%
Housing Units						
1970						
1980	42,900	-	10,918	-	43,100	-
1990	65,999	5%	18,728	7%	62,569	5%
1996	78,545	3%	23,250	4%	76,359	4%

e - estimate

p - projection

1) Moderate scenario population projections 2000 - 2020

2) Based on 1995 household size estimate

Source: Bureau of Economic & Business Research, University of Florida;
 Permar & Ravenel, Inc., May 1998.

EXHIBIT
OKALOOSA COUNTY, FLORIDA
HOUSEHOLD AGE/INCOME TRENDS

1990

Household Income	Age of Household Head						Total
	Under 25	25-34	35-44	45-54	55-64	65+	
Under \$25,000	2,788	7,305	3,705	2,155	2,662	4,663	23,278
\$25,000 - \$34,999	524	3,010	2,368	1,368	1,244	1,377	9,891
\$35,000 - \$49,999	310	2,451	2,530	1,714	1,712	1,183	9,900
\$50,000 - \$74,999	75	894	1,992	1,984	1,407	782	7,134
\$75,000 - \$99,999	13	143	463	700	466	265	2,050
\$100,000-\$149,999	1	73	125	208	167	64	638
\$150,000-\$249,999	4	49	62	72	44	38	269
\$250,000-\$499,999	1	20	29	40	19	19	128
\$500,000 and over	0	7	5	7	6	0	25
Base	3,716	13,952	11,279	8,248	7,727	8,391	53,313
Median Income	\$17,976	\$24,266	\$33,169	\$40,260	\$34,628	\$17,294	\$27,841

1996

Household Income	Age of Household Head						Total
	Under 25	25-34	35-44	45-54	55-64	65+	
Under \$25,000	2,554	5,496	3,233	1,778	1,919	4,905	19,885
\$25,000 - \$34,999	785	3,199	2,663	1,443	1,153	1,871	11,114
\$35,000 - \$49,999	495	2,914	3,273	2,037	1,737	1,781	12,237
\$50,000 - \$74,999	207	1,689	3,366	2,941	1,960	1,529	11,692
\$75,000 - \$99,999	45	416	1,255	1,486	885	669	4,756
\$100,000-\$149,999	12	209	558	837	531	335	2,482
\$150,000-\$249,999	9	57	88	114	71	56	395
\$250,000-\$499,999	3	27	43	58	26	34	191
\$500,000 and over	0	16	16	22	15	5	74
Base	4,110	14,023	14,495	10,716	8,297	11,185	62,826
Median Income	\$21,325	\$29,737	\$41,194	\$50,850	\$44,275	\$23,486	\$35,398

2001

Household Income	Age of Household Head						Total
	Under 25	25-34	35-44	45-54	55-64	65+	
Under \$25,000	2,162	3,907	2,595	1,748	1,947	4,940	17,299
\$25,000 - \$34,999	1,084	3,009	2,332	1,436	1,252	2,052	11,165
\$35,000 - \$49,999	724	3,032	3,203	2,195	1,818	2,145	13,117
\$50,000 - \$74,999	397	2,355	3,700	3,203	2,389	1,954	13,998
\$75,000 - \$99,999	104	764	1,819	1,981	1,285	896	6,849
\$100,000-\$149,999	37	354	1,188	1,769	1,064	684	5,096
\$150,000-\$249,999	9	63	178	311	192	107	860
\$250,000-\$499,999	3	28	51	80	41	30	233
\$500,000 and over	1	19	23	36	22	11	112
Base	4,521	13,531	15,089	12,759	10,010	12,819	68,729
Median Income	\$25,909	\$34,500	\$47,258	\$57,809	\$49,869	\$27,364	\$40,869

EXHIBIT
WALTON COUNTY, FLORIDA
HOUSEHOLD AGE/INCOME TRENDS

1990

Household Income	Age of Household Head						Total
	Under 25	25-34	35-44	45-54	55-64	65+	
Under \$25,000	394	1,193	877	711	1,067	2,266	6,508
\$25,000 - \$34,999	25	414	449	293	347	278	1,806
\$35,000 - \$49,999	31	202	435	361	268	266	1,563
\$50,000 - \$74,999	10	61	173	291	224	171	930
\$75,000 - \$99,999	2	35	29	70	56	51	243
\$100,000-\$149,999	0	26	11	43	56	23	159
\$150,000-\$249,999	0	12	6	17	27	9	71
\$250,000-\$499,999	0	3	1	2	6	1	13
\$500,000 and over	0	0	0	1	0	0	1
Base	462	1,946	1,981	1,789	2,051	3,065	11,294
Median Income	\$13,224	\$21,277	\$27,528	\$31,263	\$24,041	\$12,005	\$21,252

1996

Household Income	Age of Household Head						Total
	Under 25	25-34	35-44	45-54	55-64	65+	
Under \$25,000	468	1,046	809	591	836	2,516	6,266
\$25,000 - \$34,999	52	505	575	338	382	434	2,286
\$35,000 - \$49,999	57	307	665	487	359	453	2,328
\$50,000 - \$74,999	32	141	414	581	419	456	2,043
\$75,000 - \$99,999	9	91	103	202	154	185	744
\$100,000-\$149,999	2	68	35	108	132	81	426
\$150,000-\$249,999	0	22	14	32	48	20	136
\$250,000-\$499,999	0	11	4	8	21	6	50
\$500,000 and over	0	0	0	6	2	0	8
Base	620	2,191	2,619	2,353	2,353	4,151	14,287
Median Income	\$16,222	\$25,980	\$33,704	\$42,623	\$33,947	\$16,941	\$28,628

2001

Household Income	Age of Household Head						Total
	Under 25	25-34	35-44	45-54	55-64	65+	
Under \$25,000	495	963	704	617	902	2,561	6,242
\$25,000 - \$34,999	113	511	440	318	416	610	2,408
\$35,000 - \$49,999	71	477	682	534	494	530	2,788
\$50,000 - \$74,999	59	279	633	750	568	597	2,886
\$75,000 - \$99,999	21	95	198	358	268	277	1,217
\$100,000-\$149,999	9	115	89	247	231	203	894
\$150,000-\$249,999	0	35	16	62	76	39	228
\$250,000-\$499,999	0	14	7	18	34	10	83
\$500,000 and over	0	4	1	9	8	2	24
Base	768	2,493	2,770	2,913	2,997	4,829	16,770
Median Income	\$19,559	\$30,548	\$40,301	\$49,649	\$40,530	\$20,867	\$33,769

EXHIBIT
WALTON COUNTY, FLORIDA
HOUSEHOLD AGE/INCOME TRENDS
CHANGE IN CATEGORY

1990 to 1996

Household Income	Age of Household Head						Total
	Under 25	25-34	35-44	45-54	55-64	65+	
Under \$25,000	19%	-12%	-8%	-17%	-22%	11%	-+%
\$25,000 - \$34,999	108%	22%	28%	15%	10%	56%	27%
\$35,000 - \$49,999	84%	52%	53%	35%	34%	70%	49%
\$50,000 - \$74,999	220%	131%	139%	100%	87%	167%	120%
\$75,000 - \$99,999	350%	160%	255%	189%	175%	263%	206%
\$100,000-\$149,999	0%	162%	218%	151%	136%	252%	168%
\$150,000-\$249,999	0%	83%	133%	88%	78%	122%	92%
\$250,000-\$499,999	0%	267%	300%	300%	250%	500%	285%
\$500,000 and over	0%	0%	0%	500%	0%	0%	700%
Total Change	158	245	638	564	302	1,086	2,993

1996 to 2001

Household Income	Age of Household Head						Total
	Under 25	25-34	35-44	45-54	55-64	65+	
Under \$25,000	6%	-8%	-13%	4%	8%	2%	0%
\$25,000 - \$34,999	117%	1%	-23%	-6%	9%	41%	5%
\$35,000 - \$49,999	25%	55%	3%	10%	38%	17%	20%
\$50,000 - \$74,999	84%	98%	53%	29%	36%	31%	41%
\$75,000 - \$99,999	133%	4%	92%	77%	74%	50%	64%
\$100,000-\$149,999	350%	69%	154%	129%	75%	151%	110%
\$150,000-\$249,999	0%	59%	14%	94%	58%	95%	68%
\$250,000-\$499,999	0%	27%	75%	125%	62%	67%	66%
\$500,000 and over	0%	0%	0%	50%	300%	0%	200%
Total Change	148	302	151	560	644	678	2,483

Source: Claritas; Permar & Ravenel, Inc.; June, 1997.

EXHIBIT
 WALTON COUNTY, FLORIDA
 HOUSEHOLD AGE/INCOME TRENDS
 AVERAGE ANNUAL CHANGE IN CATEGORY

1990 to 1996

Household Income	Age of Household Head						Total
	Under 25	25-34	35-44	45-54	55-64	65+	
Under \$25,000	3%	-2%	-1%	-3%	-4%	2%	-1%
\$25,000 - \$34,999	18%	4%	5%	3%	2%	9%	4%
\$35,000 - \$49,999	14%	9%	9%	6%	6%	12%	8%
\$50,000 - \$74,999	37%	22%	23%	17%	15%	28%	20%
\$75,000 - \$99,999	58%	27%	43%	31%	29%	44%	34%
\$100,000-\$149,999	0%	27%	36%	25%	23%	42%	28%
\$150,000-\$249,999	0%	14%	22%	15%	13%	20%	15%
\$250,000-\$499,999	0%	44%	50%	50%	42%	83%	47%
\$500,000 and over	0%	0%	0%	83%	0%	0%	117%
Total Change	26	41	106	94	50	181	499

1996 to 2001

Household Income	Age of Household Head						Total
	Under 25	25-34	35-44	45-54	55-64	65+	
Under \$25,000	1%	-2%	-3%	1%	2%	0%	0%
\$25,000 - \$34,999	23%	0%	-5%	-1%	2%	8%	1%
\$35,000 - \$49,999	5%	11%	1%	2%	8%	3%	4%
\$50,000 - \$74,999	17%	20%	11%	6%	7%	6%	8%
\$75,000 - \$99,999	27%	1%	18%	15%	15%	10%	13%
\$100,000-\$149,999	70%	14%	31%	26%	15%	30%	22%
\$150,000-\$249,999	0%	12%	3%	19%	12%	19%	14%
\$250,000-\$499,999	0%	5%	15%	25%	12%	13%	13%
\$500,000 and over	0%	0%	0%	10%	60%	0%	40%
Total Change	30	60	30	112	129	136	497

Source: Claritas; Permar & Ravenel, Inc.; June, 1997.

EXHIBIT
 OKALOOSA COUNTY, FLORIDA
 HOUSEHOLD AGE/INCOME TRENDS
 CHANGE IN CATEGORY

1990 to 1996

Household Income	Age of Household Head						Total
	Under 25	25-34	35-44	45-54	55-64	65+	
Under \$25,000	-8%	-25%	-13%	-17%	-28%	5%	-15%
\$25,000 - \$34,999	50%	6%	12%	5%	-7%	36%	12%
\$35,000 - \$49,999	60%	19%	29%	19%	1%	51%	24%
\$50,000 - \$74,999	176%	89%	69%	48%	39%	96%	64%
\$75,000 - \$99,999	246%	191%	171%	112%	90%	152%	132%
\$100,000-\$149,999	1100%	186%	346%	302%	218%	423%	289%
\$150,000-\$249,999	125%	16%	42%	58%	61%	47%	47%
\$250,000-\$499,999	200%	35%	48%	45%	37%	79%	49%
\$500,000 and over	0%	129%	220%	214%	150%	0%	196%
Total Change	394	71	3,216	2,468	570	2,794	9,513

1996 to 2001

Household Income	Age of Household Head						Total
	Under 25	25-34	35-44	45-54	55-64	65+	
Under \$25,000	-15%	-29%	-20%	-2%	1%	1%	-13%
\$25,000 - \$34,999	38%	-6%	-12%	0%	9%	10%	0%
\$35,000 - \$49,999	46%	4%	-2%	8%	5%	20%	7%
\$50,000 - \$74,999	92%	39%	10%	9%	22%	28%	20%
\$75,000 - \$99,999	131%	84%	45%	33%	45%	34%	44%
\$100,000-\$149,999	208%	69%	113%	111%	100%	104%	105%
\$150,000-\$249,999	0%	11%	102%	173%	170%	91%	118%
\$250,000-\$499,999	0%	4%	19%	38%	58%	-12%	22%
\$500,000 and over	0%	19%	44%	64%	47%	120%	51%
Total Change	411	-492	594	2,043	1,713	1,634	5,903

Source: Claritas; Permar & Ravenel, Inc.; June, 1997.

EXHIBIT
 OKALOOSA COUNTY, FLORIDA
 HOUSEHOLD AGE/INCOME TRENDS
 AVERAGE ANNUAL CHANGE IN CATEGORY

1990 to 1996

Household Income	Age of Household Head						Total
	Under 25	25-34	35-44	45-54	55-64	65+	
Under \$25,000	-1%	-4%	-2%	-3%	-5%	1%	-2%
\$25,000 - \$34,999	8%	1%	2%	1%	-1%	6%	2%
\$35,000 - \$49,999	10%	3%	5%	3%	0%	8%	4%
\$50,000 - \$74,999	29%	15%	11%	8%	7%	16%	11%
\$75,000 - \$99,999	41%	32%	29%	19%	15%	25%	22%
\$100,000-\$149,999	183%	31%	58%	50%	36%	71%	48%
\$150,000-\$249,999	21%	3%	7%	10%	10%	8%	8%
\$250,000-\$499,999	33%	6%	8%	8%	6%	13%	8%
\$500,000 and over	0%	21%	37%	36%	25%	0%	23%
Total Change	66	12	536	411	95	466	1,586

1996 to 2001

Household Income	Age of Household Head						Total
	Under 25	25-34	35-44	45-54	55-64	65+	
Under \$25,000	-3%	-6%	-4%	0%	0%	0%	-3%
\$25,000 - \$34,999	8%	-1%	-2%	0%	2%	2%	0%
\$35,000 - \$49,999	9%	1%	0%	2%	1%	4%	1%
\$50,000 - \$74,999	18%	8%	2%	2%	4%	6%	4%
\$75,000 - \$99,999	26%	17%	9%	7%	9%	7%	9%
\$100,000-\$149,999	42%	14%	23%	22%	20%	21%	21%
\$150,000-\$249,999	0%	2%	20%	35%	34%	18%	24%
\$250,000-\$499,999	0%	1%	4%	8%	12%	-2%	4%
\$500,000 and over	0%	4%	9%	13%	9%	24%	10%
Total Change	82	-98	119	409	343	327	1,181

Source: Claritas; Permar & Ravenel, Inc.; June, 1997.

APPENDIX 3.0 – TOURISM, LODGING AND HOTELS

Exhibit - 3-1 Destin/Fort Walton Beach Visitor Characteristics

Tourism Indicators – 5-year Annual Average

Age

0-17	17.30%
18 – 44	32.65%
45-66+	50.00%

Income

\$20,000 - \$50,000	46.7%
\$50,000 - \$100,000	53.3%

Transportation

Arrive by Car	88.9%
Arrive by Air	11.1%

Destination

Destin/Fort Walton	92.4%
Other	7.6%

Purpose of Trip

Vacation	83.9%
Visit Friends/Relatives	5.9%
Business	10.2%

Activity Participation

Beach/Rest/Relaxation	50.3%
Shopping/Restaurants	19.4%
Golf	15.6%
Charter Boat Fishing	11.5%
Nightlife	3.2%

Economic Impact

Daily Visitor (year-round average)	7,561
Annual Visitors	2.76 million (1996)
	3.10 million (1997)
Accommodations	11,064 units
Average Expenditure/Stay	\$1,041.00 (per person)
Average Expenditure/Day	\$1,262,888 (per total visitors)

Lodging Types

Hotel /Motel/Condo/Townhouse	59%
Friends/Relatives	28%
Average Length of Stay	4 – 5 days
Number of Restaurants	458
Number of Restaurant Seats	40,808

Source: Okaloosa County Tourism Development and Convention and Visitor Bureau

Tourism Trends and Forecasts

Annual Visitors	Number	% Increase
1989 – 1990	1.7 million	
1990 – 1991	2.0 million	17.6%
1991 – 1992	2.2 million	10.0%
1992 – 1993	2.5 million	13.6%
1993 – 1994	2.7 million	8.0%
1994 – 1995	2.9 million	7.0%
1995 – 1996	2.6 million	-10.4% (effects of two hurricanes)
1996 – 1997	3.1 million	19.2%

Average increase 11.7%

Estimated Economic Impact

1989 – 1990	\$375.0 million
1990 – 1991	\$405.1 million
1991 – 1992	\$483.5 million
1992 – 1993	\$502.4 million
1993 – 1994	\$533.5 million
1994 – 1995	\$595.0 million
1995 – 1996	\$539.1 million (effect of two hurricanes)
1996 – 1997	\$636.6 million

The above economic impact estimates are based on 14 “tourist/recreation” taxable sales: restaurants, night clubs, jewelry, hotels/motels, apartment houses, tobacco supplies, photo supplies, gifts, newsstands, admissions, holiday seasonal vendors, rental/tangible property, parking boat/docks condominiums.

The economic impact may be calculated as substantially higher than these statistics indicate when total retail sales are included in the computation

Economics of Tourism

- Tourism provides over one-third of the gas tax revenue for Okaloosa County.
- Tourism provides 30 percent of the sales tax collections.
- 33,700 local residents are employed in the local tourism industry.

% Occupancy Levels	1994-1995	1995-1996	1996-1997
January	64.0	54.0	55.2
February	77.0	55.2	73.0
March	77.0	49.5	64.0
April	57.0	51.4	52.0
May	60.0	69.7	55.1
June	86.0	77.8	75.0
July	92.0	66.7	82.0
August	73.0	54.1	70.3
September	65.0	50.5	58.4
October	53.0	18.5	48.2
November	37.0	25.9	36.3
December	40.0	26.3	36.0
Average	65.0	50.0	58.8

Source: Okaloosa County Tourism Development and Convention and Visitor Bureau

Accommodation Units

Destin - Fort Walton Beach - Okaloosa Island

# Units	Fort Walton Beach	Okaloosa Island	Holiday Isle	Destin
Hotel/Motel	1,768	1,289	0	1,150
Condominium	760	788	1,253	3,598
Townhouse, Villa and Apartment	33	2	11	277
Beach Cottages	6	2	3	112
Houses	0	0	0	12
Totals	2,567	2,081	1,276	5,149
Grand Total All Units	11,064*			

For simplicity, hotel rooms in Sandestin are included in the above table. The growth projected for the Fiscal Year 1997-1998 will add an additional 2,500 units.

Source: Okaloosa County Tourism Development and Convention and Visitor Bureau

Destin Lodging Properties

	Rooms/Keys	
Surfside Resort	124	
Topsail Beach & Racquet Club	60	
Hampton Inn	104*	
Frangista Beach Inn	25*	(AAA reports as 52 rooms)
Bay Club of Sandestin	44	
Best Western Summerplace	66	
Hidden Dunes Beach Resort	110	
Destin Village Inn	100	
Robroy Lodge & Marina	29	
Best Rest Inn	70	
Motel 6	131*	(AAA reports as Comfort Inn)
Howard Johnson Express	81*	
Days Inn	60*	
Holiday Inn	233*	
Silver Beach Inn	48	
Emerald Towers	70	
Destin Pointe	66	
Country Inn & Suites	83	
Seascape Resort	182	
Sleep Inn	77*	
Sandestin Beach Resort	535*	
Hilton Inn Sandestin Beach	400*	
Holiday Inn Express	62	
Beach House Condominiums	120	
Total	2,957	

Source: Smith Travel Research

The above is a list of all lodging properties in Destin that report monthly occupancy, average daily rental rates to Smith Travel Research. This list may include traditional hotels, motels and rental condominiums. Properties identified with an asterisk (*) in the table are those, noted as hotels by AAA, in Section 3.0 of this memorandum. Sandestin hotel rooms are included above.

APPENDIX 5.0 - EXPENDITURE POTENTIALS AND SHOPPING CENTERS

Exhibit 5-1 - Shopping Center Summary Report

Description	3.0 Mile Radius	5.0 Mile Radius	12.0 Mile Radius
Total Shopping Centers	10	13	34
Neighborhood 0-99K	6	8	19
Community 100-299K	3	3	10
Regional 300-749 K	0	1	2
Super-Regional 750+ K	0	0	0
Under Construction	0	0	0
Total Reported GLA	809,627	1,293,294	3,656,074
Neighborhood GLA	364,064	467,731	1,025,279
Community GLA	445,463	445,463	1,510,177
Regional GLA		380,000	1,120,618

Source: National Research Bureau Shopping Center Data Base
Copyright, 1998 Blackburn Marketing Services, US, Inc.

Note to Exhibit 5-1:

- GLA – Gross Lease Area
- Radius taken from the intersection of US98 and Gulf Shore Drive

Exhibit 5-2 – Demographic Summary Report

Description	3.0 Mile Radius	5.0 Mile Radius	12.0 Mile Radius
Population			
2003 Projection	12,025	12,979	137,840
1998 Estimate	10,680	11,515	129,196
1990 Census	7,521	8,086	108,769
1980 Census	3,683	3,913	83,289
Growth 1980-1990	104.20%	106.64%	30.59%
Households			
2003 Projection	5,089	5,480	54,580
1998 Estimate	4,487	4,825	50,798
1990 Census	3,124	3,352	42,355
1980 Census	1,430	1,518	28,785
Growth 1980-1990	118.41%	120.82%	47.14%
Residential Units			
Occupied Units	3,124	3,352	42,355
Owner Occupied	67.54%	67.45%	59.43%
Renter Occupied	32.46%	32.55%	40.57%
1990 Persons Per Household	2.37	2.38	2.53
1998 Estimated Households			
by Income			
\$150,000 +	4,487	4,827	50,798
\$100,000 to \$149,999	5.97%	5.84%	2.42%
\$75,000 to \$99,000	7.23%	7.19%	5.54%
\$50,000 to \$74,999	9.93%	9.96%	9.37%
\$35,000 to \$49,999	21.78%	21.69%	20.42%
\$25,000 to \$34,999	17.58%	17.69%	18.59%
\$15,000 to \$24,999	13.84%	13.90%	16.11%
\$5,000 to \$14,999	15.41%	15.48%	15.64%
under \$5,000	6.41%	6.38%	9.56%
	1.85%	1.86%	2.35%
1998 Estimated			
Average HH Income	\$65,533	\$65,160	\$52,071
Median HH Income	\$45,652	\$45,491	\$40,117
Per Capita Income	\$27,929	\$27,752	\$20,674

Source: National Decisions Systems

APPENDIX 6.0 - NATIONAL DECISION SYSTEMS DATA

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If the enclosed report(s) derives data from the Business-Facts (R) database, the following also apply: The Business-Facts database (including, but not limited to, the Restaurant-Facts (TM), Daytime Diners (TM), Employment, and Occupation report(s) is created and maintained by National using input from a variety of data sources, with the primary business data source licensed from American Business Information Inc., Omaha, Nebraska, copyright 1998. The Business-Facts report(s) may not be used as a mailing list, prospecting list, telemarketing list, or canvassing list, or as a means to contact, directly or indirectly, the business records contained thereon.

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Account Number : 822494

Thursday September 3, 1998

CUSTOM SUMMARY REPORT
 (SHOPPING CENTER SUMMARY REPORT)
 BY NATIONAL DECISION SYSTEMS 800-866-6510
 PREPARED FOR
 AMENTA & COMPANY

HIGHWAY 98 AND GULF SHORE DR
DESTIN, FL

SITE: 501665
COORD:30:23.32 86:28.80

DESCRIPTION	3.0 MILE RADIUS	5.0 MILE RADIUS	12.0 MILE RADIUS
TOTAL SHOPPING CENTERS	10	13	34
CURRENT CENTERS	10	13	34
NEIGHBORHOOD 0 TO 99K GLA	6	8	19
COMMUNITY 100K TO 299K GLA	3	3	10
REGIONAL 300K TO 749K GLA	0	1	2
SUPER-REGIONAL 750K+ GLA	0	0	0
UNKNOWN	1	1	3
UNDER CONSTRCTN/PLANNED/PROPOSED	0	0	0
0 TO 99K GLA	0	0	0
100K TO 299K GLA	0	0	0
300K TO 749K GLA	0	0	0
750+ GLA	0	0	0
UNKNOWN	0	0	0
TOTAL REPORTED GLA	809627	1293294	3656074
CURRENT GLA	809627	1293294	3656074
UNDER CONSTRUCTION GLA	0	0	0
PLANNED GLA	0	0	0
PROPOSED GLA	0	0	0
CURRENT REPORTED GLA	809627	1293294	3656074
NEIGHBORHOOD GLA	364064	467731	1025279
COMMUNITY GLA	445563	445563	1510177
REGIONAL GLA	0	380000	1120618
SUPER-REGIONAL GLA	0	0	0
UNKNOWN	0	0	0
SHOPPING CENTERS BY AGE			
UNDER CONSTRCTN/PLANNED/PROPOSED	0	0	0
LESS THAN 5 YEARS	0	0	0
5 TO 10 YEARS	2	3	3
11 TO 15 YEARS	7	8	14
16 TO 20 YEARS	0	0	0
21 TO 25 YEARS	0	0	5
26 PLUS YEARS	1	1	7
UNKNOWN YEARS	0	1	5

SOURCE: NATIONAL RESEARCH BUREAU SHOPPING CENTER DATABASE.
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Account Number : 822494

Thursday September 3, 1998

SHOPPING CENTER LIST

BY NATIONAL DECISION SYSTEMS 800-866-6510
PREPARED FOR
AMENTA & COMPANY

HIGHWAY 98 AND GULF SHORE DR
DESTIN, FL

SITE: 501665
COORD:30:23.32 86:28.80

CENTER NAME ADDRESS CITY, STATE ZIP	GLA STORES	CENTER TYPE CONSTR STATUS YEAR OPEN	DIST DIR
BEACHWALK CENTRE II 130 OLD HWY. 98 DESTIN, FL 32541	52840 7	NEIGHBORHOOD NONE 1986	0.9 E
DELCHAMPS PLAZA 5023 U.S. HWY. 98 E. DESTIN, FL 32541	79638 9	NEIGHBORHOOD NONE 1986	0.2 W
DOWNTOWN DESTIN SHOPPING CENTER 757-769 HWY. 98 E. DESTIN, FL 32541	174980 22	COMMUNITY NONE 1986	0.2 W
EMERALD COAST CENTRE 14091 EMERALD COAST PKWY. DESTIN, FL 32541	152000 15	COMMUNITY NONE 1991	1.5 E
GULFVIEW PLAZA HWY. 98 DESTIN, FL 32541	0 10	UNKNOWN NONE 1987	1.5 E
MORENO PLAZA HWY. 98 E. DESTIN, FL 32541	36893 9	NEIGHBORHOOD NONE 1962	2.0 W
PALMETTO PLAZA U.S. HWY. 98 & PALMETTO ST. DESTIN, FL 32541	25100 24	NEIGHBORHOOD NONE 1984	1.7 W
SANS DASTIN SHOPPING CENTER 5001 HWY. 98, E. DESTIN, FL 32541	68667 17	NEIGHBORHOOD NONE UNKNOWN	3.9* E
SHOPPES OF SILVER SANDS OLD 98 HWY. & U.S. 98 BYPASS DESTIN, FL 32541	91000 19	NEIGHBORHOOD NONE 1990	0.9 E
SHORELINE VILLAGE MALL U.S. HWY. 98 & GULF SHORE DR. DESTIN, FL 32541	78593 42	NEIGHBORHOOD NONE 1985	0.0

IN DIRECTION COLUMN MEANS MATCHED TO ZIP CODE CENTROID

Account Number : 822494

Thursday September 3, 1998

SHOPPING CENTER LIST

BY NATIONAL DECISION SYSTEMS 800-866-6510

PREPARED FOR
AMENTA & COMPANY

HIGHWAY 98 AND GULF SHORE DR
DESTIN, FL

SITE: 501665
COORD:30:23.32 86:28.80

CENTER NAME ADDRESS CITY, STATE ZIP	GLA STORES	CENTER TYPE CONSTR STATUS YEAR OPEN	DIST DIR
SILVER SANDS FACTORY STORES 10562 HWY. 98 E. (W. EMERALD COAST PKWY. DESTIN, FL 32541	380000 82	REGIONAL NONE 1992	3.9* E
THE MARKET U.S. HWY. 98, E. (IN SANDESTIN BCH. RESO DESTIN, FL 32541	35000 35	NEIGHBORHOOD NONE 1986	3.9* E
THE SHORES SHOPPING CENTER HWY. 98 E. & MAIN ST. DESTIN, FL 32541	118583 30	COMMUNITY NONE 1983	0.2 W
BELTWAY SHOPPING CENTER RACETRACK RD. FORT WALTON B, FL 32547	59000 12	NEIGHBORHOOD NONE 1970	9.0 NW
T. WALTON BEACH PLAZA 411 N.E. RACETRACK RD. FORT WALTON B, FL 32547	48248 4	NEIGHBORHOOD NONE 1986	10.1 NW
GAYLORD'S SHOPPING CENTER 710 N. EGLIN PKWY. FORT WALTON B, FL 32547	63800 2	NEIGHBORHOOD NONE 1973	7.8 NW
MARINER PLAZA ELGIN PKWY. & RACE TRACK RD. FORT WALTON B, FL 32547	135355 21	COMMUNITY NONE 1970	7.9 NW
MIRACLE MART BEAL & PELHAM FORT WALTON B, FL 32547	14000 15	NEIGHBORHOOD NONE 1974	9.9 W
PARKWAY PLAZA EGLIN PKWY. (N. OF BRIDGE) FORT WALTON B, FL 32547	0 0	UNKNOWN UNKNOWN UNKNOWN	8.0 W
BEL-AIR SHOPPING CENTER 575 BEAL PKWY., NW FORT WALTON B, FL 32548	25260 12	NEIGHBORHOOD NONE 1960	8.2 W

IN DIRECTION COLUMN MEANS MATCHED TO ZIP CODE CENTROID

Account Number : 822494

Thursday September 3, 1998

SHOPPING CENTER LIST

BY NATIONAL DECISION SYSTEMS 800-866-6510
PREPARED FOR
AMENTA & COMPANY

HIGHWAY 98 AND GULF SHORE DR
DESTIN, FL

SITE: 501665
COORD:30:23.32 86:28.80

CENTER NAME ADDRESS CITY, STATE ZIP	GLA STORES	CENTER TYPE CONSTR STATUS YEAR OPEN	DIST DIR
FORT WALTON SQUARE 99 EGLIN PKWY. FORT WALTON B, FL 32548	250000 46	COMMUNITY NONE 1963	7.8 W
ISLAND GATE PERRY AVE. & U.S. HWY. 98 FORT WALTON B, FL 32548	69000 25	NEIGHBORHOOD NONE 1987	7.4 W
MANUFACTURER'S OUTLET CENTER 255 MIRACLE ST. FORT WALTON B, FL 32548	115000 28	COMMUNITY NONE 1987	8.0 W
NORTHGATE SHOPPING CENTER BEAL ST. & MARY ESTHER CUTOFF FORT WALTON B, FL 32548	0 0	UNKNOWN UNKNOWN UNKNOWN	9.8 W
UN PLAZA 415 MARY ESTER CUT OFF FORT WALTON B, FL 32548	166340 15	COMMUNITY NONE 1987	10.0 W
TOWNCREST SHOPPING CENTER EGLIN PKWY. & HOLLYWOOD BLVD. FORT WALTON B, FL 32548	40000 13	NEIGHBORHOOD NONE 1963	7.6 W
WHITE SANDS SHOPPING CENTER 550 MARY ESTHER CUTOFF FORT WALTON B, FL 32548	124851 12	COMMUNITY NONE UNKNOWN	10.5 W
MARKET PLACE OF SANTA ROSA MARY ESTHER CUT-OFF & HOLLYWOOD DR. MARY ESTHER, FL 32569	73120 17	NEIGHBORHOOD NONE 1983	10.5 W
MARKETPLACE OF SANTA ROSA 251 N. MARY ESTER CUTOFF MARY ESTHER, FL 32569	73120 0	NEIGHBORHOOD NONE UNKNOWN	10.6 W
SANTA ROSA MALL 300 MARY ESTHER BLVD. MARY ESTHER, FL 32569	740618 122	REGIONAL NONE 1976	10.5 W

IN DIRECTION COLUMN MEANS MATCHED TO ZIP CODE CENTROID

Account Number : 822494

Thursday September 3, 1998

SHOPPING CENTER LIST

BY NATIONAL DECISION SYSTEMS 800-866-6510
PREPARED FOR
AMENTA & COMPANY

HIGHWAY 98 AND GULF SHORE DR
DESTIN, FL

SITE: 501665
COORD:30:23.32 86:28.80

CENTER NAME ADDRESS CITY, STATE ZIP	GLA STORES	CENTER TYPE CONSTR STATUS YEAR OPEN	DIST DIR
BAYOU PLAZA JOHN SIMS PKWY. NICEVILLE, FL 32578	72000 6	NEIGHBORHOOD NONE 1974	8.9 N
OAK CREEK SHOPPING CENTER HWY. 20 & JUNIPER RD. NICEVILLE, FL 32578	169068 18	COMMUNITY NONE 1986	8.8 N
PALM PLAZA 1000 BLK. E. JOHN SIMS PKWY. NICEVILLE, FL 32578	104000 38	COMMUNITY NONE 1975	8.9 N
VILLAGE CENTER HWY. 190 & NORDBURG PALPARAISO, FL 32580	20000 7	NEIGHBORHOOD NONE 1966	8.5 N

TOTAL GLA IN 12.00 MILE RADIUS 3656074 SQFT

SOURCE: NATIONAL RESEARCH BUREAU SHOPPING CENTER DATABASE.
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IN DIRECTION COLUMN MEANS MATCHED TO ZIP CODE CENTROID

GI: 91

Account Number : 822494

Thursday September 3, 1998

POP-FACTS: SUMMARY REPORT
 (CENSUS '90, UPDATES & PROJECTIONS)
 BY NATIONAL DECISION SYSTEMS 800-866-6510
 PREPARED FOR
 AMENTA & COMPANY

HIGHWAY 98 AND GULF SHORE DR
 DESTIN, FL

SITE: 501665
 COORD:30:23.32 86:28.80

DESCRIPTION	3.0 MILE RADIUS	5.0 MILE RADIUS	12.0 MILE RADIUS
POPULATION			
2003 PROJECTION	12025	12979	137840
1998 ESTIMATE	10680	11515	129196
1990 CENSUS	7521	8086	108769
1980 CENSUS	3683	3913	83289
GROWTH 1980 - 1990	104.20%	106.64%	30.59%
HOUSEHOLDS			
2003 PROJECTION	5089	5480	54580
1998 ESTIMATE	4487	4827	50798
1990 CENSUS	3124	3352	42355
1980 CENSUS	1430	1518	28785
GROWTH 1980 - 1990	118.41%	120.82%	47.14%
1998 ESTIMATED POPULATION BY RACE			
WHITE	10680 96.88%	11515 96.86%	129196 84.39%
BLACK	0.78%	0.78%	9.35%
ASIAN & PACIFIC ISLANDER	1.24%	1.22%	4.43%
OTHER RACES	1.11%	1.14%	1.83%
1998 ESTIMATED POPULATION HISPANIC ORIGIN			
	10680 1.85%	11515 1.88%	129196 4.50%
OCCUPIED UNITS			
OWNER OCCUPIED	3124 67.54%	3352 67.45%	42355 59.43%
RENTER OCCUPIED	32.46%	32.55%	40.57%
1990 PERSONS PER HOUSEHOLD	2.37	2.38	2.53
1998 ESTIMATED HOUSEHOLDS BY INCOME			
\$150,000 +	4487 5.97%	4827 5.84%	50798 2.42%
\$100,000 TO \$149,999	7.23%	7.19%	5.54%
\$ 75,000 TO \$ 99,999	9.93%	9.96%	9.37%
\$ 50,000 TO \$ 74,999	21.78%	21.69%	20.42%
\$ 35,000 TO \$ 49,999	17.58%	17.69%	18.59%
\$ 25,000 TO \$ 34,999	13.84%	13.90%	16.11%
\$ 15,000 TO \$ 24,999	15.41%	15.48%	15.64%
\$ 5,000 TO \$ 14,999	6.41%	6.38%	9.56%
UNDER \$5,000	1.85%	1.86%	2.35%
1998 ESTIMATED AVERAGE HH INCOME			
	\$65,533	\$65,160	\$52,071
1998 ESTIMATED MEDIAN HH INCOME			
	\$45,652	\$45,491	\$40,117
1998 ESTIMATED PER CAPITA INCOME			
	\$27,929	\$27,752	\$20,674

Account Number : 822494

Thursday September 3, 1998

CONSUMER-FACTS: SUMMARY REPORT
(ENTERTAINMENT)
BY NATIONAL DECISION SYSTEMS 800-866-6510
PREPARED FOR
AMENTA & COMPANY

HIGHWAY 98 AND GULF SHORE DR
DESTIN, FL

SITE: 501665
COORD:30:23.32 86:28.80

DESCRIPTION	3.0 MILE RADIUS (\$000s)	5.0 MILE RADIUS (\$000s)	12.0 MILE RADIUS (\$000s)
TOTAL	\$4,893	\$5,257	\$51,875
BOOKS	\$580	\$623	\$6,144
MAGAZNS/PRDCLS/NWSLTR	\$683	\$734	\$7,374
NEWSPAPERS	\$561	\$603	\$6,036
VIDEO RENTALS	\$252	\$271	\$2,891
PINBALL/VIDEO GAMES	\$171	\$184	\$2,034
RECREATION/LESSON FEES	\$588	\$632	\$6,201
GOLF/CNTRY/AUTO CLUB	\$811	\$870	\$7,936
SPORTING EVENTS	\$298	\$321	\$3,153
MOVIES/MUSEUMS/THEATER	\$266	\$286	\$2,860
OTHER ENTERTAINMENT	\$682	\$732	\$7,244

Note: Report displays current-year information.
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Account Number : 822494

Thursday September 3, 1998

TIGER SITE MAP
3, 5 AND 12 MILE RADII
BY NATIONAL DECISION SYSTEMS 800-866-6510
PREPARED FOR
AMENTA & COMPANY

HIGHWAY 98 AND GULF SHORE DR
DESTIN, FL

SITE : 501665
COORD : 30:23.32 86:28.80



3.77 Miles

Destin Harbor Area Master Plan

Analysis and Program Development

Prepared for:	Destin Harbor Task Force
Subject:	Market Overview—Sports Fishing Industry
Scope of Service Task Reference:	Phase II, Task 2.2
Prepared by:	Miami Economic Associates, Inc.
Date:	September 1998

I. INTRODUCTION

The objective of Task 2.2 is to develop an understanding of the economic and demographic structure of the Destin. This memorandum focuses specifically on the City's well-established and widely acclaimed commercial sports fishing industry that has historically been a major generator of economic activity within the City. In this regard, our analysis has been designed to achieve the following:

- Determine the size of the industry, its current level of activity and future prospects;
- Estimate the economic impact of the industry on the City of Destin; and
- Identify issues of importance to the industry and its participants that should be considered during the formulation of a master plan for the Destin Harbor Area.

II. METHODOLOGY

In order to accomplish the analytical objective described above with respect to Destin's commercial sports fishing industry, we have reviewed the limited amount of secondary source data available. We have also interviewed officials at a variety of state and federal agencies involved in promoting and/or regulating fishing activities within the Destin area. However, our conclusions regarding the economic importance of the commercial sports fishing industry to the City of Destin are primarily based on in-depth conversations with industry participants. In the regard, we would like to recognize and thank Olin Marler, Harold Staples, Tom Klosterman, Joe Taylor and Tom Moody for their assistance, some of which was provided while the City was either bracing for and/or recovering from recent hurricanes.

III. FINDINGS

The materials that follow summarize the principal findings of our analysis of Destin's sports fishing industry.

3.1 Industry Size, Activity and Future Prospects

Destin refers to itself as "The Luckiest Fishing Village in the World" and prides itself as harboring the largest commercial sports fishing fleet in the State of Florida. At the current time, the commercial sports fishing fleet is comprised of approximately 105 charter boats and 6 party boats, most --- if not, all of which --- are moored on the north side of Destin Harbor in marinas located between the entry of the Harbor east to the Flamingo Café. Based on our discussions with the individuals named above and tourism officials in other Gulf Coast communities such as Pensacola, Panama City, Gulf Shores and Orange Beach, we believe that the Destin's sports fishing fleet is at least twice the size of that operating from any of the competitive Gulf Coast locations.

Commercial sports fishing has long been a major economic activity in Destin. Illustratively, the annual fishing rodeo staged in October is now celebrating its 50th season. Several factors contribute to the appeal --- and success --- of Destin's sports fishing industry, as follows:

- Unlike other Gulf Coast communities with commercial sports fishing fleets, Destin is not located at the mouth of a river. Accordingly, the natural sea bottom is not adversely affected by silt deposits. As a result, fishing activities can commence within fifteen minutes of leaving the harbor with the result that the customer enjoys a longer day of fishing, hence better value, than at other locations.

- The absence of silt --- and industrial pollution --- also results in excellent water quality that enhances the fishing experience.
- The natural shape of the bottom and Destin's location along the Gulf Coast, together with the resultant water temperature and tidal movements, are conducive to the establishment of habitats for a wider variety of fish species than is found in most competitive fishing areas. Destin is not specifically known for a particular type of sports fishing; rather it provides a highly varied fishing experience of excellent quality throughout the year.
- The excellent fishing conditions have provided sufficient demand to support the large commercial sports fishing fleet that currently exists. The size of the fleet has, in turn, fed the success of commercial sports fishing in Destin in two ways. First, people interested in fishing as an activity during an extended vacation within the area are generally assured that they will be able to go fishing whenever their schedule permits because space is usually available. Secondly, the opportunity has existed to continuously develop a large number of skillful captains and mates who have the know-how to make their customers fishing outings as successful as can reasonably be expected.

Based on the discussions with boat owners referenced above, we estimate that Destin's commercial sports fishing fleet serves between 250,000 and 300,000 people on an annual basis, with the average charter boat in use 200 days or more per year. As a result, the commercial sports fishing fleet employs approximately 400 people on a full or part-time basis, inclusive of the boat owners.

The busiest period of activity is during the months of June through August. Many of the customers served during this period are people on vacation in the Destin area that may go fishing on one or more days during a more extended stay. Destin's excellent beaches are in many cases the attraction for their vacation in Destin. However, the fact that they chose to visit Destin rather than another of the Gulf Coast's many beach areas is frequently influenced by the fact that Destin provides them the opportunity to enjoy better fishing than the other destinations. During these summer months, the boats typically operate 6 to 7 days a week.

The commercial sports fishing fleet experiences shoulder seasons of activity in the spring months of April and May and the fall months of September and October. During these months the boats typically operate 4 to 5 days a week. Sports fishing is generally the primary motivation for a Destin visit for the customers served during these months. During these months, a portion of the business is comprised of corporate outings.

As would be expected, the period of slowest activity is between November and March, particularly the middle three months of the period. With activity sporadic, the boat owners use these months to perform major repair and maintenance work. It should, however, be noted that the amount of activity has been growing during these months in recent years as Destin has become a more popular destination for cost-conscious Canadians wintering in Florida who have increasingly found other destinations throughout the State too expensive relative to their currency.

Those with whom we spoke do not expect any significant increase in the size of the commercial fishing fleet and predict that with any new boats added will be smaller than average in size. They indicate that there will probably be sufficient growth in demand to support a larger fleet but believe that increasingly cumbersome and expensive licensing procedures will discourage people from entering the industry unless they can buy out an existing licensee. They also express concern that regulations that have made it difficult to replace the artificial reefs destroyed by Hurricane Opal several years ago and which limit the

times during which certain species like red snapper can be fished will also discourage fleet growth. Underlying this concern is the fear that too many boats will be trying to fish the same "holes" simultaneously for too few fish. Finally, they indicate that fleet growth will be limited by a lack of adequate parking near some of the marinas that the fleet utilizes. Notwithstanding these issues, the fishermen with whom we spoke generally believe that if they wished to sell their existing operations, they would find buyers, suggesting that the economics of their operations remain sound. (There is not unanimous agreement on this issue; see "Interview findings" Phase I, Task 1.1.)

3.2 Economic Impact

In July, Mayor Beard estimated that the commercial sports fishing industry enhances the Destin economy by \$100 million annually. We have not been able to assemble sufficient data to completely confirm this estimate but believe it may, in fact, be conservative when all direct, indirect and derivative activity associated with the commercial sports fishing industry are taken into account.

3.2.1 Direct Activity

As discussed above, the boats in the commercial fishing fleet typically operate 200 or more days a year and collectively serve between 250,000 to 300,000 people annually. Based on this information and the rate schedules generally charged, it is estimated that the fleet's charter/ticket fee revenues approximate \$16 to \$20 million annually.

The fleet's customers spend money for a number of different things including lodging, car rentals, restaurant/bar meals and beverages and items ranging from soda, beer and food to ice and ice coolers to sunscreen, hats and tee shirts. Based on a number of assumptions relating to length of stay, mode of transportation to and from Destin, and level of daily expenditure by expenditure category, it is estimated that the fleet's customers spend \$45 to \$50 million for these collateral expenditures.

Accordingly, the fleet is responsible for an estimated \$61 to \$70 million in direct expenditures.

3.2.2 Indirect Activity

The money paid to the fleet in charter/ticket fees is used by the boat owners for a variety of purposes including to pay their captains and/or mates, to rent slip space in marinas, to buy equipment, supplies and fuel and to pay for repairs, maintenance, and insurance. Most of these expenditures occur in Destin. We estimate that the non-payroll portion of these expenses equates to \$10 to \$12 million annually. We also estimate that the money spent in other Destin businesses likely circulate through the City's economy 1 to 2 more times --- the multiplier effect.

The \$45 to \$50 million in collateral expenditures spent by the fleet's customers also circulate through the economy 2 to 3 times on average as they are used to pay the payroll of the hotels, restaurant and retail establishments, or to buy food, supplies and retail products used by these collateral businesses.

3.2.3 Derivative Activity

As noted above, a number of people who vacation in Destin chose it over other beach destinations because of the quality of its sports fishing. We further believe that the quality of Destin's sports fishing is a factor influencing some second home and condominium buyers to select Destin over other Gulf Coast beach communities as the place of purchase. While these impacts can not be quantified, we believe they are significant.

It should also be noted that many of the marinas used by the commercial sports fishing fleet also rent boats, provide dockage for excursion and restaurant boats and have on-shore restaurant, bar and retail facilities. There is clear evidence that the activity and interest in Destin engendered by the commercial sports fishing fleet enhance all of these activities.

IV. ISSUES

In our discussions with the boat owners referred to above, several issues that they would like addressed in the master planning were identified. The first of these, alluded to above, is the current and future adequacy of parking in the area where the marinas that they utilize are located. Other issues identified are as follows:

- Due to the amount of development along Highway 98 and the severe slope from the edge of the water to the highway, the marinas utilized by the fishing fleet are not visible to passing traffic. Limited signage, partially as a result of the sign ordinance passed after Hurricane Opal also reduces their visibility. The boat owners with whom we spoke suggested that the possibility of creating view and/or pedestrian corridors from the highway to the waterfront should be explored. They also felt that the sign ordinance should be reviewed.
- The absence of a continuous boardwalk or promenade through the marina area makes it difficult for people to walk through the area and enjoy watching the fleet come in each evening with its catch. The boat owners believe that such activity should be encouraged by the creation of a boardwalk or promenade. They believe that the marina area businesses would benefit from such activity and that they would also derive more business because more people would be encouraged by the excitement to charter a boat.
- In order for the commercial sports fishing fleet to operate efficiently and cost effectively, it is necessary for the relationship between the fleet and other area businesses to be respected. Of concern in this regard is the boatyard east of A.J.'s marina and the marine business located north of Highway 98. The boat owners with whom we spoke emphasized the importance of having these support facilities and businesses in close proximity.

Finally, it should be noted that the boat owners with whom we spoke were gravely concerned about the erosion of the sand island directly across (south) the harbor channel from the marinas which they utilize. Since we initially spoke in early September, the two hurricanes that have effected Destin this fall have created an 800 to 1000 foot breach in the island, placing silt in both the channel and the marinas and increasing the threat of tidal surge to the boats. They recognize that the island is outside the study area but emphasize that this issue is the biggest single threat --- other than cumbersome regulations promulgated at the Federal and State level --- to their industry.

Destin Harbor Area Master Plan

Analysis and Program Development

Prepared for:	Destin Harbor Task Force
Subject:	Vehicular Transportation Analysis
Scope of Service Task Reference:	Phase II, Task 2.3
Prepared by:	Hall Planning & Engineering, Inc.
Date:	December, 1998

SUMMARY OF CONCURRENCY PROCEDURES FOR THE CITY OF DESTIN AND OKALOOSA COUNTY

This report summarizes the similarities and the differences between transportation concurrency procedures for the City of Destin and Okaloosa County. Since these jurisdictions share growth management responsibilities on the Moreno peninsula, it is important to understand how and where these processes differ. The discussion below, summarized in Table 1, focuses on the following topics:

- Trip Generation
- Time Period for Analysis
- Passer-by Travel
- Trip Distribution/Assignment
- De Minimis
- LOS Procedures
- Existing Traffic
- Approved Development Traffic

Trip Generation

As with most areas in the state of Florida, trip generation is carried out by both jurisdictions using the latest edition of the *ITE Trip Generation Manual*. Although this data source is not focused on Florida, the large sample size available for many of the land use types gives it greater statistical validity than many local sources. When local data are collected, the ITE rates often compare favorably within similar land use categories. In many cases, however, when unique land uses are not included in the ITE manual, unique travel studies should be performed.

Time Period for Analysis

The time period analyzed for traffic concurrency is a key assumption within the overall process. Both Okaloosa County and the City of Destin use the PM peak hour for concurrency analysis, however, the older City of Destin ordinance still reads that daily trip generation is required. The common professional practice is to analyze the PM peak hour, since it is the most highly traveled period of the day. In the AM period, many commercial establishments are not yet open for business. During the PM peak hour, however, both commuting activity and commercial activity together form a larger peak for the overall day. The final reason for using the PM peak hour is that level of service analysis cannot be absolutely proven on a daily basis. All the foundation documents for level of service speak to hourly measurement of the important phenomena.

Passer-by Travel

As can be seen on the accompanying table which summarizes these overall parameters, Okaloosa County relies on professional judgment for passer-by calculations on a case-by-case basis. The City of Destin has published passer-by rates with their concurrency ordinance (Table 6.06.02). These values were taken from other studies and are documented for standard application purposes.

Trip Distribution/Assignment

This concurrency procedural element is treated differently by each jurisdiction. Okaloosa County follows the more current standard professional practice of distributing project development trips along a roadway network until they become relatively insignificant. This is accomplished by using judgment to connect project trips to other population and employment attractions of significant magnitude. To the extent possible, an accurate trip simulation is achieved. Trips leaving or arriving at the proposed development site are traced along the roadway system until they either turn into other driveways or cross-streets and become 1% or less of the service volume of the roadway in question.

The City of Destin, however, employs the radius method of trip distribution. Specific radii are provided for developments of varying intensity in both the residential and non-residential categories. Under this method, trips are distributed from the proposed site until they reach a certain travel distance from the site, varying from one-quarter mile to a two-mile radius. Trips are not carried beyond this radius threshold.

The advantage of the radius approach for trip distribution and assignment is simplicity. This requires no specific judgment regarding the simulation of travel distance or direction. The disadvantage of this method is that many trips will often travel beyond these specified radii and if not accounted for in the traffic analysis for the concurrency application, they will never be logged as committed trips on many links within the transportation network. The advantage of the method used by Okaloosa County, the travel simulation method, is that there is greater travel accuracy. The disadvantage is increased complexity in the application of the procedure.

De Minimis

This legal term refers to the point at which travel on the roadway from a proposed project is not considered to be a significant potential impact to the public roadway system. In other words, project development traffic becomes insignificant. Okaloosa County uses a process whereby a project development may place up to 5% of the street service volume and be considered insignificant if the roadway currently operates better than the LOS standard. If the existing traffic exceeds the service volume at the level of service standard, then 1% of the service volume becomes the insignificant or de minimis value.

The City of Destin has no specified de minimis value, meaning all trips are considered significant when traced immediately from the site entrance. A quasi de minimis value appears in the trip distribution procedure based on simulating trips according to the radii specified in the attached table. Once the projected trips from a new project reach the maximum radius, they are no longer

considered a part of the concurrency travel calculation. This approximates a de minimis effect that varies based on project size.

LOS Procedure

Each area must specify the number of trips that will flow along a street and still allow it to operate at the level of service standard. The Comprehensive Plan establishes the level of service for each roadway type and a Level of Service "E" for example would result in a given service volume for a given number of lanes on a facility at that point. Both Okaloosa County and the City of Destin apply the FDOT program for arterial planning level of service calculation (ART_PLAN) to establish these service volumes at a given level of service. The key difference between Okaloosa County and the City of Destin procedures is Okaloosa County measures and regulates the level of service based on each segment of the arterial system, whereas, the City of Destin aggregates the individual street segments into three sections of US 98 and applies a single level of service number for each of those three sections. Since a roadway section is made up of numerous roadway segments, the use of segment by segment volumes is the more refined procedure.

Existing Traffic

The collection of traffic count data to measure existing demand levels within the system is a key aspect and is highly dependent on the resources available to measure traffic and the degree of growth occurring in the area. Okaloosa County and the City of Destin use different methods for gathering existing traffic data. Okaloosa County relies on Florida Department of Transportation traffic count stations and applies adjustment factors (K and D Factors) to estimate peak hour, peak season and directional flow patterns.

The City of Destin, on the other hand, gathers peak season traffic count data with hourly readings. This is accomplished using contract services to collect the traffic count information.

Approved Development Traffic

Both agencies use a similar method to account for traffic from approved development projects. In Okaloosa County, project trips are tabulated in the concurrency system based on how the trips are distributed and assigned to the network. Again, for Okaloosa County, these trips are carried out until they are 1% or less of the service volume on the roadway.

The City of Destin also tabulates committed trips from approved development as they are distributed and assigned. However, committed trips are carried only to the radius specified in the trip distribution process.

Summary

In summary, the two jurisdictions have basically the same technical procedures for concurrency. The City of Destin has specific passer-by percentages that are fixed. The major difference between the two jurisdictions is the trip distribution and assignment process where Okaloosa County simulates travel until it becomes insignificant at the 1% level. The City of Destin distributes and assigns projected trips in a circular pattern within a given radius from the new development. The radii vary based on residential and non-residential land uses and project intensity. The de minimis determination is different for each jurisdiction, however, the differences are not highly significant. The level of service procedure is a more refined process for Okaloosa County (segment by segment) and a more rough calculation for the City of Destin by the entire section (including many segments). Each jurisdiction's tabulation of approved development traffic is impacted by its distribution and assignment technique -- in Okaloosa, simulation of travel to 1% levels and in Destin, simulation to a fixed radius.

Table 1

	Okaloosa County	City of Destin
Trip Generation	Use ITE Trip Generation Rates (latest edition)	Use ITE Trip Generation Rates (latest edition)
Time Period for Analysis	PM Peak Hour for concurrency.	PM Peak Hour for concurrency. Daily Trip Generation is also requested from previous requirements.
Passer-by Travel (New Trips)	Use professional judgment on a case-by-case basis.	New trip percentages identified by land use in the land development code.
Trip Distribution/Assignment	Development project trips distributed on roadway network until they represent 1% or less of the service volume at the LOS standard.	<p>Distribution of Residential Developments:</p> <ul style="list-style-type: none"> Developments of 10 units or less - 1/4 mile radius. Developments of 11 to 50 units - 1/2 mile radius Developments of 51 units or more - 1 mile radius <p>Distribution of Non-Residential Developments:</p> <ul style="list-style-type: none"> Developments of 0 to 49,999 square feet - 1/4 mile radius Developments of 50,000 to 99,999 square feet - 1/2 mile radius Developments of 100,000 to 199,999 square feet - 1 mile radius Developments 200,000 square feet or greater - 2 mile radius
De Minimis	5% of the street service volume or, 1% if the existing count is greater than the capacity.	Once trips distribute beyond the established radii (detailed above), they are no longer significant which approximates a de minimis affect.
LOS Procedure	<p>Use ART_PLAN to establish service volumes.</p> <p>Unique service volume and available capacity values are reported by SEGMENT.</p>	<p>Use ART_PLAN to establish service volumes.</p> <p>Unique service volume and available capacity values are reported by SECTION.</p>
Existing Traffic	Rely on FDOT traffic counts and associated K and D Factors to estimate the peak hour/peak season.	Use peak season traffic counts taken each year by contract.
Approved Development Traffic	Committed trips are assigned to the street network and tabulated in the concurrency system until they impact 1% or less of the service volume at the LOS standard.	Committed trips are assigned to the street network and tabulated in the concurrency system until they reach the established distribution radius specified above.

DESTIN HARBOR AREA MASTER PLAN

TECHNICAL MEMORANDUM **VEHICULAR TRANSPORTATION ANALYSIS**

Hall Planning & Engineering, Inc.

The purpose of this technical memo is to provide a baseline statement of study area transportation conditions, past planning studies and related traffic impact studies conducted within the study area (Azalea Drive on the north---from the bridge to Main Street---and the harbor on the south). These studies were reviewed to provide an existing conditions database for transportation conditions within the downtown Highway 98 corridor.

REVIEW OF RECENT PLANNING AND TRANSPORTATION STUDIES

Several Destin land use and transportation studies were reviewed to determine their impact on the Destin Harbor Area Master Plan, including:

- Destin's Vision 2000 (1996)
- Destin Town Center Area Redevelopment Plan (1998)
- Florida Department of Transportation Azalea Trail Study

Destin's Vision 2000

This project was undertaken to establish a vision for land development, transportation and other issues for the City of Destin. The Destin Area Chamber of Commerce initiated the project with participation by the City of Destin and other stakeholders. Although many individual issues were dealt with, the transportation and land use issues are discussed here.

Roadway Recommendations

US 98 retains its four-lane divided cross-section from Old 98/Airport Road area to Benning. West of Benning US 98 divides into a one-way pair with three lanes in each direction. The existing US 98 corridor becomes a one-way eastbound and Mountain Drive at that point becomes three lanes westbound. The one-way pair rejoins US 98 at Stallman.

In addition to the US 98 improvements through the one-way pair configuration, Azalea Drive was recommended as an enhanced two-lane facility that would rejoin US 98 at Siebert Avenue with a new linkage between Stallman and Siebert.

In summary, key elements of these recommendations are listed below:

- Realign US 98 into a one-way pair through downtown, from the East Pass bridge to Benning Street
- Improve the visual quality of the US 98 corridor through design guidelines and overhead wire control
- Construct Azalea Drive as a two-lane facility from the East Pass bridge to US 98, east of Two Trees
- Adopt the Street Regulating Plan guidelines for widths, on-street parking, sidewalks, bikeways, streetscapes and arcades.
- Utilize roadways to emphasize the new urban form through the use of axes and roundabouts.

Transit improvements were also recommended in the report to enhance future mobility options. The transit recommendations are summarized as follows:

- Create a TranDestin Authority to operate the transit system
- Develop an on-demand, computer commuter system
- Market the use of all forms of transit
- Widen the use of water taxis and ferries to re-emphasize the water orientation of Destin

Parking is an integral part of the future concept plan developed in Destin's Vision 2000. The heavy reliance on off-street surface parking has increased the somewhat desolate look of the downtown as viewed from US 98 and other connecting roadways. Key recommendations include the following:

- Limit development of future surface parking
- Set maximum parking rations, limiting the total number of vehicles on site
- Require future garages to be in mixed use structures
- Centrally locate new garages to allow for pedestrian access
- Expand the on street parking as the Regulating Plan takes effect.

To establish a pedestrian scale for the entire harbor area, well-designed sidewalks are an essential element of the overall streetscape. Sidewalk recommendations include the following:

- Implement the sidewalk programs per the Street Regulating Plan
- Amenities such as lighting, furnishings, and banners shall be within the sidewalk realm
- Sidewalks shall provide pedestrian continuity
- Pedestrian facilities shall connect to the boardwalk traversing the northern edge of the Destin harbor

Destin Town Center Area Redevelopment Plan

During the Vision 2000 planning process, Destin's Main Street area (bounded by U.S. 98 to the south, Beach Drive on the west, Legion Drive and Airport Road to the north, and Airport Road on the east) was identified as a key area warranting special planning. The area contains the city's major shopping centers and the majority of the remaining vacant land.

According to the plan's findings, the study area has an inadequate street layout. Many streets end in culs-de-sac resulting in circuitous routes to otherwise nearby uses. The lack of connectivity results in heavy usage of primary roads such as U.S. 98 (currently nearing capacity) and Airport Road. Also, development of the large areas of currently vacant land could aggravate existing circulation problems if through streets aren't established.

Proposed in the plan is:

- Further development of the existing grid street pattern.

A key element of the redevelopment plan is to further develop the existing street pattern to provide capacity relief for US 98 and to create an internal, community oriented network of streets.

- Development of a new east-west corridor as an alternate to US 98

To provide an alternative to US 98 and to create redevelopment opportunities, the plan proposes a new east-west corridor in an alignment approximately mid-way between U.S. 98 and Legion Drive. According to the plan, the new route would "avoid a permanent commitment to U.S. 98" and would provide development and redevelopment opportunities by allowing development to use both sides of the corridor.

- Development of three north-south streets:

To further develop a street grid to enhance circulation, the plan proposes to:

- Extend Mattie Kelly Drive from Airport Road south to US 98
- Develop a second north-south corridor along the eastern edge of the conservation area between Airport Road and US 98
- Develop a third corridor running south from the proposed east-west corridor (east of the Shores Shopping Center) to US 98

Also proposed are “pedestrian friendly” improvements to make streets in the study area more walkable, including installation of adequate street lighting, bike lanes along the busier streets, “expansive sidewalks...necessary to create a pleasant walking experience”, and pedestrian crosswalks at busy intersections (Airport and Center Streets, Airport and Main Street, Center and Airport, Airport and U.S.98, Main and U.S.98 and Beach and U.S.98).

Proposed Azalea Trail Improvements---Florida Department of Transportation

In 1995, the Florida Department of Transportation (FDOT) proposed roadway alternatives to move traffic through Destin. Four-lane roadway alternatives along Azalea Trail through the harbor area were introduced and concepts were developed for major roadway improvements. In addition to the new four-lane section extending Azalea, US 98 was proposed for six-laning. These recommendations were not approved by the City who viewed the proposal as too disruptive.

FDOT is contemplating continuation of the PD& E study to focus on more compatible roadway alternatives, such as a one-way pair of Azalea and Mountain Drives from East Pass Bridge eastward to Main Street or Airport Road.

TRAFFIC ANALYSIS

Current Traffic Volumes

Traffic volumes for 1997 were obtained from FDOT field count stations located along the US 98 corridor. These counts and additional intersection turning movement counts for 1998 were analyzed using Destin’s adopted levels of service standards to determine current and future roadway performance (see Table 1). Actual field counts and intersection data used as input to this LOS analysis represent the peak season.

Current LOS of this Four-lane Arterial is “B”

US 98 (SR 30) is the only arterial presently serving the study area. According to FDOT arterial analysis software called ART_PLAN, the current LOS of this four-lane arterial is “B”. Current LOS was determined by comparing 1997 traffic volumes (from FDOT data) with the roadway capacities indicated by ART_PLAN (see Table 1).

Future U.S.98 LOS

A rough break point analysis using FDOT traffic growth projections shows U.S.98 will reach the LOS “F” congestion point between 2005-2010 (see Table 1).

Table 1. Destin Harbor Master Plan, Traffic Counts and Service Volumes for the Peak Season, Peak Hour (4pm - 5pm)

Counter #	Location	#Lane	Peak Hour/Peak Direction							Daily			
			Peak Dir	1997 Volume	Adopted LOS	Service Volume*	US 98 PD&E 2005 Volume**	US 98 PD&E 2010 Volume**	US 98 PD&E 2020 Volume**	AADT	K-factor	D-factor	T-factor
0018	US 98 (SR30) West End East Pass Bridge	4	W	1690	D	2435	2238	2477	2960	37000	11.02	63.64	3.71
0107	US98 (SR30) West of Main Street	4	W	1999	D	2615	2201	2408	2822	39000	11.02	63.64	4.09
5136	US98 (SR30) West of Benning Drive	4	W	2030	D	2580	2084	2244	2551	38500	11.02	63.64	4.09
0189	C30A 600' North of US98 (SR 30)	2	N	83	C	560	382	493	716	1600	11.02	63.64	10.62
5133	Main Street 300' North of US98	2	N	531	C	560	674	690	727	11500	11.02	63.64	3.66
5134	Beach Drive 300' North of US98	2	N	179	C	560	244	265	297	4100	11.02	63.64	7.24
5135	Benning Drive 300' North of US98	2	N	151	C	560	260	286	334	3900	11.02	63.64	3.66

* Service volumes for US 98 count locations are based on an ART_PLAN analysis. Service volumes for the side streets are based on the FDOT LOS Manual.

** Peak hour projected volumes are based on the SR 30 PD&E Study (revised April 1995). Projected AADT * K-factor * D-factor.

K- factor 10.2%
D- factor 52.0%

Pedestrian Volumes

Currently, pedestrian volumes in the Destin Harbor area are relatively low. Factors discouraging pedestrian movement include:

- The area's orientation towards automobile use, and the high volume of automobile traffic that is using the corridor (US 98 serves both as a through way as well as a local arterial)
- Few bicycle lanes and sidewalks are provided
- Area development patterns tend to discourage pedestrian travel. Low-density development patterns along the US 98 corridor increase the distance required to walk from one destination to another.

Current pedestrian traffic is limited to areas where there is a concentration of people who are attracted by outdoor activities, and where there are adequate walkways. In Destin these areas are limited to the fishing piers along the south harbor areas. The highest levels of pedestrian activity in this area are found in the afternoon and on weekends.

Inventory of Existing Parking Supply

Parking facilities in the study area consist primarily of surface lots, with few lots charging for parking. In general, these lots are located in front of buildings in a low-density configuration, acting as a setback or buffer from US 98 or other roads.

An inventory of existing commercial and public parking facilities (both paved and unpaved) was conducted using aerial photographs of the study area. Spaces were counted or estimated using a measurement based on observed parking. Due to inaccuracies inherent in aerial photo interpretation, parking counts were rounded to the nearest 10 spaces.

Based on the aerial photo counts, approximately 8,200 surface parking lot spaces were identified in the study area, not including residential spaces or on-street parking spaces.

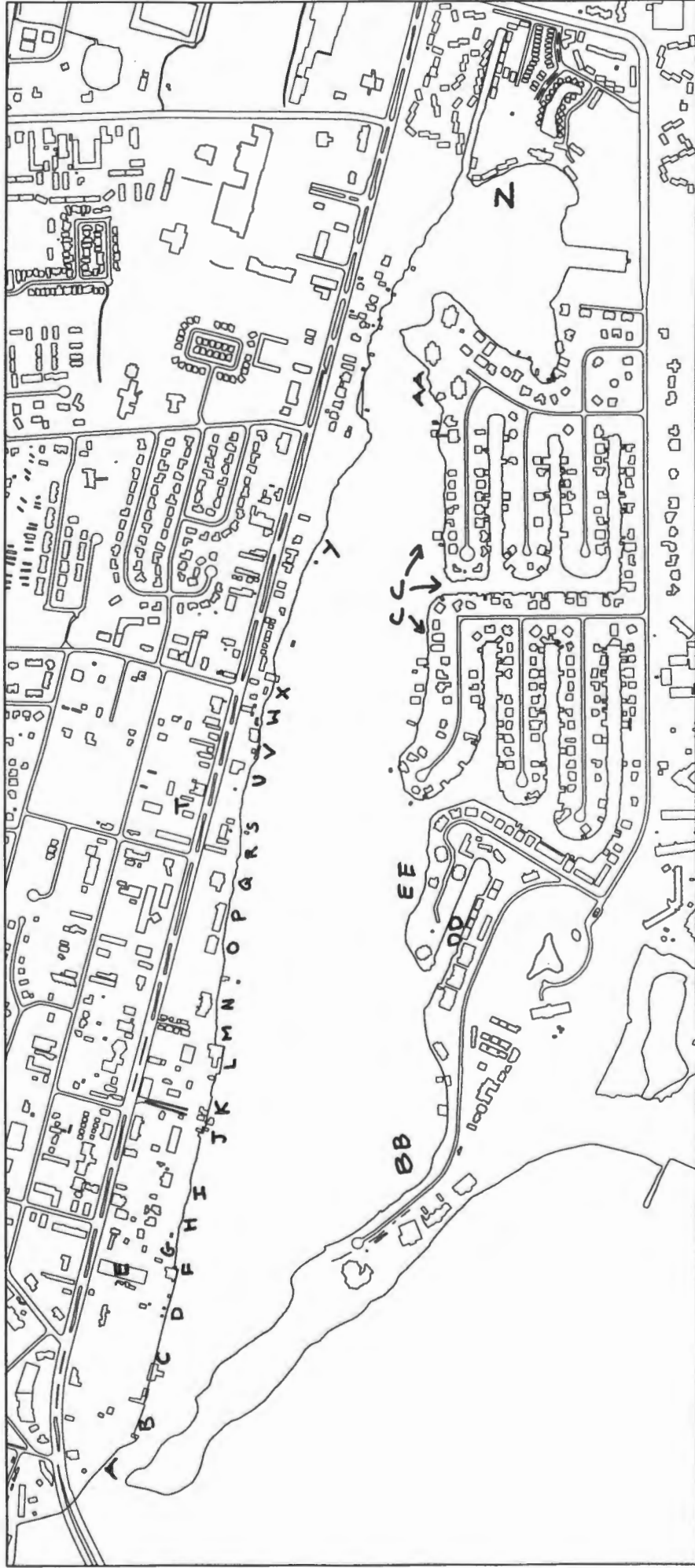
The highest concentration of parking facilities in the study area is along the US 98 corridor and on the south-side harbor area. The largest individual lots were located near the East Pass Bridge south of US 98.

Destin Harbor Area Master Plan

Harbor Analysis

Prepared for:	Destin Harbor Task Force
Subject:	Harbor Analysis
Scope of Service Task Reference:	Phase 2, Task 2.4
Prepared by:	Sasaki Associates, Inc.
Date:	September 1998





Approximate Location of Marinas and Other Watercraft Concentrations
Letters refer to Map Code in Figure 2

DESTIN HARBOR ENTRANCE CHANNEL ANALYSIS REPORT

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DESTIN HARBOR ASSESSMENT

I. Introduction

The primary purpose of this study is to assess the existing condition of Destin Harbor and its entrance channel; to determine if the harbor itself can accommodate future growth; and to provide a basis for on-shore land use recommendations along the harbor. Using nationally recognized design criteria such as the US Army Corps of Engineers and the American Society of Civil Engineers' *Planning and Design Guidelines for Small Craft Harbors*, the existing capacity of the entrance channel was analyzed to determine whether it is adequate to allow safe navigation now and in the future. Based on review of the facts, field observations, and interviews of major users, a list of proposed improvements and suggested alternative improvements have been suggested.

1.1 Definition of the Problem

The fishing and boating industries are vital to the economic well-being of Destin. Concerns have been expressed by fishermen and other boaters regarding congestion in the harbor, particularly in the harbor entrance channel. Conflicts among the various vessel types moving into and out of the narrow harbor channel could lead to accidents.

The physical configuration of the harbor and its entrance further complicates access to the harbor. The narrow channel is defined by an unstable sand spit, known as Noriego Point, which has been encroaching into the channel. The U.S. Army Corps of Engineers has been dredging the channel in the past to maintain a minimum channel width. Just to the west of the harbor mouth, the channel leading to the open water of the Gulf of Mexico makes a sharp turn in a southeasterly direction.

Maneuverability concerns combined with boat queues entering and exiting the harbor render the entire harbor mouth area congested and prone to accidents on peak days during the summer tourist season.

2.1 Assessment of Existing Data

Existing available harbor information was reviewed including USGS maps, GIS maps, Federal Emergency Management maps and reports, nautical charts of the harbor, and local zoning and land use plans (see appendix).

3.1 Field Inspection

In order to observe the physical and environmental characteristics of the harbor and its inlet, the planning team conducted a comprehensive site inspection during the weekend of July 25 in order to view existing physical conditions, carry out a boat count and conduct interviews. Interviews were conducted with representatives of the regulatory agencies that license, patrol, monitor and

safeguard boating in the region. The Destin Harbor Meeting Schedule, included in the appendix, lists the individuals who were interviewed.

Based on field observations, review of documents, interviews with boating facility managers within the harbor, and follow-up interviews conducted by telephone, it is estimated that the total number of vessels moored in Destin Harbor during the peak summer season (July and August) is approximately 1,363. This number includes charter fishing boats, recreational boats (sail and power), commercial fishing vessels and personal water crafts. Transient vessels (day visitors) are not included in this estimate.

II. Summary of Findings and Recommendations

- Over 1,300 boats are moored in Destin harbor during the peak tourist season in July and August exclusive of day visitors. Growth in moorage is expected to continue. With proper planning, additional moorage is possible.
- The Destin Harbor channel is narrow, congested on peak weekends, considered hazardous by the charter boat captains, and requires the Coast Guard to man special patrols at each end of the channel entrance to maintain safety under peak traffic conditions. Current channel width is estimated at 100 to 130 feet.
- The number of boats that entered and left the harbor during a 14-hour period on Saturday, July 25th was 1,300. Destin captains and Coast Guard officials believe this figure approaches 2,000 boats on a July 4th weekend.
- Criteria established by the Army Corps of Engineers in its *Small Craft Harbor Manual* (SF-2) suggests that Destin channel should be as wide as 300 feet in order to accommodate the amount of traffic that it carries. The channel sides should be unencumbered of dockage and slips in order to reduce friction and the potential for accidents.
- If the existing channel is to be retained, the current channel should be widened and stabilized by the construction of environmentally feasible channel stabilizing structures such as jetties, breakwaters and a sand/sediment bypass system. Additionally, a development-free zone should be established along the sides of the channel entrance area.
- As an alternative, the City should consider relocating the channel entrance to the location where recent hurricanes have breached Norriego Point. Properly designed, a new stabilized entry channel in this location would eliminate the current problem of congestion and any potential wave action within the harbor. Further, by constructing a pedestrian bridge across the existing channel, the recreational beach potential of Norriego Point can be utilized to the benefit of Destin residents.

III. Existing Conditions in Harbor Channel

3.1 Harbor Capacity

Boat Count

An order-of-magnitude count of existing boat moorage was established by reviewing available registration information through DEP, supplemented by field and telephone interviews of primary boating facilities and their actual count within the greater harbor. Interviews were conducted with marina and boatyard managers, and the data assembled were cross checked with city, state and regulatory agency records. In addition, on July 24, 1998, a field count, with a margin of error of $\pm 5\%$, of privately owned boats docked along canals and waterways within individual house lots (particularly on Holiday Isle) was conducted (see Figures 2 and 3). An estimated 1,360 boats are moored in Destin Harbor in the peak season (July and August). This number includes charter fishing boats (sail and power), commercial fishing boats and personal water draft. Transient vessels are not included in the estimate.

Existing Harbor Traffic: Peak Day Count

On July 25th, 1998, an average peak season Saturday, a visual boat traffic count of vessels entering and exiting the harbor from 5:00 AM to 7:00 PM was conducted. Every category of vessel which entered and exited the harbor through the main entrance channel was recorded. The survey was supplemented by periodic still photography and a short segment of video taping. The total number of vessels exiting and entering the Harbor within the 14-hour period was 1,319. In addition to the count, weather conditions during this period were documented due to their significant effect (as the numbers clearly show) on the volume of average and peak traffic flow. The peak day, peak hour directional flow of traffic is detailed in Figure 4 in the appendix.

3.2 Harbor Channel

Evaluating the capacity of the entrance channel to the harbor and establishing a minimum safe channel width requires examination of many factors including:

- Physical location;
- Coastal and environmental dynamics such as waves, currents, wind effects, shoaling, and long-term stability;
- Determining a design vessel beam;
- Total number of vessels (volume);
- Types of vessels (power, sail, pwc, etc.); and
- User experience.

The *Small Craft Harbor Manual (SR-2)* published by the US Army Corps of Engineers recommends standards for the minimum width required to safely accommodate two-way traffic

for the variety of vessels that currently use a harbor such as Destin. This nationally recognized publication recommends that "300 feet is required for the first 1,000 boats and an additional 100 feet of width [is required] for each and every additional 1,000 boats." Based on this criteria, the required width for the Destin Channel should be 325 to 350 feet. However, because the entrance channel to Destin Harbor is somewhat sheltered from open gulf waters by the primary East Pass breakwater, a reasonable reduction in the overall effective width is acceptable as long as it meets the evaluation criteria established above.

Channel width should be calculated by adding allowances for vessel beam, safety clearances along the banks and between passing crafts, and room for maneuverability. During field observations conducted as part of the research for this report, a number of vessels were sited making 180-degree turns in the middle of the narrow channel during peak traffic flow. This maneuver creates unsafe conditions for other vessels in a tight queue to enter or exit the harbor. In addition, many instances of "multiple queuing" in one direction, or parallel queuing, were noted, as were "too close for comfort" navigation practices (two boats in motion less than 15 feet apart). (See Figures 5 and 6 in the appendix.)

According to the *Small Craft Harbor Manuel*, a more specific and appropriate design criteria to evaluate the minimum width of the harbor entrance is as follows: the minimum width should be five times the width of the average-size boat plus an additional width calculated as 10% of the number of boats served by the channel, measured in feet.

The width of the vessels navigating through Destin Harbor channel varies from 3 feet for PWCs to 24 feet for passenger excursion vessels. Assuming that the average vessel width (beam) of 14 to 16 feet is a reasonable estimate for Destin Harbor, the effective (unencumbered) width (WFF) should be $5 \times 15 \text{ feet} + (0.10 \times 1,353) = 210 \text{ feet}$. Destin Harbor's effective channel width is much less. (See Figure 7 in the appendix.)

The cross section of Destin Harbor entrance channel is not unique. Ideally, in a new harbor development, an unencumbered channel having no dockage or slip spaces along its sides, or protruding into the critical throat area in which the primary function should be conveyance, is preferred. However, over the years, Destin Harbor channel has been subjected to unrestricted development—a practice that must be avoided in the future.

Furthermore, the physical setting of the Destin Harbor channel mouth creates a difficult maneuvering situation to exiting and entering vessels. When exiting the channel, visibility to the left is blocked by the sand spit (the problem is more acute for small vessels), requiring the boater to make a hard left turn in order to remain in the narrow channel while simultaneously avoiding oncoming vessels. This blind maneuver is dangerous, especially during inclement weather when visibility is reduced. (See Figure 8 in the appendix.)

Many coastal communities throughout the United States have adopted clear regulations built on sound planning principles to avoid past mistakes and establish clear directions for future

developments. In southern California and northern Washington, where boating pressure is high and has been increasing steadily over the past 15 years, the US Army Corps of Engineers Design Criteria, cited in this report, have been adopted as design and operational standards for pleasure craft harbors.

IV. Appendix

4.1 Minutes Of Meetings

Fisherman's Fuel Co-op (Ms. Biggers)

Ms. Biggers cited many occasions during the busy summer season when their charter fishing captains had to wait outside the inlet to enter the harbor because of the level of congestion. Fleet captains often cite unsafe conditions and close calls, all concentrated at the mouth and within the narrow stretch of the entrance channel. Fisherman's Fuel Co-op manage a 42 slip marina with no boat launching capability.

During June, July and up to the third week of August, their charter boats go out fishing every day (sometimes twice when they are booked for half-day trips). Charter fishing season spans from March to October, peaking in June and July.

According to Ms. Biggers, there is no pump-out facility in the entire harbor; the nearest facilities are in Shalimar (a 45 minute trip) and Blue Water Bay (also 45 minutes away). The bridge limits access to larger sailboats due to low clearance. Although Hurricane Opal did not cause any damage to Fisherman's Fuel Co-op, it damaged the only available pump-out within Destin Harbor. This pump-out has not been replaced.

Destin Police Department (Sergeant H. Stewart ("Skeeter"), Officer Paul Goldsmith (Beach Patrol) and some deputies)

The planning team also spoke with Chief Rommerdahl of the Coast Guard who was visiting the Destin Police Department.

There was a unanimous agreement that a boat count of channel traffic during the Memorial Day weekend and Independence Day would produce the highest boat count. The personnel interviewed estimated that approximately 300 vessels enter and exit the harbor at peak hours during those times. They also estimated that over 2,000 vessels enter and exit Destin Harbor throughout the course of Independence Day. At times during the 1998 celebrations, it was necessary for two Coast Guard patrol boats to be stationed at each end of the entrance to maintain safety and cite violators for excess speed and reckless boating.

Sasaki Associates
 8/12/98

Destin Harbor Meeting Schedule for Friday, July 24, 1998

Figure 1

TIME	PERSONNEL	LOCATION OF MEETING
9:00 AM		
9:30 AM		
10:00 AM		
10:30 AM	Manager, East Pass Towers Marina	Holiday Isle/Destin Pointe
11:00 AM	Kay Biggers, Fuel Co-op	At fishing fleet marina, behind Fisherman's Wharf Restaurant
11:30 AM	H. Stewart, Okaloosa County Sheriff's Dept.	
12:00 PM	Paul Goldsmith, Beach Patrol (Sheriff's Dept.)	
12:30 PM	Manager, Destin Dry Storage	
1:00 PM		
1:30 PM		
2:00 PM	Chief Rommerdahl, Coast Guard (actually seen at 12:00)	First right after bridge outside of Destin
2:30 PM		
3:00 PM	Officer Bud Blackburn, Marine Patrol	At the Coast Guard Station
3:30 PM		
4:00 PM		
4:30 PM		
5:00 PM		
5:30 PM		
6:00 PM	Kelly Windes, Destin Fishing Fleet (co-op)	5 miles east of the bridge, easternmost dock, on the "Sunrise"
6:30 PM		

Figure 2

Marinas and Other Watercraft Concentrations					
Map Code	Name	Address	Watercraft	Source	Comments
A	Boogies Water Sports	2 Hwy 98	60	On-Site Count	Pontoon Boats, Jet-Ski Rentals, Parasailing
B	Winward Marina Property		7	Aerial Photo	Adjacent To Harborwalk
C	Harborwalk Marina	66 Hwy 98	31	Phone Call	Charter Boats
D	Olin Marler Docks	none	8	On-Site Count	Charter Boats
E	Destin Dry Storage Marina	116 Hwy 98	195	Interview	175 Boat Dry Storage With Outside Space
F	AJ's	116 Hwy 98	5	On-Site Count	Mostly Large Excursion Boats
G	Harbor Boatyard	126 Hwy 98	11	Phone Call	Charter Boats
H	Miscellaneous Charter Boats		6	On-Site Count	
I	Fishing Fleet Marina	210 Hwy 98	42	Interview	Charter Boats
J	East Pass Marina/Water Sports	288 Hwy 98	40	Phone Call	40 Slips, Not Counting Jet Skis Etc.
K	Crab Island Water Sports		8	On-Site Count	No Listing, Only Saw Sign
L	Captain Dave's Marina	314 Hwy 98	28	Phone Call	Boats And Jet Skis
M	Seaview Cottages		7	On-Site Count	
N	Destin Yacht Club	320 Hwy 98	46	Aerial Photo	
O	Best Rest Inn	402 Hwy 98	-	Phone Call	Marina In Photo: Not Part Of Hotel, Destroyed
P	Marina Café Yacht Club	404 Hwy 98	12	Phone Call	
Q	Flamingo Café	414 Hwy 98	5	Phone Call	10 Slips Total, About 5 Are Long Term

R	Kokomo Motel and Marina	500 Hwy 98	5	Phone Call	Transient Slips, 15 Is Capacity
S	Sailfish Yacht Club	504 Hwy 98	2	Phone Call	Time Share Slips, Capacity For 12
T	Hydro Sports of Destin	511 Hwy 98	-	Phone Call	Repairs Only, No Fleet
U	Gilligans Water Sports	530 Hwy 98	10	Phone Call	Rental Fleet
V	Harbordocks	538 Hwy 98	8	Phone Call	Private Docking
W	Sailing South Charters	600 Hwy 98	16	Phone Call	Includes 6 Kayaks
X	Miscellaneous Charter Boats		7	On-Site Count	Charter Boats
Y	Ships Chandler Marina	646 Hwy 98	22	On-Site Count	
Z	Sandpiper Cove	775 Gulf Shore Drive	75	Phone Call	Includes Private Marina And Canal, Jet-Skis
AA	Dolphin Point Condo	30 Moreno Point Rd.	50	Phone Call	38 Boats And 10 To 20 Personal Watercraft
BB	Waterview Towers, East Pass Towers...	200 Gulf Shore Drive?	197	Phone Call	4 Private Marinas With Large Boats
CC	Holiday Isle Private Slips	About 220 Lots	385	On-Site Count	Private Slips
DD	Westernmost Canal		30	On-Site Count	
EE	Marina at end of Durango Rd.		35	Aerial Photo	
Total			1353		

The Coast Guard operates three boats with three full-time marine patrol units and two wave runners. They monitor and patrol the harbor entrance channel periodically, particularly during weekends (Friday afternoon and all day Saturday and Sunday).

Currents at the entrance channel to Destin Harbor are not excessive. However, currents under the bridge sometimes are as high as 4 knots.

The sand spit (locally referred to as "Pig's Point") is not stable. It is a migrating sand spit that delineates the harbor entrance channel. It was noted that the opening has been getting narrower during the last few years, particularly since Hurricane Opal.

The number of boats within the bay is steadily increasing. Bay-side boating is becoming a major contributor to the congestion at the entrance channel. During weekends, many transient boats visit Destin Harbor from the bay side.

Chief Rommerdahl described the point at the mouth as one big bottleneck. On peak days, both the Coast Guard and the harbor marine patrol police. Rental boats with inexperienced operators and wave runners are particular problems.

Beaching on the sandy shore along the harbor channel inside Pig's Point during peak weekends adds to the congestion and creates safety concerns because the activity reduces the effective width of the narrow channel. The Coast Guard discourages this activity during the weekends when the demand is very high.

The police officers expressed concern about the possibility of additional boats using the narrow entrance channel. They believe that this creates a potentially dangerous situation.

Destin Dry Storage (manager)

The planning team talked to the manager of the Destin dry storage, a 192-boat facility. On an average summer weekend, about 45 boats are dropped or hauled out each day. During Independence Day weekend, this number increases to as many as 65 boats (35% of capacity). This is a typical industry standard.

Old East Pass Marina (manager)

The planning team talked to the Old East Pass Marina manager located on Holiday Isle/Destin Point. His responses echoed those noted above. He acknowledged that most of his patrons are seasonal residents who shy away from using their boats during the weekend to avoid the crowds and the hassle of going through the congested channel.

Coast Guard (Officer Bob Blackburn)

The planning team met with Officer Bob Blackburn (a marine patrol unit) stationed at the Coast Guard facility. He has worked in Destin since 1976. He stated that every 8 to 10 years, the Army Corps of Engineers dredges the channel to make it passable. Migrating and shifting sand makes the

channel narrower, and Officer Blackburn stated that the current width of the channel is too narrow for the number of boats that go through it during the weekends. He reconfirmed that Independence Day weekend is by far the busiest, and average weekend use is significantly less.

Officer Blackburn also mentioned the hazards of vessels beaching on the inside of Pig's Point. Based on his records, Okaloosa County ranks second in Florida in the number of boating accidents each year. The majority of these accidents are caused by personal water crafts. He stated that he has written a letter to the DEP advising against licensing additional slips or dockage within the limits of the Destin Harbor channel, and referred us to Mr. Art Leskovich (850-595-8300) of the Florida Department of Environmental Protection (DEP) for further information.

Destin Fishing Fleet Co-op (Mr. Kelly Windes)

The planning team's interview with Mr. Kelly Windes of Destin Fishing Fleet Co-op was conducted on his boat soon after he returned from a chartered fishing trip. He stated that there were too many close calls with other vessels, particularly with inexperienced boaters at the entrance channel area. The charter fishing fleet has not grown during the past ten years. Mr. Windes is part of the 40-slip Destin fishing fleet and manages three vessels. In his opinion, the width of the entrance channel is too narrow and should be corrected.



Figure 3

Figure 4

Destin Harbor Entrance Channel									
Boat Traffic Counts (Peak Day, Peak Hour, Directional)									
Count Date: 7/25/98				Exiting			Entering		
Location: At Boogies Water Sports				Non-Commercial	Commercial	Peak Hour	Non-Commercial	Commercial	Peak Hour
Weather	From	To	Hour No.						
Sunrise	5:00 AM	5:15 AM		1	2		0	0	
	5:15 AM	5:30 AM		0	0		0	1	
	5:30 AM	5:45 AM		0	2		0	2	
	5:45 AM	6:00 AM	1	1	5	11	3	0	6
Partly Cloudy	6:00 AM	6:15 AM		6	21	35	0	1	7
	6:15 AM	6:30 AM		7	8	50	0	0	6
	6:30 AM	6:45 AM		8	12	68	4	0	8
	6:45 AM	7:00 AM	2	6	5	73	2	0	7
	7:00 AM	7:15 AM		10	12	68	0	0	6
	7:15 AM	7:30 AM		3	3	59	3	0	9
	7:30 AM	7:45 AM		4	0	43	5	0	10
	7:45 AM	8:00 AM	3	4	0	36	2	0	10
	8:00 AM	8:15 AM		11	4	29	3	0	13
	8:15 AM	8:30 AM		3	1	27	2	0	12
	8:30 AM	8:45 AM		7	1	31	3	2	12
	8:45 AM	9:00 AM	4	7	2	36	3	0	13
	9:00 AM	9:15 AM		22	2	45	2	0	12
Cloudy, Darker	9:15 AM	9:30 AM		10	1	52	6	0	16
	9:30 AM	9:45 AM		9	0	53	7	1	19
	9:45 AM	10:00 AM	5	12	2	58	3	1	20
	10:00 AM	10:15 AM		12	1	47	16	1	35
	10:15 AM	10:30 AM		13	1	50	9	3	41
Severe	10:30 AM	10:45 AM		20	2	63	12	4	49
Thunder	10:45 AM	11:00 AM	6	16	1	66	5	1	51
Storm with Lightening and 30 MPH Winds	11:00 AM	11:15 AM		5	1	59	21	1	56
	11:15 AM	11:30 AM		1	1	47	8	0	52
	11:30 AM	11:45 AM		1	0	26	10	3	49
Overcast	11:45 AM	12:00 PM	7	1	0	10	4	7	54
	12:00 PM	12:15 PM		1	1	6	8	4	44
	12:15 PM	12:30 PM		4	1	9	9	4	49

Destin Harbor Area Master Plan
 Analysis and Program Development

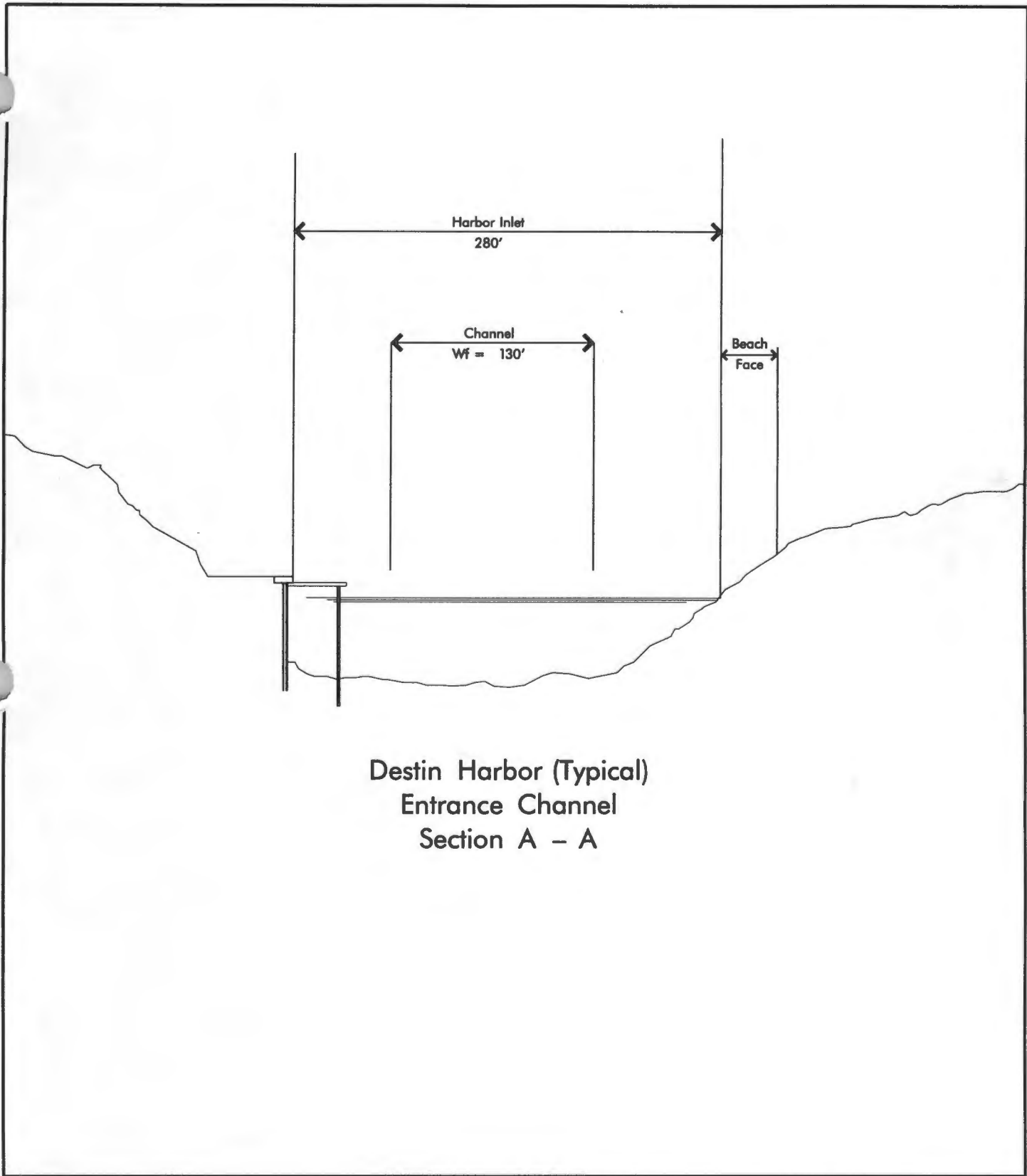
Overcast	12:30 PM	12:45 PM		15	4	27	7	3	46
	12:45 PM	1:00 PM	8	7	2	35	20	2	57
	1:00 PM	1:15 PM		12	2	47	17	3	65
	1:15 PM	1:30 PM		12	5	59	13	4	69
	1:30 PM	1:45 PM		12	0	52	22	1	82
	1:45 PM	2:00 PM	9	14	2	59	29	2	91
	2:00 PM	2:15 PM		12	2	59	15	2	88
	2:15 PM	2:30 PM		12	0	54	11	0	82
	2:30 PM	2:45 PM		10	1	53	12	1	72
	2:45 PM	3:00 PM	10	12	1	50	5	7	53
Partly Sunny	3:00 PM	3:15 PM		16	1	53	7	5	48
	3:15 PM	3:30 PM		8	1	50	14	2	53
	3:30 PM	3:45 PM		17	1	57	20	0	60
	3:45 PM	4:00 PM	11	16	1	61	16	3	67
	4:00 PM	4:15 PM		30	0	74	8	4	67
	4:15 PM	4:30 PM		15	1	81	17	0	68
	4:30 PM	4:45 PM		13	1	77	21	9	78
Partly Sunny	4:45 PM	5:00 PM	12	20	2	82	13	5	77
	5:00 PM	5:15 PM		12	0	64	16	4	85
	5:15 PM	5:30 PM		13	2	63	17	3	88
	5:30 PM	5:45 PM		12	0	61	17	2	77
	5:45 PM	6:00 PM	13	17	1	57	14	10	83
	6:00 PM	6:15 PM		10	3	58	14	3	80
	6:15 PM	6:30 PM		6	1	50	14	1	75
	6:30 PM	6:45 PM		5	2	45	10	4	70
6:45 PM	7:00 PM	14	5	0	32	13	5	64	
Total				538	128		532	121	
Peak Hr.						82			91
Total Each, Direction					666			653	
Daily Total (14 Hours)									1319



Figure 5



Figure 6



Destin Harbor (Typical)
Entrance Channel
Section A - A

Project Name

Destin Harbor

81413.00

Scale

NTS

Drawing Title

Typical Section

Drawn By

VH

Date

8-10-98

Drawing Number

FIG 7

S A S A K I

64 Pleasant Street, Watertown, Massachusetts

02172 617 926 3300 FAX 617 924 2748



Figure 8



Project Name

Destin Harbor

81413.00

Scale

1" = 200'

Drawing Title

Harbor Channel

Drawn By

VH

Date

8-10-98

Drawing Number

FIG 9

SASAKI

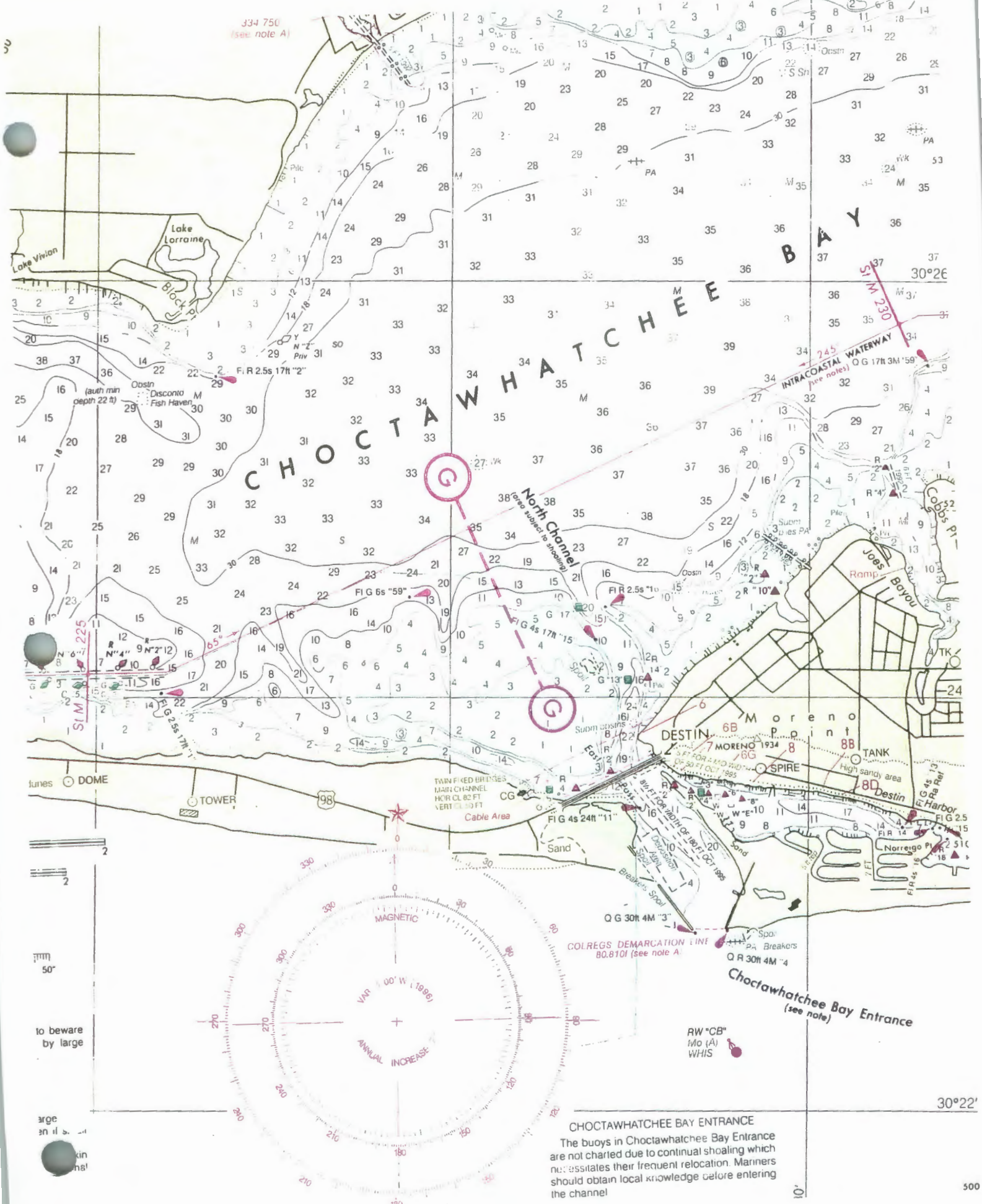
64 Pleasant Street, Watertown, Massachusetts

02172 617 926 3300 FAX 617 924 2748



Figure 10

334 750
(see note A)





1:370,000 FEET

549

550

551

Destin Harbor Area Master Plan

Analysis and Program Development

Prepared for:	Destin Harbor Task Force
Subject:	Legal Analysis
Scope of Service Task Reference:	Phase II, Task 2.5
Prepared by:	Apgar & Pelham
Date:	September 1998

LEGAL ANALYSIS

This report analyzes the current land use and zoning regulations for the approximately 400 acres proposed for the Destin Harbor Area Master Plan. The report is based upon an analysis of the City of Destin Comprehensive Plan: 2000, the Destin Land Development Code, the City of Destin Code of Ordinances, and the information provided by Sasaki Associates, Inc., and City staff, to date.¹ The report also discusses briefly the content and format requirements for a comprehensive plan amendment.

Legal Framework

Chapter 163, Part II, Florida Statutes, the Local Comprehensive Planning and Land Development Regulation Act, requires each local government in Florida to prepare and adopt a comprehensive plan containing mandatory elements that address important issues such as land use, traffic circulation, conservation, coastal zone management, and the adequacy of facilities and infrastructure. The elements are implemented through the adoption of goals, objectives, and policies as part of the comprehensive plan.

Once a local government adopts its comprehensive plan, all subsequent actions taken by the local government with regard to approving or issuing development orders must be consistent with the goals, objectives, and policies of each element in the plan, as adopted. §163.3194(1)(a), Florida Statutes.

After a comprehensive plan is adopted in conformity with the requirements of Chapter 163, Part II, Florida Statutes, the local government is then required to adopt specific and detailed land development regulations to implement the goals, objectives, and policies in the plan. The land development regulations must be consistent with the provisions in the adopted plan. In the event there is an inconsistency, the provisions in the adopted comprehensive plan control the uses that may be allowed. §163.3194(1)(b), Florida Statutes.

Any recommendations contained in the Destin Harbor Area Master Plan which require changes in the land uses currently in effect for the study area will require corresponding amendments to the City's Comprehensive Plan. Amendments to a local government's comprehensive plan are allowed only twice per year, unless otherwise exempted by statute. §163.3187, Florida Statutes. Amendments to the City's adopted Comprehensive Plan will have to be proposed and adopted in accordance with the procedures outlined in §§163.3184 and 163.3187, Florida Statutes, and the procedures adopted by the City pursuant to §163.3181, Florida Statutes, for public participation in the comprehensive planning process. In addition, any amendments to the City's Comprehensive Plan will have to be submitted to the Department of Community Affairs, the state's land planning agency, and determined to be in compliance before they can be put into effect. §163.3189(a), Florida Statutes.

¹ Additional information will be needed to complete a comprehensive analysis of the potential land uses in the study area and the controlling regulations, including, an up-to-date zoning map and, as applicable, maps delineating the Coastal High Hazard Area, Coastal Construction Control Line, floodplains, environmentally sensitive areas and zones, the City's Shoreline Protection Zone. In addition, information delineating the boundary of Destin Harbor as defined in Chapter 5, Article III, Destin Code of Ordinances, is needed to determine its applicability to the study area. This information has not been provided as of the date of this report.

Existing Land Uses for the Destin Harbor Master Plan Study Area

The geographical boundary for the Destin Harbor Area Master Plan is Azalea Drive on the north, the northern shoreline of Destin Harbor on the south, Choctawhatchee Bay on the west, and Main Street on the east (this area will hereinafter be referred to as "the study area"). With the exception of the western portion of the area bordering the shoreline of Choctawhatchee Bay, it is assumed, for purposes of this preliminary analysis, that the study area does not contain environmentally sensitive lands, and is not located within protected environmentally sensitive zones, the Coastal High Hazard Area or the City's Shoreline Protection Zone. If additional data is provided that results in a change in these assumptions, the analysis will have to be modified accordingly.

The study area is comprised of a mix of six different land use categories, as depicted on the City's Future Land Use Map. The uses presently permitted within these land use categories are defined generally in Future Land Use Element Policy 7.A.4.6. of the City's Comprehensive Plan, as follows:

1. Low Density Residential (LDR) (permitting a density up to 2.59 dwelling units per gross acre);
2. Medium Low Density Residential (MLDR) (permitting a density up to 5.8 dwelling units per gross acre);
3. Medium Density Residential (MDR) (permitting a density between 5.81 and 9.99 dwelling units per gross acre);
4. Commercial (C) (permitting a maximum floor area ratio of 1.07, subject to height, bulk, and area restrictions);
5. Public Use (PL) (this is not a defined land use category in the City's Comprehensive Plan, although it is depicted as a land use category on the City's Future Land Use Map). "Public lands" are, however, identified as a land use category on the City's Future Land Use Map, and describes Policy 7.05(1)a.6. as including educational facilities, public buildings and grounds, and other public facilities. "Public lands and institutions districts" (PL districts) is referenced in Section 7.12.00 of the City's Land Development Code as including public parks, parkways, land reserves, educational facilities, hospitals, museums, zoos, cemeteries, etc.;
6. Mixed Use (MU) (permitting a mix of up to 70 percent residential and a maximum of 50 percent nonresidential uses; residential units are authorized to develop at a maximum density of 19.9 units per acre, while residential lodging units are entitled to a density of up to 30 lodging units per acre).

Any recommendation for future land uses that are different than, or inconsistent with, those adopted for any parcel contained within the study area will require that the City amend its Comprehensive Plan in accordance with the requirements of Chapter 163, Part II, Florida Statutes.

Existing Zoning for the Destin Harbor Master Plan Study Area

The City's Land Development Code (hereinafter "LDC") establishes, in accordance with LDC Article 7, the zoning districts that implement the policies in the City's Comprehensive Plan relating to the adopted land use categories. There are five different zoning districts depicted on the City's zoning map within the study area; however, the boundaries of these districts are not clearly defined, and it appears that large segments of the study area have not been assigned to a particular zoning district. In the absence of zoning on a particular parcel, the provisions in the City's Comprehensive Plan, as reflected in the Future Land Use Map, would control the allowable uses. Based upon discussions with City staff, it appears that the zoning map that has been provided has not been updated since 1994, although several properties have been rezoned since that time. We have requested an updated map, but it has not yet been received. The following zoning districts have been adopted pursuant to the City's LDC for the study area, and are designated on the City's zoning map, as follows:

1. Residential Urban Single (RUS) (permits single-family detached houses, churches, public parks, golf courses, public uses, and accessory uses, such as home occupation and certain businesses; prohibits rental guesthouses. For further details of permitted, prohibited, and special exception uses, see LDC §7.12.01.B.).
2. Residential Urban Duplex (RUD) (permits single-family houses, duplexes, townhouses, and patio homes, boardinghouses, bed and breakfast, schools, nursing homes medical clinics, etc.; prohibits rental guesthouses. For further details of permitted, prohibited, and special exception uses, see LDC §7.12.01.C.).
3. Residential Intensive Apartment (RIA) (permits single-family houses, duplexes, townhouses, patio homes, multifamily housing, rental apartments, and residential condominiums, boardinghouses, bed and breakfast, schools, nursing homes medical clinics, etc.; prohibits rental guesthouses; allows rental boat slips as a special exception. For further details of permitted, prohibited, and special exception uses, see LDC §7.12.01.E.).
4. Business General Districts (BG) (permits certain retail stores, bank and savings institutions, theaters, offices, schools, radio and television broadcast station with towers, hotels, motels, commercial marinas, docks, boatyards and charter boat services, private docks and boathouses, junkyards, wholesale businesses, automobile repair garages, etc.; residential uses are permitted as a special exception. For further details of permitted, prohibited, and special exception uses, see LDC §7.12.01.H.).
5. Business Tourism (BT) (permits multifamily dwellings, commercial PUDs, Residential PUDs, certain retail stores, bank and savings institutions, theaters, offices, schools, radio and television broadcast station with towers, hotels, motels, commercial marinas, docks, boatyards, and charter boat services, private docks and boathouses, etc.; residential uses are permitted as a special exception. For further details of permitted, prohibited, and special exception uses, see LDC §7.12.01.I.).

Regulations Specifically Applicable to Destin Harbor

In addition to the foregoing land use and zoning restrictions generally defining the land uses within the study area, the City's Comprehensive Plan, LDC, and Code of Ordinances include provisions and regulations which apply specifically to Destin Harbor. Any recommendation for the study area will have to be consistent with the following requirements:

A. Comprehensive Plan Future Land Use Element

1. Policy 7.A.3.1. The City shall continue its efforts to develop a north shore urban design plan which...calls for a unified redevelopment of the north shore of Destin Harbor. Implementation of this policy will require participation and approval of affected property owners and absent their participation, this policy will not be implemented.
2. Policy 7.A.3.2. The City will continue implementation of the Destin Harbor Management Plan.
3. Policy 7.A.3.3. The City shall continue its efforts to create the Destin "Harbor Walk" with associated infrastructure and redevelopment incentives.
4. Policy 7.A.4.5. The City shall include provisions in its Land development Code which ensure that future development along the Harbor and the Gulf of Mexico results in a varied skyline so as to provide light and wind dynamics on adjacent properties and natural systems.

B. Comprehensive Plan Infrastructure Element

1. Goal 10.C. Minimize stormwater run-off into Destin Harbor.
2. Objective 10.C.1. Eliminate fifty percent (50%) of the stormwater borne pollutants (based upon 1987 levels) from the Harbor by 2000.
3. Policy 10.C.1.1. The City will cooperate with DOT and DEP to implement the stormwater recommendations of the Destin Harbor Management Plan. (We have not been provided with a copy of this Plan).
4. Policy 10.C.1.2. The City shall continue to require all new development to retain or detain by filtration the first inch of stormwater runoff on site for a maximum twenty-five (25) year storm event.
5. Policy 10.C.1.4. By 1994, the City shall undertake appropriate studies to evaluate alternative approaches for the U.S. 98 stormwater out-fall D, located at the eastern end of Destin Harbor.

C. Comprehensive Plan Coastal Management and Conservation Element

1. Policy 11.A.1.4. Continue the City's practice of requiring mitigation or enhancement activities for development impacting Destin Harbor.
2. Policy 11.A.1.5. The City shall continue to exact net positive environmental benefit (NPEB) contributions from all applicants proposing development over water within Destin Harbor. The NPEB contribution shall be computed as 25% of construction cost for the project.
3. Policy 11.A.2.2. The City shall reduce stormwater and stormwater borne pollutants entering Destin Harbor.

4. Objective 11.B.2. Conserve, appropriately use and protect the quality and quantity of water sources and of waters that flow into the Harbor by including appropriate regulations within the LDC.

D. Destin Land Development Code, Article 7, Land Use, Zoning, and Regulatory Controls

1. Section 7.04.00. **Redevelopment.** The City will continue to promote a north shore urban design plan for a unified redevelopment of the north shore of Destin Harbor (subject to Comprehensive Plan Policy 7.A.3.1., above). Any project to redevelop or renew the north shore or any blighted or underutilized areas will be considered for density and intensity bonuses.
2. Section 7.11.00. **Restoration of the Destin Harbor.** This section recognizes the impact land uses have on the surface waters in Destin Harbor and establishes regulatory controls to protect the Harbor against future degradation caused by Destin's growing residential and tourist population. Sections 7.11.01 and 7.11.02 include regulatory controls and permitting requirements the City has adopted to reduce the impacts to the Harbor from high-intensity uses, with respect to discharge of sewage from boats, and the building and/or remodeling and reconstruction of docks and marinas.
3. Section 11.01.10. **Bay Shoreline Protection Zone.** The City has created a bay shoreline protection zone for properties lying along the waterfront of Choctawhatchee Bay; this includes the western boundary of the study area. The bay shoreline protection zone is defined as a 100-foot buffer that begins at the mean highwater line and extends landward 100 feet. For all newly platted subdivisions or planned unit developments within the bay shoreline protection zone which do not further the City's strategies for infill development, construction of all principal habitable structures are required to adhere to a minimum setback of 100 feet from the mean highwater line, if this setback can be achieved. If the setback cannot be achieved, the maximum width achievable is required. For infill development, or development furthering the infill strategies of the City, the minimum setback for principal habitable structures is 50 feet from the mean highwater line.²
4. Section 11.05.00. **Marina Siting (Destin Harbor).** This section establishes procedures and standards by which the City can control and regulate development, construction, and activities within and contiguous to Destin Harbor. The regulations primarily address the construction of docks, seawalls, bulkheads, moorings or pilings, and dredge and fill within Destin Harbor, and establish a permitting procedure for the construction of new docks, and the remodeling, alteration, or reconstruction of existing docks. This section requires that all existing docks, seawalls and bulkheads located within Destin Harbor be registered with the City.

² Policy 7.A.7.3. of the City's Comprehensive Plan provides that the only type of development that can occur in Destin is "infill" development. The apparent inconsistency between Policy 7.A.7.3. and LDC Section 11.01.10 will need to be clarified by the City.

E. Destin Code of Ordinances, Chapter 5, Boats, Harbors, Waterways, and Shoreline

1. Article III, Destin Harbor (Old Pass Lagoon). Chapter 5, Article III of the City's Code of Ordinances is incorporated into the City's Land Development Code pursuant to LDC Section 11.05.00, Marina Siting (Destin Harbor). Article III, Sections 5-51 through 5-64, establishes procedures and standards to regulate development, construction, and activities within and contiguous to the harbors and waterways of Destin, including discharges into the Harbor, construction or modification of docks, piers, moorings, etc., and provides permitting procedures for the uses that are allowed within the Harbor.

Regulations Generally Applicable to the Study Area

A. Concurrency

Every local government is required to maintain a concurrency management system to ensure that public facilities and services to support development are available concurrent with the impact of development. Rule 9J-5.0055, Florida Administrative Code. In order to meet this concurrency requirement, any proposal for development must, at a minimum, maintain the level of service (LOS) standards adopted by the local government for roads, sanitary sewer, solid waste, drainage, potable water, and recreation public facilities.

The City of Destin makes its determination of concurrency during the initial plan development review. The test for concurrency must be met prior to the time development approval is requested and plans for such development are submitted to the City's Land Planning Agency (LPA) for review, if such review is required; or, if LPA approval is not required, the test for concurrency must be met before approval of a development permit by the City. Comprehensive Plan Policy 6.08.

Prior to the issuance of any development order, the City requires that at least one of the following concurrency standards must be met before the City will issue a development order for any project:

1. The necessary facilities and services are in place at the time a development permit is issued; or
2. A development permit is issued subject to the condition that the necessary facilities and services will be in place with the impacts of development occur; or
3. The necessary facilities are under construction at the time a permit is issued; or
4. The necessary facilities and services are the subject of a binding executed contract for the construction of the facilities or the provision of the services at the time that the development permit is issued.
NOTE: This provision only relates to parks and recreation and roads. Pursuant to LDC, §6.04.00.D., construction must commence within one year of the issuance of the building permit; or
5. The necessary facilities and services are guaranteed in an enforceable development agreement.

Comprehensive Plan Policy 6.04

In order to ensure that sufficient capacity exists and that the minimum LOS standards for the affected public facilities will be maintained, the City requires a calculation of existing and planned new capacity for affected facilities, less demand imposed by the proposed project. In order to make this determination, the total existing capacity (minus existing demand) for each affected facility is added to any additional capacity created by new facilities or expansions under construction or to be constructed pursuant to Policy 6.04, as referenced above. From that total, the demand imposed by the proposed development as well as any capacity reserved for approved but unbuilt projects is subtracted. Comprehensive Plan Policy 6.08; LDC Section 6.05.00. If the capacity is deficient, the City has adopted alternative methods to maintain adopted LOS, which allows some flexibility on this issue. These methods include: (1) the developer agrees to provide the necessary capacity and maintain the LOS; (2) the developer agrees to reduce the scope of the project to ensure that demand does not exceed capacity; or (3) the developer petitions the City to provide the infrastructure necessary to maintain the adopted LOS, which the City approves³. LDC Section 6.05.00.

1. Concurrency Standards for Sanitary Sewer, Solid Waste, Drainage, Potable Water, and Recreation Facilities

The current LOS standards for sanitary sewer (128 gallons per capita per day), solid waste (5 pounds per capita per day), and potable water (125 gallons per capita per day) are established in the City's Comprehensive Plan pursuant to Policies 10.A.1.3, 10.B.1.5, and 10.E.1.3, respectively. See also LDC Sections 10.00.00-10.04.00. The applicable LOS standards for recreation facilities, which includes open space, is 2 acres per 1000 population. Policy 12.A.3.2. See also LDC Sections 12.00.00-12.04.00. Parks and recreation facilities are categorized as either resource-based or activity-based, and are evaluated accordingly. Open space is categorized as either pastoral, utilitarian, or corridor, and evaluated accordingly. Given the extent of existing development in the study area, it is assumed that there is sufficient capacity for sanitary sewer, solid waste, potable water, and recreation facilities. However, we have not been provided with any information to confirm this assumption. Any proposal for the study area will require an analysis of existing capacity for each of the affected public facilities, and the necessary assurances that capacity will be able to meet demand.

2. Concurrency Standard for Drainage

The City's adopted LOS for drainage is retention of the first inch of run-off on-site; and post development runoff cannot exceed the pre-development runoff rate for a 25 year storm event, up to and including an event with a 24-hour duration. Comprehensive Plan Policy 10.D.2.3; See also LDC Section 10.03.00. A master drainage/stormwater management plan for the study area will be a necessary and essential component to support any meaningful comprehensive planning effort. In order to satisfy concurrency, the master drainage plan will have to meet the City's adopted LOS standard, as stated above. However, given the additional policies and regulations the City has adopted to protect and improve surface water quality in Destin Harbor, consideration of a master drainage plan for the study area should not be limited to simply meeting the minimum LOS concurrency standards. In order to be consistent with the City's

³ If financed from the City's general fund, a petition can only be granted if the planned activity will result in multiple benefits for the community, and the resulting capacity improvement will be available to any other developer who had previously been denied a development order for an identical capacity deficiency.

adopted Comprehensive Plan, LDC, and Code of Ordinances, as referenced above, the master drainage plan will also be required to ensure that water quality and quantity are protected, and that pollutants entering the Harbor are reduced.

3. Transportation Concurrency

The City has adopted the peak hour (100th highest average hour) level of service standard "D" for all collector roads within the City. LOS "C" has been adopted for all other local roads⁴. Any proposal that maintains the City's adopted LOS will be considered as having met the City's concurrency requirement for that roadway. LDC 15.03.01.

The City's Comprehensive Plan indicates that U.S. 98 is currently operating at an LOS of "F" between the east end of the East Pass Bridge to CR 2378 (old U.S. 98)⁵. Operating at an LOS of "F" means that the referenced portion of U.S. 98 is already operating at full capacity. Any proposal that degrades, or fails to maintain, the adopted LOS for any roadway would be inconsistent with the City's adopted standards. If affected roadways are degraded beyond the adopted LOS, the provisions in LDC Sections 6.04 (maintaining level of service) and 6.05.03 (deficient capacity) will apply.

Pursuant to §163.3180(5)(b), Florida Statutes, a local government may grant an exception from the concurrency requirement for transportation facilities if the proposed development is otherwise consistent with the comprehensive plan and is a project that promotes public transportation or is located within an area designated in the comprehensive plan for: (1) urban infill; (2) urban redevelopment; or (3) downtown revitalization. It does not appear that the study area has been designated as a traffic concurrency exemption area. This alternative could be explored further in developing the Master Plan.

Given the importance of traffic concurrency to the ultimate success of any proposal for the study area, this issue requires particular attention. Standards and guidelines to reduce the impacts on roads that are operating at full capacity with respect to the adopted LOS, should, if possible, be incorporated into any recommendations for the study area. Failure to adequately address the requirements for traffic concurrency may meet with objections from the City, and/or the state, in the event a plan amendment is required to implement the Destin Harbor Area Master Plan recommendations.

B. Compatibility

The City has adopted goals, objectives, policies, standards and criteria mandating that adjacent and surrounding land uses be compatible. For purposes of compatibility, Policy 7.A.4.6.p. defines "land uses" as including, but not being limited to, the permitted uses, structures, and activities allowed within the land use category or implementing zoning district. In reviewing any development project, the City Planning

⁴ We have not been provided with a Traffic Circulation Map at a scale that would allow a determination as to the types of roadways contained within the study area, other than Azalea Drive (municipal arterial) and U.S. 98 (principal arterial). We will need this information, as well as the current operation LOS standards for all of the roads within the City.

⁵ NOTE: The City's LDC provides that this same segment of U.S. 98 is operating at LOS "D." This discrepancy will need to be resolved.

Department is required to make a compatibility analysis based upon the following compatibility characteristics of the proposed development in relationship to surrounding development in the immediate area:

1. Permitted uses, structures, and activities allowed within the land use category;
2. Building location, dimensions, height, and floor area ratio;
3. Location and extent of parking, access drives and service areas;
4. Traffic generation, hours of operation, noise levels and outdoor lighting;
5. Alteration of land and air;
6. Setbacks and buffers, including walls, landscaping, and open space treatment.

Comprehensive Plan Policy 7.A.4.6; See also LDC 7.09.00

If the City Planning Department determines there are unresolved compatibility conflicts, the proposed project is required to undergo a compatibility review by the City's LPA and the City Council prior to the issuance of a development approval. Review by the LPA and the City Council is mandatory if a proposed project is located south of U.S. 98. Thus, the regulations, standards, and criteria for compatibility determinations, and LPA and City Council review, will be required for any development implemented pursuant to the recommendations proposed in the Destin Harbor Area Master Plan that are located south of U.S. 98. For those areas located south of Azalea Drive, but north of U.S. 98, the issue of compatibility will be reviewed by the City Planning Department, and may be reviewed by the LPA and City Council, depending on the height, bulk, and intensity of the proposal itself, as more fully defined in Policy 7.A.4.6 p.1-6.

The purpose and intent of the City's compatibility review standards is to: (1) preserve the character of stable, mostly homogeneous residential neighborhoods which will require the maximum application of compatibility controls; and (2) avoid compatibility conflicts within other developed and developing areas of the city. Comprehensive Plan Policy 7.A.4.6. Given the fact that the Destin Harbor Area Master Plan will require participation of the affected property owners, the issues of compatibility should be considered and addressed, and conflicts resolved, to the degree possible, as a part of any final proposal for the study area.

C. Coastal Management and Conservation

In addition to the coastal management and conservation policies specifically relating to Destin Harbor that are referenced above, the City's Comprehensive Plan and LDC contain numerous provisions to limit or restrict development activities that would otherwise damage or destroy coastal resources, and to promote the conservation, use, and protection of natural resources, as follows:

1. Policy 11.A.1.1. Limit the specific impacts and cumulative impacts of development or redevelopment upon wetlands, water quality, water quantity, wildlife habitat, living marine resources, beach and dune systems.

2. Policy 11.A.2.3. Any stormwater detention or retention areas located near any estuary or estuarine systems or other water bodies shall be designed so that shorelines are sinuous rather than straight and so that water/land interfaces are curvilinear and maximize space for growth of littoral vegetation.
3. Objective 11.A.4. Protect beaches, dunes, floodplains, and floodways, establish construction standards which minimized impacts of man-made structures on beach and/or dune systems or floodplains, and restore altered beaches and/or dunes on a continuing basis.
4. Objective 11.A.10.1. The City will not allow any development in the coastal area (or elsewhere) unless the LOS standards are maintained and infrastructure needs are fulfilled in compliance with the City's Concurrency Management System.
5. Policy 11.B.2.1. The City shall protect water quality by restricting or prohibiting activities known to adversely affect the quality or quantity of identified water sources.
6. Objective 11.B.5.1. The City shall continually conserve, appropriately use and protect fishery habitats, and other marine and wildlife habitats.

There are other provisions in the City's Comprehensive Plan and LDC relating to infrastructure, recreation and open space, housing, and capital improvements which may impose restriction on any development proposal for the study area. However, until such time as additional information is provided for the study area, including, but limited to, the information identified in footnote 1 above, an analysis of these other policies and/or requirements would be speculative.

Content and Format Parameters for Amending Destin's Comprehensive Plan

A. General Background

Chapter 163, Part II, Florida Statutes, and Rule 9J-5, Florida Administrative Code, establish the minimum criteria for the preparation, review, adoption, and determination of compliance for comprehensive plans and comprehensive plan amendments. A comprehensive plan or plan amendment will be determined to be "in compliance," if it is consistent with the requirements of §§163.3177, 163.3178, and 163.3191, with the state comprehensive plan, the appropriate strategic regional policy plan, and with Rule 9J-5, Florida Administrative Code.

Each local government comprehensive plan is based upon the adoption of certain mandatory elements, as provided in §§163.3177 and 163.3178, Florida Statutes. In addition to being consistent with the requirements of Chapter 163, Part II, and Rule 9J-5, Florida Administrative Code, the elements are required to be consistent with each other. §163.3177(2), Florida Statutes. The elements are implemented through specific and measurable goals, objectives, and policies, which are also adopted as part of the local government's comprehensive plan. The goals, objectives, and policies that implement each element must themselves be reflected in, and consistent with, the City's Future Land Use Map. Rule 9J-5.002(8), Florida Administrative Code.

After a local government has adopted its comprehensive plan, it is allowed to amend the adopted plan two times within any calendar year. §163.3187(1), Florida Statutes. The procedural requirements for the preparation, review, and adoption of comprehensive plan amendments are established in §§163.3184, 163.3187, and 163.3189, Florida Statutes. Basically, plan amendments, like the comprehensive plan,

must be supported by adequate data and analysis, must be based upon specific and measurable goals, objectives and policies, and must be consistent with, and maintain the internal consistency of, the elements adopted in the local government's comprehensive plan. Plan amendments must be proposed and adopted in conformity with the requirements of §163.3181, Florida Statutes, Rule 9J-5.004, Florida Administrative Code, and in accordance with the public participation requirements adopted by the local government in its comprehensive plan.

B. Content Requirements for Comprehensive Plan Amendments

1. Data and Analysis

Comprehensive plan amendments are reviewed individually and for their impact on the rest of the local government's plan. All goals, objectives, policies, standards, findings, and conclusions within a comprehensive plan amendment, and its supporting documents, must be based upon relevant and appropriate data and analysis applicable to each element. Rule 9J-5.005(2)(a), Florida Administrative Code. To be "based on data" means to "refer to it in an appropriate way and to the extent necessary indicated by the data available on that particular subject at the time of adoption of the plan or plan amendment." §163.3177(8), Florida Statutes; Rule 9J-5.005(2), Florida Administrative Code. Thus, the data should be compiled and analyzed for the purpose of showing there is a demonstrated need for the proposed amendment based upon residential and/or seasonal population growth, traffic, infrastructure capacity, deficiencies, etc. Any data that is utilized to support an amendment must be collected and applied in a professionally acceptable manner and, if not original data, must be the best available relevant data in existence at the time of adoption of the plan amendment. Rule 9J-5.005(2), Florida Administrative Code; See also, *Environmental Coalition of Florida, Inc. v. Broward County*, 586 So.2d 1212 (Fla. 1st DCA 1991). No local government is required to create original data to support a comprehensive plan or plan amendment, but it is allowed so long as the projections and estimates, and methodologies utilized to generate the projections and estimates, is submitted with the plan or plan amendment.

2. Land Use Analysis

An analysis of the availability of existing facilities and services identified in the City's sanitary sewer, solid waste, drainage, potable water, and traffic circulation elements should be provided to determine whether the necessary facilities and services are available to meet the City's adopted LOS standards will be in place to serve the proposed development of the study area. Rule 9J-5.006(2), Florida Administrative Code.

3. Maintain Internal Consistency of Adopted Elements

The City of Destin has adopted the following elements in its Comprehensive Plan: Future Land Use; Concurrency Management; Traffic Circulation; Public Participation; Housing; Sanitary Sewer, Solid Waste Drainage, Potable Water, and Natural Groundwater Aquifer Recharge; Conservation; Coastal Management; Recreation and Open Space; Intergovernmental Coordination; and Capital Improvements. As stated above, any amendment that is proposed as a result of the Destin Harbor Area Master Plan must maintain the internal consistency of the City's adopted elements.

4. Goals, Objectives, and Policies

Any goals, objectives, and policies proposed for adoption by the City pursuant to a plan amendment for the study area will be required to establish meaningful guidelines and predictable standards. These guidelines and standards will be used in the development of more detailed land development regulations to implement the adopted goals, objectives, and policies. Rule 9J-5.005(6), Florida Administrative Code.

C. Format Requirements

The basic format for a comprehensive plan amendment is established pursuant to Rule 9J-11.006, Florida Administrative Code. For each proposed plan amendment submittal, the City is required to submit:

- (a) A transmittal letter from the local governing body or its designee which shall specify the following:
 1. The date or dates on which the local planning agency held the public hearing on the plan amendment;
 2. The date or dates on which the local governing body held the public hearing at which the transmittal of the plan amendment to the Department of Community Affairs was approved and the date that the proposed amendment and one copy of each item specified under Rules 9J-11.006(1)(a), (b), (c) and (d), Florida Administrative Code, was submitted to the appropriate regional planning council and water management district(s), and Department of Transportation and Department of Environmental Protection;
 3. A summary of the plan amendment content and effect and whether or not the local government requests that the Department review the proposed amendment;
 4. The proposed month of adoption of the proposed plan amendment;
 5. Whether the proposed amendment is one of the exemptions to the twice per calendar year limitation on the adoption of comprehensive plan amendments and the facts and circumstances which cause the amendment to be considered as one of the exemptions, as specified in Rule 9J-11.006(1)(a)7.a through e., Florida Administrative Code.
 6. Whether the local government has sent a copy of its complete adopted comprehensive plan including amendments with all support documents which includes data and analyses to all of the review agencies listed in > Rules 9J-11.009(8)(a) through (h), Florida Administrative Code. The Department will not process a proposed amendment and the review time for the amendment shall not begin if copies of the entire element being amended are not transmitted unless the local government has provided the Department with a transmittal letter certifying that the plan has been sent to the review agencies, with a copy of the letter sent to each agency;
 7. The name, title, address, telephone number and facsimile number, if any, of the person for the local government who is familiar with the proposed amendment(s) and is responsible for ensuring that the materials transmitted are complete.

- (b) The local government shall submit to the Department a total of six copies of the proposed amendment package. The proposed amendment package shall include all proposed text, maps and support documents which includes data and analyses, as reflected on new pages of the affected element in a strike through and underline format or similar easily identifiable format identifying the plan amendment number on each page affected. In the case of future land use plan map amendments, the following additional information must be provided:
1. Future land use map(s) depicting the following information:
 - a. The proposed future land use map designation of the subject property; the boundary of the subject property and its location in relation to the surrounding street and thoroughfare network;
 - b. The present future land use map designations of the subject property and the abutting properties adjoining the subject area;
 2. An existing land use map depicting the existing land use(s) of the subject property and abutting properties;
 3. The size of the subject property in acres or fractions thereof;
 4. A description of the availability of and the demand on the following public facilities: sanitary sewer, solid waste, drainage, potable water, traffic circulation and recreation, as appropriate; and
 5. Information regarding the compatibility of the proposed land use amendments with the land use element objectives and policies, and those of other affected elements.
 - c. Six copies of staff, local planning agency and local governing body recommendations and six copies of support document(s) or summaries of the support documents on which the recommendations regarding the proposed plan amendment(s) are based.

Conclusion

Given the preliminary nature of the Destin Harbor Area Master Plan study, and the potential breadth and scope of the project, this report can only generally address the land use, zoning, and related regulatory issues as they currently apply to the study area. As the Master Plan evolves, it will provide a context for deciding whether changes will be necessary either in the Master Plan or in the City's Comprehensive Plan and LDC to ensure that consistency is achieved, as required by law. Essential to any final decision will be the data and analysis compiled to support the proposal and justify any amendments to the City's Comprehensive Plan.

Destin Harbor Area Master Plan

Land Use Program

Prepared for:	Destin Harbor Task Force
Subject:	Land Use Program
Scope of Service Task Reference:	Phase III, Task 3.1
Prepared by:	Amenta & Co.
Date:	December, 1998

I. Introduction

An overview of the demand for various land uses was discussed in an earlier memorandum. This development program describes the capacity of the Master Plan in land use type (housing, hotel, retail, office, parking) and the density, and mix of these uses that can be accommodated within the land coverage ratios and design criteria proposed.

The capacity of the Master Plan may exceed the current perception of market demand. Based on the current rate of absorption of land for development portions of the Master Plan may require between 10 to 15 years to fully implement. The program suggests an inherent flexibility that is intended to permit the program to adjust to the thinking of individual developers within the context of the plan.

The translation of market demands into architectural and land use programs requires considering certain physical and economic conditions that are specific to Destin. There are various interpretations that can be made from the same data. Two important considerations, land values and parking, are important to any land use program. A brief discussion of land use introduces the program and a brief discussion of parking is presented at the conclusion.

1.1 Program Summary

The following Table 1.1 Program "Capacity" Summary quantifies the total development capacity of the Master Plan and allocates this program to designated areas of the downtown. This statement of Master Plan capacity should not be construed as indicating market demand for these uses nor does it preclude adjustments of program that are the final choice of the individual property owners.

**Table 1.1
 Program "Capacity" Summary**

Location	Land Area (net)	Residential Units	Retail/Office Area	Hotel/Rooms	Parking Spaces
Mountain Drive (north)	11.0 acres				
Option #1		175-220			262-330
Option #2			(150,000 sf/ 150,000 sf)		(375) (200)
Mountain Drive (south)	16.8 acres	350			525
US 98 (north) (excludes churches and parking garages)	17.0 acres	630	150,000 sf	250	2,200
Destin Harbor	30.0 acres	1,050	130,000 sf	150	3,000
Totals	83.0 acres	2,205-2,425	310,000 sf	400	5,987

The totals include Option #1 and do not include Option #2 for the development of Mountain Drive (north).

II. Land Use Program

The overarching objective of the land use program is to accommodate the development potential of Destin with a mixture of uses within a village context. The village character is formed by the physical elements of open space, vehicular circulation, pedestrian patterns and architectural character and scale. The land use program enables a blend of compatible uses that appeals to permanent residents and visitors while enhancing the operation of each individual use.

2.1 Land Value

The cost of land as a commodity is subject to the perception of the market, availability and ownership patterns. The value of land as an economic entity is a function of the utilization that can be achieved by economic activity. The reported cost of land in Destin used in this memorandum is based on recent transactions¹. These land costs may represent a peak for the near future.

The local manner of expressing land value in \$/Linear Foot of frontage along the harbor or roadways, is presented in Table 2.1 below. In addition this value is translated into dollars per square foot of gross land (\$/square foot) based on certain block sizes and depths from these roads ways. These values are illustrative only. The value of individual properties may vary measurably, depending on site-specific conditions.

Table 2.1
Destin Land Value

	\$/Linear Foot	\$/Square Foot
Harbor Frontage	\$5,000-\$10,000	\$17-\$23
US 98 Frontage	\$4,000	\$12-\$18
Mountain Drive	\$1,000	\$5-\$9
Azalea Drive	\$250	\$2-\$4

Several observations can be derived from these land values noted in Table 2.1. First, the range of land value found between the north and south of US-98 can be attributed to the lack of access and visibility of the harbor from the land north of US 98. An economic objective for the Destin Harbor Area Master Plan is to enhance the value of the land to the north of US 98 by increasing access and visibility of the harbor.

Second, the cost of land indicates that structured parking can be financially feasible and an economic benefit to the Destin community. A comprehensive parking strategy is proposed that acknowledges the benefit of land preservation that accompanies parking covered by buildings above and structured parking. Each of these construction techniques may increase the cost of development while simultaneously compensating with the potential for additional development and public open space.

2.2 Housing

Residential development for permanent and seasonal residents, as well as visitors represent the dominant land use. Retail, food service, personal services and recreational amenities thereafter support the needs of these residents. The lifestyle of the people living in the Destin Village additionally is enhanced with a civic infrastructure that includes structured parking, a boardwalk and open space.

¹ Information received from the City of Destin concerning transactions for the following two development projects: "Harbor Plantation" (November 1996) and "Grand Harbor" (October 1998).

Permanent Residents' Housing

In addition to the housing types currently in Destin, the land use program contemplates enabling additional housing types to be represented. These might include housing that appeals to the older permanent resident. This resident might choose to remain in Destin but no longer needs a single family detached house. Apartments for younger "empty nester" and single residents who work in tourist-oriented recreation, retail and lodging jobs are also encouraged. The resulting blend of uses and lifestyles should create a 24-hour pedestrian-friendly walk-able community.

Density, or the ratio of the number of residential units constructed on a specific parcel, effects the residual value of the land achieved through development. The master plan proposes urban/village densities of 20 units/acre to 35 units per acre for inland portions of the study area to accommodate permanent residential uses.

The size of the housing units and the ratio of parking for each unit are the major initial considerations in determining the density of development. For this exercise an average unit size of 900 square feet is proposed for moderate-price permanent resident apartments. A parking ratio of 1.5 cars per unit has proved sufficient for marketing in other "urban-village" developments.

The number of unit types in a single project might be limited. This tends to reduce overall cost with simplicity of floor plan and replication of unit construction. Even in a project of more than 400 units, Urban Land Institute studies show that 5 unit types are sufficient for marketing. Three or four types are sufficient in the smaller projects discussed in the program recommendations for Destin. On a flat site with formal streets and courtyards three-story buildings can achieve a density of 25-30 units for each acre in the form of garden apartments and town houses.

The number of floors greatly effects the materials and method of construction and the cost of housing. Subject to code review three levels can be achieved without vertical transportation and simple life-safety features. Additional cost for these is required for housing over four levels. An effective solution that preserves land, increases density and balances the cost of structured parking, is three levels above at-grade parking on a concrete frame.

Seasonal Housing - Harbor Front

It is anticipated that the market for residential development along the harbor edge will be primarily seasonal residents (Second Homeowners) or the tourist / visitor. The size of each housing unit may increase when compared to the garden apartments and town houses located between US 98 and Mountain Drive. The final unit size is a judgment for each individual development but may range between 2,500 and 3,500 square feet.

This will have the effect of increasing the ratio of housing area to parking area. Responding to the harbor view, the total sale price of each unit may be 35% - 50% higher for each square foot of livable area than the garden apartments and town houses. The result of these changes offers the opportunity to recover the higher land values of the property on Destin Harbor without significantly increasing the density of residential units / acre.

More than 50% of the Destin Harbor land area is developed or occupied by active economic uses. This leaves approximately 30 acres that might be developed. If we assume that this is developed at 30 residential units/acre the result is 900 new residential units at maximum build out. It is more likely however that development of larger luxury units will lead to fewer actual units being constructed. In practice the luxury market itself will demand the amenities and privacy achieved with fewer units and increased open space.

2.3 Lodging

Destin Conference Hotel

The master plan recommends the inclusion of hotels and other lodging facilities in the Study Area. It is proposed that a hypothetical program for a full service, 150-room 3 floor conference lodging facility with food service and meeting rooms be operated by a national chain. Such a hotel would require 3.6-4.3 acres to accommodate the following program:

Table 2.2
Proposed Conference Hotel Program

Program	Building Area Coverage/SF
Building Coverage	31,000
Parking 150 rooms	58,500
Covered Area, Walkways	12,500
Open Space	30,500-60,000
Conference / Meeting Rooms	25,000
Total Developed Site	157,500-187,500

Note that the largest component of the land is absorbed by at-grade parking. This could be reduced by 50% with a single level parking structure.

Destin Fisherman Club (Quarter Share Ownership)

While providing a focus to the village, a full service conference hotel of 150 rooms with meeting facilities will take considerable effort to implement. As discussed in the market overview, the competition for occupancy and room rate is intense even in a thriving tourist destination like Destin. An increased number of rooms can be placed into the management of the hotel system by developing a complementary "Club" component to the program. These units would be sold to club members and placed into the hotel inventory when not in owner use.

The Destin Fisherman Club is conceived as a "quarter share" ownership structure of 2 and 3 bedroom suites. The quarter share is a hybrid of the time share concept and a condominium. Each purchaser of a quarter share obtains the right to use the unit for 25% of the year. Typically, this may be one week each month of a 13-week calendar. The quarter share suite consists of two private bedrooms and a separate living room, work area and galley kitchen.

This component of the conference hotel is a marketing / financing concept for an additional 100 residential units. The Quarter Share Ownership program has not been implemented in Florida to this date, but has been used successfully in the Carolinas and Northeast ski resorts where repeat visitation is common. It is an ideal prototype for the Destin, Florida market.

The Quarter Share Ownership is a blend of the typical condominium ownership agreement with the time share or interval ownership of one week each year. The Quarter Share Ownership offers 13 weeks of use each year on a rotating 7-days every 28-day cycle. The Quarter Share Ownership marketing program has the advantage of reducing the distorted cost of marketing 52 weeks of time-share while sustaining the value of co-operative ownership in a second home. The total profit margins can be significantly higher to the developer given that sale prices in the order of \$ 350 - \$400 / SF have been achieved in resort properties elsewhere.

World wide travel exchange is available through Resort Condominiums International or Interval International. Optional rental management services are offered to the Quarter Share Owner.

2.4 Commercial: Retail, Restaurants and Entertainment

The supply of shopping centers and retail in Destin is significant. Any additional retail, food service or entertainment requires identifying distinct under-serviced markets or a niche market opportunity. This will avoid new shopping being redundant with existing shopping. Two such opportunities are identified in the Master Plan. These include the Boardwalk, which offers a unique amenity to the community and may become the dominant tourist destination. In addition, a village core offers the permanent resident (and tourist) a convenient Village "Main Street" shopping experience in a pedestrian environment.

The physical characteristics of these two provide the opportunity for distinct shopping clusters. The merchandise and mix of tenant types differentiate these by the shopper to which they each appeal. An idealized tenant mix is provided to illustrate this.

Destin Harbor Boardwalk

The boardwalk provides a unique organized land based visitor experience along a working waterfront. The target market is the tourist, visitor, and fisherman. The successful integrated experience should be an amenity for the permanent resident as well. The increased pedestrian access to the harbor waterfront illustrated in the Master Plan will enable a new collection of retail, restaurants and entertainment to spread from the Boardwalk to the village. An example of this is Newport RI., where the harbor is the site for a collection of theme restaurants, galleries and gift boutiques and the adjacent village stores serve both the permanent resident and visitor tourists.

Table 2.3
Proposed Boardwalk Tenant Mix (at full build-out)

	Area/SF
Food Service	
1 Restaurant – Full Service	10,000
1 Restaurant – Limited Menu	5,000
1 Restaurant – Limited Menu	5,000
1 Beer Garden	3,000
5 Food Stands x 200 square feet each	1,000
Subtotal	24,000

Destin Harbor Area Master Plan
 Land Use Program

Entertainment

1	Theme Attraction	25,000
2	Live Music Bars	5,000
1	Game Room /Pool / Billiard Room	3,000
1	Children "Soft" Play / Flat Ride	1,000
	Subtotal	34,000

Retail Kiosks & Boutiques

1	Ships Chandlery	10,000
1	Used book / rare book	200
1	Comic Books	100
1	Music / CD's	200
1	Art Supplies	200
4	Art Galleries	1,200
2	Craft Gallery & Gift	600
1	Camera/Photo Developing	100
9	Other gift, craft	900
1	Women Resort Wear	800
9	Other apparel, gift, fashion accessory	2,700
	Subtotal	16,000
	GRAND TOTAL	120,000

Note: There are approximately 136,000 square feet of existing restaurants and miscellaneous retail and office users on the Harbor at this time. These are not included in the above table.

Destin Village Shopping

The shopping village is part of a mixed-use development approach to the land between US-98 and Mountain Drive. The shopping must evolve with the in-fill of additional housing to form a residential neighborhood with several designated commercial streets. Convenience providers, personal services and business services initially dominate the tenant mix. Eventually, when there is sufficient village architectural fabric and resident density the retail mix can evolve with the addition of specialty merchants.

Table 2.4
Proposed Village Tenant Mix (at full build out)

		Area/SF
Food Service		
1	Restaurant – Full Service Traditional	4,000
2	Cafés (500 square feet each)	1,000
1	Pastry / Coffee	1,000
	Subtotal	6,000
Retail		
1	Ethnic/Gourmet Grocery	10,000–15,000
1	Sundries/Soda Fountain/Drug	2,000– 8,000
1	Copy Center	2,000
1	Candy / Gift	1,000
2	Women Apparel Boutiques	2,000
1	Women Shoe Boutique	1,500

Destin Harbor Area Master Plan
Land Use Program

2	Women Jewelry	2,000
2	Women Fashion Accessories	2,000
2	Unisex Men & Women Apparel	2,000
1	Unisex Shoes	1,000
1	Children, Junior, Misses, Teen Apparel	1,500
1	Dry Cleaner	2,000
1	Liquor / Wine Store	2,500
1	Hardware Store	4,500
	Subtotal	23,000-34,000

Personal

1	Primary Care Medical Center	10,000
1	Medical Office Suite	6,000
1	Dentist Office	2,000
1	Unisex Hair Cutter	1,500
1	Beauty Salon	2,500
1	Aerobics / Health Club	3,500
2	Real Estate / Insurance Offices	2,500
1	Bank	2,000
	Subtotal	30,000
	GRAND TOTAL	59,000-70,000

III. Program Accommodation by Area

3.1 Destin Village - Mountain Drive (North)

There are approximately 11.5 acres of land that will be directly effected by the increased traffic and access provided by the improvements along Mountain Drive. Two possible development strategies can be accommodated along the north side of Mountain Drive. Option. 1) A strategy of existing building conversions to higher and better commercial retail uses and in-fill with additional commercial retail and at-grade parking along Mountain Drive. 2.) Three-level courtyard residential buildings, "garden apartments" with at-grade parking could justify the current land values.

In Option 1.) A two level shopping / office prototype in-fill development would occupy 150,000 square feet of retail at grade and 75,000 square feet of office on a second level. This produces an FAR that is similar to more suburban development (0.25-0.33).

In Option 2.) Garden Apartments at a density of 15 – 20 units / acre would yield 175 – 220 new residential units with at grade parking and landscape amenities and a pool.

3.2 Destin Village - Mountain Drive (South)

Portions of the land to the south of Mountain Drive are occupied with development currently at the "highest & best" economic or social use (St. Andrew's Church). There are, however, several parcels to the south of Mountain Drive directly effected by road improvements. In total these amount to approximately 16.5 acres (estimated at a depth of 150 feet from Mountain Drive. Two possible development strategies can be accommodated along the south side of Mountain Drive.

Option 1.) Three level Garden Apartments above parking. This architectural prototype can yield 25 – 30 units / acre. This is sufficient to recover the higher land cost associated with this location. At a density of 25 units / acre this would yield 350 residential units.

Option 2.) Three level Town House constructed above a level of retail with platform parking on two levels in the mid-block. This would be a continuation of the mixed-use architectural program recommended for the land immediately north of US 98. The total yield will remain 350 residential units with an additional 18,000 square feet of retail at grade facing the perpendicular streets between Mountain Drive and US 98.

3.3 Destin Village - US 98 (North)

There are approximately 48.6 acres of land between Mountain Drive and US 98, bounded by Stahlman Avenue and Benning Drive. This area is directly effected by the redevelopment strategy described in the Master Plan. The program recommendation for the land north of US 98 to Mountain Drive is a traditional village of mixed-use development with street related retail shopping at grade and three levels of residential apartments above. The master plan also proposes that the public parking garages be accommodated in this strategic location.

Portions of this land are currently occupied by economic uses. The development approach contemplated in the Master Plan is to acknowledge that these uses will remain in place until they are functionally obsolete and the economic imperative of more valuable development potential manifests itself.

In the interim the Master Plan will be implemented through an incremental in-fill and implementation of the open space, vehicular and parking strategies. This produces approximately 17 acres of potential development land, if required for the development of the proposed parking garages is excluded.

For purposes of example a block to the east of St. Andrew's Church has been studied for implementation of the concept. This block is 500 feet x 500 feet and has a total area of 5.74 acres. A plan that bisects this block with a new road and develops a mixed-use program according to the specified guidelines would yield:

115,000 square feet of at grade Retail	x 2	= 230,000 SF
228 Apartments (25-30/acre)	x 2	= 456
920 parking spaces (50 on-street)	x 2	= 1,840 (100 on-street)

If this density of development were applied to the entire "village" area between US 98 at 3.6-4.3 acres (with the exception of the conference hotel) a total program of approximately two times these, as noted above, would result.

3.4 Destin Village - Harbor Front

There are approximately 73 acres of land between Destin Harbor and US 98 within the Study Area. Portions of this land are active with economic land uses, parking, marina, restaurants and retail. The value of this land is to the order of \$ 17 - \$ 23 million based on recent sales and the land values obtained from local sources.

The program recommendations of this Master Plan include the preservation of existing uses and development of additional seasonal residents housing, lodging, retail, restaurants, marina, covered and structured parking and other water dependent and enhanced uses.

There are several major changes recommended in the configuration of public space, right-of way access to the harbor edge and addition of a Boardwalk. In principle the land use program consists of mid-rise housing over covered parking with an increment of retail and restaurant or entertainment along the Boardwalk. In certain locations along the Boardwalk other considerations may outweigh opportunity for commercial development. In this case the quantity of residential development may increase.

IV. Parking

4.1 Parking Strategy

The existing parking situation in Destin negatively impacts the quality of the physical environment. The downtown cannot be a pedestrian environment until the large amount of land dedicated to at-grade parking is freed for higher and better land use. The large percentage of land dedicated to parking cars at grade in Destin prevents the town from obtaining the "village" character that many of the residents seek when they speak of an improved quality of life.

Fortunately, land values in Destin have reached the threshold where structured parking becomes an economic alternative to parking at grade. At-grade parking under occupied structures may increase the cost of the structure above. Depending on the type of structure this may represent an increase of \$ 10 to \$12 / square foot. It is, however, not likely that the increase in construction cost is greater than the cost of land in Destin.

The amount of land preserved for open space or additional development is significant. For example a two-level residential apartment with a footprint of 750 square feet may require 2 cars or an equivalent 750 square feet. Assume that each car requires 325 square feet of parking space and shared access drive on average in the following.

Table 4.1
Comparative Parking Costs: At-Grade and Structured

At-Grade Parking	
Land Cost	\$ 5,850 (@ \$ 18/SF)
Paving Cost	<u>\$ 1,300 (1 level at grade)</u>
Total	\$ 7,150 / 1 car parking space
Structured Parking	
Land Cost	\$ 5,850 (@ \$ 18/SF)
Paved Parking Cost	\$ 1,300 (1 level at grade)
Structured Parking Cost	<u>\$ 7,500 (1 level above grade)</u>
Total Cost	\$ 14,650 / 2 car parking space (\$ 7,325 / 1 car parking space)

Land values in Destin exceed \$ 18/SF in much of the downtown between Mountain Drive and the Harbor. This equivalent cost of structured parking and at-grade parking provides an opportunity for Destin to reduce the percent of impervious surface, increase the percentage of open space, increase the percentage of building coverage and create a pedestrian oriented environment.

There are additional parking considerations for the Destin Harbor Area Master Plan. The current parking ratios in use are based on the demand of individual land uses. Mixing uses within walking distances has the effect of reducing the numbers of vehicular trips generated. The Master Plan integrates shopping, restaurants, housing and hotels in a unified village concept. The result is to enable a reduction in the parking requirements of any individual land use by clustering it with others.

In a mixed-use development where hotels (with appropriate parking) and residential development (with appropriate parking) are integrated with shopping and restaurants the required parking ratio can be lowered.

For example, the current parking requirement of 1 car for each 70 – 100 square feet of restaurant occupancy (a parking ratio of 14.3/1,000) can be effectively reduced to 1 car for each 100 square feet in a planned mixed-use environment. This is a parking ratio of 10/1,000. The efficiency of mixed-used development has a potential benefit of between 44% and 66% of the parking spaces demanded.

Certain uses require on-site parking in order to function properly. These include a primary residence, lodging unit, or other dedicated land use. When a mix of uses are collected into an urban core or village, parking can be more effectively shared among more public uses.

4.2. Parking Program

There are currently in excess of 3,750 existing at-grade parking spaces within the study area bounded by Stahlman Avenue, the Harbor, Azalea Drive and Benning Drive. These occupy some 1.22 million square feet or 28.0 acres of land. The full build-out of the Master Plan requires 5,350 spaces. Many of the current spaces will be absorbed within the new development. At final build-out of the master plan, approximately 2,150 parking spaces will need to be provided within parking structures.

An emphasis on shared parking, parking covered by buildings, structured parking and on-street parking is appropriate for development in Destin and should be encouraged to achieve the objective of a walkable "village" environment. The following land use programs assume the adoption of these strategies and are an integral component of the program.

**Table 4.2
Parking Strategy Summary²**

Location	Existing Spaces		Proposed Spaces		
	On-Site	Remaining Demand ³	Within Development	Street @ Curbside	Public Garage
Mountain Drive (north)	00/500	0	262		
Mountain Drive (south)	500	0	525		
US 98 (north)	820	0	1,560	300	340
Destin Harbor	1,730	1,000 +/-	2,100	250	650
Totals	3,750	1,000 +/-	4,147	450	990
				Total	1,000
					2,000

The total demand for parking based on the Master Plan program is 5,587 cars as indicated in Table 4.2. Of this 4,147 cars are on-site, contained within the architecture of the program uses. In particular parking for housing should be within the project to meet the purchaser / renter requirement. A small portion of these spaces may be off-site in a parking structure. 1,000 existing parking spaces need to be accommodated in a new garage off-site garage.

Existing on-site parking is effected by future development. In the area to the north of Mountain Drive it is expected that many of the buildings will be converted, to higher and more active economic uses and vacant land will be in-filled with development. There is no net gain in parking requirements to be met by an off-site parking strategy.

Development of the land between Mountain Drive and US 98 will proceed along the Harbor Streets (perpendicular to US 98) with in-fill residential and retail. It is assumed that these developments will provide their own parking for housing on-site and for retail on site or in on-street curb side spaces.

Development of the land between Destin Harbor and US 98 will require parking that exceeds the capacity of the land to accommodate while simultaneously providing for a pedestrian / user friendly environment. When this new demand is added to the residual replacement requirements for existing parking, the total, in-garage parking space requirement is 2,125 spaces.

Where land cost is below the threshold, along the north side of Mountain Drive for example, parking should remain at grade or under structured platforms if the development can support this. Where land cost is above the threshold, along the north side of US 98 and along the harbor parking should be in structured spaces.

² Assumes complete redevelopment of areas north of US 98.

There are currently 1,730 parking spaces located between the Harbor and US 98. These occupy approximately 13 acres of land. Structured parking for 50% of these cars would cost approximately \$ 6.5 million but would free 6.5 acres of land for open space and occupied development. At \$ 20/SF for land the savings in land value is \$ 5.7 million; at \$ 25 / SF the savings in land value is \$ 7.0 million. Therefore, the net cost for placing 50% of the parking (say 865 cars) in structures would be between \$ 1.3 million and \$ 2.7 million.

New garage total spaces: 2,125 spaces = \$ 17 million in construction cost. The land preserved for occupied development or open space is 690,625 square feet at a land value of \$ 20 / SF. This is equal to = \$ 13.8 million in land value freed for higher and better economic or social use.

Public Parking Garage Development Proforma

Land Area Site: 240' x 440' = 105,600 SF = 2.42 acres

Program 3 level parking garage of 316,650 SF with a total of 900 parking spaces and 20,000 SF of street facing retail.

Development

Budget	900 parking spaces x \$ 10,000 / space	= \$ 9.0 million
	20,000 SF of retail x \$ 50/SF	= \$ 1.0 million
	20,000 SF of architectural façade	= \$.4 million
	105,600 SF of land x \$ 15/SF	= \$ 1.6 million
Total Development Budget		= \$ 12.0 million

Revenue	900 cars x \$ 2,400 / year	= \$ 2.4 million*
	20,000 SF retail x \$ 15/SF	= \$.3 million
	Total Revenue	= \$ 2.7 million

Capitalized Value @6.5%	Public Bond Funding	= \$ 41.5 million
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* Revenue is calculated, based on 365 days, effectively operating 18 hours each day x \$1.00 / hour = \$6,000 / space / year. Assume a utilization rate of 40% and a net revenue after operating expenses of \$2,400 / year.

V. Prototype Development Programs

Prototype #1 – Village Residential / Retail Mixed Use

Land Area Site: 240' x 440' = 105,600 SF = 2.42 acres

Land Cost Assume \$ 15/SF x 105,600 = \$ 1.6 million

Program 60 Townhouses (@ 25 R.U./acre); 2.5 levels of 900 SF
 15' wide x 25' deep over, 45,000 SF of street retail (60' depth)

Parking	Structured / dedicated on-site residential spaces	90
	Structured / dedicated on-site retail spaces	60
	Covered at grade / dedicated on-site retail spaces	150
	At grade off-site non-dedicated street spaces	34
	Total Parking Spaces	334

Prototype #2 – Harbor Front Luxury Housing

Land Area	Site: 800' x 400' (average) = 320,000 SF = 8.00 acres	
Program	45 residential (3,000 SF average unit size) mid-rise building 45 residential (2,000 SF average unit size) 3 floor town house	
Marina	45 boat slips @ 50% of harbor edge	
Parking	90 at grade car port parking spaces 45 structured parking spaces 45 covered parking spaces 180 total on-site parking spaces	
Public Access	Dedicated easement or right-of-way for pedestrians to 200 L.F.	

Prototype #3 – Visitor Center Parking – Hotel

Land Area	Site: 360' x 690' = 248,400 SF = 5.7 acres	
Program	150 room hotel with 100 units of quarter share condominiums 25,000 SF Ball Room, Meeting & Break Out Rooms	
Parking	Site: 120' x 360' 160 covered parking spaces at grade 320 structured parking spaces on 2 levels (see Prototype #1)	

Prototype # 4 Harbor Front Mixed-Use

Land Area	Site: 314' x 480' = 151,200 SF = 3.47 acres Water frontage = 315 LF	
Program	104 Residential Units (@ 30/acre - average size 1,000 SF) 16 Boat Slips (1:20 L.F. of Water Front) 3,780 SF of retail/restaurants (12 SF/LF of boardwalk)	
Parking	40 on-street parking in right-of-way 120 on grade parking spaces	

VI. Prototype Development Proforma

Basic development Proforma analysis of the various prototypes has been undertaken to "test" the validity of the components of the Master Plan. For simplicity, the economic value identified is based on a capitalization method. The Proforma analysis has not been extended for determination of financing as this would be well beyond the scope of this effort.

DESTIN HARBOR MASTER PLAN

14 December, 1998

Conference Hotel Pro Forma

	Total Budget
PREDEVELOPMENT	
Architect/Engineer	\$507,300
Market Feasibility	\$21,138
Legal/Accounting	\$33,820
Building Survey	\$8,455
Permits/Fees	\$42,275
Miscellaneous	\$16,910
<i>Subtotal Predevelopment</i>	<u>\$629,898</u>
SITE	
Site Acquisition	\$1,500,000
Infrastructure	\$150,000
Offsite Improvements	\$100,000
<i>Subtotal Site</i>	<u>\$1,750,000</u>
DIRECT COSTS	
General Conditions	\$580,000
Demolition/Site Remediation	\$300,000
Concrete	\$125,000
Unit Masonry	\$50,000
Metals	\$125,000
Woods/Plastics	\$275,000
Moisture Protection	\$250,000
Skylights/Windows/Doors	\$150,000
Finishes	\$1,150,000
Specialties	\$175,000
Equipment	\$450,000
Furnishings	\$1,200,000
Conveying Systems	\$1,200,000
Mechanical	\$1,350,000
Electrical	\$375,000
Overhead/Profit	\$500,000
Contingency	\$200,000
<i>Subtotal Direct Costs</i>	<u>\$8,455,000</u>
TOTAL DEVELOPMENT COST	\$10,834,898

DESTIN HARBOR MASTER PLAN

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Conference Hotel Pro Forma

REVENUE & EXPENSE STATEMENT

Year	<i>Start-up Year</i>		<i>Stabilized Year</i>	
	2000		2001	
No. Rooms	135		135	
ADR:	\$95		\$95	
Occupancy:	60%		70%	
Departmental Revenues				
Rooms	\$2,808	90.90%	\$3,277	90.90%
Food	\$93	3.00%	\$110	3.00%
Beverage	\$39	1.30%	\$47	1.30%
Telephone	\$87	2.80%	\$100	2.80%
Other/Misc.	\$65	2.10%	\$75	2.10%
Total Revenues	\$3,091	100%	\$3,609	100%
Departmental Expenses				
Rooms	\$989		\$819	
Food	\$46		\$72	
Beverage	\$13		\$24	
Telephone	\$43		\$65	
Other/Misc.	\$33		\$38	
Total Departmental Expenses	\$1,124	33.37%	\$1,017	28.20%
Departmental Profit	\$1,966	66.63%	\$2,592	71.80%
Undistributed Operating Expenses				
General/Administrative	\$402	13.00%	\$314	8.70%
Franchise Fees	\$46	1.50%	\$54	1.50%
Marketing	\$216	7.00%	\$253	7.00%
Operation/Maintenance	\$216	7.00%	\$180	5.00%
Utilities	\$1,124	4.00%	\$162	4.50%
Other	\$30	1.00%	\$18	0.50%
Total Undistributed Expenses	\$2,034	33.50%	\$982	27.20%
Gross Operating Profit	(\$68)		\$1,610	44.60%
Fixed Charges				
Management Fees	\$124		\$144	4.00%
Taxes	\$62		\$90	2.50%
Insurance	\$62		\$54	1.50%
Total Fixed Charges	\$247		\$289	8.00%
Income Before FF&E Reserve	(\$315)		\$1,322	36.60%
FF&E Reserve	\$124		\$144	4.00%
Net Income	(\$439)		\$1,177	
Capitalized Value	\$11,213,745			
Value/Room	\$83,065			

DESTIN HARBOR MASTER PLAN

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Village Mixed-Use Pro Forma**DEVELOPMENT BUDGET**
Probable Cost**PRE-DEVELOPMENT**

Architect/Engineer	\$297,600
Legal/Accounting	\$4,960
Survey/Appraisal	\$19,840
Feasibility	\$14,880
Permits/Fees	\$29,760
Miscellaneous	\$19,840
<i>Subtotal Pre-Development</i>	<u>\$386,880</u>

SITE

Site Acquisition	\$1,600,000
Site Improvements	\$250,000
Parking	\$1,500,000
Off-site Improvements	\$100,000
Impact Fees	\$100,000
<i>Subtotal Site Costs</i>	<u>\$3,550,000</u>

DIRECT CONSTRUCTION COSTS

General Conditions	\$500,000
Shell & Core	\$2,500,000
Residential Finishes	\$750,000
Retail Finishes	\$700,000
Owner Allowance	\$150,000
Tenant Inducements	\$200,000
Overhead/Profit	\$500,000
Contingency	\$200,000
<i>Subtotal Direct Construction Costs</i>	<u>\$5,500,000</u>

DEVELOPMENT

Development Management	\$275,000
Insurance	\$9,920
Taxes	\$9,920
Financing Fees	\$15,000
Interim Interest	\$148,800
Working Capital	\$25,000
Marketing/Leasing	\$50,000
Operating Deficit	\$100,000
<i>Subtotal Development</i>	<u>\$633,640</u>

TOTAL DEVELOPMENT COST **\$10,070,520**

DESTIN HARBOR MASTER PLAN

14 December, 1998

Village Mixed-Use Pro Forma

REVENUE & EXPENSE STATEMENT

REVENUE

Residential Rent	\$540,000
Retail Rent	\$450,000
Common Area Recovery	\$10,000
Miscellaneous	\$20,000
Total Income	\$1,020,000
Vacancy	\$51,000
NET REVENUE	\$969,000

EXPENSES

Management Fee	\$51,000
General/Administration	\$20,000
Rental Commissions	\$20,000
Maintenance Wages	\$15,000
Maintenance Supplies	\$10,000
Repairs	\$10,000
Utilities	\$3,000
Insurance	\$15,000
Legal/Accounting	\$8,000
Miscellaneous	\$7,000
Total Operating Expenses	\$159,000
NET OPERATING INCOME	\$810,000
Valuation Capitalize @ 8.0%	\$10,125,000

DESTIN HARBOR MASTER PLAN

14 December, 1998

Harborfront Luxury Housing**DEVELOPMENT PROFORMA**

	Percent	Total Project
DEVELOPMENT REVENUE		
<i>Sale Proceeds</i>		
45 Point Tower Luxury Condominiums	55%	\$22,500,000
45 Low Rise Luxury Condominiums	40%	\$18,000,000
45 Condominium Boat Slips	5%	\$500,000
<i>Total Sale Proceed Revenue</i>	<hr/> 100%	<hr/> \$41,000,000
DEVELOPMENT EXPENSES		
<i>Land Acquisition</i>		
8.0 Acre	13.00%	\$5,250,000
<i>Pre-Development</i>		
Survey & Appraisal	0.10%	\$41,000
Architect & Engineer	3.50%	\$1,435,000
Environmental	0.10%	\$41,000
Legal & Accounting	0.15%	\$61,500
<i>Subtotal</i>	<hr/> 3.85%	<hr/> \$1,578,500
<i>Land Improvement</i>		
Sitework / Landscaping	0.50%	\$300,000
Sanitation / Water	0.80%	\$360,000
Road, Paving, Curbs	0.50%	\$150,000
Parking (2 cars)	2.20%	\$900,000
Off-site Improvements	1.00%	\$100,000
Impact Fees	0.01%	\$50,000
<i>Subtotal</i>	<hr/> 5.01%	<hr/> \$1,860,000
<i>Direct Construction</i>		
45 Point Tower Luxury Condominiums		\$11,250,000
Amenities: pool, gym, et al.		\$1,000,000
45 Low Rise Luxury Condominiums		\$9,000,000
45 Condominium Boat Slips		\$500,000
<i>Subtotal</i>	<hr/> 53.00%	<hr/> \$21,750,000
<i>Development</i>		
Development Fee	2.50%	\$1,025,000
General & Administration	1.00%	\$410,000
Marketing	1.00%	\$410,000
Brokerage	3.00%	\$1,230,000
Financing Fees	1.50%	\$615,000
Interim Interest	4.00%	\$1,640,000
Taxes	0.50%	\$205,000
Insurance	0.30%	\$123,000
Other	0.20%	\$82,000
<i>Subtotal</i>	<hr/> 14.00%	<hr/> \$5,740,000
TOTAL DEVELOPMENT COST	88.86%	\$36,178,500
NET REVENUE (Profit)	11.14%	\$4,821,500

DESTIN HARBOR MASTER PLAN

14 December, 1998

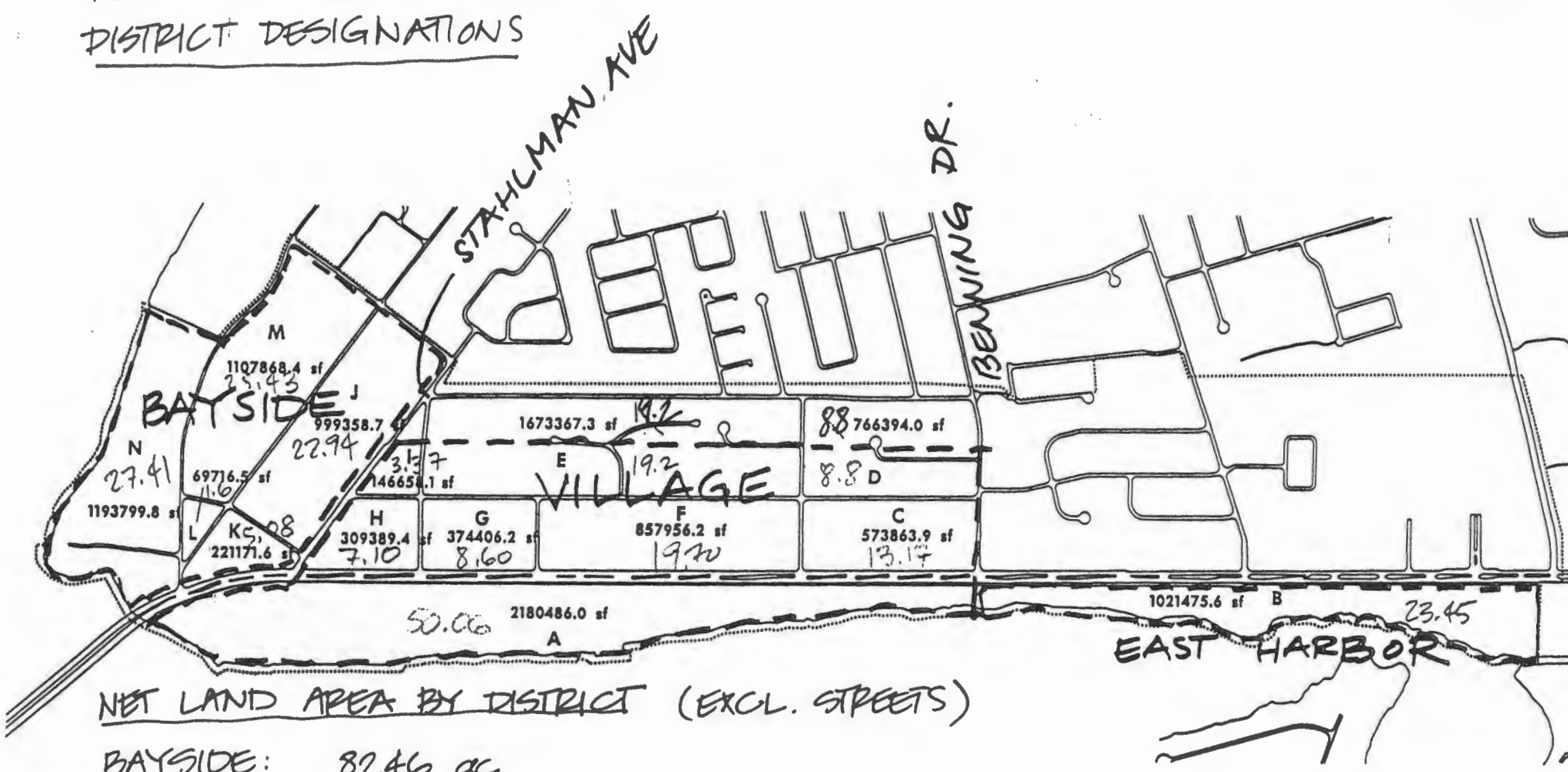
Harborfront Mixed-Use Housing

	DEVELOPMENT PROFORMA	
	<i>Percent</i>	<i>Total Project</i>
DEVELOPMENT REVENUE		
<i>Sale Proceeds</i>		
100 Low Rise Town Houses		\$25,000,000
16,000 Square Feet Retail*		\$4,000,000
15 Condominium Boat Slips		\$3,000,000
<i>Total Sale Proceed Revenue</i>	100%	\$32,000,000
DEVELOPMENT EXPENSES		
<i>Land Acquisition</i>		
3.8 Acre	13.00%	\$4,160,000
<i>Pre-Development</i>		
Survey & Appraisal	0.10%	\$32,000
Architect & Engineer	3.50%	\$1,120,000
Environmental	0.10%	\$32,000
Legal & Accounting	0.15%	\$48,000
<i>Subtotal</i>	3.85%	\$1,232,000
<i>Land Improvement</i>		
Sitework / Landscaping	0.50%	\$300,000
Sanitation / Water	0.80%	\$360,000
Road, Paving, Curbs	0.50%	\$150,000
Parking (2 cars)	2.20%	\$900,000
Off-site Improvements	1.00%	\$100,000
Impact Fees	0.01%	\$50,000
<i>Subtotal</i>	5.01%	\$1,860,000
<i>Direct Construction</i>		
100 Residential Townhouses		\$12,500,000
16,000 Square Feet Retail		\$1,600,000
Amenities: pool, gym, et al.		\$500,000
15 Condominium Boat Slips		\$150,000
<i>Subtotal</i>	53.00%	\$14,750,000
<i>Development</i>		
Development Fee	2.50%	\$800,000
General & Administration	1.00%	\$320,000
Marketing	1.00%	\$320,000
Brokerage	3.00%	\$960,000
Financing Fees	1.50%	\$480,000
Interim Interest	4.00%	\$1,280,000
Taxes	0.50%	\$160,000
Insurance	0.30%	\$96,000
Other	0.20%	\$64,000
<i>Subtotal</i>	14.00%	\$4,480,000
TOTAL DEVELOPMENT COST	88.86%	\$26,482,000
NET REVENUE (Profit)	11.14%	\$5,518,000

* Retail Revenue is expressed as the capitalized value of net rent collected.

12.9.98

DESTIN HARBOR AREA MP
DISTRICT DESIGNATIONS



NET LAND AREA BY DISTRICT (EXCL. STREETS)

- BAYSIDE: 82.46 ac
- VILLAGE: 130.00 ac
- EAST HARBOR: 23.45 ac

Destin Harbor Area Master Plan

Alternative Concept Plans

Prepared for:	Destin Harbor Task Force
Subject:	Downtown Harbor Area Master Plan
Scope of Service Task Reference:	Phase III, Task 3.2 & Task 3.3
Prepared by:	Sasaki Associates, Inc.
Date:	December 1998 <i>Revised November 1999</i>

I. Introduction

This Technical Memo summarizes the most feasible concept plans for transportation in the Destin harbor area. Both roadway networks and parking systems are evaluated and described. The most effective, common features of recent past studies are synthesized with the Harbor Area study to yield several alternative plans. Only plan features with the greatest potential for serving the traveling public and gaining the acceptance of Destin citizens have been documented.

First the roadway network alternatives are described, then feasible parking systems are included for consideration in the adopted plan. This memo and other presentation material form the basis for potential Destin City Council adoption of the transportation element of the Harbor Area Master Plan.

II. Background

The Fort Walton Beach Urbanized Area Metropolitan Planning Organization (MPO) routinely updates the original transportation plans for this area including the City of Destin. Future travel demand for up to twenty five years is projected and plans are fashioned accordingly. For the last three plan updates, widened or new roadway facilities in Destin, north of US 98, have been included in the plan. This is the normal procedure of planning for projects where demand is forecast.

Occasionally, however, residents find that expansion of existing facilities would be detrimental to their perceived quality of life, especially when roadway widening is proposed near their homes. This occurred when Azalea Drive four lane roadway concepts were discussed with residents in the area, such as those in Edgewood, Gulf Manor and the area eastward to Beach Drive. Churches along Beach Drive near Sandalwood were also wary of a four lane east/west roadway.

III. Alternative Concept Plans

Concept plans for alternative roadway systems in the corridor are now developed. The current concepts include consensus on many links between East Pass Bridge and SR 293. This consensus became apparent during workshop meetings of the Task Force and a recent Workshop held with staff from Okaloosa County, City of Destin, MPO, FDOT, CRA, Harbor Task Force, Destin Harbor Partnership and Chamber of Commerce.

3.1 East Pass to Benning

From the east end of East Pass Bridge, US 98 extends to Stahlman Avenue as a four lane roadway. Further east, the roadway becomes a one-way pair consisting of both US 98 and Mountain Drive for a distance of less than one mile. The one way pair ends near Benning drive. Each roadway in the pair includes three lanes of through traffic.

Speeds in this area, including the one way pair, must, to the extent possible, be posted at 30 mph and be designed for 30 mph. The typical suburban and rural practice of setting the posted speed 5 or 10 mph below the design speed is not acceptable where a low speed, highly pedestrian area is planned for. With identical design and posted speeds, speed enforcement is easier and pedestrian safety is increased since motorists are not encouraged by design to exceed the posted limit. We are aware that this practice may conflict with current FDOT standards, however, with a clear explanation of the corridor's multi-modal function, this concept should be justified.

Parallel parking is essential in this area to provide adequate vehicle storage for visiting and local motorists. On street parking also enhances walkability by giving the street a greater sense of enclosure. This provides both the driver and pedestrian with a heightened sense of awareness of each others' presence, thereby enhancing safety. When pedestrians are not present in commercial districts, it is generally due to a consistent 35 to 40 mph average speed that greatly discourages their use of the sidewalks.

Azalea Drive in this area is planned as a two lane "parkway" with bike paths, sidewalks and significant vegetation. The design speed is proposed at 35 mph. This park like design will facilitate east/west movement but is seen as an acceptable buffer between the residential land use to the north and the mixed land use to the south.

3.2 Benning to Main

The next stretch of US 98 has no easy parallel route since Mountain Drive becomes a local street in a residential subdivision. Two alternative concepts for a roadway parallel to US 98 are identified here. US 98 remains as a four lane facility with traffic operations improvements to maximize capacity.

One alternative route turns northward from Azalea Drive, replaces Sandalwood Drive and continues eastward through the residential area east of Beach Drive. It leaves all three churches in place and requires taking of existing dwelling units both east and west of Beach.

A second alternative route, leaves Azalea Drive on its present alignment east of Benning. This includes a two lane roadway passing between the Baptist Church and the fence behind the Seaview Drive residences. As it crosses Beach Drive, it swings north of the Methodist Church and passes through the Magnolia Park subdivision to the east. This alternative would require replacement of parking for the Baptist Church and taking of dwelling units in the subdivision east of Benning.

As the roadway approaches Main Street, it again has two alternative alignments. First, the roadway would run just south of the existing theater complex and become part of a revived grid system in the CRA. This provides increased circulation for the renovated commercial area within the CRA. The roadway alignment would intersect Main Street south of the Post Office and could connect with the new east/west road under construction in the 98 Palms shopping center project. Commercial land purchase would be required for this alignment.

A second alternative alignment would extend through the existing and planned residential area north of the existing theater complex and Post Office. Homes would be purchased to accomplish this alignment.

3.3 Main Street to Airport Road

Power line easements through this section of the corridor provide much of the potential alignment for a roadway parallel to US 98. US 98 remains a four lane facility with operational improvements. Final determination of the number of lanes on US 98 between Main Street and Airport Road will be made after careful discussions between Florida DOT and the City of Destin. Horizon year conditions in 2020 may require additional lanes to meet higher level of service standards. On the other hand, if the City of Destin determines that six-laning would substantially reduce livability, then the four lane configuration may remain. This final determination is beyond the scope of this project.

98 Palms will provide an alignment for the parallel road from Main Street to approximately Mattie Kelly Boulevard. From this point eastward, power line easements are expected to provide the best alignment to reach Airport Road. A bridge structure will be needed just west of Airport Road and north of the Gulf Terrace Apartments. This section will require no residential takings and no commercial takings.

3.4 Airport Road to SR 293

Okaloosa County has done an excellent job of planning and implementing a continuous two lane roadway parallel to US 98 through this section. Joint agreements between public and private entities have led to completed sections on the east end and designs underway for the western sections. The section from Two Trees Road to Airport Road is in the early planning stage. As with the other segments east of Benning Drive, US 98 will remain in its four lane configuration, although the section from Airport Road to SR 293 has the greatest potential for expansion to six lanes due to available right of way.

IV. Parking

In addition to the roadway network alternatives, the associated parking system strategy has been evaluated to further enhance walkability. A system of parking structures and on street parking forms the conceptual plan for the harbor area. On street parking along the one way pair and on north/south connector roadways will provide substantial parking capacity and aid in achieving greater pedestrian safety through lower traffic speeds. Parallel parking in the commercial district is essential to the increased walkability needed for revitalization.

In addition, three parking structures are planned within the study area. These three structures will address the demands for tourist and business parking. Appendix 1 provides additional information on parking and land use.

4.1 Parking Strategy

The existing parking situation in Destin negatively impacts the quality of the physical environment. The downtown cannot be a pedestrian environment until the large amount of land dedicated to at-grade parking is freed for higher and better land use. The large percentage of land dedicated to parking cars at grade in Destin prevents the town from obtaining the "village" character that many of the residents seek when they speak of an improved quality of life.

Fortunately, land values in Destin have reached the threshold where structured parking becomes an economic alternative to parking at grade. At-grade parking under occupied structures may increase the cost of the structure above. Depending on the type of structure this may represent an increase of \$10 to \$12 / square foot. It is, however, not likely that the increase in construction cost is greater than the cost of land in Destin.

The amount of land preserved for open space or additional development is significant. For example a two-level residential apartment with a footprint of 750 square feet may require 2 cars or an equivalent 750 square feet. Assume that each car requires 325 square feet of parking space and shared access drive on average in the following.

Table 4.1
Comparative Parking Costs: At-Grade and Structured

At-Grade Parking	
Land Cost	\$ 5,850 (@ \$18/SF)
Paving Cost	<u>\$ 1,300 (1 level at grade)</u>
Total	\$ 7,150 / 1 car parking space
Structured Parking	
Land Cost	\$ 5,850 (@ \$18/SF)
Paved Parking Cost	\$ 1,300 (1 level at grade)
Structured Parking Cost	<u>\$ 7,500 (1 level above grade)</u>
Total Cost	\$ 14,650 / 2 car parking space (\$ 7,325 / 1 car parking space)

Land values in Destin exceed \$18/SF in much of the downtown between Mountain Drive and the Harbor. This equivalent cost of structured parking and at-grade parking provides an opportunity for Destin to reduce the percent of impervious surface, increase the percentage of open space, increase the percentage of building coverage and create a pedestrian oriented environment.

There are additional parking considerations for the Destin Harbor Area Master Plan. The current parking ratios in use are based on the demand of individual land uses. Mixing uses within walking distances has the effect of reducing the numbers of vehicular trips generated. The Master Plan integrates shopping, restaurants, housing and hotels in a unified village concept. The result is to enable a reduction in the parking requirements of any individual land use by clustering it with others.

In a mixed-use development where hotels (with appropriate parking) and residential development (with appropriate parking) are integrated with shopping and restaurants the required parking ratio can be lowered.

For example, the current parking requirement of 1 car for each 70 – 100 square feet of restaurant occupancy (a parking ratio of 14.3/1,000) can be effectively reduced to 1 car for each 100 square feet in a planned mixed-use environment. This is a parking ratio of 10/1,000. The efficiency of mixed-used development has a potential benefit of between 44% and 66% of the parking spaces demanded.

Certain uses require on-site parking in order to function properly. These include a primary residence, lodging unit, or other dedicated land use. When a mix of uses are collected into an urban core or village, parking can be more effectively shared among more public uses.

4.2. Parking Program

There are currently in excess of 3,750 existing at-grade parking spaces within the study area bounded by Stahlman Avenue, the Harbor, Azalea Drive and Benning Drive. These occupy some 1.22 million square feet or 28.0 acres of land. The full build-out of the Master Plan requires 5,350 spaces. Many of the current spaces will be absorbed within the new development. At final build-out of the master plan, approximately 2,150 parking spaces will need to be provided within parking structures.

An emphasis on shared parking, parking covered by buildings, structured parking and on-street parking is appropriate for development in Destin and should be encouraged to achieve the objective of a walkable "village" environment. The following land use programs assume the adoption of these strategies and are an integral component of the program.

Table 4.2
Parking Strategy Summary¹

Location	Existing Spaces		Proposed Spaces		
	On-Site	Remaining Demand ²	Within Development	Street @ Curbside	Public Garage
Mountain Drive (north)	00/50	0	262		
Mountain Drive (south)	500	0	525		
US 98 (north)	820	0	1,560	300	340
Destin Harbor	1,730	1,000 +/-	2,100	250	650
Totals	3,750	1,000 +/-	4,147	450	990
				Total	1,000 2,000

The total demand for parking based on the Master Plan program is 5,587 cars as indicated in Table 4.2. Of this 4,147 cars are on-site, contained within the architecture of the program uses. In particular parking for housing should be within the project to meet the purchaser / renter requirement. A small portion of these spaces may be off-site in a parking structure. 1,000 existing parking spaces need to be accommodated in a new garage off-site garage.

Existing on-site parking is effected by future development. In the area to the north of Mountain Drive it is expected that many of the buildings will be converted, to higher and more active economic uses and vacant land will be in-filled with development. There is no net gain in parking requirements to be met by an off-site parking strategy.

Development of the land between Mountain Drive and US 98 will proceed along the Harbor Streets (perpendicular to US 98) with in-fill residential and retail. It is assumed that these developments will provide their own parking for housing on-site and for retail on site or in on-street curb side spaces.

Development of the land between Destin Harbor and US 98 will require parking that exceeds the capacity of the land to accommodate while simultaneously providing for a pedestrian / user friendly environment. When this new demand is added to the residual replacement requirements for existing parking, the total, in-garage parking space requirement is 2,125 spaces.

Where land cost is below the threshold, along the north side of Mountain Drive for example, parking should remain at grade or under structured platforms if the development can support this. Where land cost is above the threshold, along the north side of US 98 and along the harbor parking should be in structured spaces.

¹ Assumes complete redevelopment of areas north of US 98.

There are currently 1,730 parking spaces located between the Harbor and US 98. These occupy approximately 13 acres of land. Structured parking for 50% of these cars would cost approximately \$6.5 million but would free 6.5 acres of land for open space and occupied development. At \$20/SF for land the savings in land value is \$5.7 million; at \$25 / SF the savings in land value is \$7.0 million. Therefore, the net cost for placing 50% of the parking (say 865 cars) in structures would be between \$1.3 million and \$2.7 million.

New garage total spaces: 2,125 spaces = \$17 million in construction cost. The land preserved for occupied development or open space is 690,625 square feet at a land value of \$20 / SF. This is equal to = \$13.8 million in land value freed for higher and better economic or social use.

Public Parking Garage Development Proforma

Land Area Site: 240' x 440' = 105,600 SF = 2.42 acres

Program 3 level parking garage of 316,650 SF with a total of 900 parking spaces and 20,000 SF of street facing retail.

Development

Budget	900 parking spaces x \$10,000 / space	= \$ 9.0 million
	20,000 SF of retail x \$50/SF	= \$ 1.0 million
	20,000 SF of architectural façade	= \$.4 million
	105,600 SF of land x \$15/SF	= \$ 1.6 million
Total Development Budget		= \$ 12.0 million

Revenue	900 cars x \$2,400 / year	= \$ 2.4 million*
	20,000 SF retail x \$15/SF	= \$.3 million
	Total Revenue	= \$ 2.7 million

Capitalized Value @6.5% Public Bond Funding = \$ 41.5 million

* Revenue is calculated, based on 365 days, effectively operating 18 hours each day x \$1.00 / hour = \$6,000 / space / year. Assume a utilization rate of 40% and a net revenue after operating expenses of \$2,400 / year.

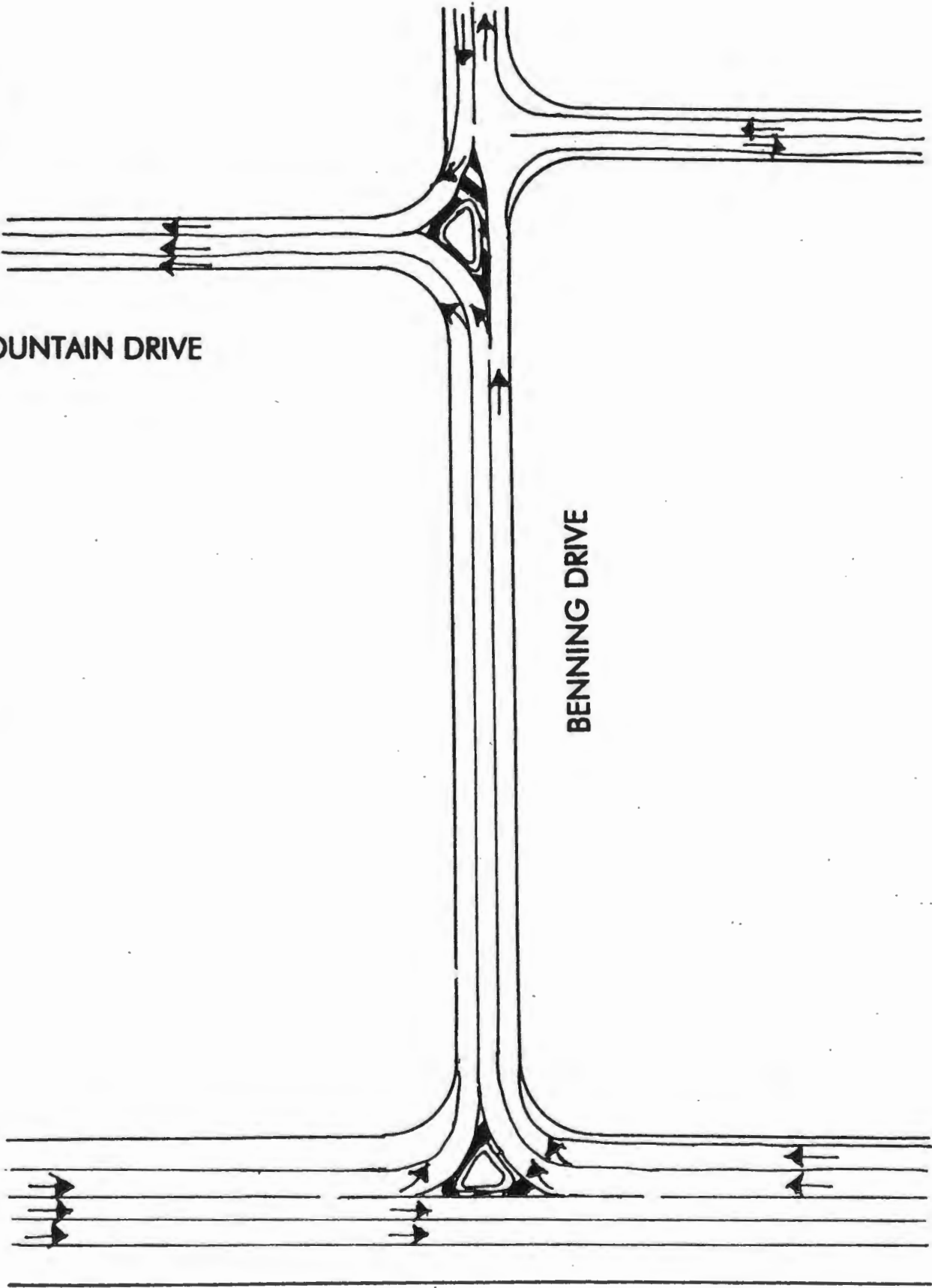
V. Conclusions

The relief available to US 98 between East Pass Bridge and SR 293 is considerable. Parallel roadways can relieve US 98 of significant local circulation traffic that must now use 98 for routine shorter trips. It is our opinion that more than 60 percent of the US 98 trips begin and end within the Moreno Point peninsula, i.e., the area between East Pass Bridge and the Walton County line. A well designed two lane facility can carry up to 14,000 vehicles per day, especially during the tourist season when peak period traffic flows for many hours in the afternoon. This 14,000 vehicle relief would help US 98 handle future projected traffic loadings.

The one way pair system between Stahlman and Benning will add significant capacity to US 98. An additional lane in each direction and the greater efficiency of the one way system will both contribute to this increase in capacity.

MOUNTAIN DRIVE

BENNING DRIVE



U.S. 98

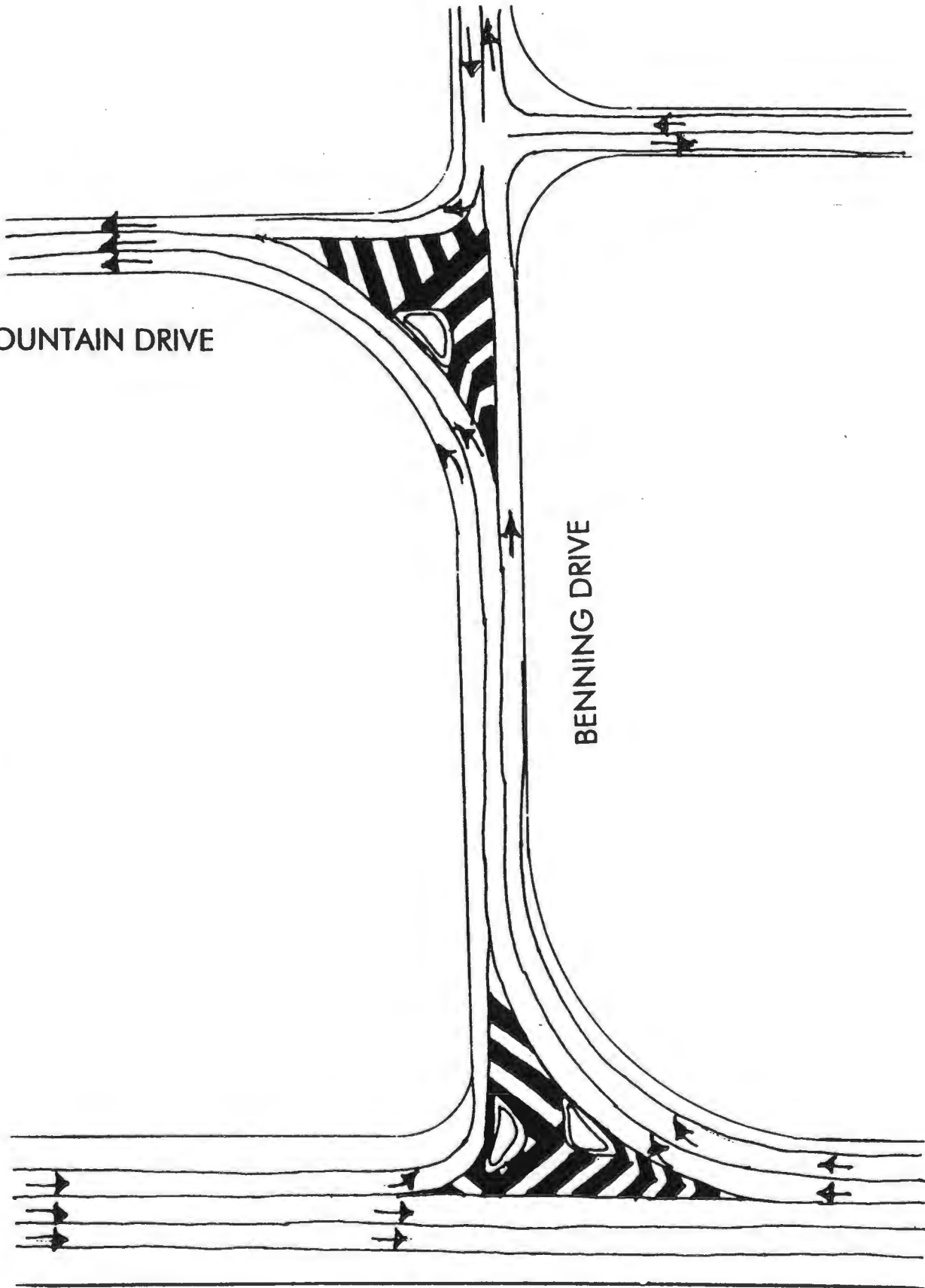
DESTIN HARBOR AREA MASTER PLAN
ONE-WAY PAIR EAST END TRANSITION—ONE-WAY BENNING DRIVE
LOWER DESIGN SPEED ALTERNATIVE

MOUNTAIN DRIVE

BENNING DRIVE

U.S. 98

DESTIN HARBOR AREA MASTER PLAN
ONE-WAY PAIR EAST END TRANSITION—ONE-WAY BENNING DRIVE
HIGHER DESIGN SPEED ALTERNATIVE

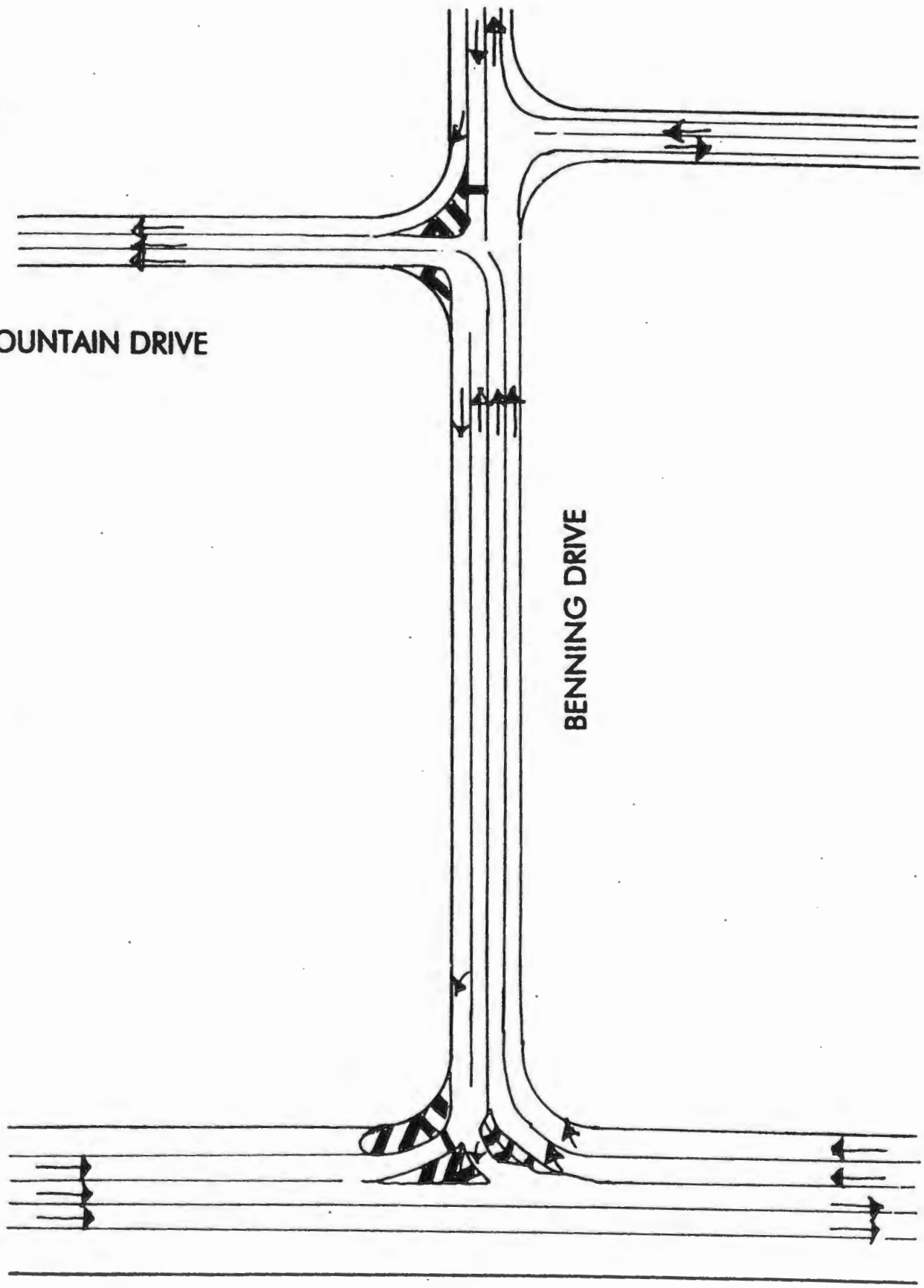


MOUNTAIN DRIVE

BENNING DRIVE

U.S. 98

DESTIN HARBOR AREA MASTER PLAN
ONE-WAY PAIR EAST END TRANSITION—TWO-WAY BENNING DRIVE
LOWER DESIGN SPEED ALTERNATIVE

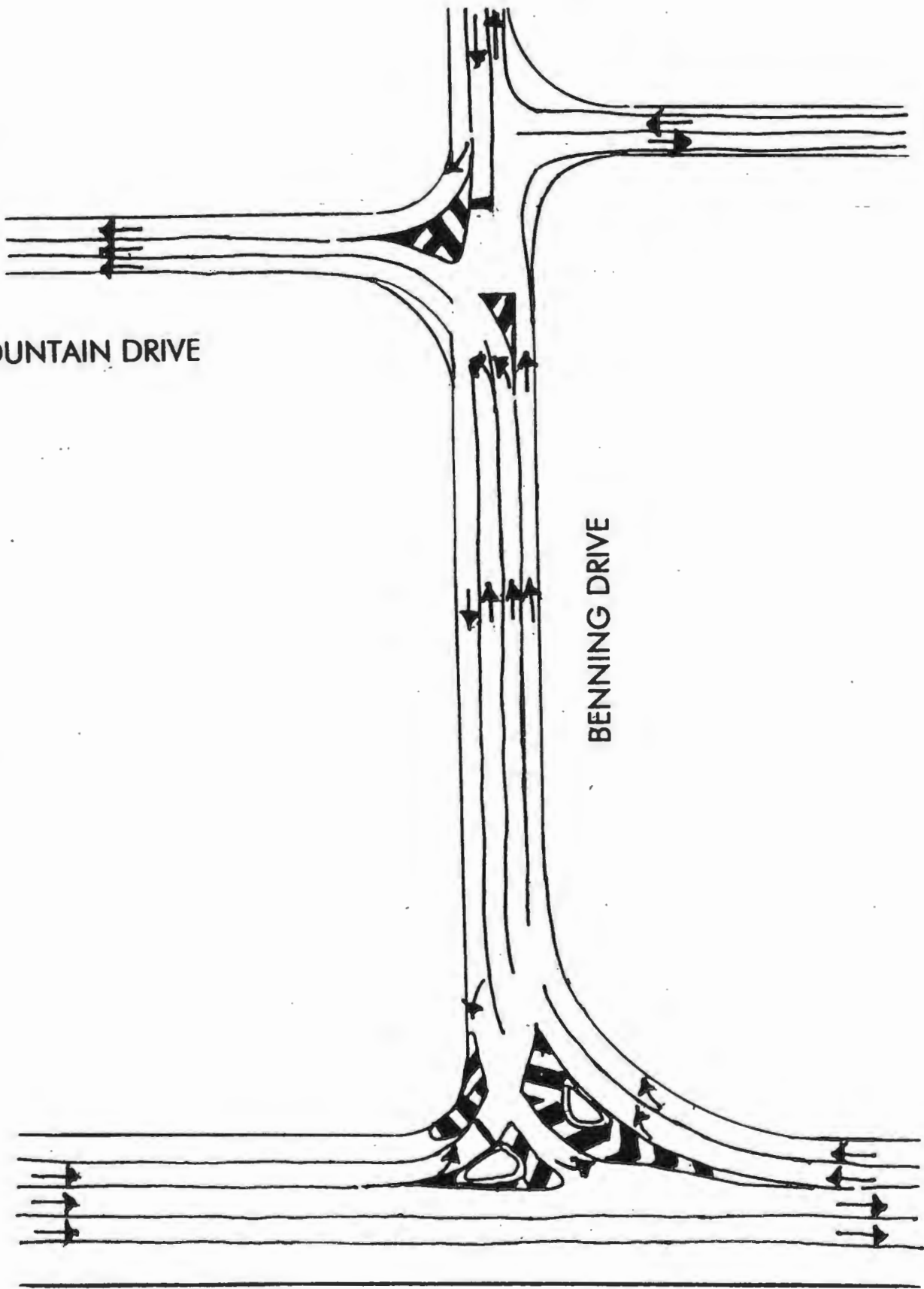


MOUNTAIN DRIVE

BENNING DRIVE

U.S. 98

DESTIN HARBOR AREA MASTER PLAN
ONE-WAY PAIR EAST END TRANSITION—TWO-WAY BENNING DRIVE
HIGHER DESIGN SPEED ALTERNATIVE



HPE

Hall Planning & Engineering, Inc.

3.5

Destin
81413.00

Gall house
Goshier
Panfil

NORA

TASK 3.3 FAX B

FAX TRANSMISSION

Page 1 of 2

To: Chris Panfil

Organization: Sasaki Associates, Inc.

Fax Number: 617/924-2748

OO: _____

From: Ted Mack

Date: December 10, 1998

Project Number: _____

Project Name: Destin Harbor Area Master Plan

RE: Streetscape concept

Chris—Following is HPE's conceptual graphic illustrating parking and landscaping details for the 3-lane one-way pairs.

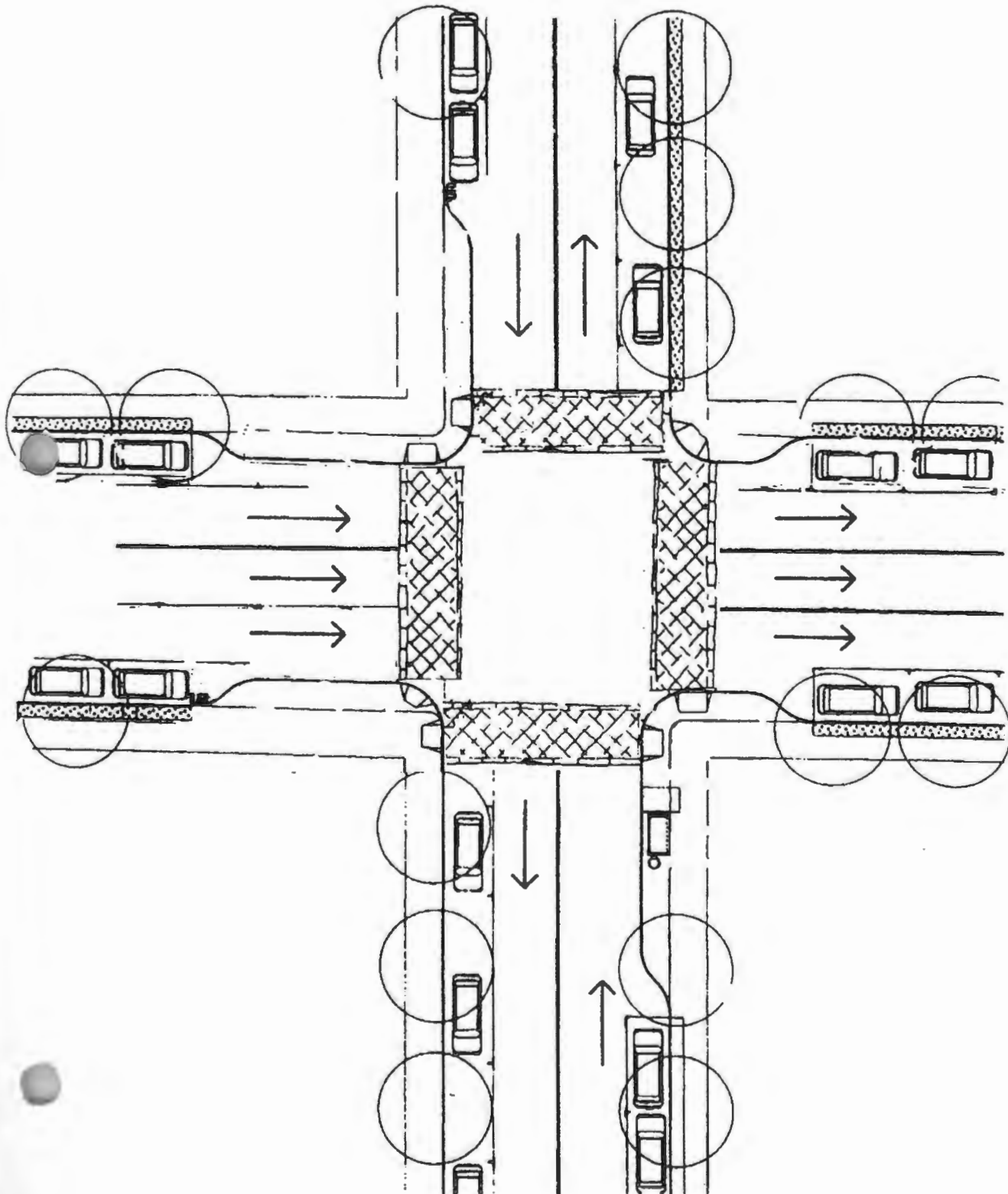
We'll send the two-way to one-way transition concepts tomorrow, along with financial information that we will also provide to Andy Dolkart.

If you have questions, please give Rick Hall or me a call at 850/222-2277.

DESTIN HARBOR AREA MASTER PLAN

STREETSCAPE CONCEPT—PROPOSED ONE-WAY PAIR

Hall Planning & Engineering, Inc.



Destin Harbor Area Master Plan

Planning & Design Principles for Land Development Regulations

Prepared for:	Destin Harbor Task Force
Subject:	Downtown Harbor Area Master Plan
Scope of Service Task Reference:	Phase III, Task 3.4
Prepared by:	Sasaki Associates, Inc.
Date:	November 1999

Planning and Design Principles for Land Development Regulations

The Local Comprehensive Planning and Land Development Regulation Act of Florida Statutes require that each community prepare and adopt a comprehensive plan, and adopt land development regulations that are in conformance with the comprehensive plan. Implementation of the proposed Destin Harbor Area Master Plan will require modification of the comprehensive plan and existing land development regulations to reflect the intent and guide development and City policy over time. Principal elements for adoption into new zoning districts are outlined in this memorandum.

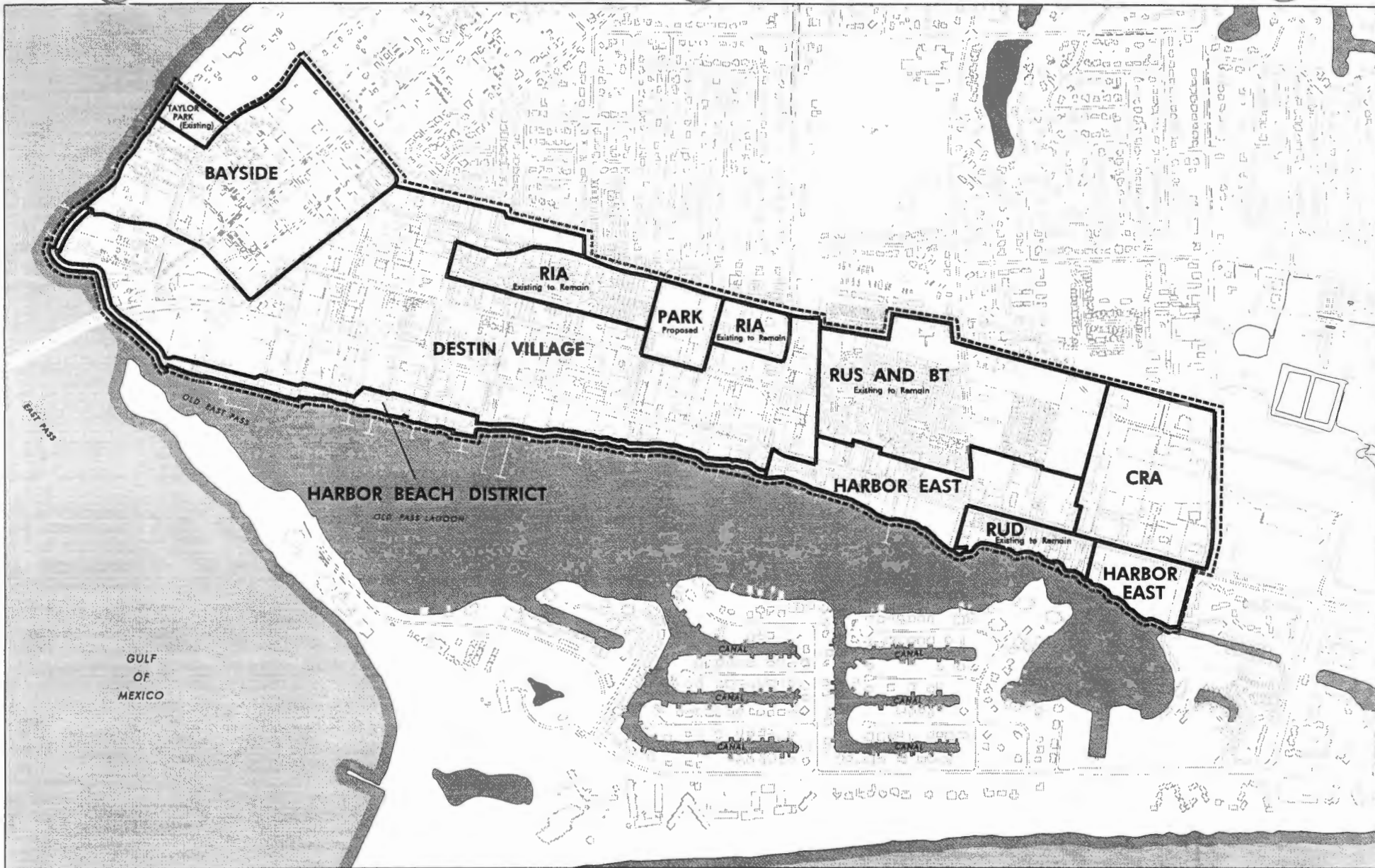
The most significant changes to the existing land development code are proposed within the Destin Village, Harbor Beach, and Harbor East Districts, which are currently, zoned Business Tourism (BT). The BT zone, while generally permitting mixed use, permits residential use only as a special exception, has no height limitations, and the parking and setback requirements generally result in a low-intensity suburban-scale development. The proposed Destin Harbor Area Master Plan and proposed changes to the land development regulations increase the intensity of low-rise land use by waiving on-site parking requirements for non-residential uses that participate in the proposed public parking program. Building heights of up to thirty-five feet are proposed as a matter of right. As an incentive to encourage a pedestrian-friendly village environment, higher buildings up to seventy feet in height, are permitted in the interior of the parcels as long as the average height of all buildings does not exceed fifty feet and if land owners and developers will adhere to a proposed set of urban design guidelines which govern setbacks, massing and building footprint configurations.

Proposed changes along the edge of the harbor in the Harbor Beach District address the location of the new development, the proposed Dockside Drive, and the preservation of the beach bluff.

The proposed planning and design principals for the Destin Village Harbor Beach and Harbor East districts do not currently contemplate utilizing Destin's existing controls on density, intensity of use, bonus provisions, or compatibility. Density and intensity as currently defined in the Destin code will be controlled in the proposed regulations for these districts by the proposed height, massing, and setback requirements coupled with the parking requirements. Additionally, no performance standards for bonuses are anticipated since the proposed standards have a "built-in" bonus system allowing additional bulk and height relative to proposed urban design standards. The "compatibility" requirements of the existing Destin code are not anticipated to be a part of the proposed regulations for the Destin Village and Harbor East Districts since the provisions of the Master Plan provide new public access to the harbor, bluff preservation, new open space and building height and massing controls.

No changes are proposed within the existing established residential areas within the study area, nor in the designation of the Town Center CRA district. In implementing the proposed master plan amendments modifying the City's Comprehensive Plan, new land development regulations which incorporate the height and massing guidelines outlined above will need to be developed.

The proposed changes to the land development code are designed to address the community goal of a "mixed-use pedestrian-village environment."



Proposed Zoning Districts

Destin Harbor Area Master Plan

----- Study Area

SASAKI

Hall Planning & Engineering, Inc.
 Aronow & Co.
 Miami Economic Associates, Inc.
 Aggar & Polham



I. DESTIN VILLAGE DISTRICT

The Destin Village District encompasses the area from the top of the bluff, along the harbor northward to Mountain Drive, and from East past to Benning Drive.

1.1 District Policies

- Mixed use village destination resort
- Pedestrian-oriented environment
- Public parking program
- Increased north-south connections between US 98 and harborfront (pedestrian and vehicular).
- Active retail and residential uses along street frontages.
- Massing and design of buildings regulated where viewed from public streets, squares, and harbor.
- Preservation and restoration of the Harbor Bluff for parcels with depths from US 98 to mean high water greater than 250'.

1.2 Permitted Uses

- Commercial: hotels, restaurants, bars, entertainment, office, retail
- Residential: permanent, seasonal, rental
- All uses currently allowed in the Business Tourism category except: Drive-in Theaters; radio and television broadcast stations with towers; self-storage and mini-warehouses; automobile and mobile home sales; building and lumber supply, petroleum products terminals.

1.3 Density

- Not applicable

1.4 Intensity

- Not applicable

1.5 Dimensional and Design Requirements

1.5.1 Minimum Lot Area

- not applicable

1.5.2 Minimum Lot Size

- not applicable

1.5.3 Setbacks and Building Placement

- 0' from public ROWs and harbor bluff for buildings of 1 to 3 floors facing streets and harbor bluff. 35' setback for building elements exceeding 35'
- No rear yard setback requirements
- The following side yard setbacks are required for property lines not coinciding with public rights of way.
 - 10'0" for 1 to 3 story building elements
 - 35' for building elements taller than 3 floors

- No developments on bluff slope on properties greater than 250' in depth other than incidental structures such as stairways and ramps for access to the harbor below.

1.5.4 Streetwalls

- Not required for buildings of 1 to 3 floors (35') or less in height
- Streetwalls required for buildings taller than 3 stories (35') on any parcel; building elements of 1 to 3 floors must be placed along streetwall for 50% of parcel frontage along public ROW if higher buildings are on parcel.
- Streetwall buildings must be predominantly habitable space such as retail, housing, or active commercial space.

1.5.5 Building Height

- 3 floors (35')as-of-right.
- Additional height up to 70' under the following conditions:
 - The average height of all buildings in a complex of buildings on a single parcel shall not exceed 50 feet at the cornice line
 - The maximum height of any single building that is part of a building complex located on a single parcel shall not exceed 70 feet at the cornice line.
 - Any building above 35 feet shall be located within the interior of a parcel with a minimum setback from the property line and only if one- to three- story buildings with predominantly active commercial and residential uses are placed along at least 50% of adjoining public rights-of-way.

1.5.6 Building Massing

- On a given parcel for any single large structure, or a parcel with building heights greater than 50 feet at the cornice line, the building height at the roofline must vary according to the following requirements: for any building with a side dimension greater than 75 feet, 25% of its height at the roofline must vary by a minimum of one full floor or a mezzanine floor contained within a sloping roof. For any building with a side dimension greater than 150 feet, 50% of its height at the roofline must vary by a minimum of one full floor or a mezzanine floor contained within a sloping roof.

1.5.7 Roofscape

- Fully-pitched roofs are required to predominate on all buildings. A minimum pitch of 4:12 and a maximum pitch of 12:12 are required for the roof above the cornice line. One additional floor of mezzanine areas may occur within roof space.

1.6 Vehicular Access and Parking

- On-site parking required for mixed (commercial) uses per existing parking ratio requirements until establishment of public parking program; no on-site parking required if on-site requirements are transferred to parking facility.
- Reduced dimensional requirements for parking stalls and parking travel lanes.
- Maximum of one curb cut per property for each public row.

1.7 Bonuses

- Not applicable, bonuses are a part of the dimensional requirements.

1.8 Open Space

- Preservation of harbor bluff for parcels greater than 250' in depth between US 98 and mean high water

1.9 Compatibility

- Not applicable

II. HARBOR BEACH DISTRICT

The Harbor Beach District consists of the area from mean high water to the top of the bluff and from East Pass Bridge to the Destin Yacht Club. Pedestrian connections along the Harbor edge and the Bay are included in the district to serve the marine support establishments on the bay.

2.1 District Policies

- Water-dependent uses supporting the sports fishing industry
- Public access to waterfront
- Continuous boardwalk designed to accommodate festivals, retail, restaurant and entertainment uses
- Continuous vehicular access with live parking for loading and unloading at docks
- Preservation and restoration of bluff and existing trees
- View corridors from new harbor streets to water

2.2 Permitted Uses

- Water-dependent uses, including sports fishing uses, marina support and repair, except seasonal boat storage.
- Boardwalk, tourist commercial (restaurants, bars, retail, and entertainment)

2.3 Density

- Not applicable

2.4 Intensity

- Not applicable

2.5 Dimensional and Design Requirements

2.5.1 Minimum Lot Area

- Not applicable

2.5.2 Minimum Lot Size

- Not applicable

2.5.3 Setbacks and Building Placement

- 10' building setback from property line. Buildings 10' apart minimum
- No buildings allowed in view of corridor of Harbor Streets, as defined by hypothetical extension of street ROW across boardwalk
- Maximum site coverage for buildings: 50%

- Buildings permitted in dedicated development zone only
- 2.5.4 Streetwalls
 - Not applicable
- 2.5.5 Building Height
 - 2 stories maximum
- 2.5.6 Building Massing
 - Not applicable
- 2.5.7 Roofscape
 - Fully-pitched roofs are required to predominate on all buildings. A minimum pitch of 4:12 and a maximum pitch of 12:12 are required for the roof above the cornice line. One additional floor of mezzanine areas may occur within roof space

- 2.6 Vehicular Access and Parking**
 - Access and parking areas as per design plan; parking limited to live parking for loading and unloading only.

- 2.7 Bonuses**
 - not applicable

- 2.8 Open Space**
 - Required storm water detention areas, boardwalk zone, and beach bluff protection.

- 2.9 Compatibility**
 - Not applicable

III. BAYSIDE DISTRICT

Bayside is the area to the west of Stahlman Avenue between Zerbe Street, Stahlman, Forest Street, Calhoun Avenue, Clement Taylor Park and Chocktawhatchew Bay.

- 3.1 District Policies**
 - Predominantly residential neighborhood with recreational amenities
 - Marine support functions and limited boardwalk commercial activities

- 3.2 Permitted Uses**
 - Residential, as per existing zoning categories for RSS, RUS, RUD, RIA

- 3.3 Density**
 - As per existing zoning

- 3.4 Intensity**
 - As per existing zoning

3.5 Dimensional and Design Requirements

- 3.5.1 Minimum Lot Area
 - Not applicable
- 3.5.2 Minimum Lot Size
 - Not applicable
- 3.5.3 Setbacks and Building Placement
 - Frontyard: 10'
 - Sideyard: 15' min.
 - Rearyard: 20'
- 3.5.4 Streetwalls
 - None required
- 3.5.5 Building Height
 - 3 floors max.
- 3.5.6 Building Massing
 - Not applicable
- 3.5.7 Roofscape
 - Not applicable

3.6 Vehicular Access and Parking

- Maximum of one curbcut per property for each public right-of-way.

3.7 Bonuses

- Not applicable

3.8 Open Space

- As per existing zoning

3.9 Zoning

- As per existing zoning

IV. HARBOR EAST DISTRICT

The Harbor East District lies east of Benning Drive to Main Street along the US 98 corridor. Harbor East is separated into two zones by an existing area of single family homes.

4.1 District Policies

- Preservation and restoration of harbor bluff on properties with a depth greater than 250' between US 98 and mean high water.

4.2 Permitted Uses

- Commercial: hotels, restaurants, bars, entertainment, office, retail
- Residential: permanent, seasonal, rental
- All uses currently allowed in the Business Tourism category except: Drive-in Theaters; radio and television broadcast stations with towers; self-storage and mini-warehouses;

automobile and mobile home sales; building and lumber supply, petroleum products terminals.

4.3 Density

- Not applicable

4.4 Intensity

- Not applicable

4.5 Dimensional and Design Requirements

4.5.1 Minimum Lot Area

- Not applicable

4.5.2 Minimum Lot Size

- Not applicable

4.5.3 Setbacks and Building Placement

- 0' for buildings of 1 to 3 floors facing public rights-of-way.
- 35' buffer or garden walls on right-of-way with 35' setback for buildings higher than 35'.
- 35' sideyard setback from existing adjoining RUD and RIA Districts for buildings of 1 to 3 floors.
- 70' sideyard setback from adjoining existing RUD & RIA Districts for buildings higher than 35'.
- For properties internal to the Harbor East District, the following side yard setbacks are required for property lines not coincident with public rights of way:
 - 10'0" for 1 to 3 story building elements
 - 35' for building elements taller than 3 floors

4.5.4 Streetwalls

- Building streetwalls for 1 to 3 story-building elements need to be predominantly Habitable space (50% or more). If "streetwalls" are not utilized 35' landscape buffer or garden walks with 35' setback for building higher than three floors

4.5.5 Building Height

- 3 floors 35' as of right
- Additional height up to 70' under the following conditions:
 - The average height of all buildings in a complex of buildings on a single parcel shall not exceed 50 feet at the cornice line
 - The maximum height of any single building that is part of a building complex located on a single parcel shall not exceed 70 feet at the cornice line.
 - Any building above 35 feet shall be located within the interior of a parcel with a minimum setback from the property line.

4.5.6 Building Massing

- On a given parcel for any single large structure, or a parcel with building heights greater than 50 feet at the cornice line, the building height at the roofline must vary according to the following requirements: for any building with a side dimension greater than 75 feet, 25% of its height at the roofline must vary by at least one full floor or a mezzanine level within a roofspace.

For any building with a side dimension greater than 150 feet, 50% of its height at the roofline must vary by at least one full floor or a mezzanine level within a roofspace.

4.5.7 Roofscape

- Fully-pitched roofs are required to predominate on all buildings. A minimum pitch of 4:12 and a maximum pitch of 12:12 are required for the roof above the cornice line. One additional floor of mezzanine areas may occur within roof space.

4.6 Vehicular Access and Parking

- Maximum of one curbcut per property for each public ROW
- On-site parking required for commercial uses per existing parking ratio requirements until establishment of public parking program; no on-site parking required if on-site requirements are transferred to public parking facility.
- Reduced dimensional requirements for parking stalls and parking travel lanes

4.7 Bonuses

- Not applicable

4.8 Open Space

- Bluff preservation for properties whose depth is greater than 250'

4.9 Compatibility

- Not applicable

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Destin Harbor Area Master Plan

Statement of Probable Cost for Improvements

Prepared for:	Destin Harbor Task Force
Subject:	Cost Estimates
Scope of Service Task Reference:	Phase III, Task 3.5 and Phase V, Task 5.1
Prepared by:	Sasaki Associates, Inc.
Date:	November, 1998

Destin Harbor Area Master Plan

Sasaki Associates Inc. SA # 81413.00

Preliminary Statement of Probable Cost for Improvements

(Order-of-Magnitude Budget; does not include land acquisition costs)

Item	Item Total
OPTION 1 : HARBOR STREETS AND BLUFF WALK	
BASELINE - ESTIMATE OF IMPROVEMENTS	
1. U.S. Route 98 Reconfiguration	2,356,000
2. Stahlman Ave Widening	722,000
3. Mountain Drive Widening (2 lanes to 3 lanes)	2,364,000
4. Benning Drive Widening (2 lanes to 3 lanes)	658,300
5. Beach Ridge Drive Improvements	5,617,500
6. New Secondary Streets	4,761,030
7. Public Plazas (hard surface)	5,177,700
8. Landscaped Public Park (soft surface)	675,000
9. Bike paths	975,000
10. Bluff Ridge Pedestrian Walk	600,000
11. Board walk extension	650,000
12. Community Pier	1,010,000
13. Visitor Center	350,000
14. Public Parking Garages (3)	21,000,000
TOTAL BASELINE ESTIMATE:	\$46,916,530
(Items 1 through 14)	
OPTION 2: HARBOR STREETS AND PARKS	
ADDITIONAL IMPROVEMENTS TO BASE ITEMS	
15. Bayside Boardwalk	1,760,000
16. Landscape Public Park (soft surface)	0
17. Harbor Walk Reconstruction & Extension	7,260,000
18. Bayside Boardwalk and Plaza (2 locations)	2,574,000
19. Stahlman Street Extention	430,000
20. New Secondary Streets Stahlman Ave. Area	331,500
21. Misc. Secondary Street Improvements	771,900
TOTAL OF ADDITIONAL IMPROVEMENTS TO BASE ITEMS:	\$13,127,400
GRAND TOTAL ESTIMATE:	\$60,043,930
(Items 1 through 21)	

Destin Harbor Area Master Plan

Sasaki Associates Inc. SA # 81413.00

Preliminary Statement of Probable Cost (Order-of-Magnitude Budget)

Item	Number of Units	Units	Unit Cost	Item Total	Comments & Assumptions
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**OPTION 1 : HARBOR STREETS AND BLUFF WALK
BASELINE - ESTIMATE OF IMPROVEMENTS**

1. U.S. Route 98 Reconfiguration

removal of landscaped median	4800	LF	25	120,000	demolition
remove asph pavement	4800	LF	25	120,000	assume 12 ft wide removal
Road Paving, Curbing	4800	LF	125	600,000	12 ft new, 24 ft re-surf, new curb ea side
addition of parking lanes	2500	LF	40	100,000	10 ft park lanes
New Pedestrian / Bike Walkways	4800	LF	60	288,000	8 ft walk/bike each side w/ grass edge
New Lighting	4800	LF	100	480,000	2 fix at 100 ft intervals
landscaping	4800	LF	35	168,000	4 ea Street Trees @ 200ft
Utilities Allowance	4800	LF	100	480,000	
Sub Total :				2,356,000	

2. Stahlman Ave Widening

Road paving, curbing	700	LF	160	112,000	24 ft Asph. Pvmnt., Curbing, 24 ft Re-surface
New Lighting	700	LF	100	70,000	2 fix at 100 ft intervals (ea. side)
Walkways & Crosswalks	700	LF	50	35,000	Cement Conc. 6 ft wide, ea side
Utilities Allowance	700	LF	100	70,000	
2 new intersections	2	EA	200,000	400,000	U.S. Rt 98 and Mountain Drive
Landscape Plantings	700	LF	50	35,000	
Sub Total :				722,000	

3. Mountain Drive Widening 2 lanes to 3 lanes

Road paving and curbing	4200	LF	130	546,000	12 ft new pvmt, 24 ft re-Surf, curbs,
New Lighting	4200	LF	100	420,000	2 fix at 100 ft intervals
Walkways & Crosswalks	4200	LF	50	210,000	Cement Conc. 8ft one side, 6ft other
Utilities Allowance	4200	LF	100	420,000	
Intersection Improvements	3	EA	200,000	600,000	Crosswalks, HC Ramps, Signal, Signage
Landscaping	4200	LF	40	168,000	Trees, 4 at 100 ft grass edge
Sub Total :				2,364,000	

4. Benning Drive Widening 2 lanes to 3 lanes

Road paving and curbing	660	LF	130	85,800	Asph. Pvmnt., Curbing, Re-surface
New Lighting	660	LF	75	49,500	1 fix at 75 ft interval
Walkways & Crosswalks	600	LF	50	30,000	Cement Conc. 8ft one side, 6ft other
Utilities Allowance	600	LF	100	60,000	
Intersection Improvements	2	EA	200,000	400,000	Crosswalks, HC Ramps, Signal, Signage
Landscaping	660	LF	50	33,000	Trees, 4 at 75 ft w/ grass edge
Sub Total :				658,300	

5. Beach Ridge Drive Improvements

Section A - Widen 2 lanes to 4 lanes w/ median					
Road paving and curbing	1700	LF	200	340,000	24ft new pvmt, 24 ft re-surf, 4 curb, med.
New Lighting	1700	LF	125	212,500	2 fix @ 100 ft intervals
Walkways and Crosswalks	1700	LF	50	85,000	Cement Conc. 8ft one side, 6ft other
Utilities Allowance	1700	LF	100	170,000	
Intersection Improvements	3	EA	150,000	450,000	
Landscaping	1700	LF	60	102,000	
				Section Total:	1,359,500
Section B - 4 new lanes w/ Median					
Road paving and curbing	600	LF	300	180,000	48 ft new pvmt, 4x curb
New Lighting	600	LF	125	75,000	2 fix @ 100 ft intervals
Walkways and Crosswalks	600	LF	50	30,000	Cement Conc. 8ft one side, 6ft other
Utilities Allowance	600	LF	100	60,000	
Intersection Improvements	2	EA	250,000	500,000	
Landscaping	600	LF	60	36,000	
				Section Total:	881,000

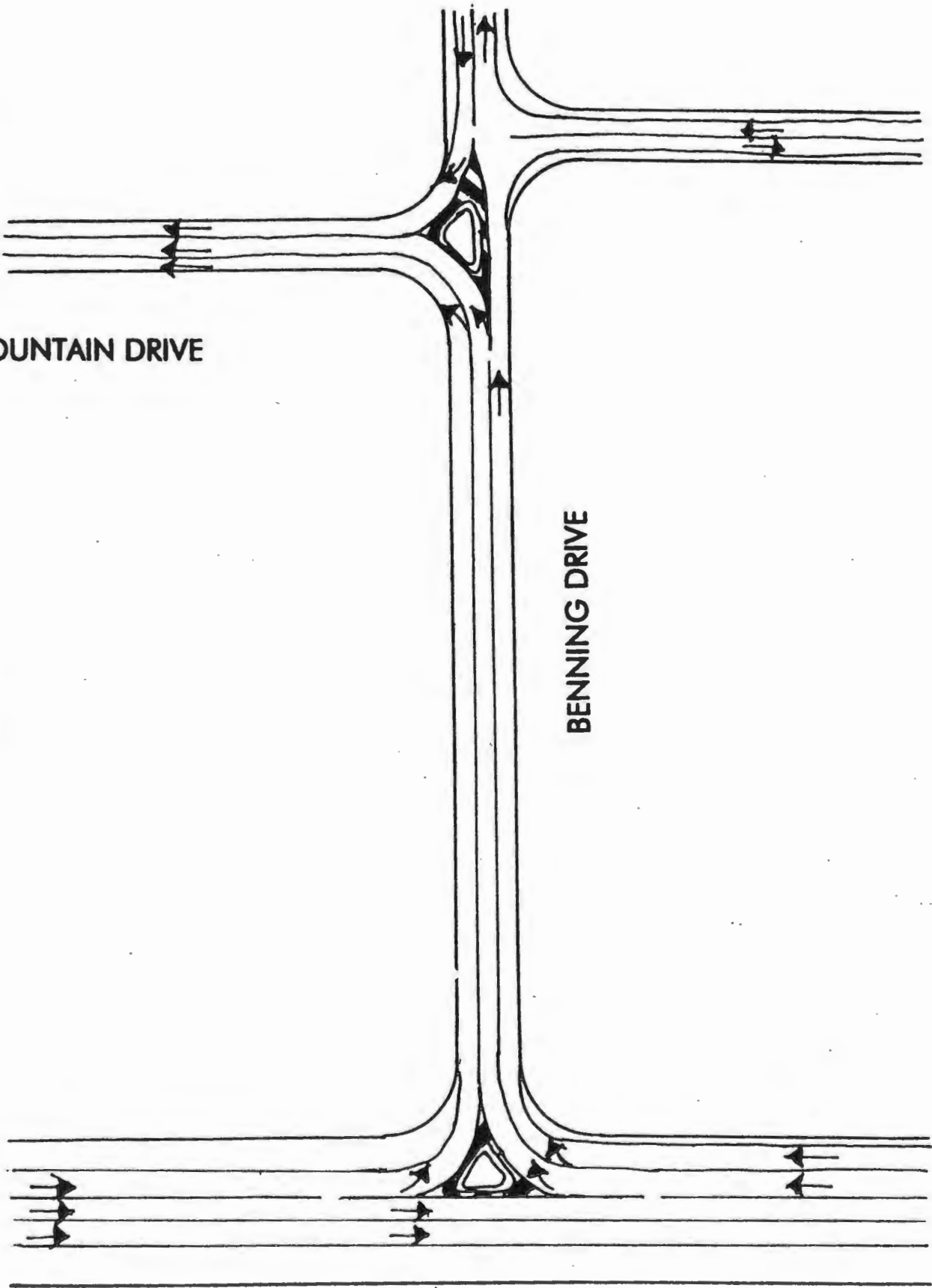
Item	Number	Units	Unit Cost	Item	Comments & Assumptions
Section C - Azalea Drive Widening to 4 lanes w/ Median					
Road paving and curbing	3700	LF	200	740,000	24ft new pvmt, 24 ft re-surf, 4 curb, med.
New Lighting	3700	LF	125	462,500	1 fix at 100 ft intervals
Walkways and Crosswalks	3700	LF	50	185,000	Cement Conc. 8ft one side, 6ft other
Utilities Allowance	3700	LF	100	370,000	
Intersection Improvements	2	EA	150,000	300,000	
Landscaping	3700	LF	60	222,000	
			Section Total:	2,279,500	
Section D - 4 lanes without Median					
Road paving and curbing	1500	LF	200	300,000	48 ft new pvmt w/ curbs
New Lighting	1500	LF	75	112,500	1 fix at 100 ft intervals
Walkways and Crosswalks	1500	LF	50	75,000	Cement Conc. 8ft one side, 6ft other
Utilities Allowance	1500	EA	100	150,000	
Intersection Improvements	2	EA	200,000	400,000	
Landscaping	1500		40	60,000	
			Section Total:	1,097,500	
			Sub Total :	5,617,500	
6. New Secondary Streets					
Streets A (btw. Harbor and US 98)					
Road paving and curbing	2760	LF	140	386,400	22 ft wide with limited parking lane
New Lighting	2760	LF	60	165,600	1 fix at 100 ft intervals
Walkways and Crosswalks	2760	LF	48	132,480	6ft walk each side , Cem Conc
Utilities Allowance	2760	LF	75	207,000	
Intersection Improvements	5	EA	75,000	375,000	
Landscaping	2760	LF	40	110,400	2 Trees at 50 Ft , w/ grass edge
			Street Total:	1,376,880	
Streets B (btw. US 98 and Mountain)					
Road paving and curbing	2720	LF	140	380,800	Typical Street Type A
New Lighting	2720	LF	60	163,200	
Walkways and Crosswalks	2720	LF	48	130,560	
Utilities Allowance	2720	LF	75	204,000	
Intersection Improvements	8	EA	75,000	600,000	
Landscaping	2720	LF	40	108,800	
			Street Total:	1,587,360	
Streets C (Bayside)					
Road paving and curbing	4330	LF	140	606,200	Typical Street Type A
New Lighting	4330	LF	60	259,800	
Walkways and Crosswalks	4330	LF	48	207,840	
Utilities Allowance	4330	LF	75	324,750	
Intersection Improvements	3	EA	75,000	225,000	
Landscaping	4330		40	173,200	
			Street Total:	1,796,790	
			Sub Total :	4,761,030	
7. Public Plazas (hard surface)					
Areas 1 & 2 (Bayside)					
Paving, Lighting & Edging	36,800	SF	20	736,000	Unit Pavers, Pad Lighting
Utilities Allowance	36,800	SF	5	184,000	Drainage, Water, Elect.
Landscape & Site Furnishings	36,800	SF	8	294,400	
			Area Total:	1,214,400	
Area 3 (at Community Center)					
Paving, Lighting, Landscape	21,500	SF	20	430,000	
Utilities Allowance	21,500	SF	5	107,500	
Site Furnishings Allowance	21,500	SF	8	172,000	
			Area Total:	709,500	
Area 4 (at US 98 and Stahlman)					
Paving, Lighting, Landscape	50,600	SF	20	1,012,000	
Utilities Allowance	50,600	SF	5	253,000	
Site Furnishings Allowance	50,600	SF	8	404,800	
			Area Total:	1,669,800	
Area 5 & 6 (at Harbor Boardwalk)					
Paving, Lighting, Landscape	17,600	SF	20	352,000	
Utilities Allowance	17,600	SF	5	88,000	
Site Furnishings Allowance	17,600	SF	8	140,800	
			Area Total:	580,800	
Area 7 (at churches on US 98)					
Paving, Lighting, Landscape	30,400	SF	20	608,000	
Utilities Allowance	30,400	SF	5	152,000	
Site Furnishings Allowance	30,400	SF	8	243,200	
			Area Total:	1,003,200	
			Sub Total :	5,177,700	

	Item	Number	Units	Unit Cost	Item	Comments & Assumptions
8. Landscaped Public Park (soft surface)						
	Topsoil and Sod Planting	250,000	SF	\$1.00	250,000	General Grading, 8" Topsoil & Sod
	Tree Planting Allowance	250,000	SF	\$0.75	187,500	
	Walkways	250,000	SF	\$0.10	25,000	2 Trees Per 1000 SF
	Site Furnishings	250,000	SF	\$0.15	37,500	
	Lighting	250,000	SF	\$0.20	50,000	Water, Drinking Fountains
	Utilities Allowance	250,000	SF	\$0.50	125,000	
	Sub Total :				675,000	
9. Bike paths						
	Asphalt Paving - 8 ft wide	12,500	LF	30	375,000	
	Lighting Allowance	1	LS	250,000	250,000	
	Landscaping Allowance	1	LS	300,000	250,000	
	Signage Allowance	1	LS	100,000	100,000	
	Sub Total :				975,000	
10. Bluff Ridge Pedestrian Walk						
	Asphalt Paving - 8 ft wide	5000	LF	30	150,000	land in road ROW
	Lighting Allowance	1	LS	200,000	200,000	
	Signage Allowance	1	LS	50,000	50,000	
	Landscaping	1	LS	200,000	200,000	
	Sub Total :				600,000	
11. Board walk extension east to Harbor Docks Restaurant						
	Board walk structure	900	LF	500	450,000	
	Misc Allowance	1	LS	200,000	200,000	
	Sub Total :				650,000	
12. Community Pier						
	Structure	450	LF	1,800	810,000	
	Misc Allowance	1	LS	200,000	200,000	
	Sub Total :				1,010,000	
13. Visitor Center						
	Building	1	LS	250,000	250,000	
	Site Improvements	1	LS	100,000	100,000	
	Sub Total :				350,000	
14. Public Parking Garages						
	Existing surface spaces between East Pass Bridge/Stahlman, Mountain Dr., Melvin, Harbor = 2,790					
	Assume 2000 Structured Spaces plus street retail)	2000	EA	10,000	20,000,000	
	Associated Site Improvements	2000	EA	500	1,000,000	
	Sub Total :				21,000,000	
	TOTAL BASELINE ESTIMATE: (Items 1 through 14)				\$46,916,530	
OPTION 2: HARBOR STREETS AND PARKS ADDITIONAL IMPROVEMENTS TO BASELINE						
15. Bayside Boardwalk (basic)						
		2200	LF	800	1,760,000	
	Sub Total :				1,760,000	
16. Landscape Public Park (soft surface) 320,000 SF						
	Topsoil and Sod Planting	0	SF	1.00	0	
	Tree Planting Allowance	0	SF	0.75	0	
	Walkways	0	SF	0.10	0	
	Site Furnishings	0	SF	0.15	0	
	Lighting	0	SF	0.20	0	
	Utilities Allowance	0	SF	0.50	0	
	Sub Total :				0	
17. Complete Harbor Walk Reconstruction & Extension						
	Paving, Lighting & Edging	220,000	SF	20	4,400,000	
	Utilities Allowance	220,000	SF	5	1,100,000	
	Landscape & Site Furnishings	220,000	SF	8	1,760,000	
	Sub Total :				7,260,000	

Item	Number	Units	Unit Cost	Item	Comments & Assumptions
18. Bayside Boardwalk (comprehensive upgrade)					
Paving, Lighting & Edging	78,000	SF	20	1,560,000	
Utilities Allowance	78,000	SF	5	390,000	
Landscape & Site Furnishings	78,000	SF	8	624,000	
	Sub Total :			2,574,000	
19. Stahlman Street Extension to Harbor					
Road paving, curbing	500	LF	160	80,000	
New Lighting	500	LF	100	50,000	
Walkways & Crosswalks	500	LF	50	25,000	
Utilities Allowance	500	LF	100	50,000	
2 new intersections	1	EA	200,000	200,000	
Landscape Plantings	500	LF	50	25,000	
	Sub Total :			430,000	
20. New Secondary Streets (btw. Harbor and US 98)					
Road paving and curbing	500	LF	140	70,000	
New Lighting	500	LF	60	30,000	
Walkways and Crosswalks	500	LF	48	24,000	
Utilities Allowance	500	LF	75	37,500	
Intersection Improvements	2	EA	75,000	150,000	
Landscaping	500	LF	40	20,000	
	Sub Total :			331,500	
21. Additional Secondary Street Improvements (btw. US 98 and Mountain)					
Road paving and curbing	1300	LF	140	182,000	
New Lighting	1300	LF	60	78,000	
Walkways and Crosswalks	1300	LF	48	62,400	
Utilities Allowance	1300	LF	75	97,500	
Intersection Improvements	4	EA	75,000	300,000	
Landscaping	1300	LF	40	52,000	
	Sub Total :			771,900	
TOTAL OF ADDITIONAL IMPROVEMENTS TO BASE ITEMS:				\$13,127,400	
TOTAL ESTIMATE:				\$60,043,930	
(Items 1 through 21)					

MOUNTAIN DRIVE

BENNING DRIVE



U.S. 98

DESTIN HARBOR AREA MASTER PLAN
ONE-WAY PAIR EAST END TRANSITION—ONE-WAY BENNING DRIVE
LOWER DESIGN SPEED ALTERNATIVE

Destin Harbor Area Master Plan

Downtown Harbor Area Master Plan

Prepared for:	Destin Harbor Task Force
Subject:	Downtown Harbor Area Master Plan
Scope of Service Task Reference:	Phase IV, Task 4.1 and Task 4.2
Prepared by:	Sasaki Associates, Inc.
Date:	December 1998

Destin Harbor Area Master Plan

Destin Village : Comprehensive Planning and Design Requirements to meet Community Concerns and Visitor Expectations

The following proposed planning and design requirements are, in effect, a set of performance standards for the Destin Harbor Area Master Plan. These proposed criteria are interdependent and designed to meet the community's goal of an economically revitalized and enhanced downtown in a pedestrian-friendly village environment.

1. **Preservation and Enhancement of the Charter Fishing Fleet**
 - berthing facilities
 - land side support facilities
 - visibility, accessibility and parking

2. **US 98 Transformation and Comprehensive Public Parking Program**

3. **Preservation of Remaining Natural Features**
 - trees
 - harbor bluff
 - beach ridge
 - views to harbor
 - water quality of harbor

4. **Pedestrian Environment**
 - streetscape and public paths landscape
 - smaller blocks
 - narrower, pedestrian-oriented streets
 - beautiful walking environments
 - network of paths with destinations
 - bike path network

5. **Village Development Characteristics**
 - low-rise (within tree line; 50-60 feet) for waterfront parcels
 - small building elements
 - mixed land use, focusing on permanent and seasonal housing, hotels, as well as retail and office space
 - memorable open space(s)

6. Comprehensive Signage Program

7. Land Development Code Revisions

- create a new Harbor Area District
- remove subjective and arbitrary development standards

8. Strategic Program Elements for the Destin Harbor Area

- quality hotel(s) with conference facilities
- permanent resident housing
- visitors' housing
- visitor attractions
- visitor center
- public parking areas

These key principles reflect the goals and objectives established early in the planning process and form the foundation for the Destin Harbor Area Master Plan.

Destin Harbor Area Master Plan: Preliminary Plan Description

The Destin Harbor Area Master Plan represents the preferred alternative of options presented to the Harbor Task Force and the interested public during meetings in November, 1998. The preferred alternative combines elements of both options, as follows:

1. Land Use and Circulation

"Destin Village"

The proposed "Destin Village" is the heart of the study area and extends from Stahlman Avenue to Benning Drive, and from the midblock between Mountain and Azalea Drives to the northern edge of the harbor. Along the harbor this area extends from the "Lucky Snapper" restaurant to "Harbor Docks" restaurant. Routing changes to US 98 are limited to this section of the study area, namely a one-way loop that uses the existing US 98 right-of-way for a three-lane road heading east between Stahlman Avenue and Benning Drive, and a three lane return heading west using Mountain Drive, also between Stahlman Avenue and Benning Drive. To promote north-south travel within "Destin Village" for cars and pedestrians alike, the plan indicates new streets that connect Mountain Drive, US 98 and the waterfront.

The "Destin Village" comprises approximately 130 acres net (excluding streets) and is envisioned as a mixed-use pedestrian environment. It also includes civic, institutional, and park open spaces. Civic uses are concentrated along the west end near the existing Community Center, Fire Station, and Library. In addition a public plaza fronts the existing two churches on US 98. Finally, a passive recreational open space is proposed for the last remaining section of the beach ridge between Mountain and Azalea Drives at Melvin Street.

The plan locates three public parking garages between US 98 and Mountain Drive. The total number of cars accommodated in the garages totals approximately 2,000. The garages are intended to absorb those parking needs generated by non-residential uses along the water front, and in areas north of US 98 within "Destin Village." The garages will also accommodate parking needs identified for the sports fishing fleet.

"Bayside"

The area to the west of Stahlman Avenue has been designated as "Bayside" and comprises approximately 82.5 acres net, between US 98, Stahlman Avenue, Forest Street, Clement Taylor Park, and Choctawhatchee Bay. Permanent residential land uses, marine support, and limited commercial development along a proposed board walk are the dominant land uses proposed for this area of the Harbor Area Master Plan. The dominant circulation feature of "Bayside" is the proposed Beach Ridge Drive along the existing Sibert Avenue right-of-way, connecting with and continuing along the existing Azalea Drive right-of-way. The continuation of this two-lane road eastward beyond Benning Drive creates an additional east-west connection through town for residents traveling to such destinations as the Midbay Bridge and Henderson State Park. Beach Ridge Drive is envisioned as a generously landscaped parkway with sidewalk and a bikepath to promote non-motorized transportation for intra-city travel.

"Harbor East"

"Harbor East" is the eastern most portion of the Study Area. It extends from Benning Drive to Main Street and includes two built out subdivisions along Mountain Drive and land west of Main Street that has been designated for inclusion in the Community Redevelopment Authority along Main Street. This plan proposes no changes in land use within these areas. Parcels bordering US 98 between Beach Drive and Benning Drive and those parcels on the east side of Benning are proposed as mixed use development parcels. Land south of US 98 between Benning Drive and Main Street is intended to remain zoned as RUD where this category is currently in place. Parcels between this zoning category and Benning Drive on the south side of US 98 are proposed to be mixed use, as is the large tract of land south of US 98, just west of the Study Area boundary.

2. Open Space Framework

The principal open space framework relates to a series of new streetscapes, an extension to the existing harbor boardwalk to the west and to the east, as well as the preservation of a series of remaining natural features contained within the Study Area.

Boardwalk

The boardwalk along the harbor is the central feature of the open space framework in the proposed plan. The master plan recognizes the significance that the harbor enjoys as the central open space feature for the City of Destin. Between the mouth of the harbor and the existing Yacht Club condominium tower, the master plan proposes a continuous pedestrian board walk with additional retail and restaurant uses and a new public pier for use by the sports fishing fleet. The plan suggests that the new harbor streets that connect the water front with US 98 are linked along the board walk for ease of vehicular circulation. Only limited parking facilities are envisioned along the board walk. However, vehicular access to the waterfront is essential to service boats and to drop off passengers at the fishing and pleasure boats. The vehicular access could be limited or shut off completely in high season when the whole boardwalk would be reserved for pedestrian use.

The master plan proposes that the boardwalk be extended beyond the Yacht Club tower in order to access the restaurants further east along US 98 from the water front. Between the Yacht Club and its

eastern terminus at Harbor Docks Restaurant, the boardwalk would comprise a more modest pedestrian path without additional retail establishments. The completed boardwalk would parallel the one-way traffic loop of the reconfigured US 98 and Mountain Drive to create a comprehensive pedestrian network of waterfront walks and new pedestrian-oriented street environments.

The extension of the boardwalk westward connects the harbor to Bayside, terminating at Taylor Park. This portion of the boardwalk is also envisioned as a modest pedestrian path, leading to portions that could be more intensely developed. En route to Bayside the boardwalk connects to a new fishing pier in the immediate vicinity of the US 98 bridge, on State of Florida land.

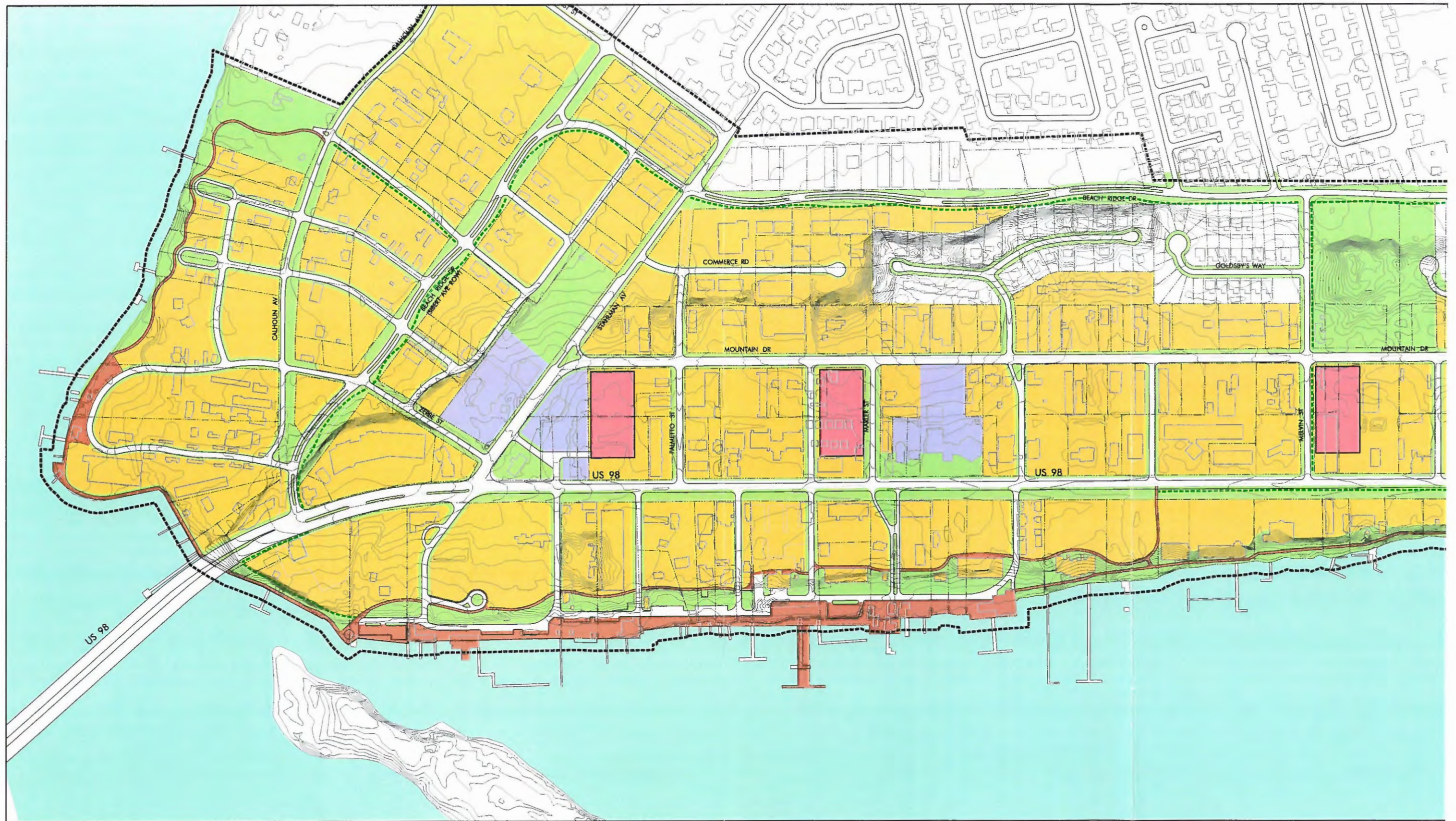
Pedestrian Streets and Plazas

New pedestrian-oriented street environments include sidewalks and a bike path for the proposed Beach Ridge Drive and a completely reconfigure US 98. By reducing the number of vehicular travel lanes from four plus turning lanes to three one-way lanes, there will be excess right-of-way that the plan proposes to transform into a generous promenade along the south side of US 98. This promenade extends from Stahlman Avenue to Benning Drive and connects all of the seven newly created harbor streets that lead from US 98 to the waterfront. Along the north side of the reconfigured US 98 the master plan proposes two civic open spaces. One is located at the intersection of US 98 and Stahlman Avenue, fronting the proposed visitor center and the other provides a more formal setting for the two churches on the north side of US 98.

Harbor Bluff

Finally, the master plan suggests that the remaining harbor bluff and its associated vegetation be preserved to the greatest degree possible. Recent development projects along the harbor have largely compromised this natural feature by siting new buildings directly into the bluff and, in the process, removing most of the trees that once covered the entire bluff.

By maintaining the bluff as a landscape preserve, important storm water management issues could be addressed in a comprehensive manner. The water quality of the harbor currently suffers from upland runoff, which could be captured in detention areas at the top of the bluff, prior to the water's descend into the harbor. An additional pedestrian amenity could be created by providing a walk at the top of the bluff that would connect many front doors of existing restaurants along the harbor.



Preliminary Plan: December 1998 (1 of 2)

Destin Harbor Area Master Plan

- | | | | |
|---|-------------|---|---------------------------|
|  | Open Space |  | Redevelopment |
|  | Harbor Walk |  | Public Parking Structures |
|  | Bike Path |  | Downtown CRA |
| | |  | Civic /Institutional |

S A S A K I

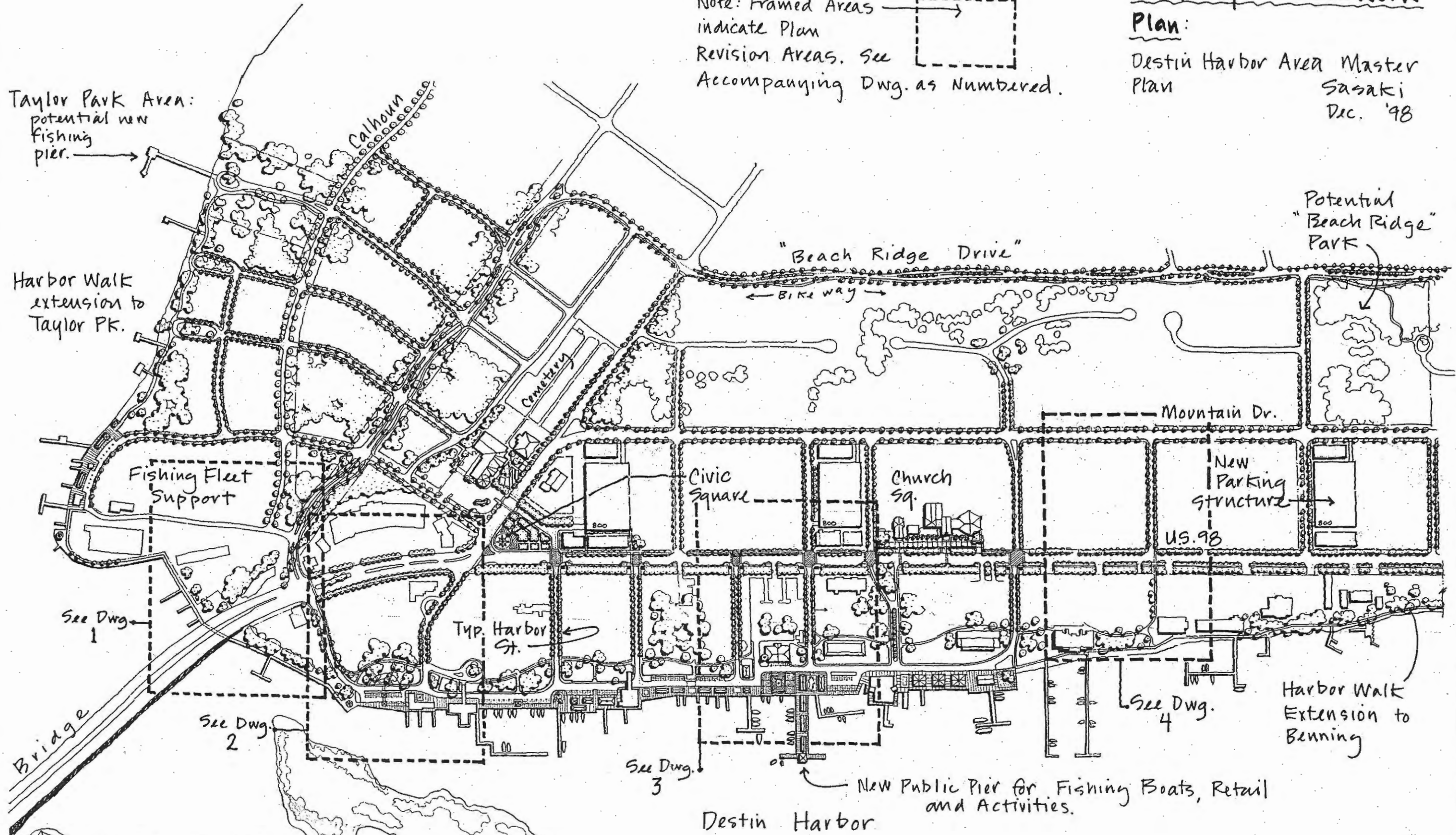
Hall Planning & Engineering, Inc.
 Amenta & Co.
 Miami Economic Associates, Inc.
 Appgar & Pelham



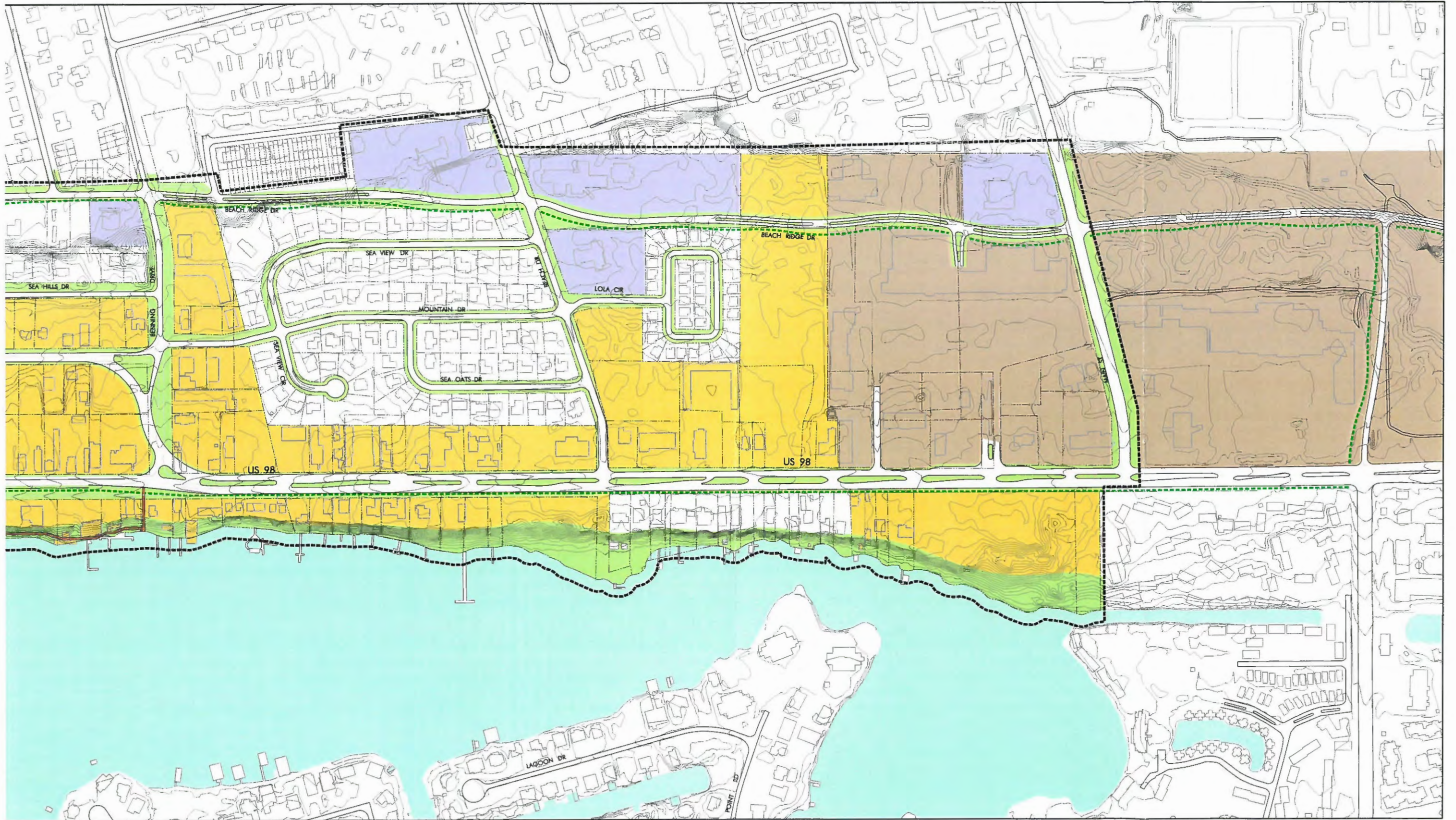
Landscape Framework Plan:

Destin Harbor Area Master Plan
Sasaki
Dec. '98

Note: Framed Areas indicate Plan Revision Areas. See Accompanying Dwg. as Numbered.



Destin Harbor



Preliminary Plan: December 1998 (2 of 2)

Destin Harbor Area Master Plan

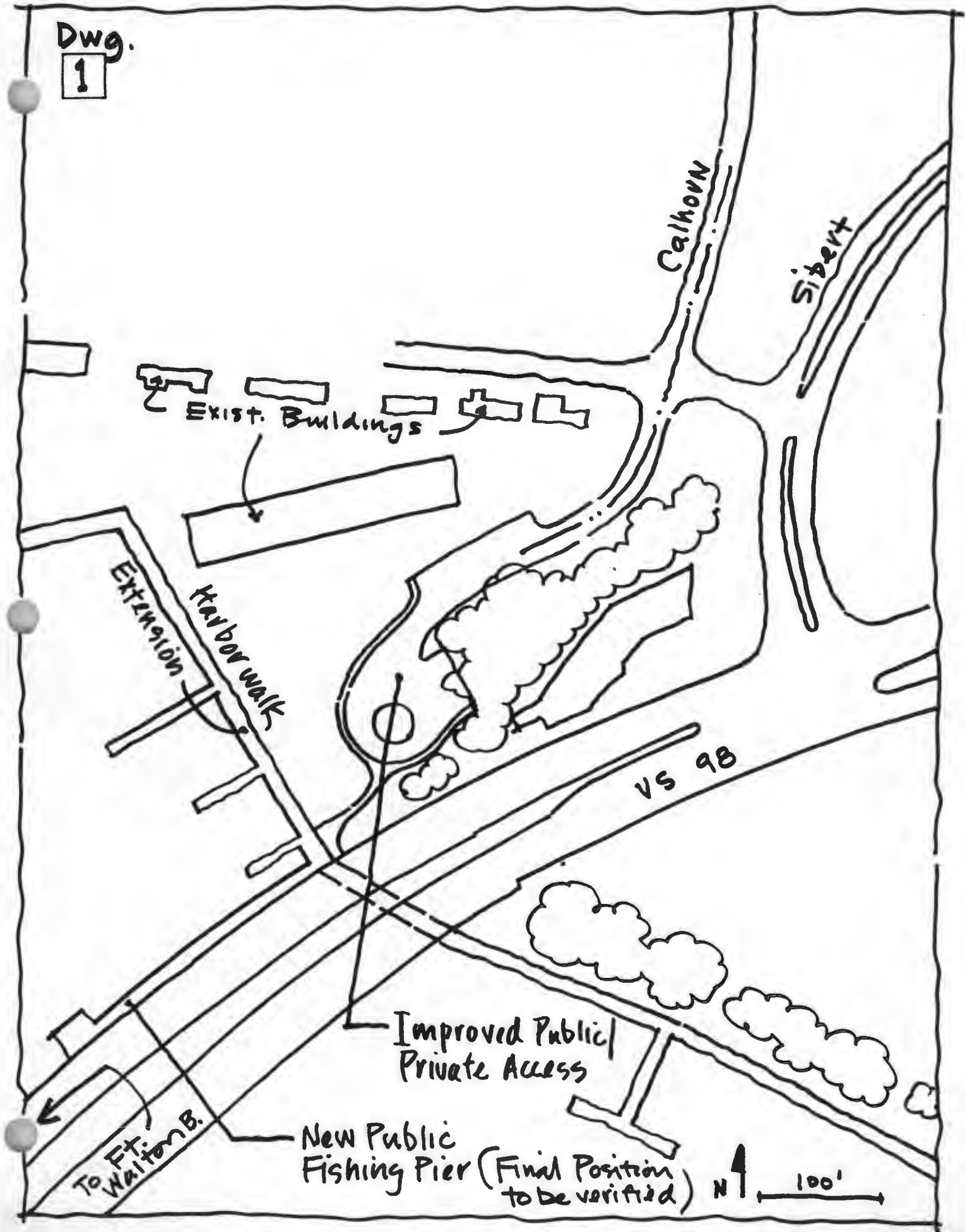
- | | | | |
|---|-------------|---|---------------------------|
|  | Open Space |  | Redevelopment |
|  | Harbor Walk |  | Public Parking Structures |
|  | Bike Path |  | Downtown CRA |
| | | | Civic /Institutional |

SASAKI
 Hall Planning & Engineering, Inc.
 Amenta & Co.
 Miami Economic Associates, Inc.
 Appgar & Pelham



Dwg.

1



Dwg.
2

Existing Buildings

US 98

Exist.
Hooters
Rest.

Remove
Proposed
Road to minimize parcel
Dvlp. Limitations.

Proposed Preserve of
Vegetation... potential
Park

Proposed
Road as per
December
Plan

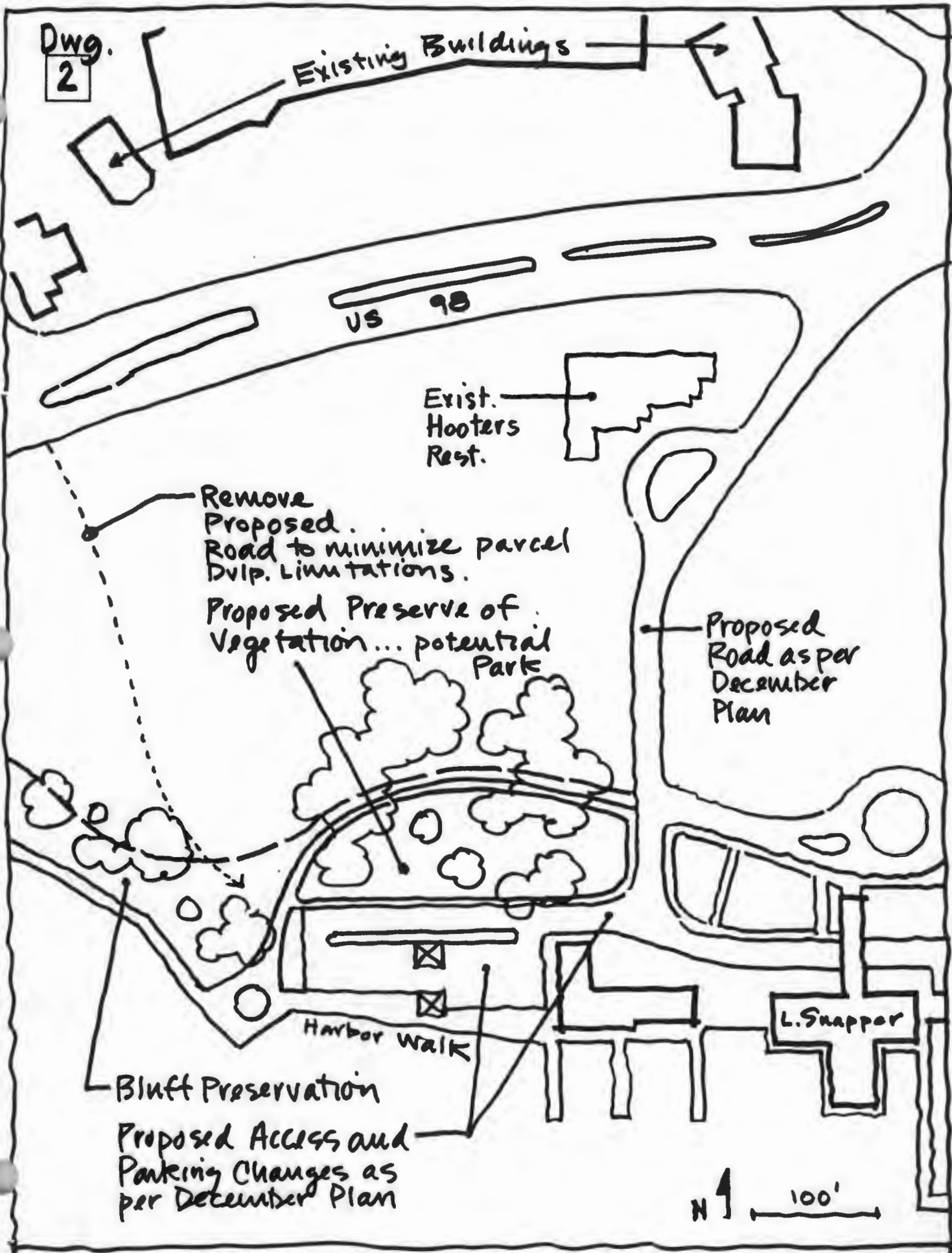
Harbor Walk

L. Snapper

Bluff Preservation

Proposed Access and
Parking Changes as
per December Plan

N ↑ 100'



Dwg.
3

New Harbor Street

Center Line of
Previously
Proposed Harbor
Street
- New Proposal

Proposed
Parking

Narrow
Private
Parcel

Exist. Bldg.

Possible
Access

Access to
Parking

Access to
Parking

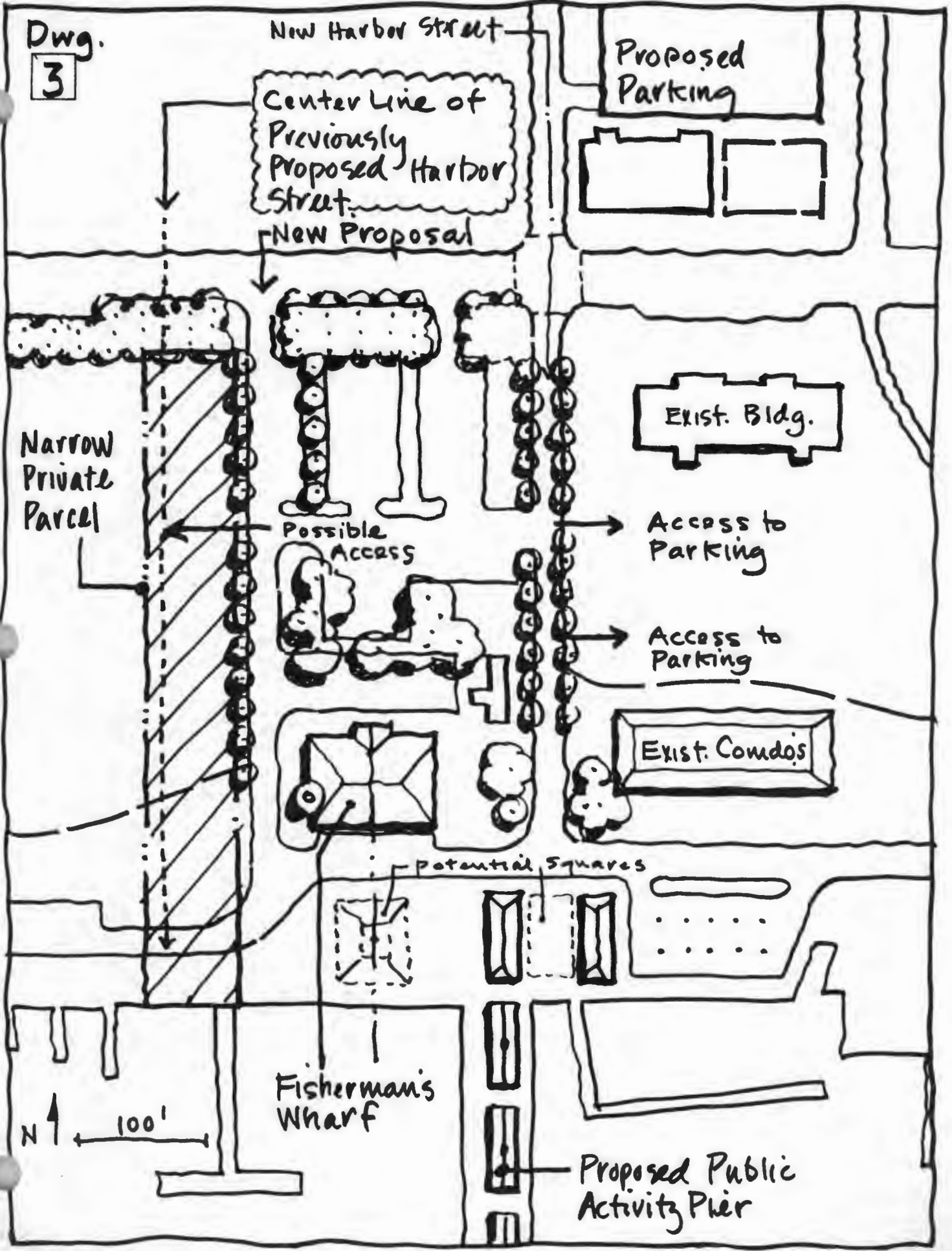
Exist. Condos

potential squares

Fisherman's
Wharf

N ↑ 100'

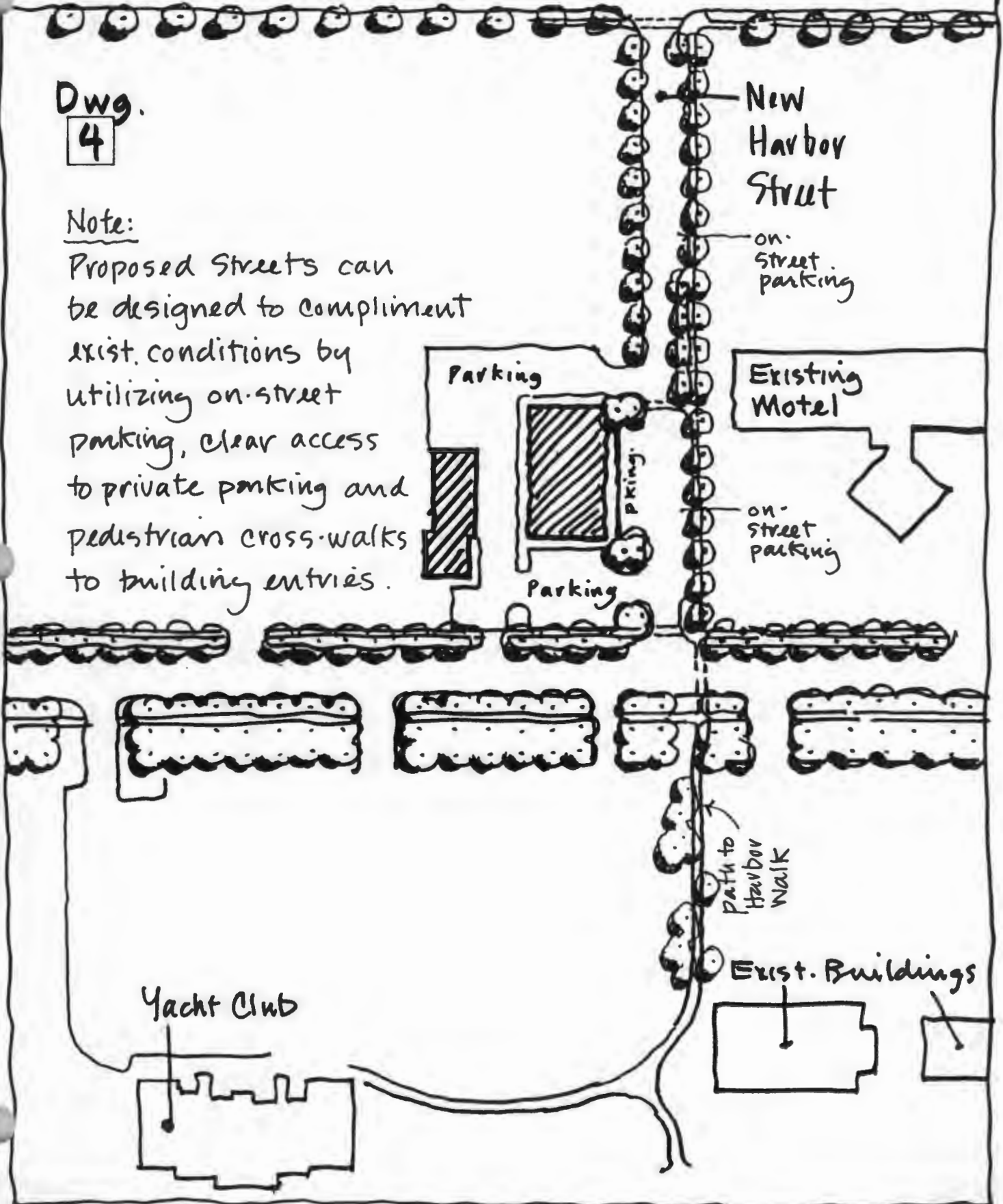
Proposed Public
Activity Pier

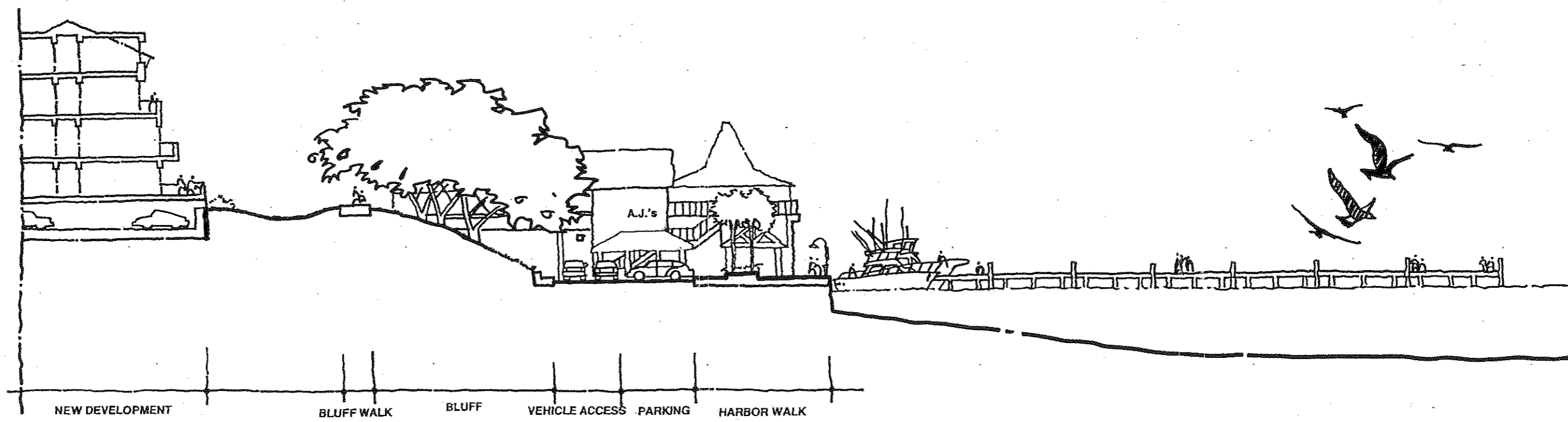


Dwg.
4

Note:

Proposed Streets can be designed to compliment exist. conditions by utilizing on-street parking, clear access to private parking and pedestrian cross-walks to building entries.

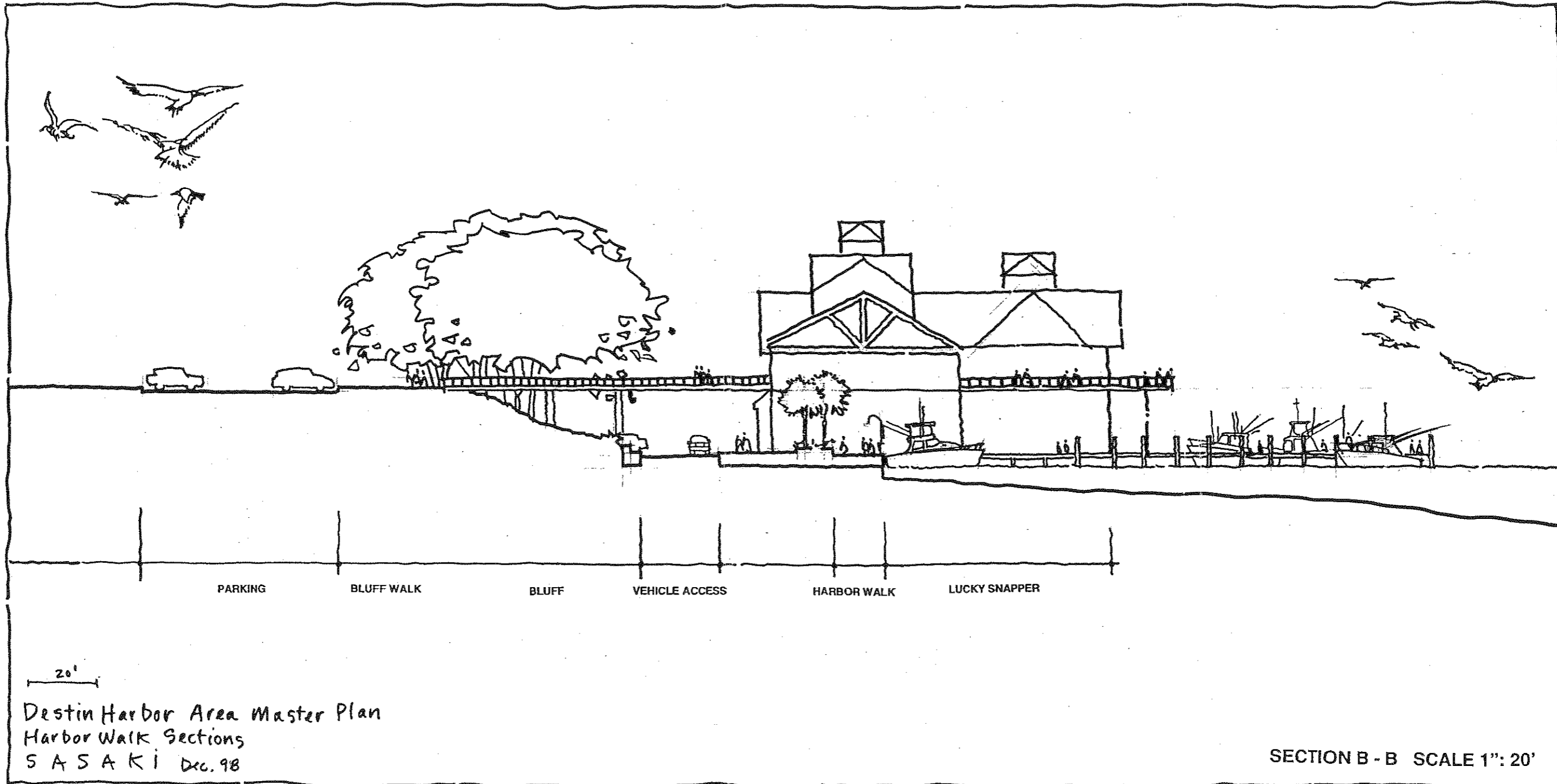




20'

Destin Harbor Area Master Plan
Harbor Walk Sections
S A S A K I Dec. 98

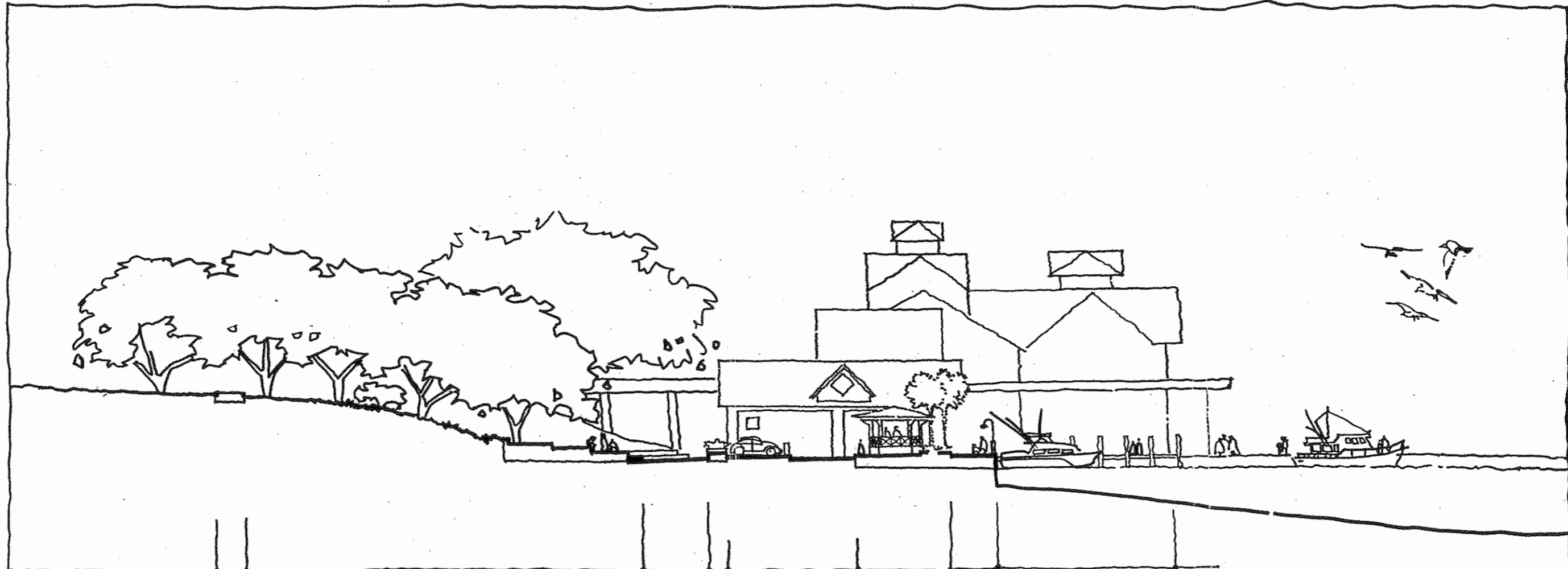
SECTION C - C SCALE 1" : 20'



20'

Destin Harbor Area Master Plan
Harbor Walk Sections
S A S A K I Dec. 98

SECTION B - B SCALE 1": 20'



BLUFF WALK

BLUFF

VEHICLE ACCESS

PARKING

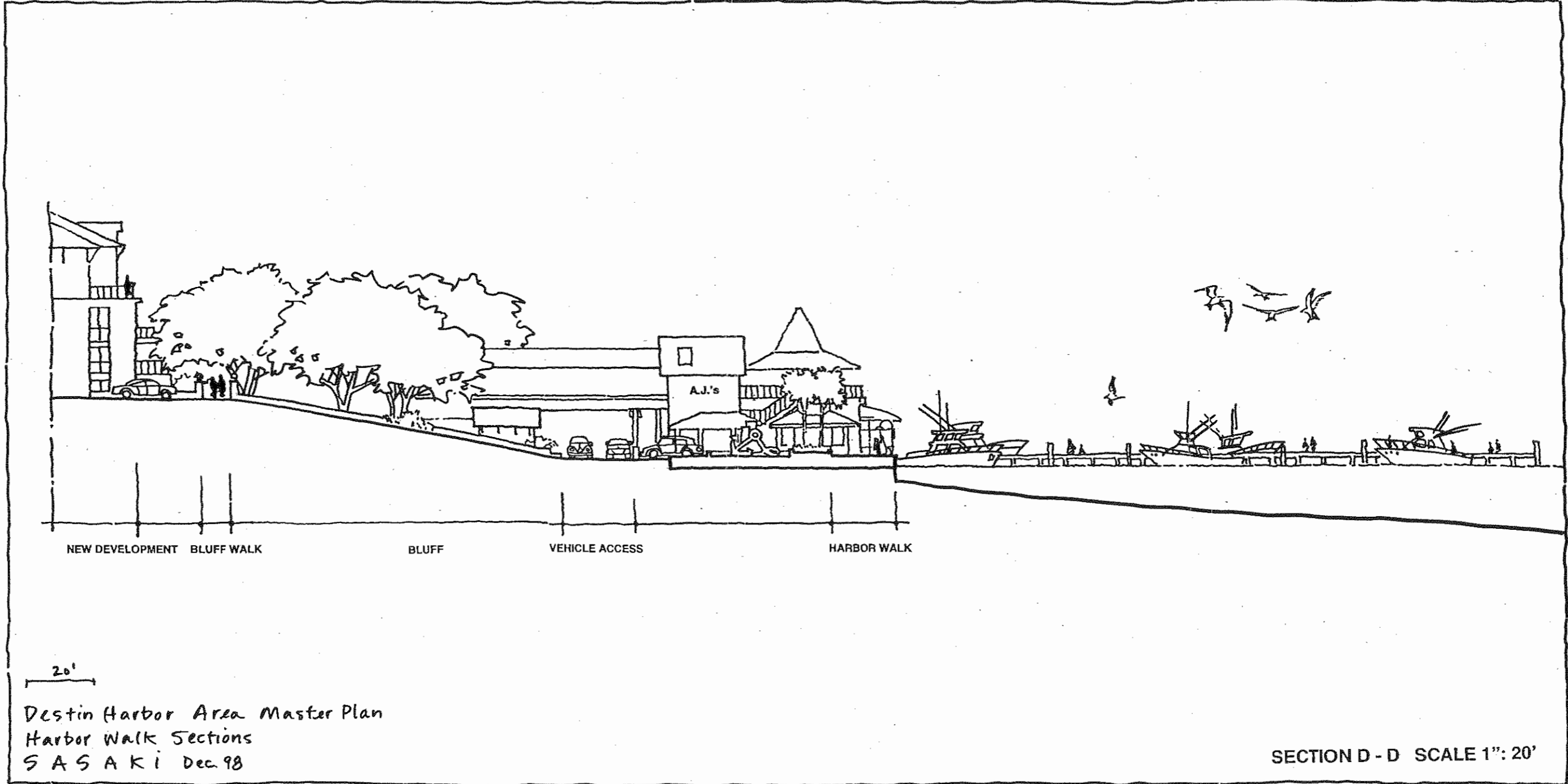
HARBOR WALK

LUCKY SNAPPER

20'

Destin Harbor Area Master Plan
Harbor Walk Sections
S A S A K I Dec. 98

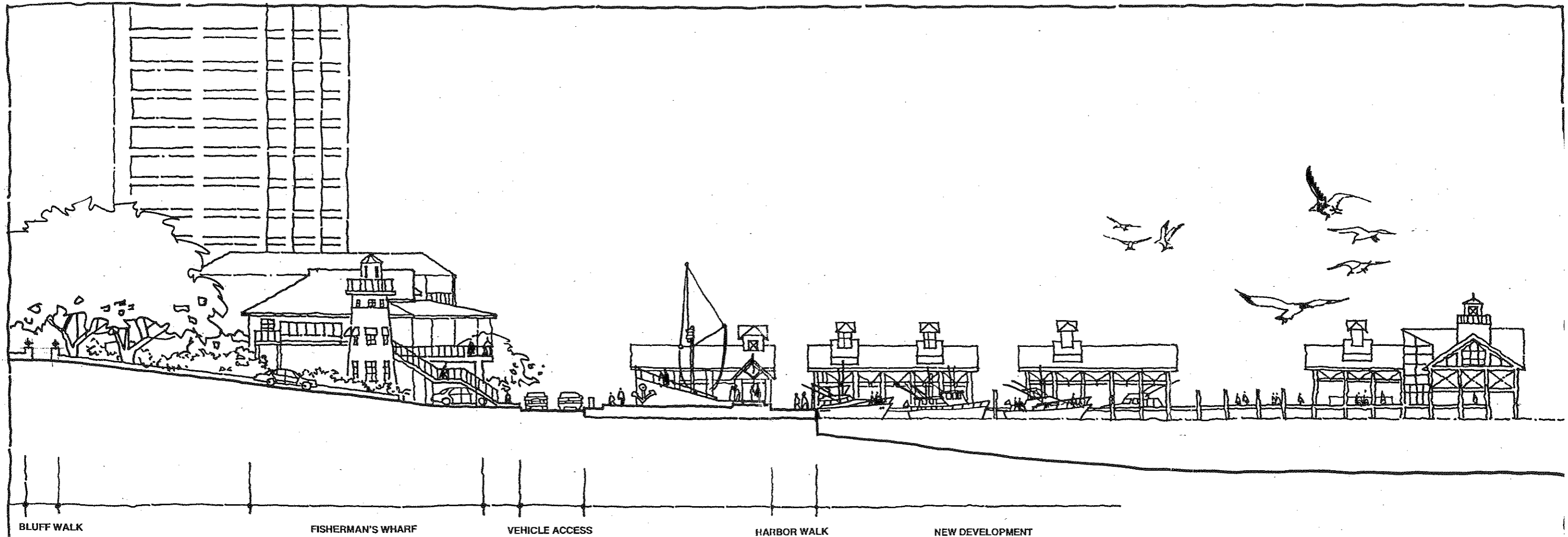
SECTION A - A SCALE 1" = 20'



20'

Destin Harbor Area Master Plan
Harbor Walk Sections
S A S A K I Dec. 98

SECTION D - D SCALE 1" = 20'



BLUFF WALK

FISHERMAN'S WHARF

VEHICLE ACCESS

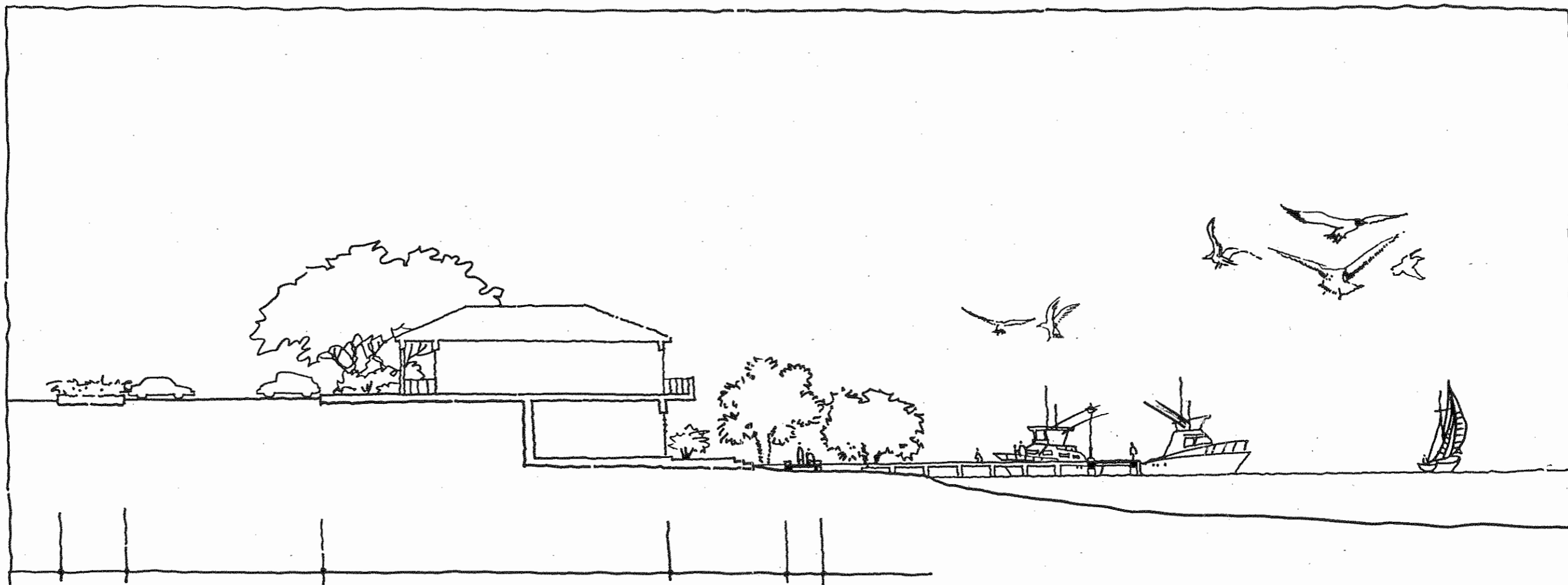
HARBOR WALK

NEW DEVELOPMENT

20'

Destin Harbor Area Master Plan
Harbor Walk Sections
S A S A K I Dec. 98

SECTION E - E SCALE 1" = 20'



VEHICLE ACCESS

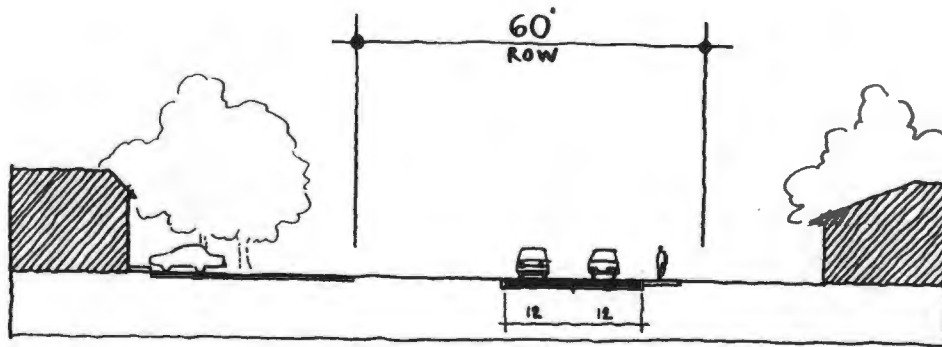
PARKING

HARBOR WALK

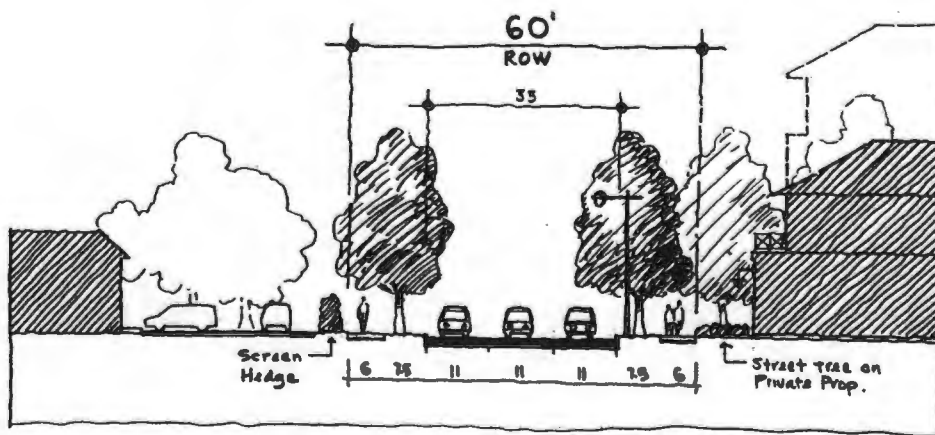
20'

Destin Harbor Area Master Plan
Harbor Walk Sections
S A S A K I Dec. 98

SECTION F - F SCALE 1" : 20'



Existing Condition

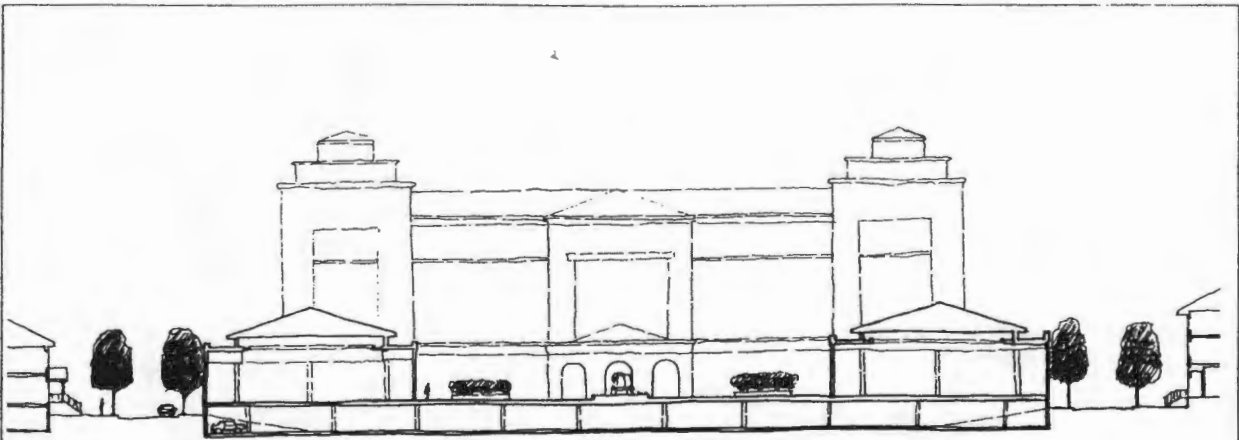


Proposed Condition

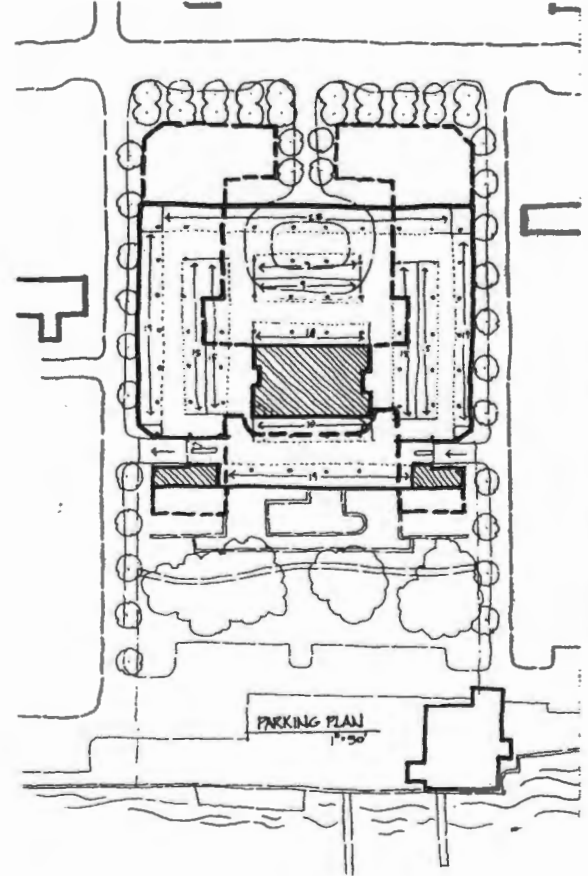
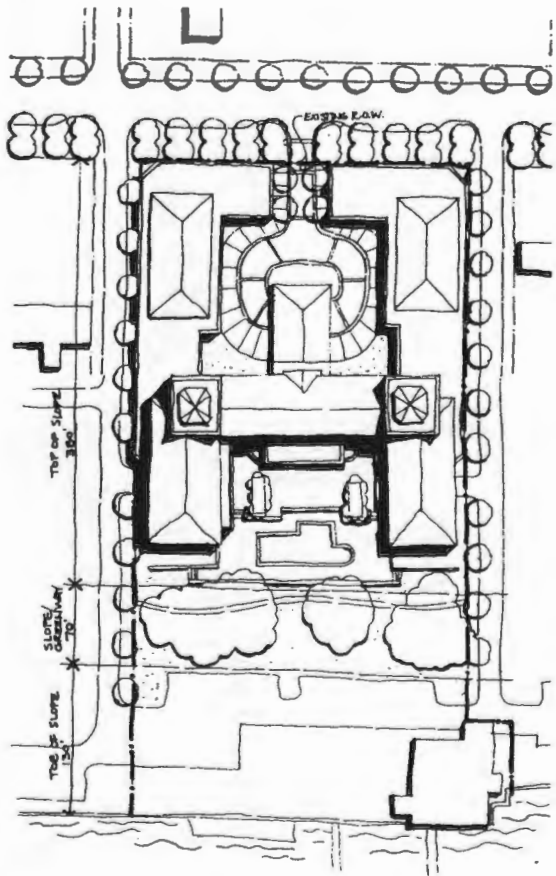
Destin Harbor Area Master Plan
 Street Sections
 S A S A K I
 Dec. 98

10'

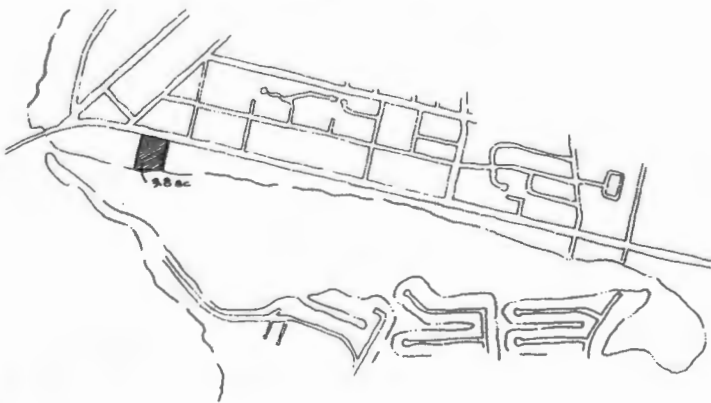
MOUNTAIN DR.
 SECTION



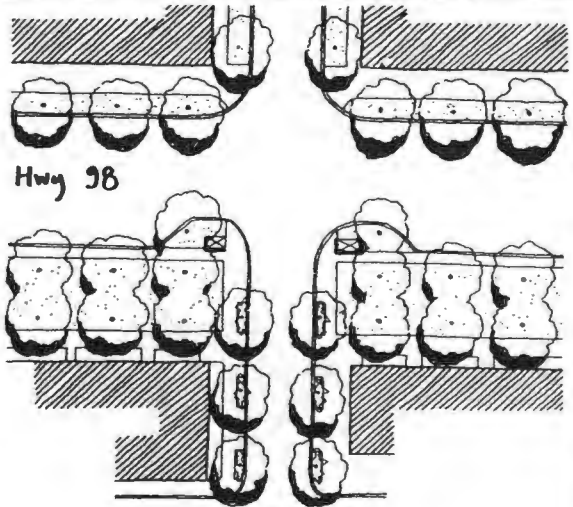
SECTION THRU COURTYARD LOOKING SOUTH
1"=20'



PARKING PLAN
1"=50'



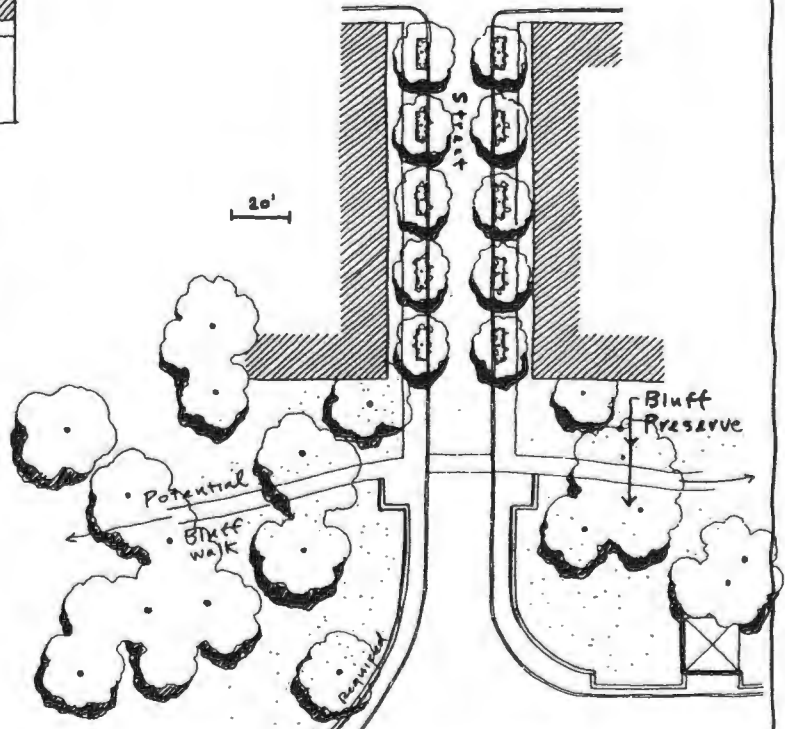
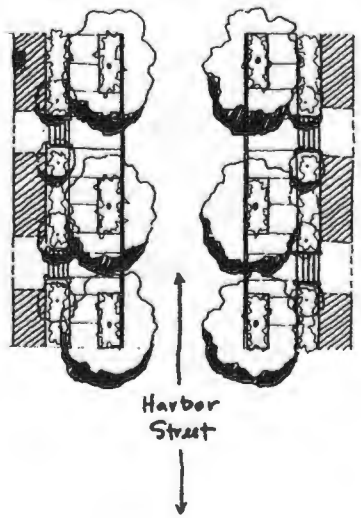
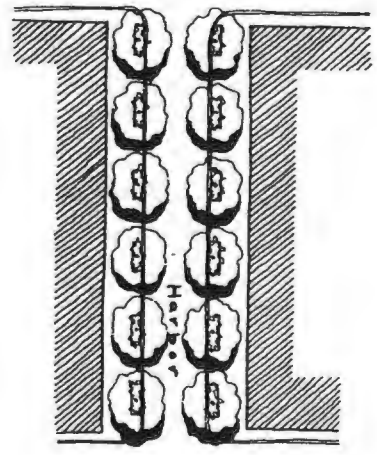
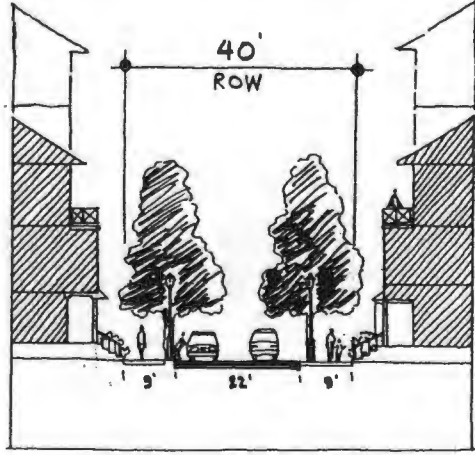
- SITE** 3.8 acres
- PROGRAM**
 - 196 guest rooms @ 350 S.F. each
 - 30,700 SF back of the house and common space
 - 20,000 SF conference/ballrooms
 - 12,000 SF retail
- PARKING**
 - 183 spaces in sub-grade deck
- YIELD**
 - 52 units/acre



Note: Guidelines for siting Harbor Streets are to:

1. Utilize existing informal ways.
2. Center on existing Property Lines to minimize impact on adjacent parcels.
3. Choose locations which create continuous car movement from Mountain Dr. to the Harbor.

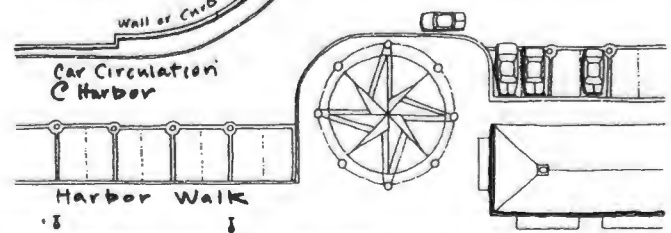
Proposed Condition

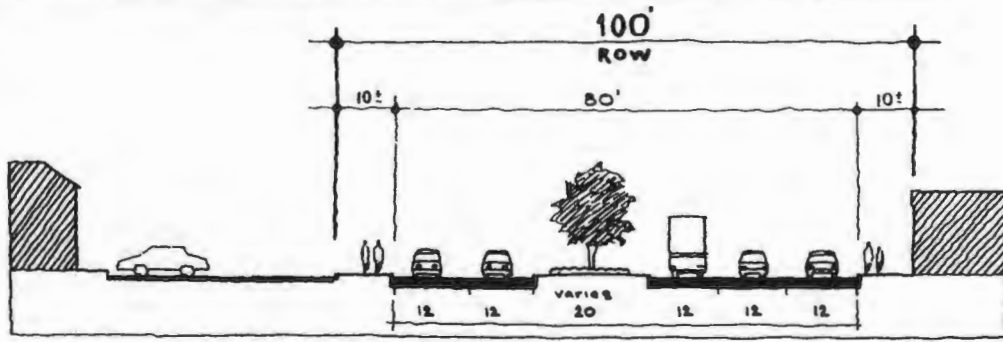


Destin Harbor Area Master Plan
Street Sections
SASAKI
Dec. 98

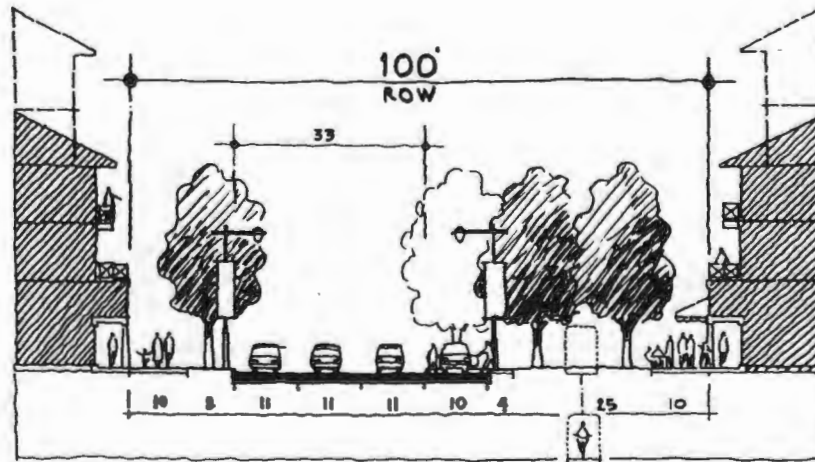
TYP.
HARBOR STREET
SECTION

10'

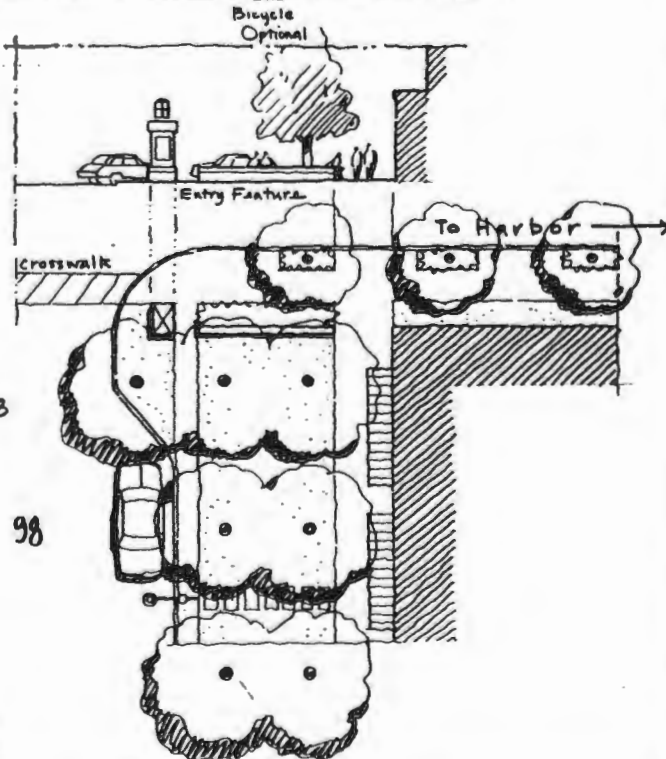




Existing Condition



Proposed Condition

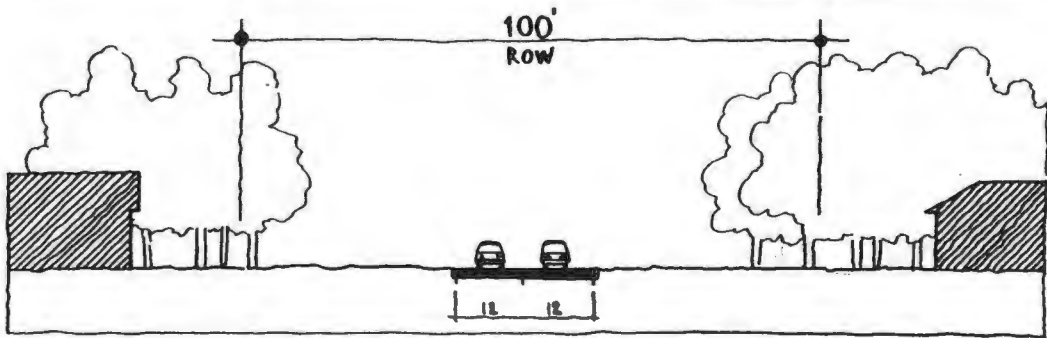


Typical Plan Condition at 98 and Street to Water.

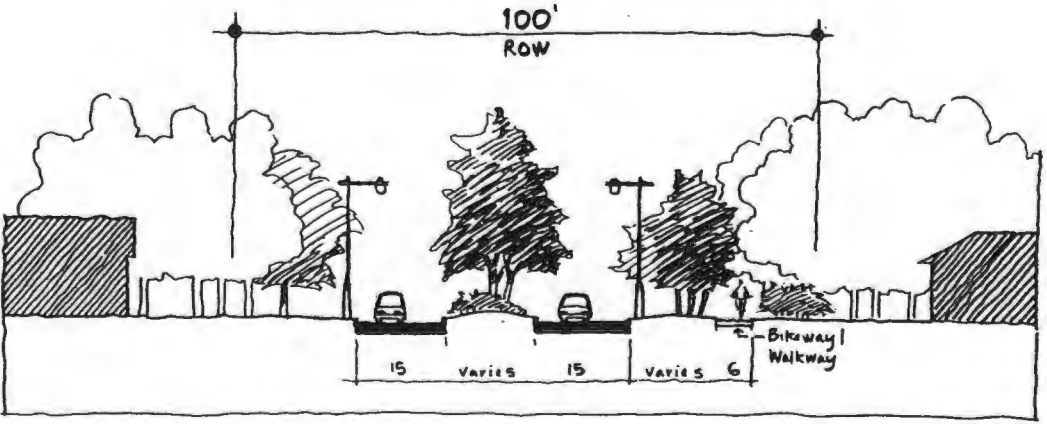
Destin Harbor Area Master Plan
 Street Sections
 SASAKI
 Dec. 98

HIGHWAY 98
 SECTION

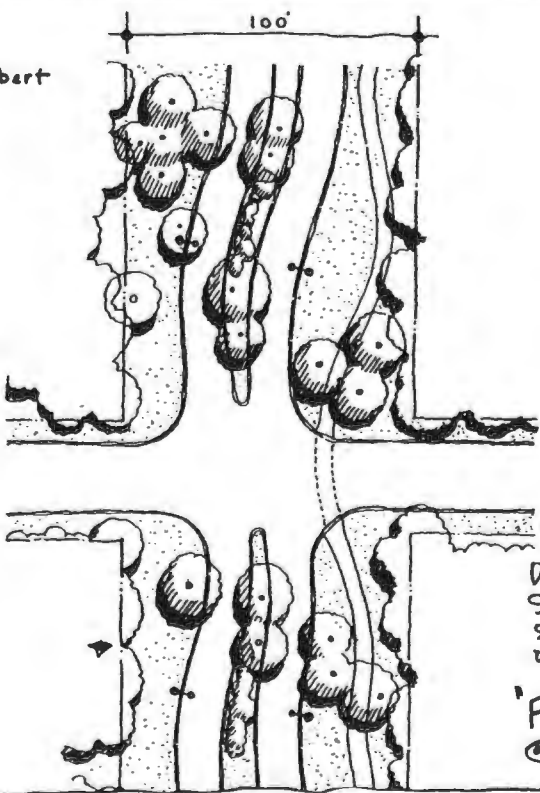




Existing Condition @ Sibert



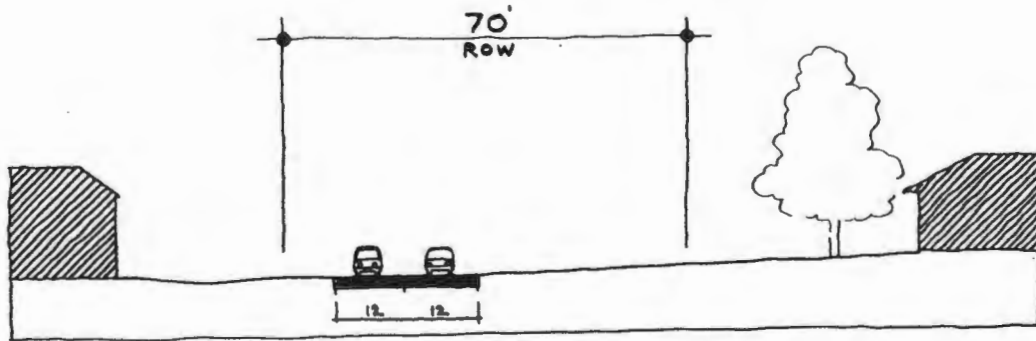
Proposed Condition @ Sibert



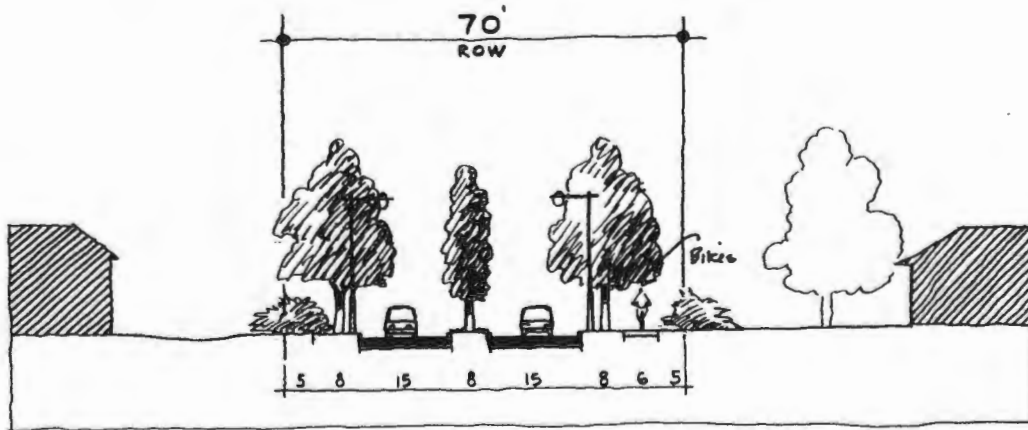
Destin Harbor Area Master Plan
 Street Sections
 S A S A K I
 Dec. 98



"PARK DRIVE"
 @ SIBERT SECTION

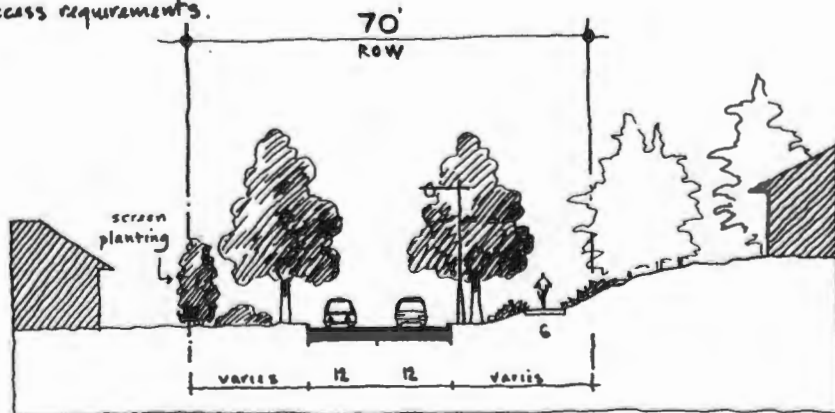


Existing Condition



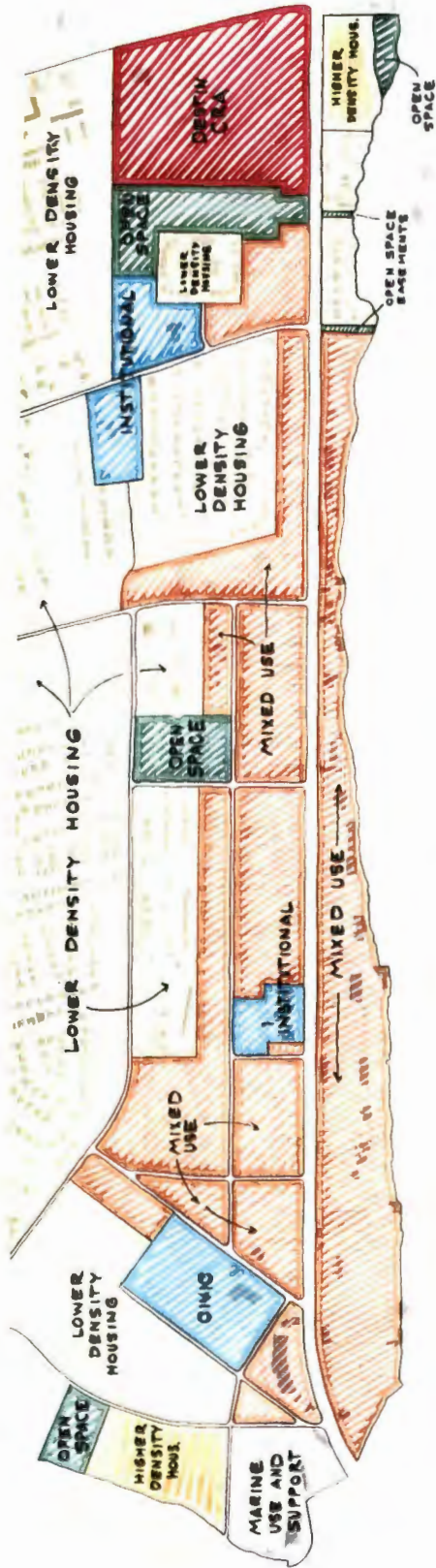
Proposed Condition 1

Note: Parkway Road Design can vary to accommodate varied conditions of topography, land use and access requirements.

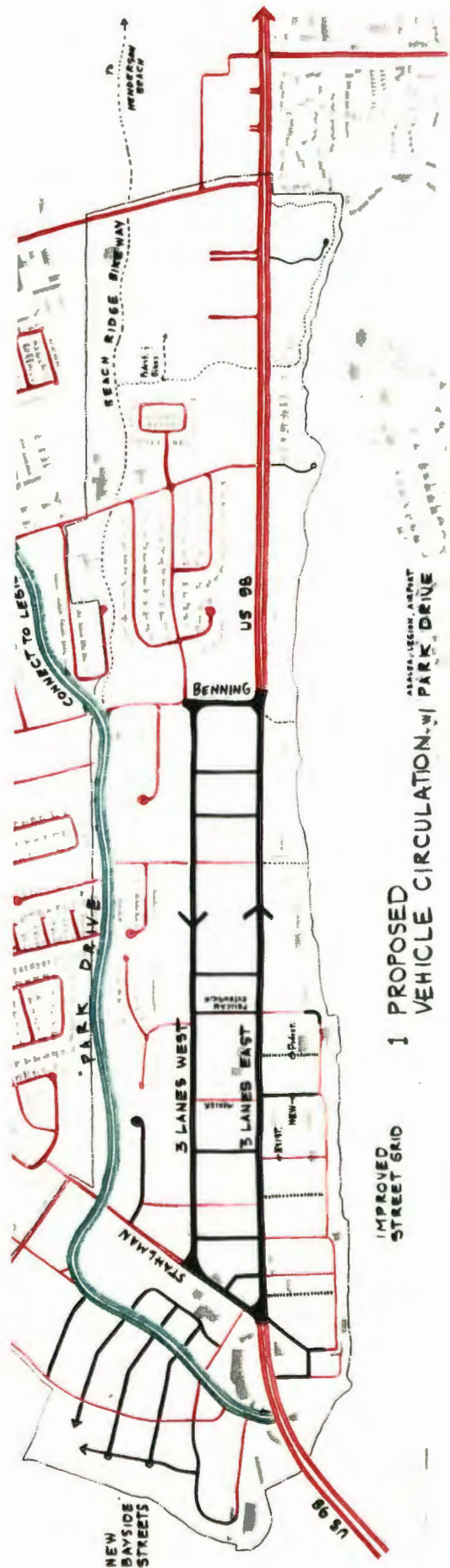


Proposed Condition 2

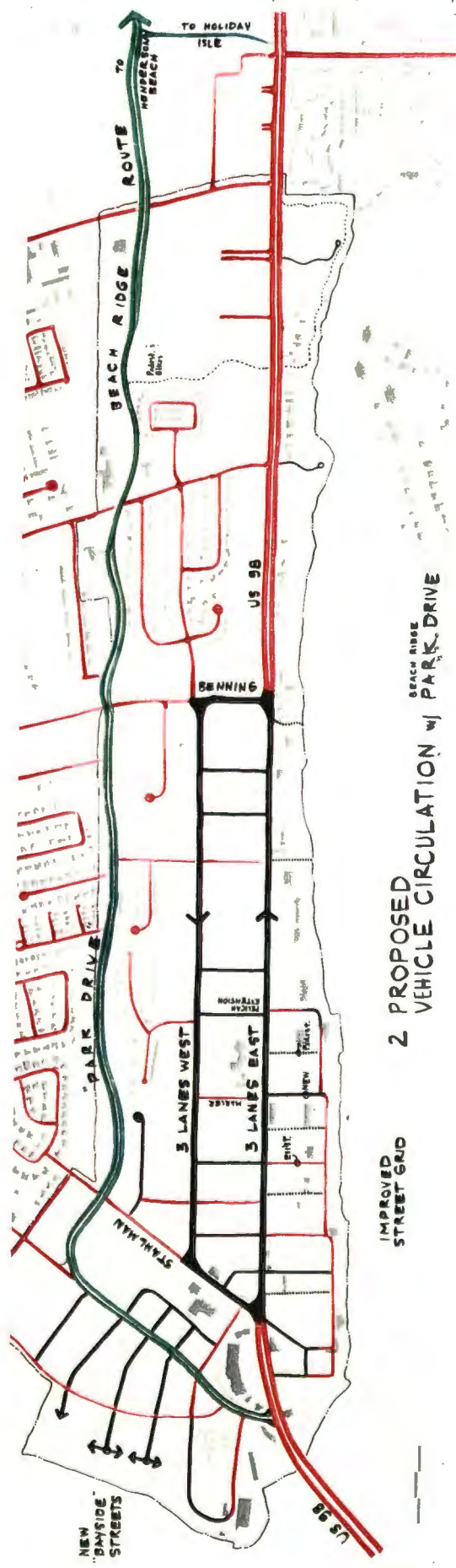
10'



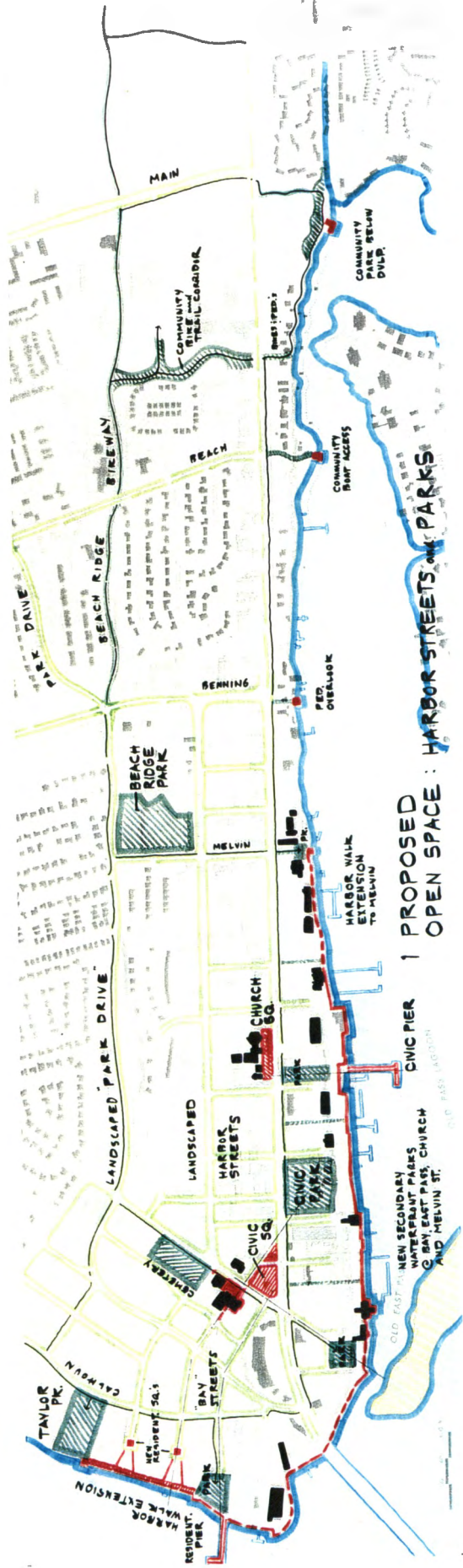
PROPOSED
LAND USE



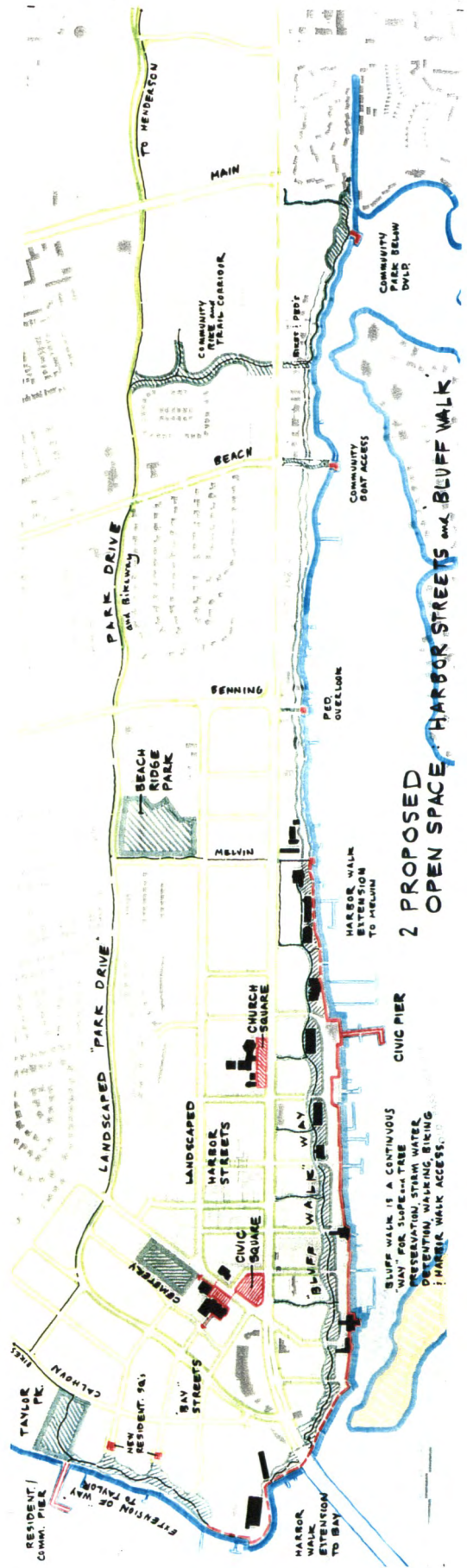
IMPROVED STREET GRID
 1 PROPOSED VEHICLE CIRCULATION w/ PARK DRIVE
 ASHLEY, LEGUM, AND PAT



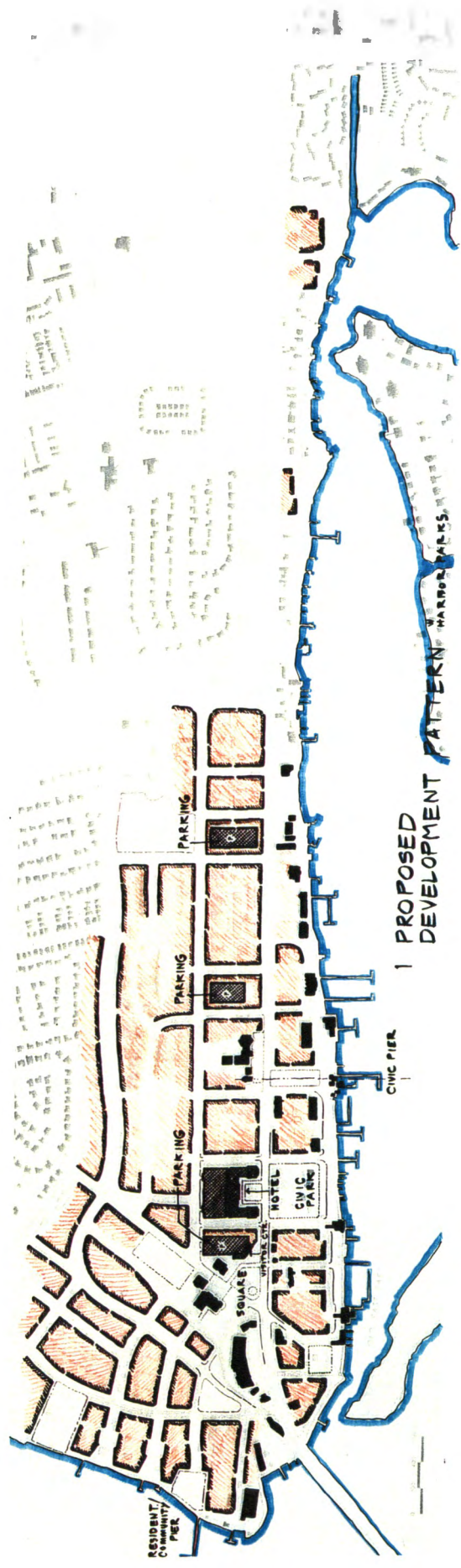
IMPROVED STREET GRID 2 PROPOSED VEHICLE CIRCULATION w/ PARK DRIVE



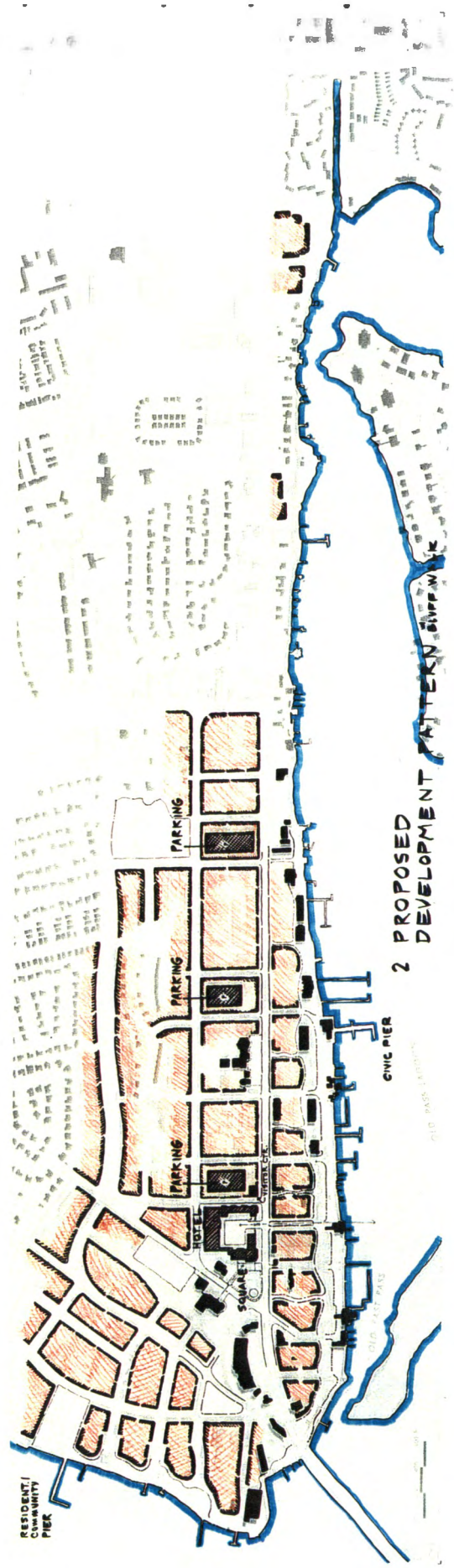
PROPOSED
OPEN SPACE : HARBOR STREETS and PARKS



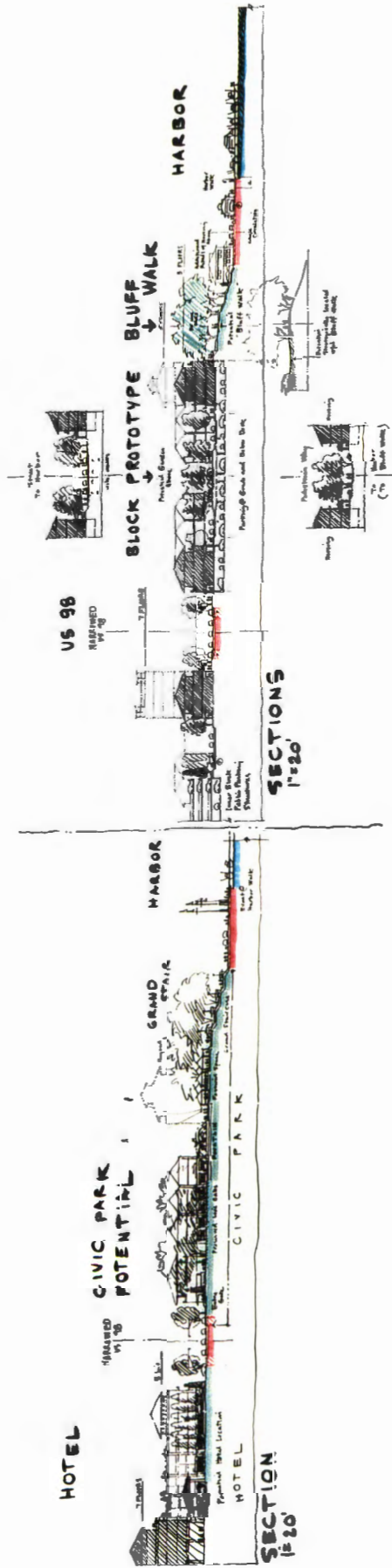
2 PROPOSED OPEN SPACE HARBOUR STREETS AND BLUFF WALK



1 PROPOSED DEVELOPMENT PATTERN HARBOUR PARKS



2 PROPOSED DEVELOPMENT



Destin Harbor Area Master Plan

Plan for the Destin Harbor Area

Prepared for:	Destin Harbor Task Force
Subject:	Plan for the Destin Harbor Area
Scope of Service Task Reference:	Phase 4, Task 4.5
Prepared By:	Sasaki Associates, Inc.
Date:	November 1999

PLAN FOR THE DESTIN HARBOR AREA

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I. Introduction

- 1.1 Purpose of the Plan
- 1.2 Location
- 1.3 Planning Process
- 1.4 Existing Conditions

II. Community Goals

III. Proposed Destin Harbor Area Plan

- 3.1 Overview
- 3.2 Land Use
- 3.3 Open Space
- 3.4 Transportation and Parking

IV. Economic Feasibility of the Proposed Plan

- 4.1 Introduction
- 4.2 Market Analysis
- 4.3 Financial Analysis

V. Implementation of the Proposed Plan

- 5.1 Land Development Regulations
- 5.2 Community Redevelopment Authority

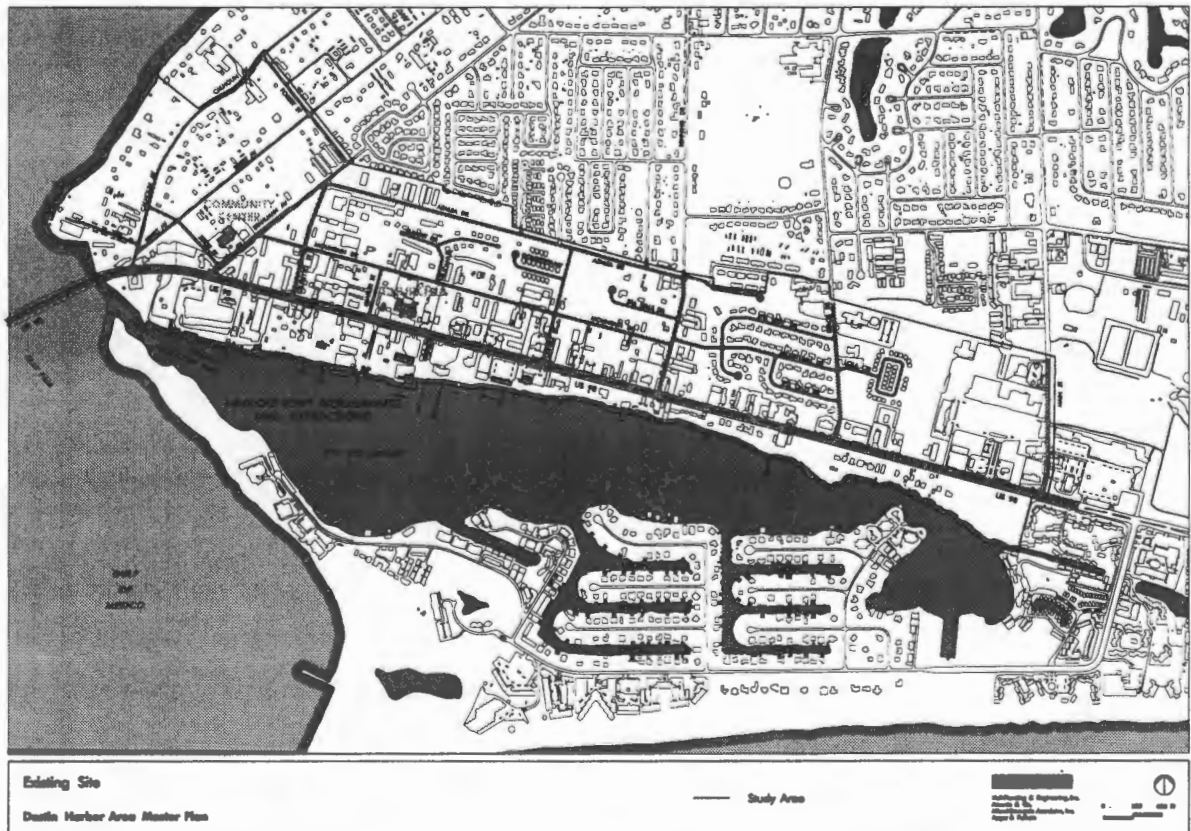
1. INTRODUCTION

1.1 Purpose of the Plan

The Destin Harbor Area Master Plan has been prepared to address the future development of downtown Destin.

The Destin Harbor Area Master Plan proposes a comprehensive strategy for addressing the community's concerns about traffic, parking, the quality of development, and the harbor and the future of the sports fishing industry. Recommendations for the public improvements necessary to carry out the plan have been made, and preliminary cost estimates and potential funding sources have been identified. Also included are recommendations for mechanisms to implement the plan.

This master plan builds upon previous studies and available data including "Destin Vision 2000," the Town Center CRA Plan, and the extensive transportation studies by FDOT for the US Highway 98 corridor, and aims to articulate a community vision and the way to achieve it.



1.2 Location

Destin is a thriving Gulf Coast community of permanent and seasonal residents that attracts tourists year-round to its famous dazzling white sand beaches, brilliant green waters and the historic fishing port of Destin Harbor.

The study area for the master plan is the downtown harbor area from the bridge at East Pass on the west to Main Street on the east, and from the north shore of the harbor to Azalea Drive. The area encompasses the historic downtown Destin Village area, including

the sports fishing industry on the north shore of the harbor, the major destination restaurants, and many of Destin's churches and civic facilities including the civic center and the library. The study area encompasses approximately 420 acres and is bisected by US Highway 98.



The Destin Harbor Waterfront

1.3 Planning Process

A unique partnership of the City of Destin and the downtown property owners was assembled as the *Destin Harbor Task Force* to prepare the Destin Harbor Area Master Plan. The Destin City Council appointed half the members of the Task Force and the Destin Harbor Partnership, a non-profit organization of citizens with personal and/or material interest in the study area, appointed the other half. A multidisciplinary consultant team, headed by Sasaki Associates, Inc., advised the Task Force.

Funding for the study was shared equally between the City of Destin and the Destin Harbor Partnership. The City Council agreed to match funding raised by the Partnership. The Destin Harbor Partnership carried out two fundraising events in the summer of 1999, and FDOT contributed funding in order to utilize the Task Force's findings as part of its analysis of alternative transportation solutions in the US 98 corridor.

The master plan was developed in an open public workshop process coupled with extensive public outreach. The consultant team carried out an extensive formal interview process over a period of a month, including interviews with a full spectrum of Destin citizens, property owners in the study area, local leaders and interest groups, as well as the community's elected officials and professional staff. Seven public-noticed meetings and a charette were held with the Task Force and consultant team. Attendance exceeded 100 people on several occasions. An additional seven open public work sessions were held by the Task Force, as well as two workshops with FDOT and area transportation stakeholders for coordination on the Azalea Corridor PD&E Study.

1.4 Existing Conditions

The existing downtown serves three user groups: the permanent and part-time residents of the community, the fishermen, and the tourist industry.

The existing assets of the downtown include:

- The harbor setting and natural features;
- The sports fishing industry;
- The destination restaurants and entertainment facilities;
- The community's religious institutions;
- Destin's civic facilities.

Existing weaknesses include:

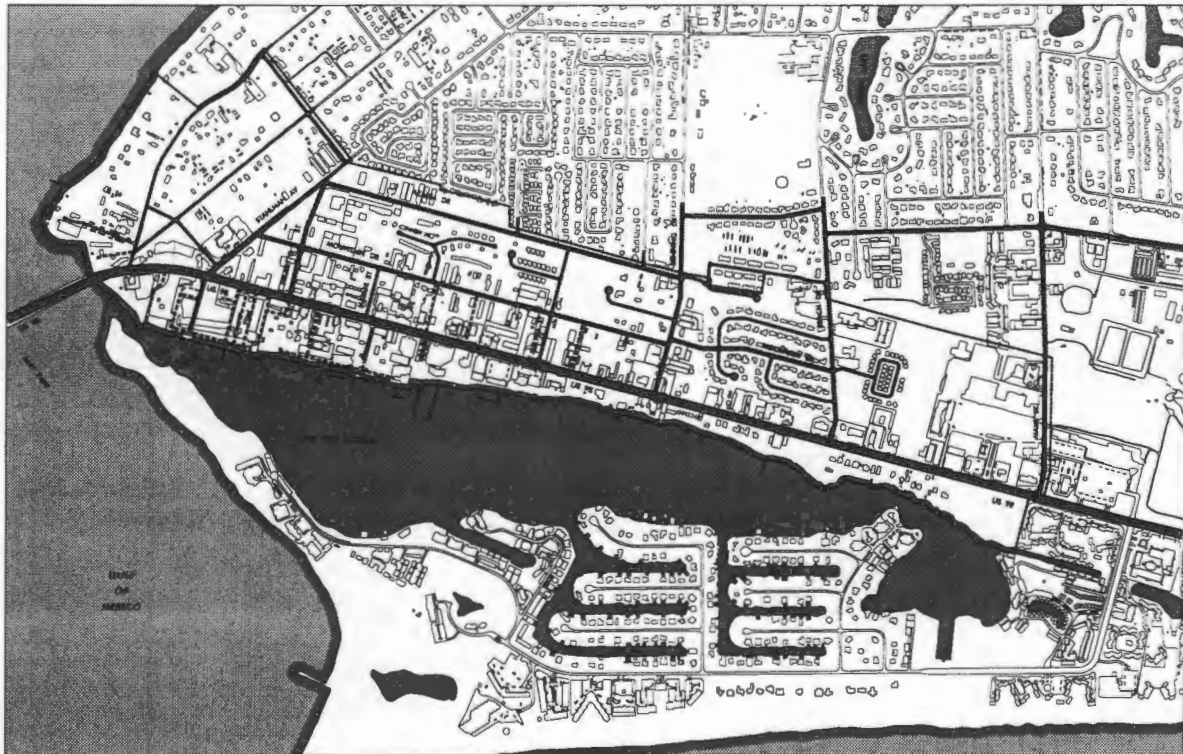
- Deteriorating effects of US 98 on traditional downtown uses, including serving as a barrier to uses to the north;
- Noise, lack of pedestrian safety, and visual blight;
- Lack of community vision and direction in the City's Comprehensive Plan;
- Unclear, obsolete and contradictory land development regulations.

Existing Land Use

Existing land uses in the downtown have developed in linear patterns along the north side of the harbor in direct response to the harbor and its amenities. Sports fishing and other marine activities are located directly along the harbor edge. Strip retail development and some commercial services are clustered along the US 98 corridor. Commercial services with less dependence on visibility and light industrial uses are located along Mountain Drive. Permanent community residential uses are located primarily north of Azalea Drive and east of Benning Drive. Clusters of community facilities and institutions are scattered throughout the study area. The Town Center CRA District boundaries overlay the harbor study area between Beach Drive and Main Street.

The predominant character of existing development is low-rise (one to three floors). Until last year, only one building—the Destin Yacht Club—exceeded five floors. The overall development intensity in the downtown is very low. The average floor area ratio (FAR) is less than 0.20, which is more typical of suburban areas. Densities in low-rise destination urban resorts (such as Key West, Florida or Charleston, South Carolina) and in downtown Pensacola range from 1.0 to 2.5 FAR. The density in downtown Pensacola along the Palafox Street corridor ranges from 1.0 to 2.0 FAR. The current pattern of building development in Destin is punctuated by extensive surface parking areas and vacant lots. Few pedestrian walkways exist, and where they do exist, they do not meet modern standards for safety and aesthetics. The only pedestrian access to the harborside is via private ways or driveways.

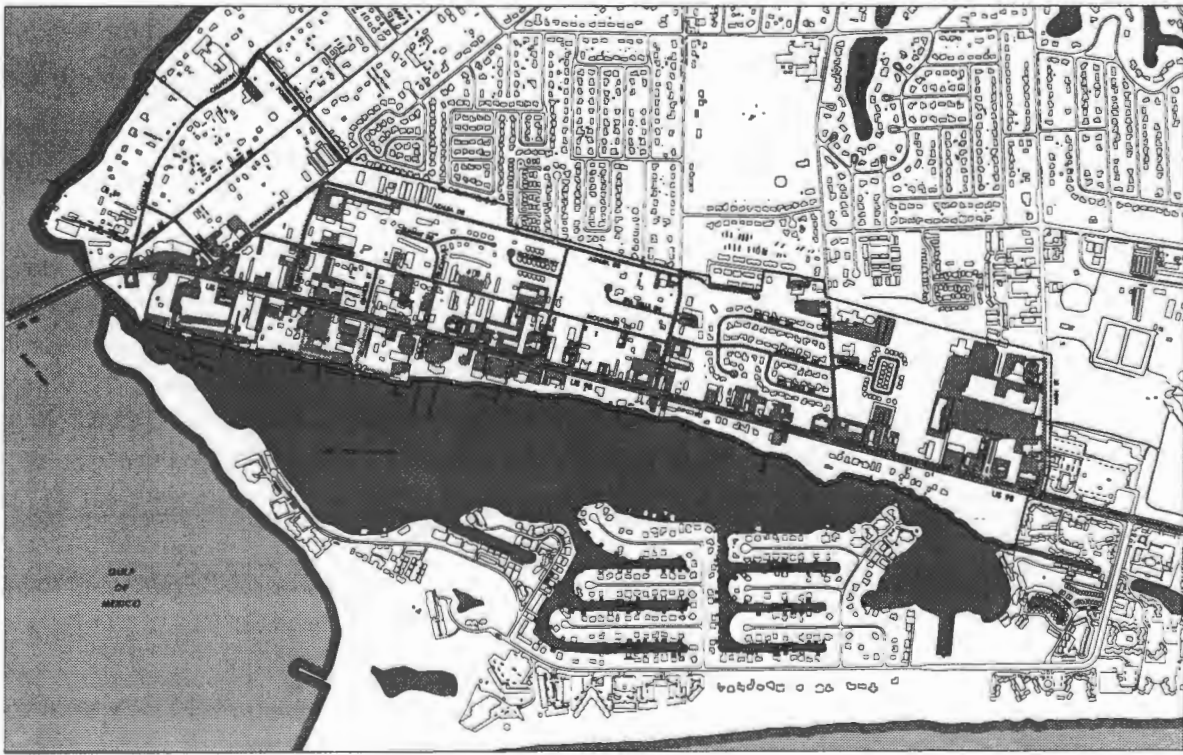




Existing Vehicular Circulation
 Destin Harbor Area Master Plan

Primary Road	Tertiary Road	Study Area
Secondary Road	Access Drive	

Scale: 1" = 100' (approximate)
 North Arrow



Existing Paved Surfaces
 Destin Harbor Area Master Plan

Study Area
Existing Paved Surfaces

Scale: 1" = 100' (approximate)
 North Arrow

Existing Vehicular Circulation

The existing vehicular circulation pattern in Destin is dominated by US 98, which bisects the study area from east to west. The heavy high-speed traffic during the tourist season has had an increasingly deteriorating effect on the downtown and is the focus of ongoing public debate within the community as solutions are sought to manage the rising volumes and to find alternatives for local residents. Traffic counts taken by FDOT in 1998 show nearly 40,000 vehicles per day using the highway during the peak season.



View of Existing US 98

A major weakness of the existing street pattern is the lack of a grid of north/south streets, and the lack of straightforward alternatives to the use of US 98 for Destin residents. No public roads access the harborfront.



View of Bluff Along Harbor

Existing Open Space

Existing public open spaces within the study area are restricted to Taylor Park on the Choctawhatchee Bay and the Community Center green space, both located at the extreme west end of the study area. With the exception of some existing segments of boardwalk, no significant public open space exists on the harbor or as access to the harbor. While intermittent portions of the historic bluff along the harbor edge remain in the original state, with groves and single stands of mature oaks, they are subject to development under the existing land development code.

Existing Land Development Regulations

Development within the study area is governed by the City's Comprehensive Plan and its zoning and subdivision regulations. The study area contains six different zoning categories. The Business Tourism (BT) Zone is the dominant zone within the downtown area. This is a mixed-use category permitting a wide range of community, commercial and residential uses, including hotels, motels, and multi-family dwellings, as well as residential and commercial PUDs. This district, however, also permits uses which have adverse effects on a tourist district, including auto sales and repair, self-storage mini-warehouses, and building and lumber supply facilities. Other zoning classifications within the study area tend to be more restrictive. The weakness of the BT zone is the absence of requirements for minimum lot area and height. Height is governed indirectly by setback provisions and vague requirements for compatibility. The lack of specific height requirements, coupled with the pattern of property ownership characterized by deep waterfront lots on narrow frontages, means that only 12 of 70 downtown waterfront parcels can achieve heights greater than five floors for residential condominium uses.

Unless the existing Land Development Code is changed, a haphazard suburban development pattern will continue to emerge with a few blocky high-rise buildings scattered among existing and future low-rise buildings. None of the zoning classifications has any urban design requirements to foster the pedestrian-friendly environment that is critical for a successful destination resort area.

II. COMMUNITY GOALS

The City of Destin benefits from a unique character growing from its distinctive physical setting, its beautiful harbor, and its long-standing reputation as a regional tourism destination. The planning process of one-on-one interviews, public workshops, and the open public meetings of the Task Force resulted in a series of community goals that served as a foundation for the development of the proposed Destin Harbor Area Master Plan.



Destin Harbor

2.1 Preservation and Enhancement of the Charter Fishing Fleet

A principal goal of the master plan is to support the fishing industry with better accessibility, visibility, parking, assured dockage rights, and protection of the pass.

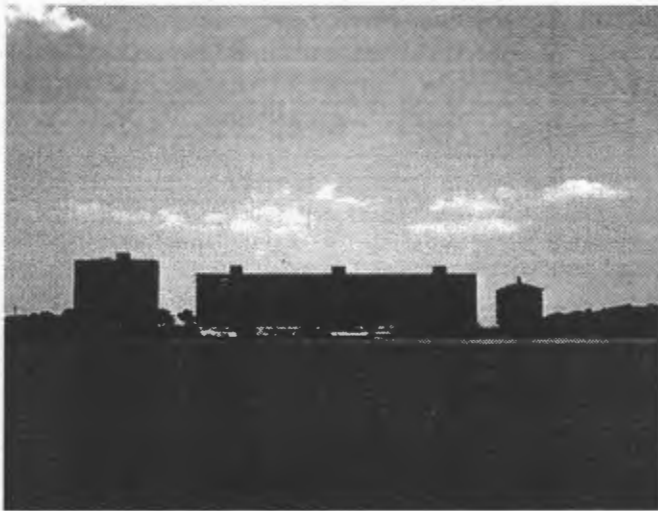
Destin Harbor, with its sports fishing fleet, is unique, and is a core element in the City's character and the economic well-being of Destin and the region.

2.2 Village Environment

A principal goal of the master plan is to create a vibrant, mixed-use, pedestrian-friendly environment of low-rise buildings with landscaping free of visual clutter, such as overhead wires and uncontrolled signage. "Low-rise" is defined as buildings of three to five floors in height.

A large majority of the stakeholders, and members of the general public interviewed at public workshops, consistently expressed the desire for a pedestrian-friendly, low-rise village environment for the downtown. This reinforces the findings of Destin's "Vision 2000" planning effort that preceded the current master plan proposal. The existing buildings on Holiday Isle and the Destin Yacht Club building, with their tall, broad dimensions and flat rooftops, are consistently cited by Destin residents and business owners as examples of what *not* to do in the downtown area. A small group of affected waterfront property owners, in their report entitled "Response to the Destin Harbor Task Force," concurred with this community goal by stating that

building design and massing should maintain/ create a human-scale relationship, or perhaps a better-understood term would be to create a village environment.



View south across Destin Harbor showing the "wall" effect of high buildings with broad dimensions and flat rooftops.

2.3 Pedestrian-Friendly Environment

A principal community goal of the master plan is the creation of a pedestrian-friendly environment through a network of landscaped pedestrian paths and sidewalks, a grid pattern of streets with short blocks and street walls of active retail and residential uses which encourage pedestrian activity.

The current lack of clearly-marked public access to the waterfront and lack of safe, landscaped pedestrian walkways and public open spaces were problems identified by Destin citizens.

2.4 Vehicular Transportation

A principal goal of the community is to improve the internal transportation network for Destin residents. This will require the reconstruction of US 98 as a community street, the introduction of an additional east/west street dedicated to community use as specified in the current Destin Comprehensive Plan, and a grid of new streets in the downtown area. The proposed new street grid with bicycle lanes will encourage alternative modes of transportation and will help to make public transit feasible.

2.5 Environmental Quality

A principal goal of the Destin Harbor Area Master Plan is to preserve and enhance the environmental quality of the natural features of the harbor area, including water quality, the harbor bluff with its mature oak trees and views to the harbor.

Water quality in Destin Harbor, and the diminishing natural resources of beach and natural vegetation along the harbor, are growing concerns of Destin residents.

2.6 Land Development Code

"The thing that plagues us is the uncertainty of what to do."

A principal goal of the plan is a comprehensive master plan for the downtown and a land development code that will support the achievement of a village environment, provide guidance to public officials who must approve development, and offer consistency and predictability to property owners and developers.

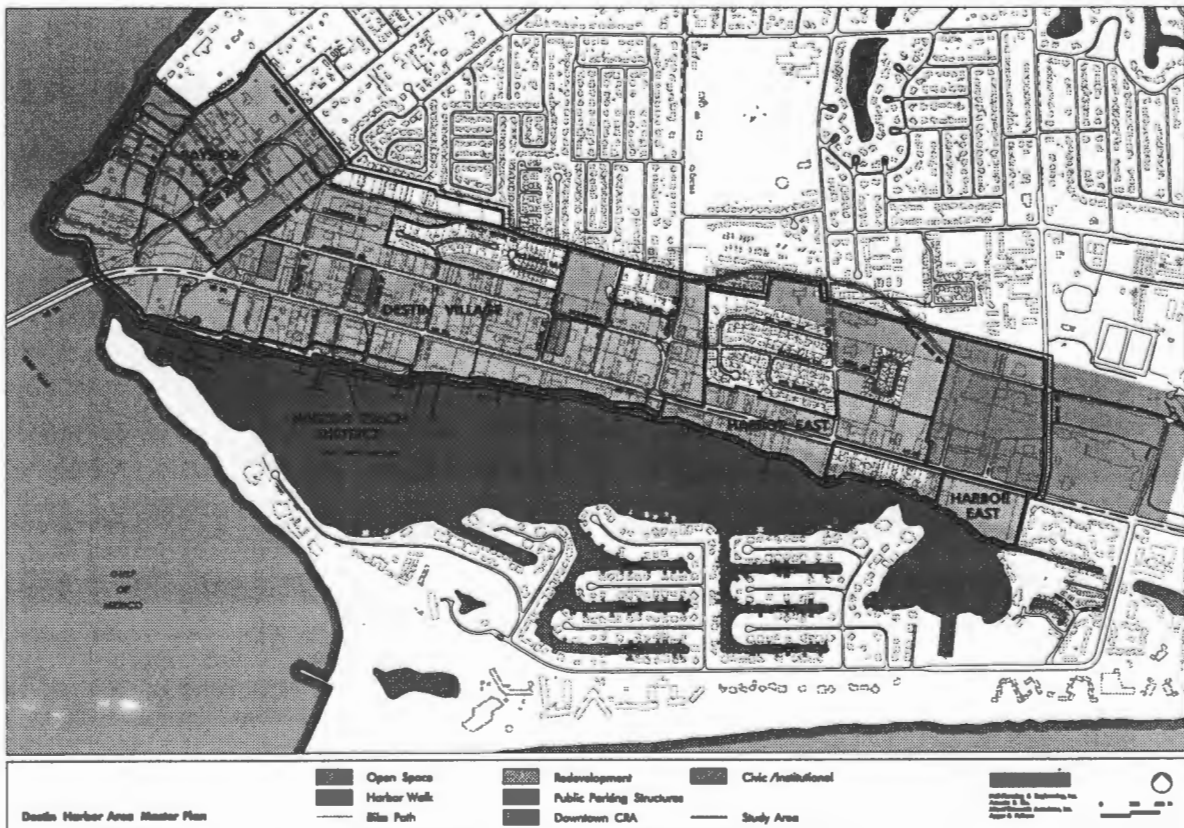
The existing Land Development Code which permits high-rise buildings, such as the Destin Yacht Club and Grande Harbor, within an area of predominantly low-rise buildings and single-family homes must be revised.

III. PROPOSED DESTIN HARBOR AREA MASTER PLAN

The vision for downtown Destin is to create a mixed-use pedestrian village environment and civic place for Destin residents and visitors.

In order to achieve this vision, all of the following elements are essential to the plan:

- Preservation and support of the charter fishing fleet.
- Creation of a low-rise village environment in downtown Destin.
- Creation of a pedestrian-friendly environment.
- Transformation of the vehicular transportation system for the convenience and safety of residents and visitors.
- Development of a comprehensive public parking program in downtown Destin.
- Preservation of the remaining natural features of the harbor area.
- Development of a comprehensive signage program.
- Revisions to the existing land development code.
- Implementation of the strategic program elements for the downtown area.



3.1 Land Use

The proposed physical master plan is a response to community goals, real estate market conditions, and the existing conditions within the current neighborhood sub-districts of the study area. The master plan identifies four land use districts in the study area with widely varying conditions: the Harbor Beach District, Destin Village District, Bayside, and Harbor East. Planning and design criteria for amending existing land development regulations appropriate to each district are recommended. The proposed master plan retains a series of existing neighborhoods of established single-family residential areas and the CRA District.

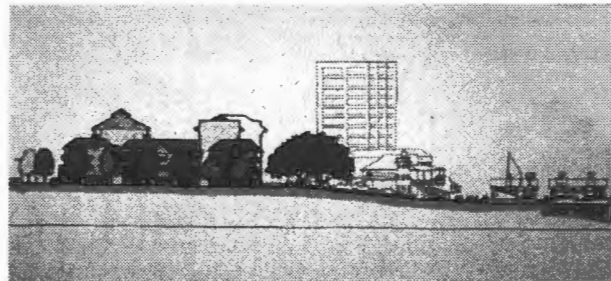


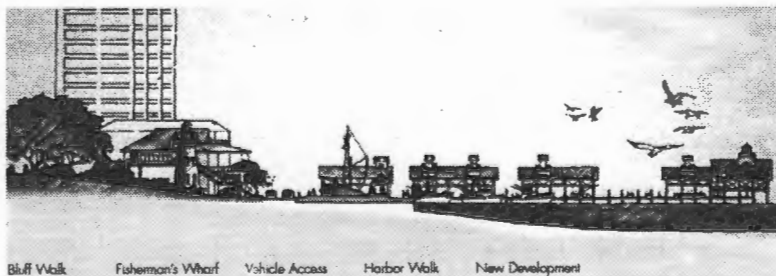
Illustration showing the scale of new development in Destin. The Destin Yacht Club is shown in the background.

Destin Village

The Destin Village District, coupled with the Harbor Beach District, is the heart of the proposed mixed-uses village environment. The Destin Village District encompasses the area from the top of the bluff along the harbor northward to Mountain Drive, and from East Pass to Benning Drive. This district, which encompasses 170 acres, contains the historic village, the fishing industry and the related destination restaurants and commercial uses. In addition to supporting the existing fishing industry, destination restaurants and civic uses, the master plan envisions year-round residential uses as well as seasonal condominiums and hotels, and tourist-related retail and commercial uses.

Three public parking garages, containing a total of 2,000 parking spaces, are proposed to be located north of US 98 within Destin Village. The public parking program will permit a significant increase in the efficiency and density of land use by allowing the concentration of activities as existing open parking lots are developed.

Proposed land development controls will allow three-story buildings as a matter of right throughout the district. As an incentive to property owners and developers, additional height will be permitted if property owners will adhere to urban design guidelines designed to enhance the pedestrian-friendly character of the Destin Village area.



View showing potential new development in the foreground of the Harbor Beach District. The existing Destin Yacht Club is shown in the background.

The proposed master plan envisions a minor replatting of the downtown area within the Destin Village District in order to introduce a grid of new north/south streets that will provide public access to the waterfront from US 98, as well as northward from US 98 to Mountain Drive. Within the Destin Village District, the master

plan proposes to create a one-way pair of US 98 and Mountain Drive in order to improve traffic flow and accessibility throughout the district.

Harbor Beach District

The Harbor Beach District consists of the area from the water's edge to the top of the bluff. The principal planning objective for this district is to protect the interests of the fishing fleet. Water-dependent and tourism activities related to the fishing fleet are proposed to be located at the foot of the bluff. Distinctive features of the proposed plan for this area could include a continuous new street, "Dockside Drive," along the docks, providing either one-way or two-way access to the boats and new tourist activities. During periods of heavy pedestrian use, it is envisioned that Dockside Drive will be closed to through-vehicular movement. Other distinctive features include a continuation of the existing boardwalk to the east and to the west; and a development zone between the boardwalk and Dockside Drive for various new development activities related to the fishing industry and tourism. The master plan also proposes that a public marina be located within this district to ensure dockage for the fishing fleet. The master plan proposes that the remaining areas of the beach bluff and remaining stands of oak trees be preserved by restricting development on the bluff. Development on the bluff will not be restricted where the depth of parcels between US 98 and the harbor is less than 250 feet.

Bayside

The area to the west of Stahlman Avenue has been designated as Bayside, and comprises approximately 60 acres net between US 98, Stahlman Avenue, Forest Street, Clement Taylor Park and Choctawhatchee Bay. Permanent residential land uses, marine support, and limited commercial development along a proposed boardwalk are the dominant land uses proposed for this area of the Harbor Area Master Plan. The dominant circula-



Existing US 98 looking West



Proposed US 98 looking west, showing potential new mixed-use development in a low-rise "village" configuration.



View of proposed building heights, massing and setbacks along US 98 looking east.

tion feature of Bayside is the proposed Beach Ridge Drive along the existing Sibert Avenue right-of-way connecting to Azalea Drive. The continuation of this two-lane road eastward beyond Benning Drive creates an additional east/west connection through town for residents traveling to such destinations as Midbay Bridge and Henderson State Park, as provided in Destin's current comprehensive plan. Beach Ridge Drive is envisioned as a generously landscaped drive with sidewalks and a bike path to promote non-motorized transportation for intra-city travel.

Harbor East

Harbor East consists of approximately 40 acres in two separate parcels along the US 98 corridor east of Benning Drive to Main Street. The Harbor East area is separated into two parcels by an existing area of single-family homes between the harbor and US 98. The master plan proposes mixed-use development similar to Destin Village. The waterfront property in this area is characterized by narrow frontages on US 98 and shallow depths to the harbor. The configuration of land parcels justifies special consideration in the land development controls. Building heights of three floors are proposed to be a matter of right. Bluff development is not restricted and additional height is permitted with setbacks from US 98.

Existing Residential Neighborhoods

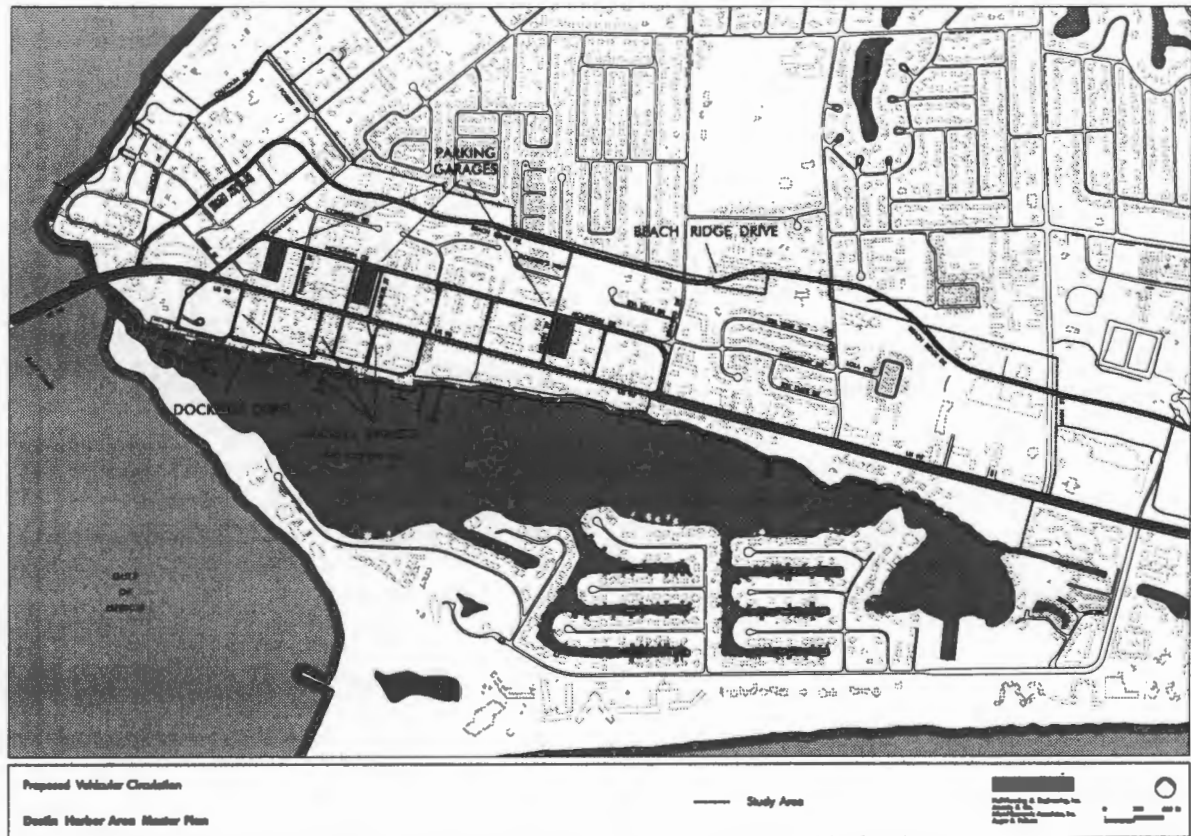
Existing residential neighborhoods along Azalea Drive east of Benning Drive, and along the waterfront east of Beach Drive, are retained in the proposed master plan under their existing zoning and land development regulations.

3.2 Vehicular Circulation

The proposed vehicular transportation plan is intended to support the village character of the harbor area by improving circulation and reducing dependency on cars. It is also intended to coordinate with and complement the Town Center CRA Plan and the efforts of the FDOT with the Azalea Corridor study. The circulation pattern, alignments and roadway characteristics shown are recommended by the Task Force after careful study and consideration of alternatives presented by the consultant team. Although exact road alignments and configurations are subject to detailed engineering and design, the intent is that the following recommendations be adhered to as closely as possible since this framework is a critical foundation for the entire plan.

The proposed vehicular transportation plan addresses four primary needs within the community: increased capacity for through movement and separation of east/west intercommunity movement; minor replatting of the downtown area to introduce a grid of new north/south "harbor streets" in order to provide public access to the waterfront and to connect Mountain Drive to the US 98 corridor; development of "Dockside Drive" to provide public vehicular access to the docks and to link the proposed new harbor streets from US 98; and development of a landscaped community drive, Beach Ridge Drive, along the Azalea corridor from Stahlman Avenue east through the community, for use by Destin residents for intercommunity travel as an alternative to US 98.

For the US 98 corridor, the transportation plan proposes to develop a one-way pair system utilizing the existing US 98 right-of-way and Mountain Drive between Stahlman Avenue and Benning Drive. The

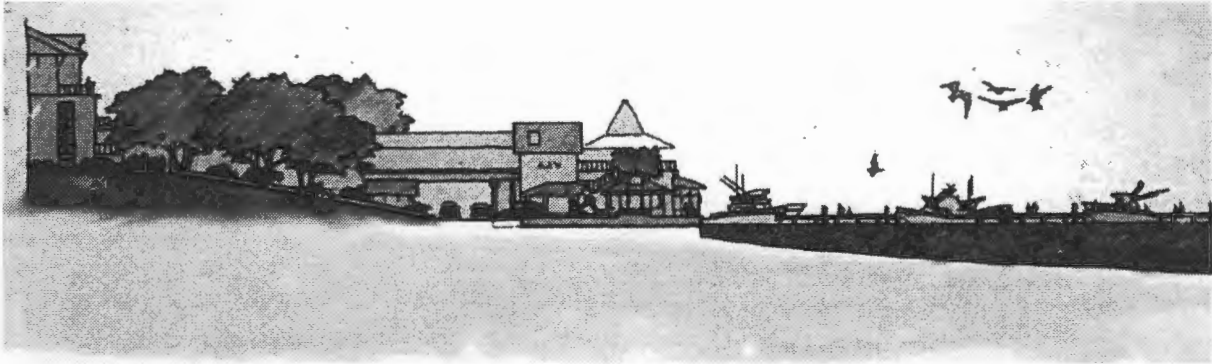


existing US 98 is proposed to consist of three travel lanes eastbound, and Mountain Drive to consist of three travel lanes westbound. The proposed plan will increase carrying capacity within the corridor and permit redevelopment by calming traffic and by permitting parallel parking. Speeds in this area, including the one-way pair, are proposed to be designed and posted at 30 mph. With identical design and posted speeds, speed enforcement is easier and pedestrian safety is increased since motorists are not encouraged by design to exceed the posted limit. While this practice may conflict with current FDOT standards, the corridor's intended multi-modal function justifies this concept.

The excess right-of-way within the existing US 98 right-of-way will be developed into landscaped pedestrian promenades on both sides of the existing roadway. The couplet will be developed with coordinated signalization at the proposed new grid of cross streets, pedestrian crosswalks and underground utilities.

The proposed Harbor Streets will provide the fishing industry and the public with much-needed accessibility and visibility to the harbor. Seven new streets are illustrated on the master plan. All utilize existing driveways or accessways to the harbor. Their definitive locations should be determined in conjunction with the property owners when the master plan is implemented.

The proposed Dockside Drive, parallel to the waterfront and the existing boardwalk, is designed to provide vehicular access to the docks for passenger pick-up and drop-off during the tourist season, and to service the existing and proposed new tourist activities along the waterfront. Dockside Drive is located at the toe of the bluff, and is envisioned as a narrow, two-lane street with continuity along the water-



Proposed Development of the Harbor Beach District Showing the Harborwalk and Preservation of the Beach Bluff

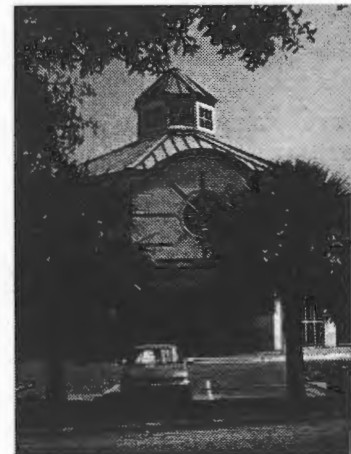
front and connections to the proposed harbor streets. Continuity is important for reasons of public safety, traffic, and as an amenity to Destin residents during the shoulder season. The final location and design of Dockside Drive will be determined during the implementation phase of the project. It could be achieved by virtue of an easement and could also function as a one-way drive.

An intercommunity east/west park drive, Beach Ridge Drive, that utilizes the existing Azalea Drive, with continuity to the east across Main Street, and connecting with the proposed Center Street of the Town Center CRA Plan in the CRA east of Main Street is proposed. It is consistent with the City's long-standing "comp plan road" policy, and is intended to potentially connect to the county's planned parallel road, so as to provide residents an intercommunity east/west means of travel without having to utilize the US 98 corridor. This is envisioned as a two-lane, landscaped drive with sidewalks and bike lanes through the Destin Village area and as an urban street through the CRA area. The master plan recommends limiting the use of Beach Ridge Drive to automobile use only, with truck restrictions. The choice of alignment between Benning Drive and Main Street is difficult because of the location of existing churches and residential properties. While the master plan proposes a recommended route, the final alignment of this proposed street between Benning Drive and Main Street is the current subject of detailed analysis by FDOT.

Parking

The existing extensive surface parking in the Destin Village area severely restricts building development and negatively impacts the quality of the physical environment, particularly for pedestrians, by creating large separations between activities. Also, at the present time, there is a shortage of parking for the fishing industry and destination restaurants during the peak tourist season. The higher concentrations of activities needed for a destination resort area and a high-quality pedestrian environment cannot be created until the large amount of land dedicated to at-grade parking is freed for higher and better land use.

A public parking garage program is proposed for the downtown Destin Village area to address these issues. Three separate parking structures are



Existing Destin Community Center

illustrated on the proposed plan near key activity centers, with an estimated total of 2,000 parking spaces. Garages could be constructed by public, private, or a combination of entities, and will be phased in response to demand, and construction bonds retired by user fees.

Land values in Destin exceed \$18 per square foot in much of the downtown between Mountain Drive and the harbor, which is equivalent to the cost of structured parking. These economics make structures a desirable way to reduce the percent of impervious surface, increase the percentage of open space, increase the percentage of building coverage, and create a more pedestrian-oriented environment.

Open Space

The proposed master plan recommends four principal open space improvements, building on existing Taylor Park, the Community Center green, and segments of boardwalk:

- Extension of the boardwalk west under the East Pass Bridge, just to the border of the residentially-zoned lots south of Taylor Park, and east to the existing Destin Yacht Club;
- Creation of a landscape promenade along the US 98 corridor using access right-of-way;
- Creation of a town square, which unifies existing civic facilities, at Stahlman Avenue and US 98, to be located adjacent to a proposed Phase 1 parking garage and visitor center; and
- Creation of a harborside park of one to two acres between the top of the bluff and US 98. A specific location has not been identified for the proposed harbor bluff park.

IV. ECONOMIC FEASIBILITY OF THE PROPOSED PLAN

4.1 Introduction

The existing permanent resident population of Destin is forecast to be nearly 11,000 residents in the year 2000, rising to 14,000 in 2010. The visitor population (seasonal residents and tourists) ranges from 16,000 to 48,000 during the peak season. Growth rates for permanent residents average 2.7 percent, with 5 to 7 percent for seasonal residents.

Permanent population trends of the Florida Gulf Coast and of Destin are tied to employment. The total labor force in Okaloosa County in 1997 was approximately 80,000 persons. Tourism, including related construction activities, accounts for the largest portion of the labor force. Twenty percent can be attributed to the military labor force employed at Eglin Air Force Base, including Duke Field and Hurlburt Field.

Approximately 3.1 million tourists visited Okaloosa County in 1997, and an estimated 92 percent of these visited Destin. The total economic impact of tourism was estimated by the Okaloosa County Tourist Development and Convention and Visitors Bureau to be in excess of \$650 million.

What distinguishes this region of the Gulf Coast from all others is Destin Harbor and its sports fishing fleet. With more than 100 sports fishing boats, Destin has the largest and most elaborately equipped sports fishing fleet in Florida. Today, the fishing industry supports direct employment of over 1,000 persons in Okaloosa County. Direct tourism expenditures are estimated to be between \$50 and \$100 million in the recreational fishing industry.

4.2 Market Analysis

Growth rates for both the permanent resident population and tourism in Okaloosa and Walton Counties will continue to generate demand for both permanent housing, condominiums, hotel rooms, specialty retail and office uses within the two counties and the City of Destin. Within the context of the market and the physical setting, the following new land uses are anticipated and can be accommodated over the next ten to fifteen years within the Destin Village and Harbor Beach Districts:

Estimated Land Available for Development/ Redevelopment in the Destin Village and Harbor Beach Districts	83 acres
Total Residential Units (seasonal and permanent)	2,400 units
Total Retail/Office Space	310,000 sf
Total Hotel Rooms	400 rooms
Total Additional Parking Required	6,000 spaces

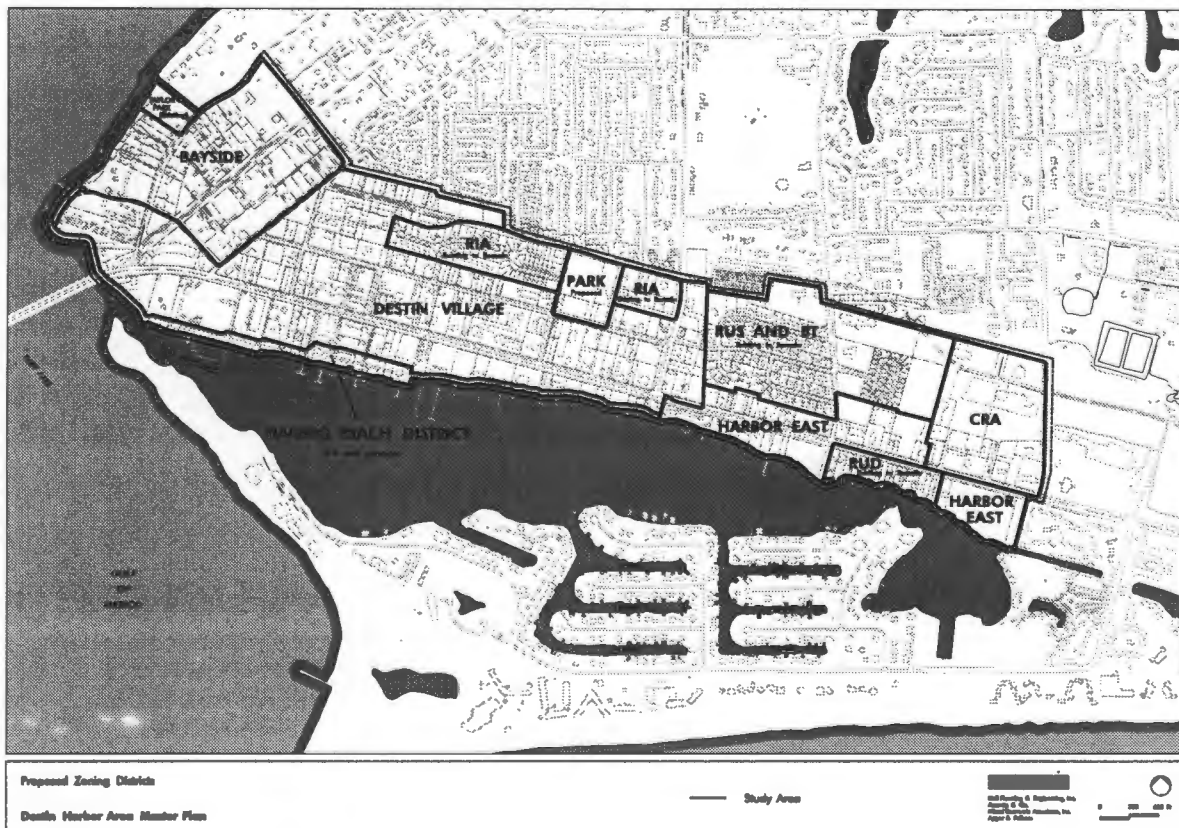
With these potential levels of growth and development, the City of Destin will need to commit to significant change in the quality of the downtown environment as proposed in the master plan if it wishes to ensure an environment of high quality for its residents and visitors.

4.3 Financial Feasibility

An estimated \$60 million will be required for construction of public improvements including new streets, public parking facilities, and open spaces, including the boardwalk extension and other facilities. In addition, another \$11 million may be required for land acquisition for these facilities.

Preliminary research indicates that this capital should be available if a variety of funding sources are used in combination, including user fees for parking, existing federal, state and county grant programs, city impact fees and private donations of rights-of-way. With continued coordination of the Azalea Corridor Study, FDOT may be expected to fund a significant portion of the proposed improvements related to the US 98 corridor. In addition, significant state and federal funds to support public improvements aimed at public transit and other non-auto modes of transportation are also available.

The Okaloosa County Tourist Development and Convention and Visitors Bureau has indicated that projects such as the extension of the boardwalk are eligible for grant funds. If a Community Redevelopment Area (CRA) is adopted for the area to implement the proposed master plan, as recommended in the next section, tax increment funding is an additional financing tool that will be available. A more detailed financial analysis is available in the consultant's technical report.



V. IMPLEMENTATION OF THE PROPOSED PLAN

Full implementation of the proposed master plan is expected to take many years and depends upon two critical elements: an implementing organization and appropriate land development regulations and public policies. The Task Force recommends that a separate Community Redevelopment Area (CRA) District be established as the implementing vehicle for the proposed master plan. A separate CRA district with boundaries coincident with the harbor study area west of Beach Drive and not overlapping the existing Town Center CRA east of Beach Drive, and a separate advisory committee, have the following benefits:

- The City is familiar with CRAs through experience with the existing Town Center CRA;
- An additional source of revenue, tax increment financing, is available for capital projects and implementation; and
- A master plan "vision keeper" in the form of an advisory committee would be dedicated to encouraging consistent progress on plan implementation.

It is recommended that the advisory committee be made up of qualified individuals and representative property owners. To ensure that the proposed master plan does not simply languish on a shelf, it is recommended that implementation be designated one of the City's top priorities and that the advisory committee be provided with the necessary resources—for example, an executive director and technical expertise—to help the City bring the master plan to fruition.

The Local Comprehensive Planning and Land Development Regulation Act of Florida Statutes require that each community prepare and adopt a comprehensive plan, and adopt land development regulations that are in conformance with the comprehensive plan. Implementation of the proposed Destin Harbor Area Master Plan will require modification of the comprehensive plan and existing land development regulations to reflect the intent and guide development and City policy over time. Principal elements for adoption into new zoning districts are recommended here, and future development of complementary landscape and signage standards also are recommended.

No changes are proposed within the existing established residential areas within the study area, nor in the designation of the Town Center CRA district. In implementing the proposed master plan amendments modifying the City's Comprehensive Plan, new land development regulations which incorporate the height and massing guidelines outlined above will need to be developed.

The proposed changes to the land development code are designed to address the community goal of a "mixed-use pedestrian-village environment."

The most significant changes are proposed within the Destin Village, Harbor Beach and Harbor East Districts, which are currently zoned Business Tourism (BT). The BT zone, while generally permitting mixed use, permits residential use only as a special exception, has no height limitations, and the parking and setback requirements generally result in a low-intensity suburban-scale development. The proposed master plan and proposed changes to the land development regulations increase the intensity of low-rise land use by waiving on-site parking requirements for non-residential uses that participate in the proposed public parking program. Building heights of up to thirty-five feet are proposed as a matter of right. As an

incentive to encourage a pedestrian-friendly village environment, higher buildings, up to seventy feet in height, are permitted in the interior of the parcels as long as the average height of all buildings does not exceed fifty feet and land owners and developers will adhere to a proposed set of urban design guidelines which govern setbacks, massing and building footprint configurations.

Proposed changes along the edge of the harbor in the Harbor Beach District address the location of new development, Dockside Drive, and the preservation of the beach bluff.

Proposed changes in the Harbor East District address the issues associated with the configuration of the narrow frontage and shallow depth which characterize the area east of Benning Drive between US 98 and the harbor. For example, bluff development will not be restricted in the Harbor East District, and additional height will be permitted with landscape setbacks from US 98.

Building height and massing regulations are a central feature of the proposed master plan.

The development of the proposed height regulations considered the following:

- The overall community goal of a "village" environment;
- The fact that the current land development regulations allow only twelve of nearly seventy property owners to achieve heights greater than five floors;
- Consensus that the height and building massing on Holiday Isle and the Destin Yacht Club were examples of what *not* to do; and
- Consideration of a small group of property owners on the harbor who sought building heights of up to nine floors.

The proposed height and massing recommended by the professional consultant team and approved by the Task Force proposes to grant a height of three floors (35 feet to the cornice line) as a matter of right throughout the Destin Village and Harbor East Districts, and use of pitched roofs of between 4:12 and 12:12. Additional height is proposed to be permitted if property owners and developers will adhere to the following urban design guidelines in order to achieve the "village" character:

- The average height of all buildings in a complex of buildings on a single parcel shall not exceed 50 feet at the cornice line.
- The maximum height of any single building that is part of a building complex located on a single parcel shall not exceed 70 feet at the cornice line.
- Any building above 35 feet shall be located within the interior of a parcel with a



The Destin Harbor Waterfront

minimum 35-foot setback from the property line and only if one- to three-story buildings with predominantly active commercial and residential uses are placed along at least 50 percent of adjoining public rights-of-way.

- On a given parcel for any single large structure, or a parcel with building heights greater than 50 feet at the cornice line, the building height at the roofline must vary according to the following requirements: for any building with a side dimension greater than 75 feet, 25 percent of its height at the roofline must vary. For any building with a side dimension greater than 150 feet, 50 percent of its height at the roofline must vary.
- Fully-pitched roofs are required to predominate on all buildings. A minimum pitch of 4:12 and a maximum pitch of 12:12 are required for the roof above the cornice line. One additional floor of living area and associated mezzanine areas may occur within the roof space.

The planning and design criteria outlined above will be incorporated into amendments modifying the City's Comprehensive Plan and land development regulations.

Destin Harbor Area Master Plan

Implementation Program

Prepared for:	Destin Harbor Task Force
Subject:	Financial Feasibility Analysis
Scope of Service Task Reference:	Phase 5, Task 5.2
Prepared by:	Miami Economic Associates, Inc.
Date:	December 1998

I. Introduction

Miami Economic Associates, Inc. have reviewed the project cost data provided by Sasaki with respect to the infrastructure improvements and public facilities required to implement the master plan for the Destin Harbor Area previewed at the November Task Force meeting. In summary, that data indicates that a total of \$60 million will be required for construction. An additional \$11.2 million may be required for the acquisition of key land parcels, bringing the total of presently estimated costs to \$71.2 million. The purpose of this memorandum is to identify alternative sources of financing that may be available to fund the costs of those infrastructure improvements and public facilities.

II. Summary of Findings

Our research indicates that sufficient moneys should be available to fund the \$71.2 million of infrastructure improvements and public facilities required by the Destin Harbor Area Master Plan if a variety of funding sources are used in combination. We further believe that the funding will generally be available in a manner consistent with the phasing of the project although some bridge financing techniques may need to be employed in certain instances. It should, however, be noted that the actual availability of some of the potential funding sources that we have identified is dependent on public and/or political decisions, the probability of which we can not predict. The potential sources of funding that we will discuss in this memorandum include the following:

- State and Federal Grants
- Tax Increment Revenues
- Parking Revenues
- Resort Tax Revenues
- Impact Fees
- Special Assessments
- Proffers
- Contributions

Based on the analysis performed, it is believed that the two sources most critical to the successful implementation of the master plan for Destin Harbor will be parking revenues and State and Federal Grants. Our analysis indicates that these two sources of funding could potentially cover all or nearly all of the costs.

Three public parking structures containing approximately 2,000 parking spaces are proposed in the master plan to alleviate current parking deficiency and to allow more economically rewarding development of land within the study area. Based on the existing and prospective parking needs of the area, these garages can expect significant utilization, particularly in season, especially when parking currently existing on a number of commercial properties is removed. The net revenues of these parking garages on an annual basis, inclusive of the rental revenues generated on ground floor retail space contained within the structures, could potentially support \$60 to \$65 million in debt financing that would be available for land acquisition and construction after the costs of bond issuance and the establishment of debt service reserves are accounted for.

According to Rick Hall of Hall Planning & Engineering, State and Federal funds should be available for the major road projects identified in the master plan, the total cost of which is estimated at \$11.7 million. The portion of these cost funded by State and Federal funds would likely be in the range of 50 to 80 percent.

Several of the other sources listed above including impact fees, special assessments and contributions by individuals and businesses may also play a role in the implementation of the Destin Harbor Area Master Plan in terms of infrastructure and public facility development. Proffers will also be critical to keeping the total amount of funds required in the range indicated above. All of these various funding mechanisms will be discussed further below.

The use of tax increment revenues and resort tax revenues will require specific political actions that may or may not be taken. However, the program could probably proceed without either.

The use of tax increment financing is only permissible in situations where a community redevelopment district has been established in accordance with the procedures of Florida Statute (F.S.) Chapter 163, which requires that the area contained in such a district be determined to be slum and/or blighted. A finding of blight based on certain technical definitions contained in F.S. Chapter 163 may be possible in at least some portions of the study area. It is not, however, anticipated that this funding mechanism will provide a substantial portion of the funding required for implementation of the master plan, making the establishment of a new redevelopment district of only limited utility to the process from a financial point of view.

There is, however, another reason to consider the establishment of a community redevelopment district in the study area—the eminent domain powers that such an action would provide. The construction of parking garages is a critical element of the plan from the point of view of quality of life within the study area as well as the extent to which such action will enhance values within the area. It is also a critical factor in establishing the financial feasibility of the plan. The land for such structures will need to be acquired from private interests. While we would prefer to see such acquisition occur on a negotiated basis, the ability to use eminent domain, if required, could be a powerful tool in effectuating the process. There are a number of other potential land acquisition issues associated with the proposed master plan to which this logic would also apply.

With respect to resort tax revenues, it is our understanding that the City of Destin by itself can not levy such taxes. The Okaloosa County Tourist Development Council (TDC) currently collects \$2.8 million annually by charging a 2 percent bed tax on all lodging rentals of less than six months in Destin, Fort Walton Beach, Mary Ester, Cinco Bayou and Okaloosa Island. Somewhat more than 50 percent of this amount is collected within the City of Destin. We understand that consideration is currently being given to increasing the rate of the bed tax to 3 percent to fund a convention center project on Okaloosa Island. With this being considered, it may not be possible to get a further increase to significantly assist with implementation of the Destin Harbor Area Master Plan. It would, however, be reasonable to expect some assistance from the TDC even if the bed tax rate is not increased, perhaps for such project elements as the \$350,000 Visitor Center planned in the vicinity of the U.S. 98/Stahlman intersection.

The remainder of this memorandum presents the results of the financial analysis that we performed in greater detail.

III. Financial Analysis

3.1 Project Costs

Table 3.1, following, summarizes the \$60 million required to construct the infrastructure improvements and public facilities highlighted in the plan for the Destin Harbor Area. It also includes estimates of the cost to acquire key land parcels based on current assessment data. The actual cost to acquire the key parcels identified in Table 3.1 might vary significantly from the \$11.2 million total estimated to the extent that there are material difference between their assessed value and their market value or significant business relocation costs that need to be addressed. Additionally, some land parcels that have been assumed for acquisition in this analysis may be donated or obtained through other considerations.

The land acquisition costs estimated in Table 3.1 are for the parcels that will be required for the construction of parking facilities, park development and a civic plaza at the proposed visitor center. Additional land acquisition may be required to obtain the land necessary for such project elements as the widening, reconstruction and/or extension of certain major roads, the creation of new secondary streets, the reconstruction and extension of the Harbor Walk, construction of the bay and bluff walks as well as other pedestrian/bike ways, etc. For the purpose of this analysis, it is assumed that much of this additional land can be acquired without additional cash outlays. Land swaps, the establishment of incentives that encourage donations in return for new economic benefits and recognition by property owners that many of these plan elements will enhance the economic value of the remainder of their properties could all be factors limiting the amount of moneys required to acquire these additional lands.

It should also be noted that the major potential acquisition of this type would relate to the land required for the reconstruction and extension of Beach Ridge Drive. As discussed above, there is a good likelihood that a portion of the cost of the major roadwork required by the master plan can be paid for with Federal and State moneys that would cover the costs associated with both right-of-way acquisition and construction.

Additional land acquisition other than that shown in Table 3.1 may also be necessary to provide momentum for key projects that would be undertaken by the private sector. Illustratively, in order to encourage the development of a hotel, the City may wish to assemble the requisite land parcel and then sell it or lease it to a private developer selected through a public solicitation process. Such action would make it more likely that private interest in this project could be generated in a timely manner because the private sector would be relieved of the frequently aggravating process of land assembly. Public land assembly may be a particularly appropriate way to proceed if the power of eminent domain is established through the establishment of a community redevelopment district. The project appears to be feasible from both a market and financial performance perspective. Therefore, it is assumed for the purpose of this analysis that the City would be able to borrow the money for the land assembly process from any of a variety of sources and repay its obligation from the proceeds of the sale or lease arrangement with the selected developer.

3.2 Project Phasing

Table 3.2, following, prioritizes the project costs summarized in Table 3.1 into three phases. The prioritization reflected in Table 3.2 was based on coordination with Sasaki Associates and Hall Planning & Engineering but could obviously be modified based on community opinion and political determinations. Illustratively, the cost of the first phase, now estimated at \$40.8 million, could be significantly changed if the \$7.3 million required for the reconstruction the existing harbor walk and its extension eastward was delayed. Another alternative would be to delay the reconstruction work until a later phase but extend eastward in the near-term using temporary methods of construction for the extension. On this basis, the first phase cost would be less than \$1 million. The timing of the potential Central Park project on the harbor could also be modified or this project element could potentially be deleted.

Table 3.1
Probable Costs
Infrastructure and Public Facilities
Destin Harbor Area Master Plan

<u>Cost Category</u>	<u>Cost</u>		
	<u>Construction</u>	<u>Land Acquisition</u>	<u>Total</u>
<u>Major Roads</u>			
U. S. 98 Reconstruction	\$2,356,000	0	\$2,356,000
Stahlman Avenue Widening	722000	0	722000
Mountain Drive Widening	2364000	0	2364000
Benning Drive Widening	658300	0	658300
Beach Ridge Drive	5617500	0	5617500
Total	\$11,717,800	0	\$11,717,800
<u>New Secondary Streets (assume easements)</u>			
<u>Baseline</u>			
Between Harbor & U.S. 98	\$1,376,880	0	\$1,376,880
Between U.S. 98 & Mountain	1587360	0	1587360
Bayside	1796790	0	1796790
Subtotal	\$4,761,030	0	\$4,761,030
<u>Optional</u>			
Stahlmann Extension	\$430,000	0	\$430,000
Additional Streets (U.S. 98/Harbor)	331500	0	331500
Additional Streets (U.S. 98/Mountain)	771900	0	771900
Subtotal	\$1,533,400	0	\$1,533,400
Total	\$6,294,430	0	\$6,294,430
<u>Pedestrian/Bikeways</u>			
Harbor Walk Reconstruction & Extension	\$7,260,000	0	\$7,260,000
Bayside Walk (basic)	1760000	0	1760000
Bayside Walk (upgrade)	2374000	0	2374000
Bluff Ridge Walk	600000	0	600000
Bike Paths	975000	0	975000
Total	\$12,969,000	0	\$12,969,000
<u>Parks/Plazas</u>			
Central Park	\$864,000	\$5,780,000	\$6,644,000
Wildcat Mountain Park	675000	668600	1343600
Community Center Stahlman Plaza	2379300	738900	3118200
Harbor Walk Plazas	580800	0	580800
Churches Plaza	1003200	0	1003200
Bayside Plazas	1214400	0	1214400
Total	\$6,716,700	\$7,187,500	\$13,904,200
<u>Public Facilities</u>			
Visitor Center	\$350,000	\$0	\$350,000
Community Pier	1010000	0	1010000
Parking Garages w/ Retail	2100000	3975200	24975200
Total	\$22,360,000	\$3,975,200	\$26,335,200
Project Total	\$60,057,930	\$11,162,700	\$71,220,630

**Table 3.2
Project Phasing
Infrastructure and Public Facilities
Destin Harbor Area Master Plan**

<u>Cost Category</u>	<u>Total Cost</u>	<u>Phase I</u>	<u>Phase II</u>	<u>Phase III</u>
<u>Major Roads</u>				
U. S. 98 Reconstruction	\$2,356,000	\$2,356,000.	\$0	0
Stahlman Avenue Widening	722000	722000	0	0
Mountain Drive Widening	2364000	2364000	0	0
Benning Drive Widening	658300	658300	0	0
Beach Ridge Drive	<u>5617500</u>	<u>0</u>	<u>5617500</u>	<u>0</u>
Total	<u>\$11,717,800</u>	<u>\$6,100,300.</u>	<u>\$5,617,500</u>	<u>0</u>
<u>New Secondary Streets</u>				
Baseline				
Between Harbor & U.S. 98	\$1,376,880	\$1,376,880	\$0	0
Between U.S. 98 & Mountain	1587360	1587360	0	0
Bayside	<u>1796790</u>	<u>0</u>	<u>1796790</u>	<u>0</u>
Subtotal	<u>\$4,761,030</u>	<u>\$2,964,240</u>	<u>\$1,796,790</u>	<u>0</u>
Optional				
Stahlman Extension	\$430,000	0	0	\$430,000
Additional Streets (U.S. 98/Harbor)	331500	0	0	331500
Additional Streets (U.S. 98/Mountain)	<u>771900</u>	<u>0</u>	<u>0</u>	<u>771900</u>
Subtotal	<u>\$1,533,400</u>	<u>0</u>	<u>0</u>	<u>\$1,533,400</u>
Total	<u>\$6,294,430</u>	<u>\$2,964,240</u>	<u>\$1,796,790</u>	<u>\$1,533,400</u>
<u>Pedestrian/Bikeways</u>				
Harbor Walk Reconstruction & Extension	\$7,260,000	\$7,260,000	\$0	\$0
Bayside Walk (basic)	1760000	0	1760000	0
Bayside Walk (upgrade)	2374000	0	0	2374000
Bluff Ridge Walk	600000	600000	0	0
Bike Paths	<u>975000</u>	<u>975000</u>	<u>0</u>	<u>0</u>
Total	<u>\$12,969,000</u>	<u>\$8,835,000</u>	<u>\$1,760,000</u>	<u>\$2,374,000</u>
<u>Parks/Plazas</u>				
Central Park	\$6,644,000	\$6,644,000	\$0	\$0
Wildcat Mountain Park	1343600	0	1343600	0
Community Center Stahlman Plaza	3118200	3118200	0	0
Harbor Walk Plazas	580800	580800	0	0
Churches Plaza	1003200	1003200	0	0
Bayside Plazas	<u>1214400</u>	<u>0</u>	<u>0</u>	<u>1214400</u>
Total	<u>\$13,904,200</u>	<u>\$11,346,200</u>	<u>\$1,343,600</u>	<u>\$1,214,400</u>
<u>Public Facilities</u>				
Visitor Center	\$350,000	\$350,000	\$0	\$0
Community Pier	1010000	0	1010000	0
Parking Garages w/ Retail	<u>24975200</u>	<u>11238840</u>	<u>6868180</u>	<u>6868180</u>
Total	<u>\$26,335,200</u>	<u>\$11,588,840</u>	<u>\$7,878,180</u>	<u>\$6,868,180</u>
<u>Project/Phase Total</u>	<u>\$71,220,630</u>	<u>\$40,834,580</u>	<u>\$18,396,070</u>	<u>\$11,989,980</u>

Table 4.1
Potential Increment and Tax Revenues
Varying Growth Rates
Harbor Village Area *

<u>Growth Rate</u>	Year 1	Year 2	Year 3	Year 4	Year 5
10% Compounded					
Increment	\$6,650,000	\$13,965,000	\$22,011,500	\$30,862,500	\$40,598,765
Tax Revenues **	\$45,885	\$96,359	\$151,879	\$212,951	\$280,131
15% Compounded					
Increment	\$0	\$0	\$0	\$0	\$0
Increment	\$9,975,000	\$21,446,250	\$34,638,187	\$49,808,914	\$67,255,250
Tax Revenues **	\$68,828	\$147,979	\$239,003	\$343,682	\$464,061
20% Compounded					
Increment	\$13,300,000	\$29,250,000	\$48,402,000	\$71,382,400	\$98,958,880
Tax Revenues **	\$91,770	\$201,825	\$333,974	\$492,539	\$682,816

* The Harbor Village area consists of that portion of the study area bounded by the Harbor, a line halfway between Mountain and Azalea, Stahlman and Benning. The assessed value of the properties in the defined area is \$66.5 million.

** Tax revenues are 95% of the increment at .0069 mills.

Source: Miami Economic Associates, Inc.

In evaluating the financial feasibility of the Destin Harbor Area Master Plan in terms of its infrastructure and public facilities requirements, it is important to the extent possible to match the availability of revenues with the sequencing of expenditures. Illustratively, Phase I of the plan implementation will require approximately \$41 million. A substantial portion of this cost could be underwritten based on the combination of parking revenues—assuming construction of 45 percent or 900 of the structured parking spaces during this phase—and State and Federal grants. Construction of 900 parking space this early in the program appears appropriate given current parking deficiencies within the study area. However, the State and Federal moneys potentially obtainable in an amount of between \$3 to \$4.8 million may not be available for three to eight years after construction occurs. State and Federal programs do permit advance construction. The question is how to pay for it while awaiting reimbursement.

More in-depth analysis may identify a variety of mechanisms to deal with this timing problem. Illustratively, if a community redevelopment district were established, there may be sufficient increment in even its earlier years to pay some or all of the annual debt service of between \$195,000 to \$312,000 that would be required to borrow the moneys that will ultimately be reimbursed with State and Federal funds. Another alternative would be to levy a special assessment on the \$91.4 million worth of real property in the study area, or a portion thereof. Finally, if further analysis indicates feasibility, the amount of parking scheduled for first phase development could be increased from the 900 spaces anticipated in Table 3.2.

IV. Funding Sources

The remainder of this memorandum provides additional information regarding the funding sources identified above.

4.1 State and Federal Grants

The primary focus of our analysis of State and Federal grant programs, conducted with the assistance of Hall Planning & Engineering, has been the potential for obtaining funds for the work required on major roads. The total cost of this work will be approximate \$11.7 million. Other elements of the master plan may also be candidates for State and Federal grants including the bluff walk and Wildcat Mountain Park because of their potential contributions to the environment, or the proposed bike paths. Assuming that the decision is made to proceed with plan implementation, an aggressive effort in grant writing should be mounted that seeks to identify all possible categories of State and Federal grant programs.

With respect to the major road projects, Hall Planning & Engineering indicates that based on a meeting with FDOT officials the Department has historically participated in the funding of parallel roadways within a City that are adjacent to U.S. highways if:

- The parallel roadways have the capability to attract some through and local traffic and, therefore, provide relief to the major state or federal route;
- The prospective relief is projected based on the best traffic estimates available; and
- The project conforms to the comprehensive plan and MPO plans for the area.

Hall Planning & Engineering believe that these conditions can be met and that funding in the range of 50 to 80 percent of total cost might then be available. The issue of the timing of when these funds would be available (three to eight years) was discussed above.

4.2 Tax Increment Revenues

As discussed above, tax increment revenues would only be available if a community redevelopment district is established in all or part of the study area in accordance with provisions of F.S. Chapter 163. Given the technical definitions of blight set forth in the Chapter, the portion of the study area that is bounded by the Harbor on the South, a line midway between Mountain and Azelea on the north, Stahlman on the west and Benning on the east could probably be established as a community redevelopment district. The assessed value of the properties in the area just defined totals \$66.5 million, or 72.8 percent of the total assessed valuation of the properties comprising the study area.

The amount of increment that can be created in this area in the near-term will be a function of a variety of factors including the amount of new development underway but not yet on the tax rolls when the trust fund is established. It will also be a function of the rate at which the implementation of the master plan, in combination with general market conditions, encourages further private development to occur. It should, however, be noted that a number of plan elements and concepts will cause land values to increase regardless of whether any development occurs because of the potential they will create for higher value or more intense development to occur than is currently permitted.

Table 4.1 shows the amount of increment that would be created in the area defined above at various rates of growth during the first five years after the Trust Fund is established and the tax increment revenues that would be produced as a result. In calculating tax revenues, the current County and City mileage rates were used.

As shown in the Table, if the tax base in the area grew at a compound rate of growth of 15 percent, a total of nearly \$10 million dollars of additional value would be added in the first year. By the end of year five, the assessed value of property in the area will have more than doubled. The tax revenues produced in the fifth year (and thereafter) would serve as the basis for floating a \$7.1 million bond issue. However, by the fifth year, it is questionable that such a bond issue will be required.

As discussed above, the most critical time from a financial perspective for implementing the proposed master plan will be in the first several years. Efforts will need to be made during these years to do a substantial portion of the work called for in the plan for several major roads; however, the State and Federal government may not yet be able to fund their share. The tax increment revenues produced in this period could play a role in paying the debt service on the bridge financing that may be required.

4.3 Parking Revenues

As discussed above, parking revenues are expected to provide a basis for funding extensive portions of the infrastructure improvements and public facilities outlined in the Destin Harbor Master Plan. The plan calls for the construction of a total of 2,000 parking spaces in three structured facilities to be located on sites north of the reconstructed U.S. 98, including approximately 900 spaces in the vicinity of the U.S. 98/Stahlman Avenue intersection. Each of the garages would also contain approximately 20,000 square feet of retail space that could be rented for \$15 per square foot on a net basis.

Strong utilization of the proposed parking structures is anticipated, particularly during the summer months, because there is an existing deficiency of parking in the study area. Further, the plan envisions reducing the requirements of commercial establishments within the area to provide on-site parking. This concept, which will allow properties within the area to be developed more intensively, will also force the patrons of commercial facilities in the area to use the structured garages.

We believe that the proposed structured parking spaces will produce net operating income of at least \$2,000 per space on an annual basis. This estimate is based on the following assumptions:

- An eighteen hour effective day of operations extending from 7:00 A.M. to 1:00 A.M.;
- A parking rate of \$1 per hour;
- Occupancy approximating 40 percent on an annual basis; and
- Operating expenses equivalent to 20 percent of revenue.

Based on the above assumptions, the total parking program, when fully implemented, will produce net operating income of \$4.9 million. Assuming annual debt service at 6.5 percent in accordance with current municipal bond rates, this income stream would provide the basis for borrowing in excess of \$75 million. When costs of bond issuance, the establishment of debt service reserves and other likely underwriting factors are taken into consideration, the actual amount available for project implementation will be lower, probably in the \$60 to \$65 million range. The amount will, however, be significantly greater than the \$25 million required for land acquisition and construction of the garages, providing the basis for funding other plan elements.

4.4 Resort Tax Revenues

As discussed above, Okaloosa County currently levies a 2 percent bed tax on all hotel and short term apartment rentals, producing an annual income approximating \$2.8 million. Of this amount, somewhat more than half is raised in the City of Destin. Consideration is currently being given to raising the bed tax rate to 3 percent to finance the construction of a convention facility on Okaloosa Island. Accordingly, it is not considered likely that the Okaloosa County TDC will be interested in increasing the bed tax rate another cent to assist with implementation of the Destin Harbor Area Master Plan in any significant way. We are also not sanguine about the prospects of convincing the TDC to share the proceeds of the third cent between the Okaloosa Island and Destin projects.

To the extent that major funding is not available for Destin Harbor Master Plan from resort tax revenues, efforts should still be made to obtain funding from the TDC for specific items such as the proposed Visitor Center. It would seem that this \$350,000 facility and, perhaps, some surrounding project elements like its surrounding plaza and that at the community center should be fundable by the TDC from the existing two cent levy, particular as it grows.

4.5 Impact Fees

Effective February 1, 1999, the City of Destin will require that the developers of new residential units, inclusive of single-family detached and multi-family units, resort residential units and hotel/motel units, pay an impact fee of between \$50 and \$160 prior to the issuance of a certificate of occupancy. The amount paid is based on the type of unit and regardless of where within the City the unit is located, the fees can be used anywhere within the boundaries of the City. The moneys collected can be used for park planning, land acquisition, site improvements, buildings and equipment but not maintenance or operations. Impact fees may also be used to pay debt service on bonds or similar debt instruments the proceeds of which are used for the same purposes as the fees. Credits may also be given for donations of land, the actual construction of park improvements and the like.

As shown in Table 3.1, the Destin Harbor Master Plan includes two parks and several plazas. It also envisions reconstruction and extension of the Harbor Walk, construction of a Bay Walk and the development of bike paths. Depending on the definition of "park", some or all of these plan elements may qualify for funding acquired through impact fee collections.

It is also understood that consideration will shortly be given to the establishment of road impact fees for all new construction. To the extent that a road impact fee policy is instituted, the proceeds collected could be used to implement such elements of the master plan as the establishment of the new secondary streets scheduled in Phase I or II. A road impact ordinance would also likely permit credits for the donation of right-of-way and or construction.

4.6 Special Assessments

Many communities use special assessments to pay for projects that benefit a distinct group of properties. While such assessments are frequently controversial, support can be generated where the need for the improvements is evident and/or potential to derive economic benefit from them is clear and/or the duration of the assessment period is short and definable. As discussed above, the establishment of a short term special assessment may be one mechanism to bridge the gap between the expenditure of funds for the work on major roads required by the plan and reimbursement of those moneys by the State and/or Federal government.

4.7 Proffers

As discussed above, property owners should be encouraged to proffer land for a variety of plan elements in return for new economic opportunities or the enhancement of their property values that the plan should provide. A key to encouraging proffers will be to educate the community on the economic value of the plan and its component elements.

4.8 Contributions

A number of communities have been successful in encouraging individuals and corporations to make donations that assist in the implementation of specific plan elements such as the construction of a plaza, the development of a park or execution of a streetscape program. Illustratively, both the City of Fort Lauderdale and the City of South Miami encouraged contributions to the construction of pedestrian ways by recognizing contributors with bricks that bear their names. A major area of new landscaping in a park in Coral Gables was donated by a civic service organization whose name is on a plaque at the park entry. Similar initiatives should be considered by the City of Destin both because of their potential financial benefit as well as a way to generate community participation.

Destin Harbor Area Master Plan

Implementation Program

Prepared for:	Destin Harbor Task Force
Subject:	Cost Estimates
Scope of Service Task Reference:	Phase V, Task 5.1 and Phase III, Task 3.5
Prepared by:	Sasaki Associates, Inc.
Date:	November, 1998

Summary

Destin Harbor Area Master Plan

Sasaki Associates Inc. SA # 81413.00

Preliminary Statement of Probable Cost for Improvements
 (Order-of-Magnitude Budget; does not include land acquisition costs)

Item	Item Total
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**OPTION 1 : HARBOR STREETS AND BLUFF WALK
 BASELINE - ESTIMATE OF IMPROVEMENTS**

1. U.S. Route 98 Reconfiguration	2,356,000
2. Stahlman Ave Widening	722,000
3. Mountain Drive Widening (2 lanes to 3 lanes)	2,364,000
4. Benning Drive Widening (2 lanes to 3 lanes)	658,300
5. Beach Ridge Drive Improvements	5,617,500
6. New Secondary Streets	4,761,030
7. Public Plazas (hard surface)	5,177,700
8. Landscaped Public Park (soft surface)	675,000
9. Bike paths	975,000
10. Bluff Ridge Pedestrian Walk	600,000
11. Board walk extension	650,000
12. Community Pier	1,010,000
13. Visitor Center	350,000
14. Public Parking Garages (3)	21,000,000

TOTAL BASELINE ESTIMATE:	\$46,916,530
(Items 1 through 14)	

**OPTION 2: HARBOR STREETS AND PARKS
 ADDITIONAL IMPROVEMENTS TO BASE ITEMS**

15. Bayside Boardwalk	1,760,000
16. Landscape Public Park (soft surface)	0
17. Harbor Walk Reconstruction & Extension	7,260,000
18. Bayside Boardwalk and Plaza (2 locations)	2,574,000
19. Stahlman Street Extention	430,000
20. New Secondary Streets Stahlman Ave. Area	331,500
21. Misc. Secondary Street Improvements	771,900

TOTAL OF ADDITIONAL IMPROVEMENTS TO BASE ITEMS:	\$13,127,400
GRAND TOTAL ESTIMATE:	
(Items 1 through 21)	\$60,043,930

Destin Harbor Area Master Plan
Sasaki Associates Inc. SA # 81413.00

Preliminary Statement of Probable Cost (Order-of-Magnitude Budget)

Item	Number of Units	Units	Unit Cost	Item Total	Comments & Assumptions
OPTION 1 : HARBOR STREETS AND BLUFF WALK BASELINE - ESTIMATE OF IMPROVEMENTS					
1. U.S. Route 98 Reconfiguration					
removal of landscaped median	4800	LF	25	120,000	demolition
remove asph pavement	4800	LF	25	120,000	assume 12 ft wide removal
Road Paving, Curbing	4800	LF	125	600,000	12 ft new, 24 ft re-surf, new curb ea side
addition of parking lanes	2500	LF	40	100,000	10 ft park lanes
New Pedestrian / Bike Walkways	4800	LF	60	288,000	8 ft walk/bike each side w/ grass edge
New Lighting	4800	LF	100	480,000	2 fix at 100 ft intervals
landscaping	4800	LF	35	168,000	4 ea Street Trees @ 200ft
Utilities Allowance	4800	LF	100	480,000	
	Sub Total :			2,356,000	
2. Stahlman Ave Widening					
Road paving, curbing	700	LF	160	112,000	24 ft Asph. Pvmnt., Curbing, 24 ft Re-surface
New Lighting	700	LF	100	70,000	2 fix at 100 ft intervals (ea. side)
Walkways & Crosswalks	700	LF	50	35,000	Cement Conc. 6 ft wide, ea side
Utilities Allowance	700	LF	100	70,000	
2 new intersections	2	EA	200,000	400,000	U.S. Rt 98 and Mountain Drive
Landscape Plantings	700	LF	50	35,000	
	Sub Total :			722,000	
3. Mountain Drive Widening 2 lanes to 3 lanes					
Road paving and curbing	4200	LF	130	546,000	12 ft new pvmt, 24 ft re-Surf, curbs,
New Lighting	4200	LF	100	420,000	2 fix at 100 ft intervals
Walkways & Crosswalks	4200	LF	50	210,000	Cement Conc. 8ft one side, 6ft other
Utilities Allowance	4200	LF	100	420,000	
Intersection Improvements	3	EA	200,000	600,000	Crosswalks, HC Ramps, Signal, Signage
Landscaping	4200	LF	40	168,000	Trees, 4 at 100 ft grass edge
	Sub Total :			2,364,000	
4. Benning Drive Widening 2 lanes to 3 lanes					
Road paving and curbing	660	LF	130	85,800	Asph. Pvmnt., Curbing, Re-surface
New Lighting	660	LF	75	49,500	1 fix at 75 ft interval
Walkways & Crosswalks	600	LF	50	30,000	Cement Conc. 8ft one side, 6ft other
Utilities Allowance	600	LF	100	60,000	
Intersection Improvements	2	EA	200,000	400,000	Crosswalks, HC Ramps, Signal, Signage
Landscaping	660	LF	50	33,000	Trees, 4 at 75 ft w/ grass edge
	Sub Total :			658,300	
5. Beach Ridge Drive Improvements					
Section A - Widen 2 lanes to 4 lanes w/ median					
Road paving and curbing	1700	LF	200	340,000	24ft new pvmt, 24 ft re-surf, 4 curb, med.
New Lighting	1700	LF	125	212,500	2 fix @ 100 ft intervals
Walkways and Crosswalks	1700	LF	50	85,000	Cement Conc. 8ft one side, 6ft other
Utilities Allowance	1700	LF	100	170,000	
Intersection Improvements	3	EA	150,000	450,000	
Landscaping	1700	LF	60	102,000	
			Section Total:	1,359,500	
Section B - 4 new lanes w/ Median					
Road paving and curbing	600	LF	300	180,000	48 ft new pvmt, 4x curb
New Lighting	600	LF	125	75,000	2 fix @ 100 ft intervals
Walkways and Crosswalks	600	LF	50	30,000	Cement Conc. 8ft one side, 6ft other
Utilities Allowance	600	LF	100	60,000	
Intersection Improvements	2	EA	250,000	500,000	
Landscaping	600	LF	60	36,000	
			Section Total:	881,000	

	Item	Number	Units	Unit Cost	Item	Comments & Assumptions
Section C - Azalea Drive Widening to 4 lanes w/ Median						
	Road paving and curbing	3700	LF	200	740,000	24ft new pvmt, 24 ft re-surf, 4 curb, med.
	New Lighting	3700	LF	125	462,500	1 fix at 100 ft intervals
	Walkways and Crosswalks	3700	LF	50	185,000	Cement Conc. 8ft one side, 6ft other
	Utilities Allowance	3700	LF	100	370,000	
	Intersection Improvements	2	EA	150,000	300,000	
	Landscaping	3700	LF	60	222,000	
				Section Total:	2,279,500	
Section D - 4 lanes without Median						
	Road paving and curbing	1500	LF	200	300,000	48 ft new pvmt w/ curbs
	New Lighting	1500	LF	75	112,500	1 fix at 100 ft intervals
	Walkways and Crosswalks	1500	LF	50	75,000	Cement Conc. 8ft one side, 6ft other
	Utilities Allowance	1500	EA	100	150,000	
	Intersection Improvements	2	EA	200,000	400,000	
	Landscaping	1500		40	60,000	
				Section Total:	1,097,500	
	Sub Total :				5,617,500	
6. New Secondary Streets						
Streets A (btw. Harbor and US 98)						
	Road paving and curbing	2760	LF	140	386,400	22 ft wide with limited parking lane
	New Lighting	2760	LF	60	165,600	1 fix at 100 ft intervals
	Walkways and Crosswalks	2760	LF	48	132,480	6ft walk each side , Cem Conc
	Utilities Allowance	2760	LF	75	207,000	
	Intersection Improvements	5	EA	75,000	375,000	
	Landscaping	2760	LF	40	110,400	2 Trees at 50 Ft , w/ grass edge
				Street Total:	1,376,880	
Streets B (btw. US 98 and Mountain)						
	Road paving and curbing	2720	LF	140	380,800	Typical Street Type A
	New Lighting	2720	LF	60	163,200	
	Walkways and Crosswalks	2720	LF	48	130,560	
	Utilities Allowance	2720	LF	75	204,000	
	Intersection Improvements	8	EA	75,000	600,000	
	Landscaping	2720	LF	40	108,800	
				Street Total:	1,587,360	
Streets C (Bayside)						
	Road paving and curbing	4330	LF	140	606,200	Typical Street Type A
	New Lighting	4330	LF	60	259,800	
	Walkways and Crosswalks	4330	LF	48	207,840	
	Utilities Allowance	4330	LF	75	324,750	
	Intersection Improvements	3	EA	75,000	225,000	
	Landscaping	4330		40	173,200	
				Street Total:	1,796,790	
	Sub Total :				4,761,030	
7. Public Plazas (hard surface)						
Areas 1 & 2 (Bayside)						
	Paving, Lighting & Edging	36,800	SF	20	736,000	Unit Pavers, Ped Lighting
	Utilities Allowance	36,800	SF	5	184,000	Drainage, Water, Elect,
	Landscape & Site Furnishings	36,800	SF	8	294,400	
				Area Total:	1,214,400	
Area 3 (at Community Center)						
	Paving, Lighting, Landscape	21,500	SF	20	430,000	
	Utilities Allowance	21,500	SF	5	107,500	
	Site Furnishings Allowance	21,500	SF	8	172,000	
				Area Total:	709,500	
Area 4 (at US 98 and Stahlman)						
	Paving, Lighting, Landscape	50,600	SF	20	1,012,000	
	Utilities Allowance	50,600	SF	5	253,000	
	Site Furnishings Allowance	50,600	SF	8	404,800	
				Area Total:	1,669,800	
Area 5 & 6 (at Harbor Boardwalk)						
	Paving, Lighting, Landscape	17,600	SF	20	352,000	
	Utilities Allowance	17,600	SF	5	88,000	
	Site Furnishings Allowance	17,600	SF	8	140,800	
				Area Total:	580,800	
Area 7 (at churches on US 98)						
	Paving, Lighting, Landscape	30,400	SF	20	608,000	
	Utilities Allowance	30,400	SF	5	152,000	
	Site Furnishings Allowance	30,400	SF	8	243,200	
				Area Total:	1,003,200	
	Sub Total :				5,177,700	

	Item	Number	Units	Unit Cost	Item	Comments & Assumptions
8. Landscaped Public Park (soft surface)						
	Topsoil and Sod Planting	250,000	SF	\$1.00	250,000	General Grading, 8" Topsoil & Sod
	Tree Planting Allowance	250,000	SF	\$0.75	187,500	2 Trees Per 1000 SF
	Walkways	250,000	SF	\$0.10	25,000	
	Site Furnishings	250,000	SF	\$0.15	37,500	
	Lighting	250,000	SF	\$0.20	50,000	
	Utilities Allowance	250,000	SF	\$0.50	125,000	Water, Drinking Fountains
	Sub Total :				675,000	
9. Bike paths						
	Asphalt Paving - 8 ft wide	12,500	LF	30	375,000	
	Lighting Allowance	1	LS	250,000	250,000	
	Landscaping Allowance	1	LS	300,000	250,000	
	Signage Allowance	1	LS	100,000	100,000	
	Sub Total :				975,000	
10. Bluff Ridge Pedestrian Walk						
	Asphalt Paving - 8 ft wide	5000	LF	30	150,000	land in road ROW
	Lighting Allowance	1	LS	200,000	200,000	
	Signage Allowance	1	LS	50,000	50,000	
	Landscaping	1	LS	200,000	200,000	
	Sub Total :				600,000	
11. Board walk extension east to Harbor Docks Restaurant						
	Board walk structure	900	LF	500	450,000	
	Misc Allowance	1	LS	200,000	200,000	
	Sub Total :				650,000	
12. Community Pier						
	Structure	450	LF	1,800	810,000	
	Misc Allowance	1	LS	200,000	200,000	
	Sub Total :				1,010,000	
13. Visitor Center						
	Building	1	LS	250,000	250,000	
	Site Improvements	1	LS	100,000	100,000	
	Sub Total :				350,000	
14. Public Parking Garages						
	Existing surface spaces between East Pass Bridge/Stahlman, Mountain Dr., Melvin, Harbor = 2,790					
	Assume 2000 Structured Spaces plus street retail)	2000	EA	10,000	20,000,000	
	Associated Site Improvements	2000	EA	500	1,000,000	
	Sub Total :				21,000,000	
	TOTAL BASELINE ESTIMATE: (Items 1 through 14)				\$46,916,530	
OPTION 2: HARBOR STREETS AND PARKS ADDITIONAL IMPROVEMENTS TO BASELINE						
15. Bayside Boardwalk (basic)						
		2200	LF	800	1,760,000	
	Sub Total :				1,760,000	
16. Landscape Public Park (soft surface) 320,000 SF						
	Topsoil and Sod Planting	0	SF	1.00	0	
	Tree Planting Allowance	0	SF	0.75	0	
	Walkways	0	SF	0.10	0	
	Site Furnishings	0	SF	0.15	0	
	Lighting	0	SF	0.20	0	
	Utilities Allowance	0	SF	0.50	0	
	Sub Total :				0	
17. Complete Harbor Walk Reconstruction & Extension						
	Paving, Lighting & Edging	220,000	SF	20	4,400,000	
	Utilities Allowance	220,000	SF	5	1,100,000	
	Landscape & Site Furnishings	220,000	SF	8	1,760,000	
	Sub Total :				7,260,000	

	Item	Number	Units	Unit Cost	Item	Comments & Assumptions
18. Bayside Boardwalk (comprehensive upgrade)						
	Paving, Lighting & Edging	78,000	SF	20	1,560,000	
	Utilities Allowance	78,000	SF	5	390,000	
	Landscape & Site Furnishings	78,000	SF	8	624,000	
	Sub Total :				2,574,000	
19. Stahlman Street Extension to Harbor						
	Road paving, curbing	500	LF	160	80,000	
	New Lighting	500	LF	100	50,000	
	Walkways & Crosswalks	500	LF	50	25,000	
	Utilities Allowance	500	LF	100	50,000	
	2 new intersections	1	EA	200,000	200,000	
	Landscape Plantings	500	LF	50	25,000	
	Sub Total :				430,000	
20. New Secondary Streets (btw. Harbor and US 98)						
	Road paving and curbing	500	LF	140	70,000	
	New Lighting	500	LF	60	30,000	
	Walkways and Crosswalks	500	LF	48	24,000	
	Utilities Allowance	500	LF	75	37,500	
	Intersection Improvements	2	EA	75,000	150,000	
	Landscaping	500	LF	40	20,000	
	Sub Total :				331,500	
21. Additional Secondary Street Improvements (btw. US 98 and Mountain)						
	Road paving and curbing	1300	LF	140	182,000	
	New Lighting	1300	LF	60	78,000	
	Walkways and Crosswalks	1300	LF	48	62,400	
	Utilities Allowance	1300	LF	75	97,500	
	Intersection Improvements	4	EA	75,000	300,000	
	Landscaping	1300	LF	40	52,000	
	Sub Total :				771,900	
	TOTAL OF ADDITIONAL IMPROVEMENTS TO BASE ITEMS:				\$13,127,400	
	TOTAL ESTIMATE: (Items 1 through 21)				\$60,043,930	

CITY OF DESTIN – COMMUNITY DEVELOPMENT



AGENDA ITEM

MEETING DATE: May 12, 2021

BOARD/COMMITTEE: Harbor Community Redevelopment Agency Advisory Committee

TYPE OF AGENDA ITEM: Presentation

OUTLINE NUMBER: 4.C.

TO: Harbor Community Redevelopment Agency Advisory Committee

THRU: Louis Zunguze, Community Development Director
Kyle Bauman, City Attorney
Lauren Witt, Principal Planner

FROM: Daniel Butler, City Planner

DATE: May 7, 2021

SUBJECT: Development Projects and City Projects Update

I. BACKGROUND: This report includes updates on the development projects in the Harbor Community Redevelopment area and active City Projects. Provided is the list of projects which are approved and under review process.

II. DISCUSSION:

Below are the development and City projects within the Harbor CRA.

1. Development Projects: Under Review

- Wet and Wild- 119 Calhoun Ave

- *This is a major development within the Harbor CRA area. This project is proposed in Calhoun Mixed Use Zoning District (CMU). This project is proposed to be a redesigned parcel to support commercial uses. The development of the site includes multi modal district and design initiatives and seeks to protect the vegetation. This major development order application is under review.*

- Heron Harbor- 314 Harbor Boulevard
 - *Proposed project is a simple deviation to a previously approved development. This project is procured to operate as a restaurant. Requesting approval on conversation of commercial marina slips to private marina slips. This project intends revise marina slip leases to conform for the operation of the existing restaurant space.*

- Pelican Adventures- 546,580 and 600 Harbor Boulevard
 - *This project is a major deviation development in South Harbor Mixed Use (SHMU) Zoning District. This project type proposes commercial use on the parcel and proposes to provide a parking for Pelican Adventures, Inc servicing resort features for watersport recreation. This project is still under review.*

2. City Projects:

- Crosstown Connector (Beach to Benning)- under design
 - *This is the final segment of the overall crosstown connector to provide a secondary East-West corridor through the city of Destin and provide pedestrian pathway connectivity between the east and west sides of the City.*

- Zerbe/Calhoun Pedestrian Project Phase I, Zerbe/Sibert to Clement Taylor Park- under construction
 - *This project provides a pedestrian multi-use pathway connecting Clement Taylor Park and Captain Leonard Destin Park with the Community Center and the Sibert Ave Parking Lot as well as other city facilities.*

- Zerbe/Calhoun Pedestrian Project Phase II (boardwalk under the bridge)- under design
 - *A.K.A., Boardwalk Under the Bridge, this project will provide pedestrian crossing of US Highway 98 under Marler bridge for safe*

pedestrian access between the Harbor Boardwalk and City parking.

- Capt. Royal Melvin Heritage Park, 206 Harbor Blvd- under construction
 - *This project will be the city's pedestrian gateway to the Harbor Boardwalk that will include public restrooms, local informational signage, and the facilities for an entertainment venue.*

- Clement Taylor Park Improvements, 131 Calhoun Ave- under design
 - *This project will include new restrooms, parking lot improvements and enhanced pedestrian access improvements.*

- Sibert Ave Parking Lot Improvements, 108 Sibert Ave- under design
 - *Parking Lot Improvements on the parcel. Approximately 35 parking spaces added to the parking lot.*

- Hwy 98 at Stahlman Ave Signalization Project
 - *This project will focus on safety of the intersection for both vehicles and pedestrians alike.*

- Hwy 98 Landscaping Project – Airport Rd to Marler Bridge
 - *This project will provide some landscaping within the US Highway 98 corridor to help make the area aesthetically pleasing.*

- Hwy 98 Project Development and Environmental (PD&E) Study Hwy 98 – Airport Rd to Marler Bridge.
 - *The PD&E Study will look at FDOT's role in congestion mitigation of US Highway 98 between Airport Road and the Marler Bridge.*

- Stormwater Master Plan Update
 - *Although this is for the entire city will have impacts for stormwater mitigation within the Harbor CRA district this plan is underdevelopment currently and should be brought forward to the Committee in June.*

- FEMA Restoration Projects
 - a. Leonard Destin Park
 - *The construction is at the final punch list phase, outstanding items are being addressed for a possible ribbon cutting ceremony and park opening in April.*

- Calhoun Avenue Speed Limit and Speed Hump near Leonard Destin Park
 - *The new park and pedestrian improvements in the area traffic calming will be necessary for pedestrian safety. The area of impact will be between Harbor Blvd to Forest St.*

- Sibert Avenue and Forest Street Safety Improvements
 - *This intersection stands out as a candidate for traffic calming and intersection vehicle and pedestrian safety improvements, design concepts are ongoing.*

As the Development projects and City Projects are under review, Staff will continue to provide updates to the Harbor CRA at their monthly meetings.

- A. **Link to Strategic Goals / Objectives:**
- B. **Effect on Budget (EOB):**
- C. **Level of Service (LOS):**

III. CONCLUSION: This is an informational item.

IV. RECOMMENDED MOTION:

Attachments:

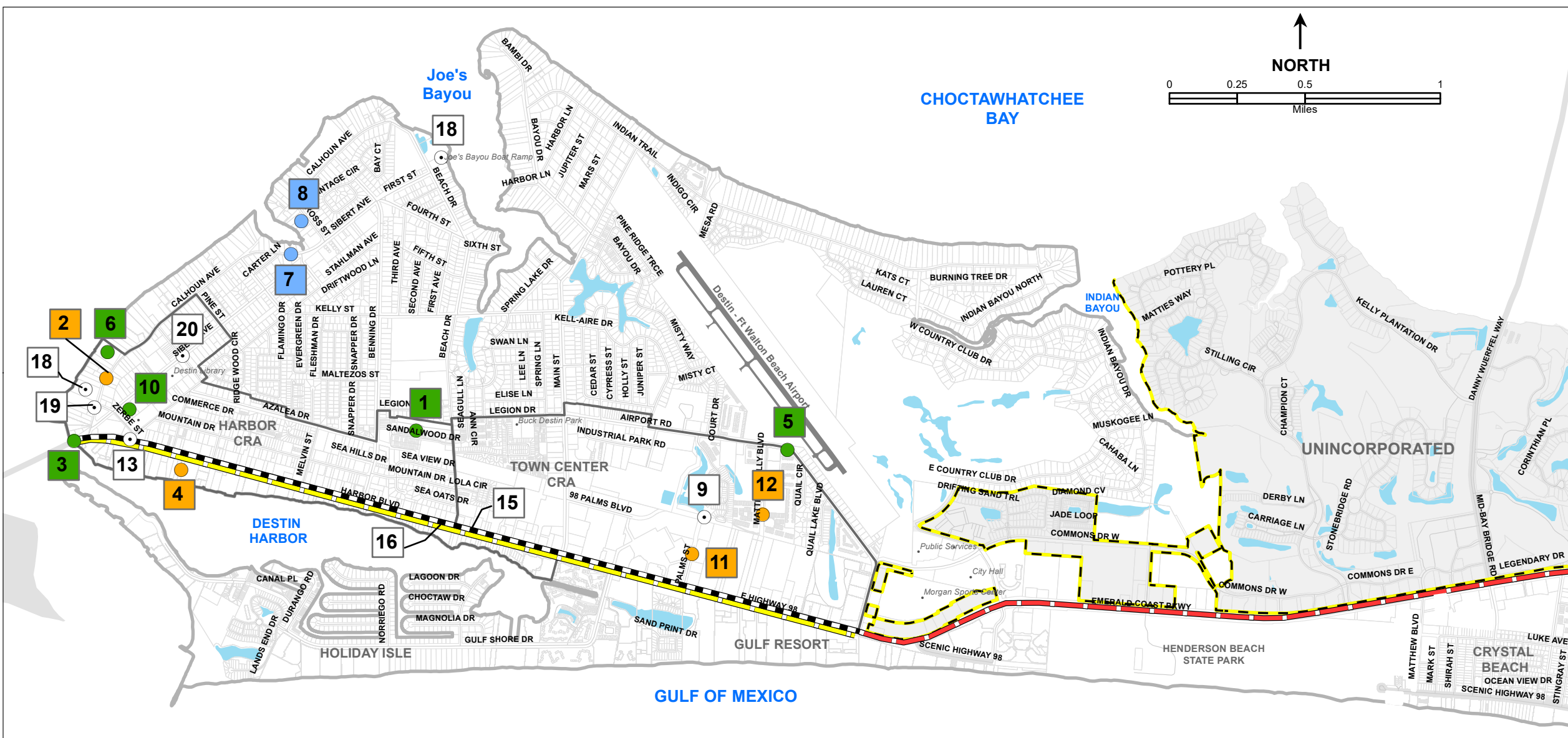
1. City Wide Projects May 2021
2. May Approved Projects
3. May Development Projects Under Review



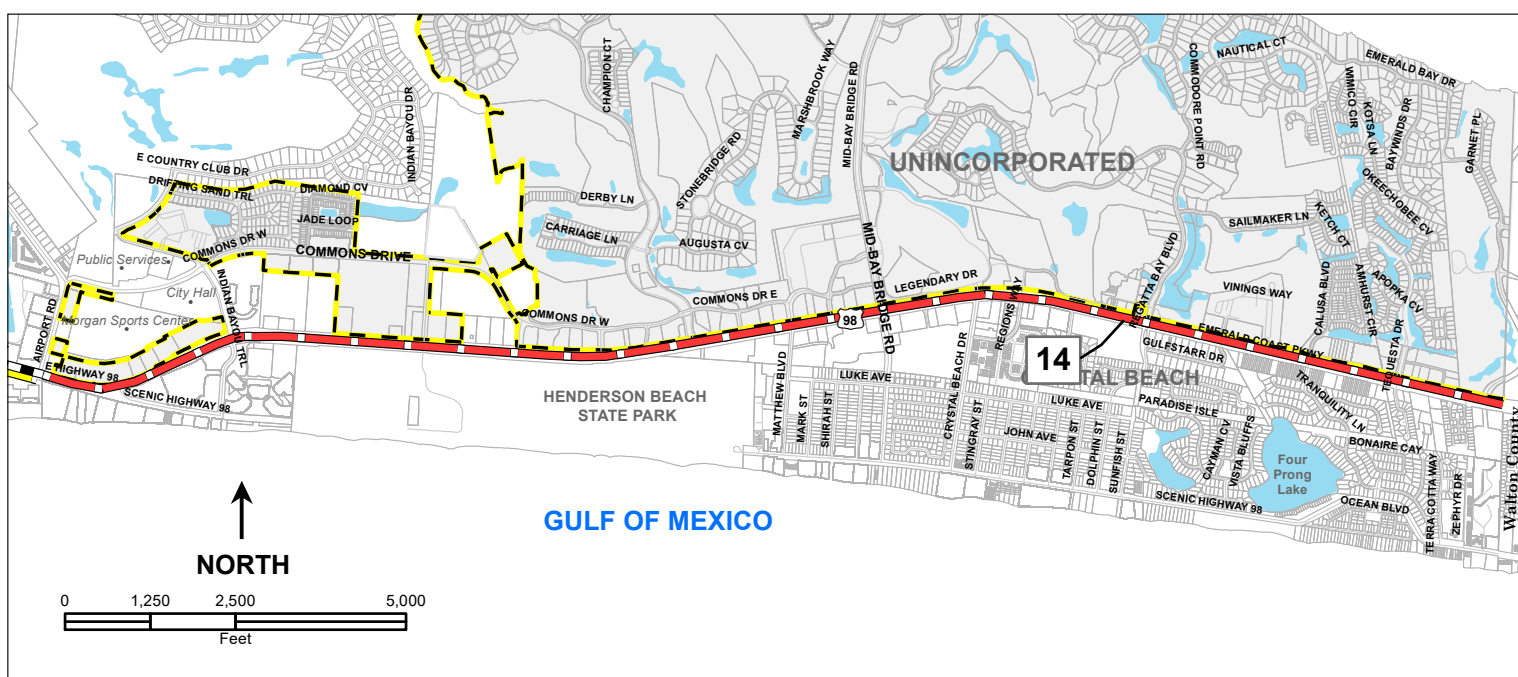
City Wide Projects May 2021

LEGEND

- Under Construction
- Under Design
- Other Projects
- Completed Projects
- Landscaping Project
Airport Rd. to Walton Co.
- Landscaping Project
Airport Rd. to Marler Bridge
- (PD&E) Study Hwy. 98
Airport Rd. to Marler Bridge
- City Limit Line

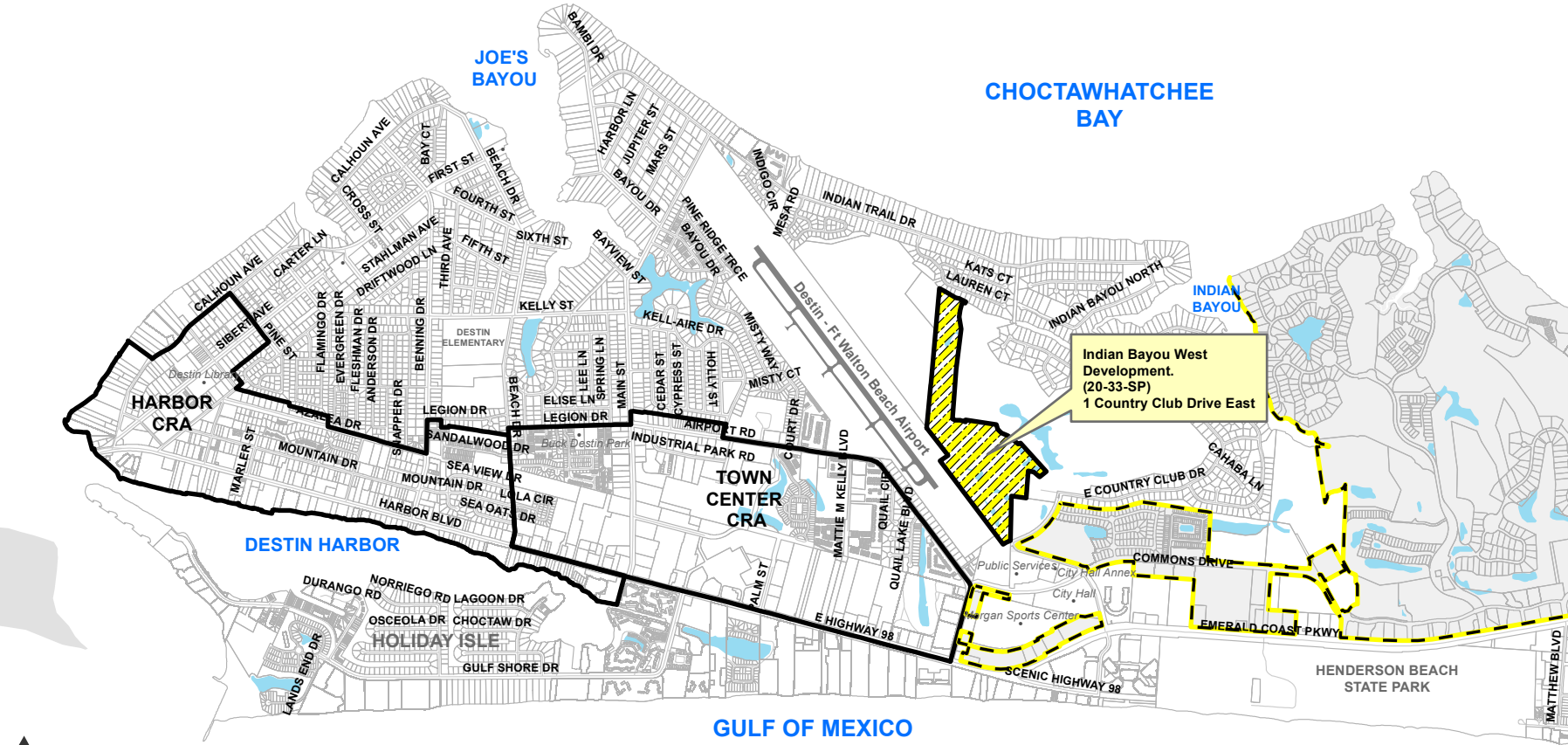


West Destin
East Destin

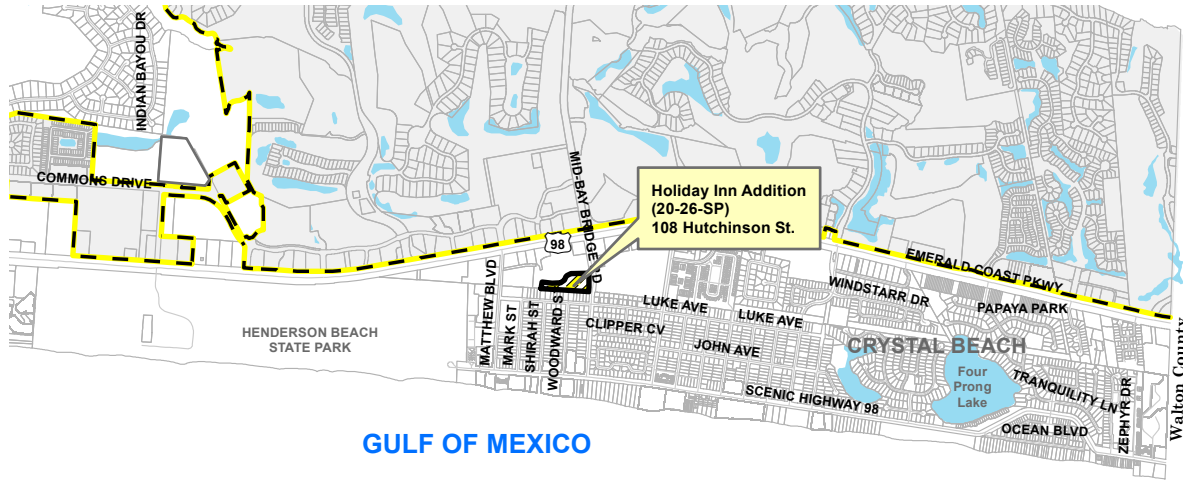


1. Crosstown Connector (Beach to Benning).
 2. Zerbe/Calhoun Pedestrian Project Phase I, Zerbe/Sibert to Clement Taylor Park.
 3. Zerbe/Calhoun Pedestrian Project Phase II (boardwalk under the bridge)
 4. Capt. Royal Melvin Heritage Park, 206 Harbor Blvd.
 5. Airport Road Curve Improvements, near 1000 Airport Rd.
 6. Clement Taylor Park Improvements, 131 Calhoun Ave.
 - * 7. Drainage Project – 454 Calhoun Ave.
 - * 8. Drainage Project – 823 Cross St.
 9. Pedestrian Pathway – Linear Park, Jewel Melvin Park to Mattie M Kelly Blvd (Gulf Power Easement), Concept
 10. Sibert Ave Parking Lot Improvements, 108 Sibert Ave.
 11. Palm St Extension, Vintage Destin – D.O. 19-08.
 12. Mattie M Kelly Blvd South Extension, The Charles – D.O. 20-02.
 13. Hwy 98 at Stahlman Ave Signalization Project
 14. Hwy 98 Landscaping Project – Airport Rd. to Walton County Line
 15. Hwy 98 Landscaping Project – Airport Rd to Marler Bridge
 16. Hwy 98 Project Development and Environmental (PD&E) Study Hwy 98 – Airport Rd to Marler Bridge
 17. Stormwater Master Plan
 18. FEMA Restoration Projects
 - Joe's Bayou
 - Leonard Destin Park
 19. Calhoun Avenue Speed Limit and Speed Hump near Leonard Destin Park
 20. Sibert Avenue and Forest Street Safety Improvements
- * Completed Projects

May 2021 - Approved Projects

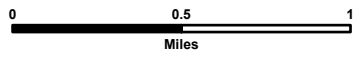


▲ West Destin
▼ East Destin



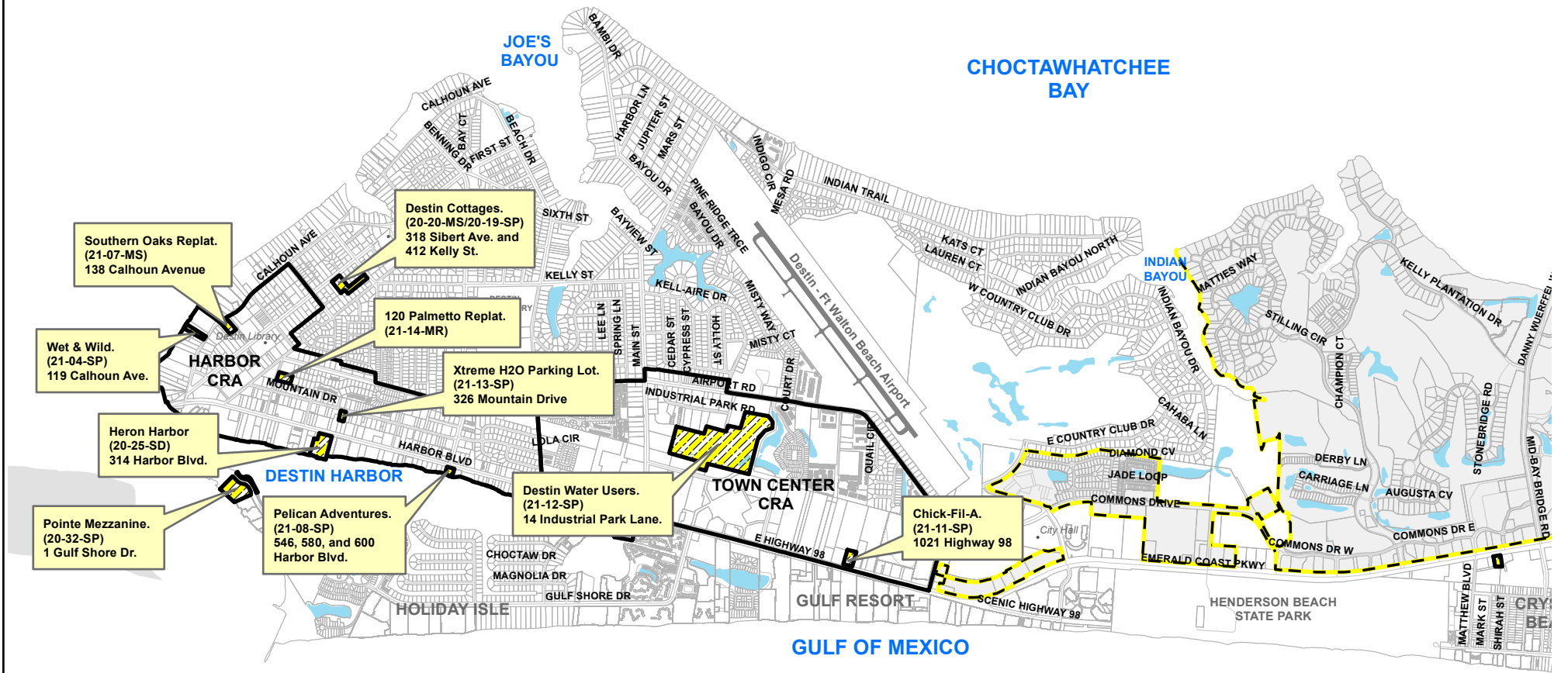
▲ NORTH

Scale 1" = 3000'

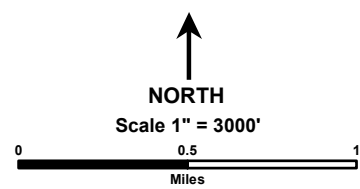
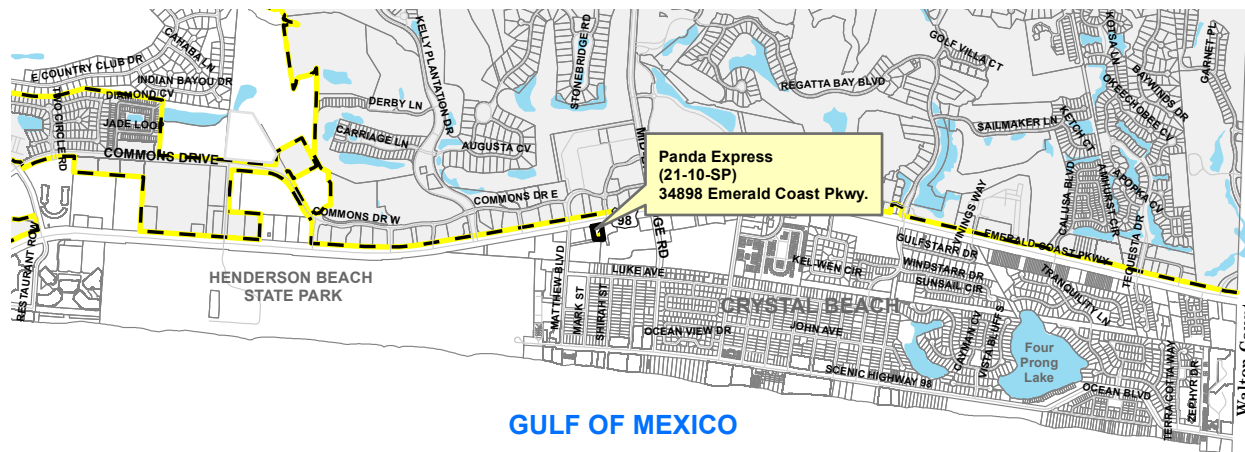


- City Limit Line
- Approved Projects

May 2021 – Development Projects Under Review



▲ West Destin
▼ East Destin



- City Limit Line
- Development Projects Under Review

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: May 12, 2021
TYPE OF AGENDA ITEM: City Manager Report
AGENDA OUTLINE NUMBER: 4.D.

TO: City Council

THRU: Jeffrey Cozadd, Grants Manager
Webb Warren, Deputy City Manager
Kyle Bauman, City Attorney
Lance Johnson, City Manager

FROM: Krystal Strickland, Finance Director

DATE: April 14, 2021

SUBJECT: Capital Project Status

I. BACKGROUND: Informational Item Only

II. DISCUSSION: Please find attached a summary of the current capital improvement projects, showing status and Year-to-Date expenditures and encumbrances.

A. Link to Strategic Goals / Objectives: Financially sound City providing Service Excellence

B. Effect on Budget (EOB):

C. Level of Service (LOS):

III. CONCLUSION:

IV. RECOMMENDED MOTION: Not applicable. Informational only.

Attachments:

1. April 2021 Capital Projects

CITY OF DESTIN CAPITAL IMPROVEMENT PLAN - Monthly Status Report

Council Objective #		October 1, 2020 - April 30, 2021		FY2021 Budget*	YTD Actuals	YTD Encumbrances	FY2021 Available Budget	Status	Notes
		Renewal & Replacement - Facilities							
1		RR051	General Government	\$ 67,838	\$ 27,917	\$ 9,799	\$ 30,122	50% Complete	
2		RR052	Public Safety	392,500	126,699	2,473	263,328	30% Complete	Annex remodeling underway. Annex Parking Lot Resurfacing Task Order has been forwarded to the vendor.
3		RR053	Physical Environment (Stormwater, Cemetery)	300,000	10,000	-	290,000	Started	Harbor Pump renewal procurement underway. Parts ordered.
4		RR057	Parks and Recreation	1,003,800	73,320	36,724	893,756	7% Complete	Multiple under \$15k renewal/replacements started
5		RRVEH	Vehicles	272,500	30,718	233,064	8,718	88% Complete	8 vehicles have been approved by Council. POs have been forwarded to the vendor.
		Renewal & Replacement - Infrastructure		-	-	-	-		
6	15,17,19	RR054	Roads, Sidewalks, Street Lighting (Mostly Gas Tax #1)	523,513	108,648	415,704	(839)	Complete	
7		PW612	FY2020 Road Milling & Striping Program	299,012	258,226	40,874	(88)	Complete	
		Growth Necessitated & Comp Plan		-	-	-	-		
8		LB002	Library Impact Fee Projects	47,000	-	-	47,000	Started	POs in process for lighting and HVAC improvements.
9		NORG1	Norreigo Point Road	250,000	-	-	250,000		Project Number changed from PW612 to NORG1 to avoid overlap with incomplete prior year project
10		RC004	Park Impact Fee Projects	35,000	-	-	35,000	Started	
11		SW53	Stormwater Master Plan	6,148	-	6,148	-	90% Complete	Jenkins is revising as per staff recommendations. Next update to Council in June.
12		SW54	Stormwater Improvements (FDEP funded)	50,000	-	-	50,000		
13	8	TR618	Zerbe-Calhoun Pedestrian Pathway	828,420	-	638,677	189,743	50% Complete	Preconstruction meeting 02/11/2021, construction to start 02/15/2021.
14	9	TR619	Sibert-Zerbe Parking Lot Consolidation	-	-	-	-		
15		TR620	ADA Transition - Pedestrian Facilities	100,000	-	-	100,000	Started	Scope of work and fee proposal by engineering firm being routed for initial review.
16		<i>TRSAF</i>	<i>Zerbe/Calhoun Safety</i>	<i>2,500</i>	-	-	<i>2,500</i>		<i>Speed bump to be installed mid-May</i>
17		<i>TRSAF</i>	<i>Sibert/Forrest safety</i>	<i>2,826</i>	2,826	-	-		<i>Initial discussion at March 2021 council meeting. LED stop signs installed.</i>
18		<i>TRSAF</i>	<i>Pine Street Safety</i>	-	-	-	-		<i>Brought discussion and initial recommendations to Council in April 2021.</i>
19			<i>Vintage Sidewalk</i>	-	-	-	-		<i>\$290k restricted</i>
		Citizen/Council Directed Projects		-	-	-	-		
20	1	CM001	Beach Acquisition	10,600,000	6,727,731	137,977	3,734,292	66% Complete	Purchase 2 of 3 completed 11/16/2020. Next purchase in first half of 2021. Task Order #1 has been prepared (demolition of two structures plus asbestos testing for one structure).
21	7	EN615	Cross-Town Connector	1,475,000	146,827	240,215	1,087,957	In Progress	Re-design down to 2-lane in progress. The 30% plans were approved by Council in February 2021. TRIP (FDOT) ROW grant award to March 2021 council meeting. Okaloosa County Construction grant/interlocal agreement under review.

CITY OF DESTIN CAPITAL IMPROVEMENT PLAN - Monthly Status Report

Council Objective #			October 1, 2020 - April 30, 2021	FY2021 Budget*	YTD Actuals	YTD Encumbrances	FY2021 Available Budget	Status	Notes
22	2	UNDER	Undergrounding	250,000	-	212,624	37,376	In Progress	Project Engineer contract will be presented to Council in March. City is negotiating franchise rates.
23			<i>Harbor Lane Easement Improvements</i>	-	-	-	-		<i>Easement improvements and lighting upgrades mid-2020 council requested \$25k (\$12-13k spent in 2020 on picnic tables, landscaping, stairwell, bike rack, dog station)</i>
Other Capital Projects				-	-	-	-		
24		CRH63	Captain Royal Melvin Heritage Park and Plaza (RESTORE)	1,334,913	120,986	1,213,601	326	In Progress	NTP issued 01/04/2021. Construction is underway.
25		CRH64	Harbor CRA Wayfinding Plan Signage	30,000	-	-	30,000		Initial cost estimates are above budget.
26		CRH65	Harbor and Bay Capacity Improvements	325,000	-	-	325,000		Harbor District Capacity study to begin Spring 2021
27		CRT17	Town Center CRA Easement Trail/Park Main to Mattie Kelly	10,000	-	-	10,000		Initial engineering estimates for phases of trail complete: Ph1 \$750k+Ph2 \$960k+Ph3 \$1.46m+ Ph \$4 1.8m=\$4.97m. Grant funding search underway.
28	<i>01/21/20 Council Mtg Priority</i>	<i>EN617</i>	<i>Stahlman Ave Intersection Pedestrian Safety</i>	<i>22,044</i>	23,694	-	<i>(1,650)</i>		
29	<i>11/2/20 Council Mtg TOP PRIORITY</i>	<i>EN626</i>	<i>Main St/Kelly St Crosswalk Safety</i>	<i>19,080</i>	20,271	-	<i>(1,191)</i>	<i>Complete</i>	
30		FM637	Clement Taylor Park Seawall (FEMA)	-	-	-	-	Complete	Working with FEMA to change classification for final reimbursement
31		IT001	COMPASS/Energov	111,878	74,893	5,043	31,943	Delayed	Revised "go-live" set for May/June 2021
32		IT002	CD Tech Fund Hardware/Software Replacements	-	-	-	-		Hardware will be purchased on an as needed basis
33		IT003	Other Hardware/Software Replacements	-	-	-	-		
34		LB001	Library Tablet Station, RFID and Mobil Ap	76,200	17,369	43,808	15,022	30% Complete	Tablets ordered. RFID Tagging began early Feb 2021.
35		RC124	Morgan's Children's Park Playground Structure	-	-	-	-		
36		RC125	Buck Destin Restrooms	95,000	-	-	95,000		Initial cost estimates are above budget
37		RC127	Pickleball Court	1,500	-	-	1,500	moved to future year	Researching public-private partnership options. Engineering estimate on existing land \$110k. Reclassed FY2021 funding to upgrade Dalton Threadgill Batting Cages (expand foundation; add lighting).
38		RC216	Clement Taylor Park Renovations	729,918	5,456	-	724,462		Waiting on sub-recipient agreement
39		RC617	Batting Cages for Dalton Threadgill Park	59,564	56,975	2,589	0	Complete	Foundation and cage installed. Surrounding pad expanded and lighting requisitioned (transfer in from RC127 Pickleball).
40		<i>SALLY</i>	<i>Hurricane Sally Damage Repairs</i>	-	50,688	20,138	<i>(70,825)</i>	<i>In Progress</i>	<i>Continuing to meet with FEMA twice/month to complete grant award paperwork. Cat A Debris Removal and Cat B Emergency & Protective awards nearly complete. Cat G Parks in process.</i>
41		SW51L	NFWF Stormwater Projects	383,479	340,950	43,769	(1,240)	60% Complete	Construction of projects started in Dec. Cross St project is complete. Calhoun Ave project underway.

CITY OF DESTIN CAPITAL IMPROVEMENT PLAN - Monthly Status Report

Council Objective #	October 1, 2020 - April 30, 2021	FY2021 Budget*	YTD Actuals	YTD Encumbrances	FY2021 Available Budget	Status	Notes
Total Funded Projects		\$ 19,704,632	\$ 8,224,194	\$ 3,303,227	\$ 8,177,212		

*FY2021 Budget is Adopted Budget Plus Prior Year Encumbrances rolled forward

COUNCIL OBJECTIVES		5-Year Capital Budget	FY2021 Capital	Status
		Amount	Budget	
1	Public beach Initiative	\$ 22,000,000	\$ 10,600,000	FY21 2/3 completed
2	Underground utilities	1,280,000	-	project mgmt in contract negotiations
3	Short term rentals compliance with regulations	-	-	not Capital - complete
4	Recruit project and grants manager	-	-	not Capital - complete
5	Request TDC funds for additional OCSO services	-	-	not Capital - complete
6	Research viability of multi-use convention/sports/community center	-	-	In progress
7	Complete two-lane Crosstown Connector	1,475,000	1,475,000	in progress
8	Calhoun Ave Multi-Use Trail Phase II Design and Construction	852,000	828,420	contract in negotiations
9	Improve parking	75,000	-	scheduled to start FY2022
10	Beach re-nourishment	-	-	In Progress - County is lead and partner
11	Improve communications	-	-	Not Capital - in progress
12	Implement enhanced signage control	-	-	Community Dev Researching
13	Develop/implement wayfinding program	50,000	30,000	Community Dev and TDC Researching
14	Update golf cart/low speed vehicle rules	-	-	Not Capital - in progress
16	Improve city gateways	-	-	Community Dev and TDC Researching
15, 17, 19	Streetlights, sidewalks, road striping	2,851,802	822,525	in progress
18	Provide board and committee training	-	-	not Capital - continuous improvement
20	Reestablish environmental committee	-	-	Not Capital - in progress
21	Enforce residential boat and RV parking regulations	-	-	Not Capital - Complete
22	Regulate building height limits to 5 stories	-	-	Not Capital - Complete
TOTAL		<u>\$ 28,583,802</u>	<u>\$ 13,755,945</u>	

TOTAL CAPITAL BUDGET \$ 36,690,143 \$ 19,704,632
% FOR COUNCIL OBJECTIVES 78% 70%

CITY OF DESTIN ADOPTED 5-YEAR CAPITAL IMPROVEMENT PLAN

COUNCIL OBJECTIVE			FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
PRIORITY	Renewal & Replacement - Facilities							
	RR051	General Government	\$ 62,200	\$ 95,000	\$ 22,500	\$ 71,500	\$ 28,500	\$ 279,700
	RR052	Public Safety	392,500	41,687	134,187	47,187	49,687	665,249
	RR053	Physical Environment (Stormwater, Cemetery)	300,000	6,307	6,307	6,307	6,307	325,227
	RR057	Parks and Recreation	1,003,800	231,828	297,828	411,828	253,828	2,199,113
	RRVEH	Vehicles	272,500	-	-	-	-	272,500
	Renewal & Replacement - Infrastructure							
15, 17, 19	RR054	Roads, Sidewalks, Street Lighting (Gas Tax #1)	468,000	318,000	462,000	801,901	801,901	2,851,802
	Growth Necessitated & Comp Plan							
	SW54	Stormwater Improvements (FDEP funded)	50,000	50,000	-	-	-	100,000
	PW612	Norreigo Point Road	250,000	-	-	-	-	250,000
8	TR618	Zerbe-Calhoun Pedestrian Pathway	852,000	-	-	-	-	852,000
9	TR619	Sibert-Zerbe Parking Lot Consolidation	-	75,000	-	-	-	75,000
	TR620	ADA Transition - Pedestrian Facilities	100,000	-	-	-	-	100,000
	LB002	Library Impact Fee Projects	47,000	-	-	-	-	47,000
	RC004	Park Impact Fee Projects	35,000	-	-	-	-	35,000
	Citizen/Council Directed Projects							
1	CM001	Beach Acquisition	10,600,000	11,400,000	-	-	-	22,000,000
7	EN615	Cross-Town Connector	1,475,000	-	-	-	-	1,475,000
2	UNDER	Undergrounding	250,000	60,000	60,000	-	910,000	1,280,000
	Other Capital Projects							
	IT001	COMPASS/Energov	100,000	200,000	-	-	-	300,000
	IT002	CD Tech Fund Hardware/Software Replacements	-	150,000	150,000	-	-	300,000
	IT003	Other Hardware/Software Replacements	-	129,000	100,000	100,000	-	329,000
	LB001	Library Tablet Station & Biblioteca RFID and Mobil Ap	76,200	-	-	-	-	76,200
	CRH63	Captain Royal Melvin Hertiage Park and Plaza (RESTORE)	1,335,690	-	-	-	-	1,335,690
	CRH64	Harbor CRA Wayfinding Plan Signage	30,000	10,000	10,000	-	-	50,000
	CRT17	Town Center CRA Easement Trail/Park Main to Mattie Kelly	10,000	50,000	550,000	-	-	610,000
	RC124	Morgan's Children's Park Playground Structure	-	26,745	-	-	-	26,745
	RC125	Buck Destin Restrooms	95,000	-	-	-	-	95,000
	RC127	Pickleball Court	30,000	-	-	-	-	30,000
	RC216	Clement Taylor Park Renovations	729,918	-	-	-	-	729,918
	FM637	Clement Taylor Park Seawall (FEMA)	-	-	-	-	-	-
Total Funded Projects			\$ 18,564,808	\$ 12,843,567	\$ 1,792,822	\$ 1,438,723	\$ 2,050,223	\$ 36,690,143

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: May 12, 2021
TYPE OF AGENDA ITEM: City Manager Report
AGENDA OUTLINE NUMBER: 4.E.

TO: City Council

THRU: Webb Warren, Deputy City Manager
Kyle Bauman, City Attorney
Lance Johnson, City Manager

FROM: Krystal Strickland, Finance Director

DATE: April 14, 2021

SUBJECT: Operations Financial Report

I. BACKGROUND: This item is informational only.

II. DISCUSSION: Year-to-date budget versus actuals for the General Fund and the two CRAs shall be provided to Council within forty-five days of the month end. Governmental funds are accounted for on a modified accrual basis.

Details for all funds are on file with the Finance Department, and are available upon request.

- A. Link to Strategic Goals / Objectives:** Goal #1: Financially sound city providing service excellence
- B. Effect on Budget (EOB):**
- C. Level of Service (LOS):**

III. CONCLUSION:

IV. RECOMMENDED MOTION: None necessary -- the item is presented for information purposes only.

Attachments:

1. 2021 0331 YTD Budget Vs Actuals

CITY OF DESTIN - MONTHLY FINANCIAL REPORT

Actuals 10/01/2020 - 03/31/2021

01 GENERAL FUND	FY2021 BUDGET*	FY2021 YTD ACTUAL	FY2021 PROJECTION
01-31 Ad Valorem Taxes	8,099,316	7,864,927	7,864,927
01-31 Delinquent Ad Valorem Taxes	5,000	1,764	1,764
01-31 Sales and Use Taxes	2,761,031	1,667,574	2,923,381
01-32 Licenses and Permits	3,148,624	1,933,343	3,101,693
01-33 Intergovernmental	11,186,708	5,328,805	8,028,867
01-34 Charges for Services	499,843	221,492	312,392
01-35 Fines and Forfeitures	27,520	30,665	42,665
01-36 Miscellaneous Revenue	22,001	18,021	26,422
01-32 Impact Fees	44,000	-	-
TOTAL REVENUES	25,794,043	17,066,591	22,302,111
01-51 General Government	4,624,134	1,890,090	3,939,161
01-52 Public Safety	3,584,206	1,629,146	3,508,541
01-53 Physical Environment	55,369	10,274	56,139
01-54 Transportation	2,212,291	727,914	1,610,190
01-55 Economic Environment	25,000	6,604	13,208
01-56 Human Services	115,000	38,789	115,000
01-57 Culture and Recreation	3,182,245	1,213,982	2,510,209
01-59 Capital Outlay	37,400	19,976	31,753
01-59 Debt Service	544,913	523,962	551,274
TOTAL EXPENDITURES	14,380,559	6,060,736	12,335,474
Excess (deficiency) of revenues over expenditures	11,413,484	11,005,855	9,966,637
01-38 Transfers In	-	-	-
01-58 Transfers Out	(15,773,627)	(7,819,731)	(13,438,814)
Total other financing sources (uses)	(15,773,627)	(7,819,731)	(13,438,814)
Net change in fund balances	(4,360,143)	3,186,124	(3,472,177)
Fund Balance (deficit), Beginning	25,503,671	25,503,671	25,503,671
Fund Balance (deficit), Ending	21,143,528	28,689,795	22,031,494

* FY2020 BUDGET is the Adopted Budget plus prior year encumbrances rolled forward

CITY OF DESTIN - MONTHLY FINANCIAL REPORT

Actuals 10/01/2020 - 03/31/2021

	FY2021 BUDGET*	FY2021 YTD ACTUAL	FY2021 PROJECTION
102 TOWN CENTER CRA			
102-31 County TIF	688,589	681,523	681,523
102-31 City TIF	290,297	290,297	290,297
102-36 Miscellaneous Revenue	-	666	1,266
TOTAL REVENUES	978,886	972,485	973,085
102-55 Economic Environment	134,425	31,233	79,485
102-59 Capital Outlay	10,000	-	-
TOTAL EXPENDITURES	144,425	31,233	79,485
Excess (deficiency) of revenues over expenditures	834,461	941,252	893,600
102-38 Transfers In	-	-	-
102-58 Transfers Out	(731,281)	(365,606)	(731,212)
Total other financing sources (uses)	(731,281)	(365,606)	(731,212)
Net change in fund balances	103,180	575,647	162,389
Fund Balance (deficit), Beginning	(2,390,520)	(2,390,520)	(2,390,520)
Fund Balance (deficit), Ending	(2,287,340)	(1,814,873)	(2,228,131)

** FY2020 BUDGET is the Adopted Budget plus prior year encumbrances rolled forward*

	FY2021 BUDGET*	FY2021 YTD ACTUAL	FY2021 PROJECTION
110 HARBOR CRA			
110-31 County TIF	331,449	328,932	328,932
110-31 City TIF	331,449	331,449	331,449
110-36 Miscellaneous Revenue	-	381	741
TOTAL REVENUES	662,898	660,762	661,122
110-55 Economic Environment	71,675	12,916	31,416
110-59 Capital Outlay	30,000	-	-
TOTAL EXPENDITURES	101,675	12,916	31,416
Excess (deficiency) of revenues over expenditures	561,223	647,846	629,706
110-38 Transfers In	-	-	-
110-58 Transfers Out	(554,590)	(278,968)	(524,717)
Total other financing sources (uses)	(554,590)	(278,968)	(524,717)
Net change in fund balances	6,633	368,877	104,989
Fund Balance (deficit), Beginning	168,768	168,768	168,768
Fund Balance (deficit), Ending	175,401	537,645	273,757

** FY2020 BUDGET is the Adopted Budget plus prior year encumbrances rolled forward*

CITY OF DESTIN - MONTHLY FINANCIAL REPORT

Actuals 10/01/2020 - 03/31/2021

FUND BALANCE - ALL FUNDS	FY2021 BUDGET*	FY2021 YTD ACTUAL	FY2021 PROJECTION
Beginning Fund Balance	29,820,693	29,672,621	29,672,621
Nonspendable	2,287,340	1,814,873	2,228,131
Restricted	1,367,764	4,441,466	2,796,663
Committed	9,991,400	9,529,323	10,731,816
Assigned	1,277,284	5,236,834	4,972,945
<i>Unassigned</i>	<i>7,680,434</i>	<i>12,992,799</i>	<i>4,096,816</i>
Ending Fund Balance	22,604,222	34,015,296	24,826,372
	22,604,222	34,015,296	24,826,372

Nonspendable = Long-term advance to TownCenter CRA

Restricted = Bond covenants (balances of debt service funds), grant agreements, state and local regulations (impact fees).

Committed = Council resolutions, motions, includes fund balance resolution for 1 yr debt (\$1.8m) + 3 mos emergency opsx2

Assigned = Contracts, purchase orders and funds in special revenue funds

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: May 12, 2021
TYPE OF AGENDA ITEM: City Manager Report
AGENDA OUTLINE NUMBER: 5.A.

TO: City Council

THRU: Jeffrey Cozadd, Grants Manager
 Webb Warren, Deputy City Manager
 Kyle Bauman, City Attorney
 Lance Johnson, City Manager

FROM: Krystal Strickland, Finance Director

DATE: May 11, 2021

SUBJECT: Background Information for RFP 21-03-FIN Tax Exempt Loan Financing

I. BACKGROUND: At the March 1, 2021 regular council meeting, council made a motion to authorize the City Manager to issue RFP No. 21-03-FIN Tax-Exempt Loan Financing. Part of the financing is for a refinance of an existing Harbor CRA loan. Sealed responses were opened on April 15, 2021. The Bid Selection Committee met to review and rank the proposals on April 19, 2021. The proposal provided by Key Government Finance, Inc was ranked at the top with the most favorable terms which include an interest rate of 1.139%.

II. DISCUSSION: At the March 15, 2021 regular council meeting, a motion was made to issue RFP No. 21-03-FIN to request proposals for tax-exempt loan financing. Eight proposals were received and opened on April 15, 2021. On April 19, 2021, the Bid Selection Committee reviewed and ranked the proposals based upon the interest rate offered, and considered: closing costs, prepayment provisions, all-in True Interest Cost (TIC), present value of net savings on refundings, the total interest to be paid over the life of the loan, and legal terms. The summary of proposals is attached. All proposals were evaluated assuming closing on 05/21/2021 with monthly payments beginning 06/15/2021 and maturing 03/15/2029.

Interest rates offered ranged from 1.139% to 2.45%.

Bank closing costs ranged from \$0 to \$7500.

Net savings on refunding ranged from \$31,797 to \$468,513.

Total Interest to be paid ranged from \$458,955 to \$1,004,643.

Key Government Finance, Regions Capital Advantage, and Trustmark National Bank all ranked in the top three. The committee's ranking sheet is attached. Below is a summary comparison of the top three proposals.

Rank	1	2	3
	Key Government Finance	Regions Capital Advantage, Inc	Trustmark National Bank
Interest Rate	1.139%	1.320%	1.330%
All-In TIC	1.343%	1.539%	1.546%
Refunding Net PV Savings	\$468,513	\$402,696	\$400,193
Total Interest	\$458,955	\$533,324	\$537,325
Closing Costs	\$0	\$5,000	\$4,000
Prepayment Provisions	Prepayable anytime	Make-whole call or Prepayable on/after 03/15/2025	Prepayable anytime

The present value (PV) of the net savings on refunding is estimated at \$468,513. By refunding the Harbor CRA's 2009 note, cash outflows will be reduced by \$288,040. The General Fund's cash outflows will be \$274,116 lower by refunding the 2015A note.

A. Link to Strategic Goals / Objectives: Goal #1: Financially sound city providing service excellence

B. Effect on Budget (EOB): A budget amendment Ordinance 21-12-CN was brought forth to the May 3, 2021 regular council meeting to account the receipt of \$9,905,000 in proceeds, and the expenditure of \$10,580,752.25 to payoff two loans (\$7,703,959), to reimburse the Okaloosa 1/2 Penny Surtax Fund for beach access expenditures (\$2,796,466), and to pay cost of issuance and miscellaneous expenses (\$80,327).

C. Level of Service (LOS): Increased

III. CONCLUSION: At the May 3, 2021 regular council meeting, City Council moved to accept the proposal of Key Government Finance, Inc. in response to RFP 21-03-FIN and authorize and direct the City Manager and Mayor to execute all documentation necessary to consummate the transaction. The City Council has also passed on first reading an ordinance authorizing the issuance of the debt and an ordinance amending the budget to accommodate the proceeds of the Note. The City Council will consider a Resolution supplementing the ordinance authorizing the issuance of the debt and tailoring it to Key's proposal at the May 17 meeting.

IV. RECOMMENDED MOTION: No motion necessary. This item is presented as background information for agenda item following this one.

Attachments:

1. a 2021 0419 Bid Selection Committee Results (1)
2. b Summary of Proposals_2 (1)

ITEM # 2021-3625

3. c Key Government Finance
4. d RFP 21-03-FIN TAX EXEMPT
LOAN FINANCING 12M
5. e Ordinance 21-11-CN authorizing
debt issuance
6. f EXHIBIT A Ordinance 21-12-CN
Bud Amend 2021 Note
7. f Resolution 21-04 Supplementing
Ordinance 21-11-CN - Issuance of
Note 2021
8. g Ordinance 21-12-CN Budget
Amendment for 2021 Note
9. h may3 Action Agenda

RFP NO. 21-03-FIN TAX-EXEMPT LOAN FINANCING
 RANKING SHEET
 04/19/2021 2-3pm

1=best; 2=2nd best; 3=3rd best

	Key Government	Regions	Trustmark	Capital One	Hancock Whitney	BankUnited	BB&T (Truist)	Synovus
Member 1 Ranking	1	2	3					
Member 2 Ranking	1	2	3					
Member 3 Ranking	1	3	2					
Member 4 Ranking								
Member 5 Ranking								
TOTAL	3	7	8					

Michelle
 Lisa
 Jeff

Proposal with the lowest total wins.

The proposal that will be presented as top ranked is:

KEY GOVERNMENT FINANCE

City of Destin, Florida
 Non-Ad Valorem Revenue Note, Series 2021A
 Summary of Proposals from Prospective Lenders

	BankUnited, N.A. (Bridge Funding Group, Inc.)	Capital One Public Funding, LLC	Hancock Whitney Bank	Key Government Finance, Inc.
Bank FDIC # and Location	58979 Miami Lakes, FL	4297 / 33954 Mclean, VA / Glen Allen, VA	12441 Gulfport, MS	17534 Cleveland, OH
Payment Structure	Annual Principal (9/1) Semiannual Interest (3/1, 9/1)	Annual Principal (9/30) Semiannual Interest (3/31, 9/30)	"Per the RFP"	Monthly, semiannual, or annual at the option of the City
Interest Rate	1.52% Rate held to closing	1.44% Rate held to closing	1.47% Rate held to closing	1.139% Rate locked upon acceptance by the City no later than 4/21/2021
Breakage Fee?	none	none	none	none
Closing Costs	\$5,000 (Bank Counsel)	\$0	\$2,000 (Bank Counsel)	\$0
All-In TIC	1.722%	1.629%	1.683%	1.343%
Refunding Net PV Savings	\$342,743	\$373,425	\$354,960	\$468,513
Total Interest	\$657,892	\$622,573	\$594,867	\$458,955
Prepayment Provision(s)	Prepayable at 100% on any date beginning 9/1/2025	Prepayable at 100% on any payment date beginning 9/30/2025	Prepayable at 100% on any date beginning 24 months after closing	Prepayable at 100% on any date beginning at closing
Events of Taxability	Taxable rate = 1.92% Gross-up limited to actions/inactions of the City	Not mentioned. Possibly contained in "customary..."	Not mentioned. Possibly contained in "customary..."	Taxable rate = 1.442% Gross-up limited to actions/inactions of the City
Default Rate	5.00%	Not mentioned. Possibly contained in "customary..."	"Events of Default will be standard and customary..."	Current interest rate + 3.00%
Other		"Upon selection of COPF, COPF will provide comments to the Proposed Ordinance."		

City of Destin, Florida
 Non-Ad Valorem Revenue Note, Series 2021A
 Summary of Proposals from Prospective Lenders

	Regions Capital Advantage, Inc.	Synovus Bank	Truist Bank	Trustmark National Bank
Bank FDIC # and Location	12368 Birmingham, AL	873 Columbus, GA	9846 Charlotte, NC	4988 Jackson, MS
Payment Structure	Monthly	Monthly	Annual Principal (9/30) Semiannual Interest (3/31, 9/30)	Monthly, semiannual, or annual at the option of the City
Interest Rate	1.32% Rate locked for 30 days upon acceptance	2.45% Rate held to 5/30/2021	1.61% Rate presumably held to closing	Monthly - 1.33% Semiannual - 1.36% Annual - 1.38% Rate presumably held to closing
Breakage Fee?	none	none	none	none
Closing Costs	\$5,000 (Bank Counsel)	\$7,500 (Bank Counsel)	\$7,500 (Bank Counsel)	\$4,000 (Bank Counsel)
All-In TIC	1.539%	2.689%	1.818%	1.546%
Refunding Net PV Savings	\$402,696	\$31,797	\$310,948	\$400,193
Total Interest	\$533,324	\$1,004,643	\$697,548	\$537,325
Prepayment Provision(s)	Make-whole call at anytime or Prepayable at 100% on any date beginning 3/15/2025	Not specified	Prepayable at 100% on any date beginning at closing	Prepayable at 100% on any date beginning at closing
Events of Taxability	Slight ambiguity; rate adjusted to produce same after-tax yield; events not limited to actions/ inactions of the City	Taxable rate = TE Rate / (1 - Corp. Tax Rate) Gross-up limited to actions/ inactions of the City	Not mentioned. Possibly contained in "customary..."	Not mentioned. Possibly contained in "customary..."
Default Rate	Current interest rate + 3.00%	Not mentioned. Possibly contained in "customary..."	Current interest rate + 2.00%	Not mentioned. Possibly contained in "customary..."
Other				



City of Destin, FL
Non-Ad Valorem Revenue Note, Series 2021A
Summary of Terms and Conditions
April 15, 2021

This Financing proposal is provided for discussion purposes only and does not represent a commitment from Key Government Finance, Inc. (“KGF”). This proposal and its terms are submitted on a confidential basis and shall not be disclosed to third parties (other than the Borrower’s officers, directors, employees and advisors charged with reviewing and/or implementing the transactions contemplated hereby) without KGF’s consent. This proposal is intended as an outline of certain material terms of the Facility and does not purport to summarize all of the conditions, covenants, representations, warranties and other provisions which would be contained in definitive documentation for the Facility contemplated hereby.

Key Government Finance, Inc., (“Lender”) is pleased to provide the following term sheet for a direct purchase financing structure to the City of Destin, FL.

Lender:	Key Government Finance, Inc. (“Lender”).
Borrower:	City of Destin, FL (the “City” or the “Borrower”).
Issue:	Non-Ad Valorem Revenue Note, Series 2021A (the “2021A Note”).
Facility:	Direct Purchase of the 2021A Note by the Lender.
Tax Treatment:	Tax-Exempt.
Amount:	~\$10,600,000
Use of Proceeds:	The proceeds of the 2021A Note will be used to (1) reimburse expenditures made for and/or finance the acquisition of property within the City to expand public beach access, (2) to refund, on a current basis, the City’s outstanding Non-Ad Valorem Refunding Revenue Note, Series 2015A (the “2015A Note”), (3) to refund, on a current basis, the City’s outstanding Harbor Community Redevelopment Area Phase I Revenue Note, Series 2009 (as modified) (the “2009 Note”), and (4) to pay costs of issuance.
Drawdown:	All funds will be drawn down at closing.
Final Maturity Date:	March 15, 2029.
Repayment:	Principal and interest due monthly commencing on June 15, 2021 until the Final Maturity Date. Principal amortized as shown in Appendix A of the RFP. Lender can accommodate a different repayment schedule (i.e. annual principal / semi-annual interest) so long as the weighted average life remains the same.
Facility Term:	The anticipated closing date for this Facility is May 21, 2021. KGF will purchase the 2021A Note through the Final Maturity Date.

Interest Rate Lock: At the Borrower’s request, the Lender can provide an interest rate lock option (“Interest Rate Lock”) good through a May 21, 2021 closing date. The Interest Rate Lock will require a two party e-mail confirmation between Lender and Borrower to confirm the terms of the Interest Rate Lock as provided by Lender, provided however, the Borrower will not be subject to any breakage fees if the Facility does not close for any reason. If the Interest Rate Lock confirmation is not received by Lender within the specified time, or the Facility closes after the agreed upon lock period, the final interest rate will be subject to index between the proposal date and the closing date based on the change in the KeyCorp Cost of Funds index.

Based on market conditions as of April 14, 2021, the Interest Rate Lock option is quoted below. Any revision to the amortization that increases the average life of the financing may result in a re-pricing of the Interest Rate Lock provided.

This Interest Rate Lock needs to be accepted by the Borrower no later than April 21, 2021 and would be valid for closing on or before May 21, 2021.

Interest Rate Lock			
	Final Maturity Date	Weighted Average Life (Months)	Tax-Exempt Interest Rate
2021A Note	March 15, 2029	48	1.139%

Interest Day Count: 30/360

Up-Front Fee: \$0

Costs of Issuance: Lender plans to use Kutak Rock LLP as outside legal counsel. Lender’s Counsel fee to be paid by the Lender. Attorney contact information is provided below:

Andrew Romshek
Kutak Rock LLP
1650 Farnam Street
Omaha, NE 68102
(402) 231-8797

Andrew.Romshek@KutakRock.com

Bradley Nielsen
Kutak Rock LLP
650 Farnam Street
Omaha, NE 68102
(402) 231-8780

bradley.nielsen@KutakRock.com

Prepayment: The Facility may be prepaid in whole or in part at any time at par.

Security: The 2021A Note and interest thereon will be payable solely from and secured by a covenant to budget and appropriate legally available non-ad valorem revenues. No debt with a lien senior to the 2021A Note may be issued.

Financial Reporting: Borrower shall provide directly to the Lender:

- I. Annual audited financial statements including operating data within 270 days of Borrower’s fiscal year end.

Financial Covenants: Anti-dilution test of 1.25x as currently defined.

Any amendment, modification and/or waiver will require the consent in writing by the Lender.

Default Rate: 3% above the current interest rate for any outstanding payments in default, upon the occurrence of a payment default longer than 90 days, the default interest rate shall apply to all outstanding principal, until the payment default has been cured.

Event of Taxability and Gross-Up Rate: An Event of Taxability will be based only on action or non-action of City. In the Event of Taxability, the tax-exempt interest rate would convert to the taxable interest rate of 1.442%.

Increased Cost: No increased cost provisions will be required by the Lender.

-
- Documents:** All documents shall be attorney prepared and in form and substance acceptable to the Lender and its legal counsel, including legal opinions customary for transactions of this nature. Bond counsel will provide a Validity Opinion regarding the legality, validity, and enforceability of the Facility and a Tax Opinion regarding the tax-exempt nature of the interest earnings on the financing.
- No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation under this Agreement shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any other obligation.
- Lender does not have any comments with the Proposed Ordinance.
- Credit Approval:** Lender has received a positive credit pre-screen for this transaction. The estimated amount of time required to obtain final credit approval is 1-3 business days after receipt of formal award assuming timely receipt of requested financial information, if any.
- Conditions Precedent to Closing:** Borrower's obligation will be subject to such terms and conditions that Lender may require with respect to this transaction, or as are customarily required with respect to similar credits and as set forth in the facility documents. Without limitation, such terms and conditions shall include:
1. Absence of Default.
 2. Accuracy of Representations and Warranties.
 3. Negotiation and Execution of satisfactory closing documents.
 4. Absence of material adverse change in financial condition of Borrower during the period from the date hereof to the Closing Date.
 5. Formal credit approval by the Lender.
- Firm Experience:** The Lender is a subsidiary of KeyBank, N.A. KGF's portfolio consists of over \$4.5 billion of tax-exempt and taxable leases, loans, and bonds for municipalities, not-for-profits, and manufacturers across the United States.
- Other:** The Lender will make a loan by purchasing the 2021A Note under the following additional conditions: (i) the 2021A Note is not being registered under the Securities Act of 1933 and is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state; (ii) the Lender will hold the 2021A Note as one single debt instrument; (iii) no CUSIP numbers will be obtained for the 2021A Note; (iv) no final official Statement has been prepared in connection with the private placement of the 2021A Note; (v) the 2021A Note will not close through the DTC or any similar repository and will not be in book entry form; and (vi) the 2021A Note is not listed on any stock or other securities exchange.
- Expiration Date:** April 21, 2021

Proposal Acceptance/Expiration

This proposal is issued in reliance upon the accuracy of all information presented by you to us and is contingent upon the absence of any material adverse change in your condition, financial or otherwise, from the condition as it was represented to us at the time of this proposal. This proposal is subject to our formal approval and the execution of documentation acceptable to each of us. **IT IS NOT A COMMITMENT BY US TO ENGAGE IN THIS TRANSACTION.**

(a) Key Government Finance (“KGF”) is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to you with respect to the information and material contained in this communication; (b) KGF is acting for its own interests; and (c) you should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material.

KGF (i) is an entity directly or indirectly controlled by a bank or under common control with a bank, other than a broker, dealer or municipal securities dealer registered under the Securities Exchange Act of 1934, and (ii) the present intent of the KGF, is to hold the municipal securities to maturity or earlier redemption or mandatory tender. Any placement agent, broker or financial advisor may rely upon the representations and warranties contained in this paragraph.

Lender notifies Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56, as amended and supplemented) (the “Patriot Act”), that Lender is required to obtain, verify and record all information that identifies Borrower, which information includes the name and address of Borrower and other information that will assist Lender to identify Borrower in accordance with the Patriot Act.”

Lender acknowledges that, in connection with Borrower’s compliance with any continuing disclosure undertakings (each, a “Continuing Disclosure Agreement”) entered into by Borrower pursuant to SEC Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the “Rule”), Borrower may be required to file with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system, or its successor (“EMMA”), notice of its incurrence of its obligations under this Facility and notice of any accommodation, waiver, amendment, modification of terms or other similar events reflecting financial difficulties in connection with this Facility, in each case including a description of the material terms thereof (each such notice, an “EMMA Notice”). Borrower shall not file or submit or permit the filing or submission of any EMMA Notice that includes any of the following unredacted information regarding Lender or any Escrow Agent: physical or mailing addresses, account information, e-mail addresses, telephone numbers, fax numbers, tax identification numbers, or titles or signatures of officers, employees or other signatories. Borrower acknowledges and agrees that Lender is not responsible in connection with any EMMA Notice relating to this Facility for Borrower’s compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with the Rule, any Continuing Disclosure Agreement or any applicable securities laws, including but not limited to those relating to the Rule.

If the outlined foregoing proposal is satisfactory, reflects an arrangement that suits the need of your organization and you would like Key to commence its due diligence process, please sign and return this proposal. The terms described in this proposal will expire on April 21, 2021 if we have not received an authorized signed copy on or before such date.

Thank you for allowing us the opportunity to present this Proposal. If you have any questions, please call me at 315-470-5180.

Sincerely,

Key Government Finance, Inc.

By: 

David Zapata
VP & East Region Manager
201 South Warren Street, 4th Floor
Syracuse, NY 13202
David_Zapata@keybank.com

APPROVED THIS _____ DAY OF _____, 2021

City of Destin, FL

By: _____

Print Name: _____

Title: _____

1st ADDENDUM TO: REQUEST FOR PROPOSALS: Tax-Exempt Loan Financing

City of Destin, Florida

\$12,500,000*

Non-Ad Valorem Revenue Note, Series 2021A (the "2021A Note")

The City of Destin, Florida (the "City") has received questions regarding its RFP for direct, tax-exempt loan financing published on March 18, 2021 (the "RFP"). Questions may have been consolidated, separated, or paraphrased for clarity. The City's responses are below.

Q: Please describe the security structure of the 2021A Note. Is the debt subject to annual appropriation?

A: Please refer to Section 8 of the draft ordinance in Appendix A of the RFP for a complete description of the security for the 2021A Note.

The 2021A Note is not subject to annual appropriation. The City covenants to appropriate in its annual budget Non-Ad Valorem revenues (as defined in the draft ordinance) sufficient to make debt service payments on the 2021A Note. No lien upon or pledge of any revenues shall be in effect until such monies are budgeted, appropriated, and deposited in the Debt Service Fund as described in the draft ordinance.

Q: Does the City have an Anti-Dilution Test in place and, if so, what is it?

A: Yes, the City's Town Center Area Redevelopment Refunding Revenue Note, Series 2014 (as amended, restated, and re-issued) (the "2014 Note") and Non-Ad Valorem Refunding Revenue Note, Series 2015A (the "2015A Note") both contain anti-dilution tests. Because the City intends to refinance the 2015A Note with proceeds of the 2021A Note, the Anti-Dilution Test relevant to the 2014 Note has been provided:

Anti-Dilution. The Issuer hereby covenants that in each Fiscal Year, it will not issue non-self-supporting revenue debt of the Issuer payable from its Non-Ad Valorem Revenues unless the net available Non-Ad Valorem Revenues of the Issuer for the preceding Fiscal Year were at least 1.25 times annual debt service of all indebtedness of the Issuer payable from its Non-Ad Valorem Revenues including the debt proposed to be issued. The Fiscal Year Ending General Fund Balances shall not be considered as available for calculating the coverage requirement for the foregoing purpose.

As used above, the term "non-self-supporting revenue debt" shall mean all revenue debt obligations in whatever form except such revenue debt obligations which are payable from a specific enterprise fund or are otherwise self-liquidating and the term "net available Non-Ad Valorem Revenues" shall mean "gross Non-Ad Valorem Revenues," as defined above, less amounts required for essential governmental services of the Issuer (except any such costs paid from ad valorem taxes) plus legally available unencumbered cash balances on hand at the end of the most recent Fiscal Year.

Within this Section, for the purpose of calculating annual debt service on any indebtedness which bears interest at a variable rate, such indebtedness shall be deemed to bear interest at the greater of (i) 1.25 times the most recently published Revenue Bond Index of The Bond Buyer, or (ii) 1.25 times actual average interest rate during the prior Fiscal Year of



the Issuer. In addition, for the purpose of calculating annual debt service on "balloon indebtedness" (as defined in the immediately succeeding sentence), such indebtedness shall be assumed to amortize over a period not to exceed twenty (20) years in substantially equal annual payments at the interest rate set forth in the instrument evidencing such indebtedness if the interest rate is fixed and, if the interest rate is not fixed, at the rate calculated pursuant to the immediately preceding sentence; and any put or tender rights with respect to any indebtedness shall be ignored and such debt shall be assumed to mature as otherwise provided in the instrument evidencing such debt. "Balloon indebtedness" is any indebtedness twenty percent (20%) or more of the principal amount of which comes due in any single Fiscal Year.

END OF ADDENDUM #1

A copy of this Addendum #1 signed and acknowledged shall precede the mandatory information required in the subject RFP.

Receipt of Addendum #1 is hereby acknowledged:

David Zapata

Print Name



Signature

4/14/21

Date



2nd ADDENDUM TO: REQUEST FOR PROPOSALS: Tax-Exempt Loan Financing

City of Destin, Florida

\$10,600,000*

Non-Ad Valorem Revenue Note, Series 2021A (the "2021A Note")

The City of Destin, Florida (the "City") has received questions regarding its RFP for direct, tax-exempt loan financing published on March 18, 2021 (the "RFP"). Questions may have been consolidated, separated, or paraphrased for clarity. The City's responses are below.

Update to Funding Need. One of the three beach properties which the City intended to purchase with proceeds of the 2021A Note will not be purchased at this time and will be excluded from the 2021A Note. Accordingly, the estimated size of the 2021A Note has been reduced to \$10,600,000. This change is reflected in several of the following answers.

Q: On page one of the RFP, the repayment terms identify principal payments to be due at a minimum annually on March 15th of each year through 2029. On Appendix A, the estimated loan amortization schedule reflects a final principal payment date of 9/30/2029. Which maturity date is preferred by the City?

A: Page 1 of the RFP states:

The City is amenable to various debt service payment schedules, including monthly payments to be made via autodebit. Such [monthly] payments shall begin on June 15, 2021 and conclude on March 15, 2029. Lenders may also propose annual principal payments to made on March 15th of each year, from 2021 through 2029. If principal is paid annually, interest shall be paid no less than semiannually, on March [15th] and September [15th] of each year, beginning on September [15], 2021.

Appendix A shows total estimated principal payments by fiscal year, not individual payment dates.

Q: The FY20 audit states on page 8 that revenues were reclassified in FY20. This appears to be the driver behind the decrease in General Government charges for services from \$2,457,688 for FY19 to \$601 for FY20. Other revenue correspondingly increased from \$3,417,096 to \$6,660,928. What components of general government charges for services were reclassified? Was there any other material revenue included in the \$3,243,832 increase?

A: In past financial statements, impact fees and franchise fees were reported as "General Government charges for services". Both of these items now are reported as their own detail line in the Statement of Activities and are summarized in the Statistical Tables into the "Other Revenues" category.



Q: Please provide a detailed Sources and Uses of Funds.

A:

Estimated Sources of Funds	
2021A Note Proceeds	\$ 10,600,000
City Funds on Hand	40,447
Total Sources	\$ 10,640,447

Estimated Uses of Funds	
Beach Property Acquisition	\$ 2,848,506
2009 Note Refinancing	4,021,738
2015A Note Refinancing	3,682,536
Cost of Issuance	87,668
Total Uses	\$ 10,640,447

Q: Have the beach access improvements been completed? If not, estimated time frame? Total project cost and sources of funds?

A: The beach access improvements have not been completed, but the City has purchased two of the three properties relevant to its plans for increased beach access. The cost of the two properties already purchased, plus demolition, is approximately \$2.8 million.

Q: Is there an anti-dilution test or similar on the bonds secured by non-ad valorem revenues?

A: Yes, the City's 2014 Note and 2015A Note are backed by a covenant to budget and appropriate non-ad valorem revenues. Transcripts for the City's Capital Improvement Refunding Revenue Note, Series 2013 and Town Center Area Redevelopment Refunding Revenue Note, Series 2014, which will remain outstanding following the issuance of the 2021A Note, have been posted to the City's website:

<https://www.cityofdestin.com/100/Finance-Department>

Q: Will a pledge of tax increment revenues remain available for the refinance?

A: No, but the tax increment revenues are a legally available non-ad valorem revenue source to pay the debt service allocable to the refunding bonds which relate to the TIF secured debt being refunded, pursuant to the CB&A.

Q: Please confirm that with the refinancing of the outstanding debt identified in the RFP, the City's only outstanding debt that is subject to a Covenant to Budget & Appropriate from Non-Ad Valorem Revenues will be the proposed Series 2021A Note?

A: No, the City's Town Center Area Redevelopment Refunding Revenue Note, Series 2014 is also secured by a covenant to budget and appropriate from non-ad valorem revenues.

Q: Please provide a description/definition of the Additional Bonds Test for the outstanding Series 2015A Non Ad Valorem Refunding Revenue Note.

A: The City intends to refinance the 2015A Note and the 2009 Note with proceeds of the 2021A Note. Transcripts for the City's Capital Improvement Refunding Revenue Note, Series 2013 and Town Center Area Redevelopment Refunding Revenue Note, Series 2014, which will remain outstanding following the issuance of the 2021A Note, have been posted to the City's website:

<https://www.cityofdestin.com/100/Finance-Department>



Q: Please provide the calculation and/or table of the Additional Bonds Test associated with the Series 2015A Note.

A: This will be provided with the closing documents.

Q: Please provide a description/definition for the Debt Service Coverage Covenant for the outstanding Series 2015A Note, if any.

A: The City intends to refinance the 2015A Note and the 2009 Note with proceeds of the 2021A Note. Transcripts for the City's Capital Improvement Refunding Revenue Note, Series 2013 and Town Center Area Redevelopment Refunding Revenue Note, Series 2014, which will remain outstanding following the issuance of the 2021A Note, have been posted to the City's website:

<https://www.cityofdestin.com/100/Finance-Department>

Q: Please provide the calculation and/or table of the Debt Service Coverage Covenant requirement associated with the Series 2015A Note, if any.

A: The City intends to refinance the 2015A Note and the 2009 Note with proceeds of the 2021A Note. Transcripts for the City's Capital Improvement Refunding Revenue Note, Series 2013 and Town Center Area Redevelopment Refunding Revenue Note, Series 2014, which will remain outstanding following the issuance of the 2021A Note, have been posted to the City's website:

<https://www.cityofdestin.com/100/Finance-Department>

Q: Please provide a description/definition of all the financial covenants associated with the City's outstanding Capital Improvement Refunding Revenue Note, Series 2013.

A: The City intends to refinance the 2015A Note and the 2009 Note with proceeds of the 2021A Note. Transcripts for the City's Capital Improvement Refunding Revenue Note, Series 2013 and Town Center Area Redevelopment Refunding Revenue Note, Series 2014, which will remain outstanding following the issuance of the 2021A Note, have been posted to the City's website:

<https://www.cityofdestin.com/100/Finance-Department>

END OF ADDENDUM #2

A copy of this Addendum #2 signed and acknowledged shall precede the mandatory information required in the subject RFP.

Receipt of Addendum #2 is hereby acknowledged:

David Zapata

Print Name

[Handwritten Signature]

Signature

4/14/21

Date



CITY OF DESTIN, FLORIDA
REQUEST FOR PROPOSALS (RFP)
TAX-EXEMPT LOAN FINANCING

RFP No. 21-03-FIN

RFP DUE DATE: APRIL 15, 2021 3:00 P.M. CST
4200 Indian Bayou Trail
Destin, FL 32541



City of Destin, Florida
March 18, 2021

Lance A. Johnson, City Manager
Phone (850) 837-4242
Facsimile (850) 837-3267
4200 Indian Bayou Trail
Destin, Florida 32541

Initials of Bidder: _____

**REQUEST FOR PROPOSALS
TAX-EXEMPT LOAN FINANCING
RFP No. 21-03-FIN**

Sealed Requests for Proposals (RFP's) will be received in City Clerk's Office, City of Destin, 4200 Indian Bayou Trail, Destin, FL 32541 on or by: **Thursday, April 15, 2021, Not Later Than 3:00 P.M. (CST).**

RFP's will be opened in: **4200 Indian Bayou Trail, Destin, FL 32541
CITY HALL BOARD ROOM**

One (1) original, so designated, four (4) copies (total of five (5) submissions) and one digital copy of the response shall be submitted in a sealed package clearly marked on the outside: "RFP No. 21-03-FIN TAX-EXEMPT LOAN FINANCING" and addressed to: City of Destin, City Clerk's Office, 4200 Indian Bayou Trail, Destin, FL 32541.

All RFP's will be publicly opened and only the names of the Respondents will be disclosed. RFP's received after the assigned date and time will NOT be considered.

ATTENTION ALL INTERESTED RESPONDENTS:

Prospective respondents should contact the City Clerk's Office to obtain either an electronic or paper version of the bid documents by calling 850-837-4242 or e-mail: clerk@cityofdestin.com

Any questions relative to any item or portion(s) of this solicitation should be directed to the City Clerk's Office, 850-837-4242 with Office Hours: MONDAY – FRIDAY, 8:00 A.M. TO 5:00 P.M. or email at clerk@cityofdestin.com.

CITY OF DESTIN

LANCE A. JOHNSON
CITY MANAGER

REQUEST FOR PROPOSALS: Tax-Exempt Loan Financing

City of Destin, Florida

\$12,500,000*

Non-Ad Valorem Revenue Note, Series 2021A

The City of Destin, Florida (the "City") is seeking proposals from qualified financial institutions (each, a "Lender") interested in providing direct, tax-exempt loan financing to the City in the form of a Non-Ad Valorem Revenue Note, Series 2021A (the "2021A Note").

Use of Proceeds

Proceeds of the 2021A Note will be used i) to reimburse expenditures made for and/or finance the acquisition of property within the City to expand public beach access, ii) to refund, on a current basis, the City's outstanding Non-Ad Valorem Refunding Revenue Note, Series 2015A (the "2015A Note"), iii) to refund, on a current basis, the City's outstanding Harbor Community Redevelopment Area Phase I Revenue Note, Series 2009 (as modified) (the "2009 Note"), and iv) to pay costs of issuance.

The City is pursuing refundings of the 2015A Note and the 2009 Note solely to reduce debt service expenses. If proposals received by the City do not meet the City's savings targets (which shall not be disclosed) or if those proposals include terms and/or conditions which the City deems unsuitable, the refunding(s) shall be excluded from the 2021A Note. The City in its sole and absolute discretion will determine whether its savings target is met and if it is not met, or if the City determines that it is in the public's best interest not to accept either or both of the terms of the refunding of the 2015A Note or the 2009 Note, then the City may elect to exclude same from the 2021A Note.

Tax Status of the 2021A Note

Interest on the 2021A Note will be exempt from Federal income taxes. The 2021A Note will NOT be designated as a qualified tax-exempt obligation under Section 265(b)(3) of the Internal Revenue Code, as amended.

Security / Source of Repayment

The 2021A Note and interest thereon will be payable solely from and secured by a covenant to budget and appropriate legally available non-ad valorem revenues, subject to customary caveats.

Structure / Interest Calculation

The City is amenable to various debt service payment schedules, including monthly payments to be made via auto-debit. Such payments shall begin on June 15, 2021 and conclude on March 15, 2029. Lenders may also propose annual principal payments to be made on March 15th of each year, from 2021 through 2029. If principal is paid annually, interest shall be paid no less than semiannually, on March 1st and September 1st of each year, beginning on September 1, 2021. Interest shall be calculated using a fixed rate and, preferably, using a 360-day year consisting of twelve 30-day months. An estimated amortization schedule for the 2021A Note can be found in Appendix A.



Other

The City reserves the right to waive minor informalities in any proposal, to accept any proposal which the City considers to be in the best public interest, and to reject any part of, or any and all proposals. Proposals will be evaluated based upon the lowest cost and terms most favorable to the City as determined by the City in its sole and absolute discretion.

The City is represented by Anchors Smith Grimsley, PLC (General Counsel), Bryant Miller Olive P.A. (Bond Counsel), and Ford & Associates, Inc. (Municipal Advisor). The financing will be a private placement and the City is not preparing any disclosure information. Ford & Associates, Inc. is serving in the sole capacity of municipal advisor to the City and not as a placement agent for the transaction.

Anticipated Financing Schedule (preliminary; subject to change)

03/18/2021	RFP Distribution
04/07/2021	Deadline for Questions Regarding RFP
04/15/2021	Proposals due from Interested Lenders
04/19/2021	Bid Committee evaluation
05/03/2021	Selection of Proposal for Negotiation and Council Consideration
05/10/2021	Documentation Deadline for Council Meeting
05/17/2021	Council Meeting for Transaction Consideration; Document Signing to Follow
05/21/2021	Closing; Prepayment of 2015A Note; Prepayment of 2009 Note

The City reserves the right to alter, modify, and amend this schedule in its sole and absolute discretion.

Submittal Requirements

1. Respondents should submit one (1) original and four (4) copies of their proposal, as well as an electronic copy of their proposal in searchable PDF format, in a sealed envelope no later than **3:00PM Central on April 15, 2021** to the following address:

City Hall Board Room
City Hall
4200 Indian Bayou Trail
Destin, FL 32541

Proposals will be opened at the time of the submission deadline. It is the respondent’s responsibility to ensure timely arrival of their proposal.

2. The Lender must be able to close and fund the 2021A Note on or about May 21, 2021 (subject to change). Lenders who agree to hold their proposed interest rate constant from the due date to the closing date without a breakage fee may be viewed more favorably than Lenders proposing rates subject to market movement.
3. The Lender must include all costs, fees, and expenses of the Lender and a cap on any counsel’s fees and expenses of the Lender. Such figures will be used in calculating the net cost of the proposal.
4. The Lender must specify whether the 2021A Note is subject to prepayment at the option of the Lessee and, if so, the terms of such prepayment. Inexpensive and early optional prepayment will be considered more favorable to the City.



5. The Lender must provide the name and contact information for one (1) other local government, preferably in Florida, that the Lender has provided financing for and the City may contact as a reference.
6. The Lender must provide any material changes to the Proposed Ordinance prepared by the City's Bond Counsel, which is attached to this RFP as Appendix B. Any comments to the Ordinance shall be provided as part of the proposal. Comments to the Ordinance received after the proposal is due shall not be considered. The City reserves the right to alter, modify, and amend the Ordinance attached as Appendix B until its adoption at second reading by the City Council.
7. The successful Lender shall also be required to provide the Lessee with truth-in-bonding statement and disclosure letter satisfying the requirements of Section 218.385(1), Florida Statutes and a certification enabling the City to determine the issue price for purposes of the Internal Revenue Code of 1986, as amended.
8. The City cannot accept provisions that are legally problematic under Federal or Florida law, nor any provisions that could adversely impact (or create the appears of an adverse impact on) other debtholders. Such provisions include, but are not limited to, acceleration of principal, cross-default, and yield maintenance provisions not limited in scope and/or linked to factors outside the control of the City.
9. The City reserves the right to negotiate all terms and conditions as part of its evaluation, and such terms and conditions are subject to approval of the City's General Counsel and Bond Counsel.

Cone of Silence

Communication regarding this RFP shall be limited to the submission of questions as described herein. Other than questions submitted via email to the individuals listed below, potential respondents shall not contact or otherwise discuss this RFP with employees, officers, or agents of the City, nor with its advisors or counsels unless contacted by the same in response to a question submitted via email as described below. Any attempts to influence the outcome of the City's evaluation will result in rejection of that firm's proposal.

Questions

Any questions concerning this RFP should be submitted to the City and the City's Financial Advisor no later than April 7, 2021 at the following email addresses:

rbailey@cityofdestin.com
jwford@fordassocinc.com
wreed@fordassocinc.com
jonford@fordassocinc.com

Audited Financial Statements and Budget Documents

The City's annual budgets may be accessed at:

<https://www.cityofdestin.com/DocumentCenter/Home/Index/65>

The City's audited annual financial statements may be accessed at:

<https://www.cityofdestin.com/DocumentCenter/Home/Index/67>



Other Information

The City reserves the right to accept or reject any or all responses submitted and to waive informalities and minor irregularities in any response reviewed and to request resubmission. The City reserves the right to award the financing to the Lender who provides the response and a resulting negotiated agreement which is most advantageous to the City. The City shall be the sole judge of the response and the resulting negotiated agreement that is in its best interest.

All terms and conditions required by respondents should be included within their response. The City will not accept provisions that would result in changes in the interest rate resulting from events or circumstances outside of the City's control.

All costs of responding to this RFP are the responsibility of each respondent and may not be charged to the City, either directly or indirectly. All fees and expenses, including legal fees of each respondent, are on a contingency basis and shall only be paid if and when the financing closes. Any dispute concerning the timeliness of a response shall be resolved against the respondent.

All applicable laws and regulations of the State of Florida and policies and resolutions of the City will apply to any resulting agreement.

Prior to any closing of the 2021A Note, the Lender selected by the City must provide the City with a disclosure statement containing the information required by Section 218.385(6), Florida Statutes and a Truth-In-Bonding Statement pursuant to Section 218.385(2), Florida Statutes.

The Lender selected by the City will be required to make certain certifications at closing, including certificates necessary for Bond Counsel to deliver their opinion, and to the effect of the following:

- We are engaged in the business of entering into loan transactions similar to the 2021A Note.
- We are purchasing the 2021A Note for our own account (or the account (s) of our banking affiliates) for investment purposes and not for resale; provided, however, that subject to our compliance with federal and state securities laws applicable to us and the transfer restrictions set forth in the 2021A Note, we reserve the right to transfer the 2021A Note or any part thereof or interest therein at any time in our sole discretion. The interest rate represented by the 2021A Note was negotiated pursuant to an arms-length transaction. The full principal amount represented by the 2021A Note will be advanced by the Lender on this date to the City.
- We are a [bank/bank subsidiary] and we have sufficient knowledge and experience in financial and business matters, including the purchase and ownership of tax-exempt obligations, to be capable of evaluating the merits and risks of our investment in the 2021A Note.
- We are able to bear the economic risk of our investment in the 2021A Note.
- We understand, acknowledge, and agree that the 2021A Note have not been and will not be registered under the 1933 Act or the securities or Blue Sky laws of any state and are not listed on any stock or securities exchange.



- We understand that no offering statement, prospectus, offering circular, official statement or other disclosure document containing material information with respect to the City or the 2021A Note is being or has been prepared, and that, with due diligence, we have made our own inquiry and analysis with respect to the City, the 2021A Note, and the security therefor.
- We have received all financial and other information regarding the City that we have requested and which we consider relevant or necessary to make an informed decision to invest in the 2021A Note. We have made our own inquiry into the creditworthiness of the City, we have received all the information that we have requested from the City or any agents or representatives thereof, and we have been afforded a reasonable opportunity to ask questions about the terms and conditions of the offering, the 2021A Note, the security therefor, and the City.
- We understand that Ford & Associates, Inc. serves as municipal advisor to the City and represents solely the interests of the City and not those of the lender.



Appendix A

Estimated Loan Amortization Schedule (Fiscal Year Total)

Year Ending	Total Principal
9/30/2021	\$ 510,415
9/30/2022	1,526,711
9/30/2023	1,529,142
9/30/2024	1,553,930
9/30/2025	1,581,053
9/30/2026	1,610,490
9/30/2027	1,639,505
9/30/2028	1,667,562
9/30/2029	841,019
Total	\$ 12,459,827

Avg. Life 4.06 yrs

A monthly breakdown is available upon request. All figures are estimated and subject to change.



Appendix B

Proposed Ordinance



ORDINANCE NO. 21-__-__

Enacted May 17, 2021

CITY OF DESTIN, FLORIDA
(the "Issuer")

RELATING TO:

NOT TO EXCEED \$12,750,000
CITY OF DESTIN, FLORIDA
NON-AD VALOREM REFUNDING REVENUE NOTE, SERIES 2021

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ORDINANCE NO. 21-__-__

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA AUTHORIZING THE ISSUANCE OF THE CITY'S NON-AD VALOREM REFUNDING REVENUE NOTE, SERIES 2021 IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$12,750,000 FOR THE PURPOSE OF FINANCING THE ACQUISITION OF CERTAIN REAL PROPERTY WITHIN THE CITY TO BE USED TO EXPAND PUBLIC BEACH ACCESS, REFUNDING ON A CURRENT BASIS THE CITY'S OUTSTANDING NON-AD VALOREM REFUNDING REVENUE NOTE, SERIES 2015A, AND REFUNDING ON A CURRENT BASIS THE OUTSTANDING HARBOR COMMUNITY REDEVELOPMENT AREA PHASE I REVENUE NOTE, SERIES 2009, ISSUED BY THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA; PROVIDING THAT THE NOTE SHALL BE A LIMITED OBLIGATION OF THE CITY PAYABLE FROM NON-AD VALOREM REVENUES BUDGETED, APPROPRIATED AND DEPOSITED AS PROVIDED HEREIN; PROVIDING FOR THE RIGHTS, SECURITIES AND REMEDIES FOR THE OWNER OF THE NOTE; AUTHORIZING CERTAIN OFFICIALS AND EMPLOYEES OF THE CITY TO TAKE ALL ACTIONS REQUIRED IN CONNECTION WITH THE SALE, ISSUANCE AND DELIVERY OF SUCH NOTE; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DESTIN, FLORIDA:

SECTION 1. Authority for this Ordinance. This Ordinance is enacted pursuant to the provisions of Article VIII, Section 2 of the Constitution of the State of Florida, Chapter 166, Parts I and II, the municipal charter of the City of Destin, Florida, and other applicable provisions of law (collectively, the "Act").

SECTION 2. Definitions. Unless the context otherwise requires, the terms used in this Ordinance shall have the meanings specified in this Section 2. Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

"Act" has the meaning ascribed thereto in Section 1 hereof.

"Ad Valorem Revenues" means all revenues of the Issuer derived from the levy and collection of ad valorem taxes.

"Business Day" means any day except any Saturday or Sunday or any other day on which the Principal Office of the Original Purchaser is lawfully closed.

"City Clerk" means the City Clerk of the Issuer or any assistant or deputy City Clerk.

"City Manager" means the City Manager of the Issuer or any acting, assistant or deputy City Manager.

"Code" means the Internal Revenue Code of 1986, as amended, and any Treasury Regulations, whether temporary, proposed or final, promulgated thereunder or applicable thereto.

"Debt Service Fund" means the Debt Service Fund established with respect to the Note pursuant to Section 8 hereof.

"Finance Director" means the Finance Director of the Issuer or any acting, assistant or deputy Finance Director.

"Fiscal Year" means the period commencing on October 1 of each year and ending on the next succeeding September 30, or such other annual period as may be prescribed by law from time to time for the Issuer.

"Issuer" means the City of Destin, Florida.

"Maturity Date" means a date determined by Supplemental Resolution as the final maturity date of the Note.

"Mayor" means the Mayor or Mayor Pro Tem of the Issuer.

"Non-Ad Valorem Revenues" means all legally available revenues of the Issuer other than Ad Valorem Revenues.

"Note" means the Issuer's Non-Ad Valorem Refunding Revenue Note, Series 2021 authorized by Section 4 hereof, which can be issued as "Notes" in one or more series in accordance with Section 5(E) hereof.

"Note Counsel" means Bryant Miller Olive P.A., or other nationally recognized bond counsel firm.

"Original Purchaser" means the original purchaser of the Note, as provided by Supplemental Resolution.

"Owner" or "Owners" means the Person or Persons in whose name or names the Note shall be registered on the books of the Issuer kept for that purpose in accordance with provisions of the Ordinance. The Original Purchaser shall be the initial Owner.

"Permitted Investments" means any legal investments under the laws of the State and the written investment policy of the Issuer.

"Permitted Lender" means any affiliate of the Original Purchaser or any bank, trust company, savings institution, insurance company or qualified institutional buyer under Rule 144A promulgated under the Securities Act of 1933.

"Person" means an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or governmental entity.

"Pledged Revenues" means the Non-Ad Valorem Revenues budgeted, appropriated and deposited as provided herein, and amounts on deposit from time to time in the Debt Service Fund and the Project Fund as provided herein.

"Principal Office" means, with respect to the Original Purchaser, such office as the Owner may designate to the Issuer in writing.

"Project" means the acquisition of certain real property to be used for a public purpose located within the Issuer to be owned and used exclusively by the Issuer.

"Project Fund" means the Project Fund established with respect to the Note pursuant to Section 9 hereof.

"Refunded 2009 Note" means the outstanding Harbor Community Redevelopment Area Phase I Revenue Note, Series 2009, issued by the Community Redevelopment Agency of the City of Destin, Florida, as amended, restated, replaced and re-issued from time to time, and as particularly amended, restated, replaced and re-issued on September 18, 2015.

"Refunded 2015A Note" means the Issuer's outstanding Non-Ad Valorem Refunding Revenue Note, Series 2015A.

"Refunded Notes" means, collectively, the Refunded 2009 Note and the Refunded 2015A Note.

"State" means the State of Florida.

"Supplemental Resolution" means any resolution supplemental hereto adopted in connection with the Note.

SECTION 3. Findings. It is hereby ascertained, determined and declared as follows:

(A) The Issuer deems it necessary, desirable and in the best interests of the Issuer and its citizens and to serve a public purpose that the costs of the Project be financed and that the Refunded Notes be refunded on a current basis for net present value debt service savings.

(B) Debt service on the Note will be secured by the Issuer's covenant to budget and appropriate Non-Ad Valorem Revenues and by a pledge of the Pledged Revenues as provided herein.

(C) Debt service on the Note and all other payments hereunder shall be payable solely from moneys deposited in the manner and to the extent provided herein. The Issuer shall never be required to levy ad valorem taxes or use the proceeds thereof to pay debt service on the Note or to make any other payments to be made hereunder or to maintain or continue any of the activities of the Issuer which generate user service charges, regulatory fees or any other Non-Ad Valorem Revenues. The Note shall not constitute a lien on any property owned by or situated within the limits of the Issuer.

(D) It is estimated that Non-Ad Valorem Revenues will be available after satisfying funding requirements for obligations having an express lien on or pledge thereof and after satisfying funding requirements for essential governmental services of the Issuer, in amounts sufficient to provide for the payment of the principal of and interest on the Note and all other payment obligations hereunder.

(E) Because of the characteristics of the Note, prevailing market conditions, and additional savings to be realized from an expeditious sale of the Note, it is in the best interest of the Issuer to sell the Note at a private negotiated sale, based upon a competitive selection process, and the Issuer intends to solicit bids for the purchase of the Note, the winning bidder to be approved, and the terms of the Note to be determined, by a Supplemental Resolution.

(F) The Issuer has determined to issue the Note as a bank loan.

(G) The Note shall be issued upon approval by Supplemental Resolution of the Issuer and compliance with the terms hereof.

(H) The Issuer wishes to hereby authorize issuance of the Note, establish terms and conditions applicable to such issuance and provide that the Note shall be secured and payable in the manner and to the extent described herein.

SECTION 4. Authorization of Note, the Project and Refunding of the Refunded Notes. Subject and pursuant to the provisions of this Ordinance, an obligation of the Issuer to be known as "City of Destin, Florida Non-Ad Valorem Refunding Revenue Note, Series 2021" is hereby authorized to be issued under and secured by this Ordinance, in the principal amount of not to exceed \$12,750,000 for the purpose of providing funds, together with other legally available funds of the Issuer, to finance the costs of the Project, to currently refund the Refunded Notes, and to pay the costs of issuance of the Note.

The Issuer hereby authorizes the Project and the refinancing of the Refunded Notes.

Prior to the issuance of the Note, the Issuer shall receive from the Original Purchaser a Lender's Certificate, the form of which shall be approved by Supplemental Resolution, and the Disclosure Letter containing the information required by Section 218.385, Florida Statutes, the form of which shall be approved by Supplemental Resolution.

SECTION 5. Description of Note. The Note shall be dated the date of its execution and delivery, which shall be a date agreed upon by the Issuer and the Original Purchaser, subject to the terms of a Supplemental Resolution and the following terms:

(A) Interest Rate. The initial fixed interest rate on the Note will be as provided by Supplemental Resolution (subject to adjustment as provided in the Note, the "Interest Rate"); provided, however the Interest Rate shall in no event exceed the maximum interest rate permitted by the Act.

(B) Principal and Interest Payment Dates. Interest on the Note shall be paid on the dates provided by Supplemental Resolution. All unpaid principal on the Note shall be paid on the Maturity Date unless earlier prepaid.

(C) Prepayment of the Note. The Note may be subject to prepayment as provided by Supplemental Resolution.

(D) Form of the Note. The Note is to be in substantially the form approved by Supplemental Resolution.

(E) Series Designation; Original Denominations. Notwithstanding anything herein to the contrary, the Issuer may determine by Supplemental Resolution to issue the indebtedness authorized hereunder in one or more series of Notes, with such further appropriate particular designations added to or incorporated in such title for the Notes of any particular series as may be necessary to distinguish such Notes from the Note of any other series; provided, however, that the aggregate principal amount of such Notes shall not exceed \$12,750,000. In the case that debt service on the Notes is paid from the hereinafter created Debt Service Fund, such payments shall be made on a parity and equal basis. The Notes issued for each series shall originally be issued in a single denomination equal to the original principal amount thereof.

SECTION 6. Registration and Exchange of Note; Persons Treated as Owner. Except as otherwise provided by Supplemental Resolution, the Note is initially registered to the Original Purchaser. So long as the Note shall remain unpaid, the Issuer will keep books for the registration and transfer of the Note. The Note shall be transferable only upon such registration books and only in whole to a Permitted Lender in a single denomination equal to the principal amount of the Note.

The Person in whose name the Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal and interest on the Note shall be made only to or upon the written order of the Owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Note to the extent of the sum or sums so paid.

SECTION 7. Payment of Principal and Interest; Limited Obligation. The Issuer promises that it will promptly pay the principal of and interest on the Note at the place, on the dates and in the manner provided therein according to the true intent and meaning hereof and

thereof. The Note is secured by a pledge of and lien upon the Pledged Revenues in the manner and to the extent described herein. The Note shall not be or constitute a general obligation or indebtedness of the Issuer as a "bond" within the meaning of Article VII, Section 12 of the Constitution of Florida, but shall be payable solely from the Pledged Revenues in accordance with the terms hereof. No holder of any Note issued hereunder shall ever have the right to compel the exercise of any ad valorem taxing power or taxation of any real or personal property thereon or the use or application of ad valorem tax revenues to pay such Note, or be entitled to payment of such Note from any funds of the Issuer except from the Pledged Revenues as described herein.

SECTION 8. Covenant to Budget and Appropriate; Further Assurance. (A) Subject to the next paragraph, the Issuer covenants and agrees and has a positive and affirmative duty to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues, and to deposit into the Debt Service Fund (hereinafter created) amounts sufficient to pay principal of and interest on the Note and all other payments due hereunder not being paid from other amounts as the same shall become due. Such covenant and agreement on the part of the Issuer to budget, appropriate and deposit such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated, deposited and actually paid. No lien upon or pledge of such budgeted Non-Ad Valorem Revenues shall be in effect until such monies are budgeted, appropriated and deposited as provided herein. The Issuer further acknowledges and agrees that the obligations of the Issuer to include the amount of such appropriations in each of its annual budgets and to pay such amounts from Non-Ad Valorem Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth herein.

Until such monies are budgeted, appropriated and deposited as provided herein, such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the Issuer from pledging in the future its Non-Ad Valorem Revenues, nor does it require the Issuer to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Owner of the Note a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the Issuer. Such covenant to budget and appropriate Non-Ad Valorem Revenues is subject in all respects to the prior payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). Anything in this Ordinance to the contrary notwithstanding, it is understood and agreed that all obligations of the Issuer hereunder shall be payable from the portion of Non-Ad Valorem Revenues budgeted, appropriated and deposited as provided for herein and nothing herein shall be deemed to pledge ad valorem taxing power or ad valorem tax revenues or to permit or constitute a mortgage or lien upon any assets owned by the Issuer and no Owner of the Note nor any other Person, may compel the levy of ad valorem taxes on real or personal property within the boundaries of the Issuer or the use or application of ad valorem tax revenues in order to satisfy any payment obligations hereunder. The obligation of the Issuer to budget, appropriate, deposit and make payments hereunder from its Non-Ad Valorem Revenues is subject to the availability

of Non-Ad Valorem Revenues after the satisfaction of the funding requirements for obligations having an express lien on or pledge of such revenues and the funding requirements for essential governmental services of the Issuer. Notwithstanding any provisions of this Ordinance or the Note to the contrary, the Issuer shall never be obligated to maintain or continue any of the activities of the Issuer which generate user service charges, regulatory fees or any Non-Ad Valorem Revenues. Until such monies are budgeted, appropriated and deposited as provided herein, neither this Ordinance nor the obligations of the Issuer hereunder shall be construed as a pledge of or a lien on all or any legally available Non-Ad Valorem Revenues of the Issuer, but shall be payable solely as provided herein and is subject to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the Issuer and is further subject to the provisions of Section 166.241, Florida Statutes insofar as there are not sufficient Non-Ad Valorem Revenues to comply with such covenant after the satisfaction of the funding requirements for obligations having an express lien on or pledge of such revenues and the funding requirements for essential governmental services of the Issuer.

There is hereby created and established the "City of Destin, Florida Non-Ad Valorem Revenue Note, Series 2021 Debt Service Fund" (the "Debt Service Fund"), which fund shall be a trust fund held by the City Clerk, which shall be held solely for the benefit of the Owner as provided herein. The money in the Debt Service Fund shall be continuously secured in the same manner as state and municipal deposits are authorized to be secured by the laws of the State. The designation and establishment of the Debt Service Fund in and by this Ordinance shall not be construed to require the establishment of a completely independent, self-balancing fund as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the Issuer for certain purposes and to establish certain priorities for application of such revenues and assets as herein provided.

The Issuer may at any time and from time to time appoint one or more depositories to hold, for the benefit of the Owner of the Note, the Debt Service Fund established hereby. Such depository or depositories shall perform at the direction of the Issuer the duties of the Issuer in depositing, transferring and disbursing moneys to and from such Debt Service Fund as herein set forth, and all records of such depository in performing such duties shall be open at all reasonable times to inspection by the Owner of the Note. Any such depository shall be a bank or trust company duly authorized to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and having a combined capital, surplus and undivided profits aggregating not less than fifty million dollars (\$50,000,000).

Until applied in accordance with this Ordinance, the Non-Ad Valorem Revenues of the Issuer on deposit in the Debt Service Fund and other amounts on deposit from time to time in the funds and accounts established herein, plus any earnings thereon, shall be pledged to the repayment of the Note.

SECTION 9. Application of Note Proceeds. Together with other legally available funds of the Issuer, proceeds from the sale of the Note shall be used to finance the costs of the Project, the refunding of the Refunded Notes and pay the costs of issuance of the Note.

The Issuer covenants and agrees to establish a special fund to be designated "City of Destin, Florida Non-Ad Valorem Revenue Note, Series 2021 Project Fund" (the "Project Fund"). The designation and establishment of the Project Fund by this Ordinance shall not be construed to require the establishment of a completely independent, self-balancing fund as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain assets of the Issuer for certain purposes and to establish certain priorities for application of such assets as herein provided. Amounts on deposit from time to time in the Project Fund, plus any earnings thereon, are pledged to the repayment of the Note.

The funds and accounts created and established by this Ordinance shall constitute trust funds for the purpose provided herein for such funds. Moneys on deposit to the credit of all funds and accounts created hereunder may be invested pursuant to applicable law and the Issuer's written investment policy and shall mature not later than the dates on which such moneys shall be needed to make payments in the manner herein provided. The securities so purchased as an investment of funds shall be deemed at all times to be a part of the account from which the said investment was withdrawn, and the interest accruing thereon and any profit realized therefrom shall be credited to such fund or account, except as expressly provided in this Ordinance, and any loss resulting from such investment shall likewise be charged to said fund or account.

Moneys in the Debt Service Fund and/or the Project Fund may be invested and reinvested in the Permitted Investments which mature not later than the dates on which the moneys on deposit therein will be needed for the purpose of such fund. Investment income accrued in the Debt Service Fund shall be used to pay debt service on the Note and investment income accrued in the Project Fund shall be used to pay costs of the Project or debt service on the Note.

SECTION 10. Intent to Reimburse. The City Council of the Issuer hereby expresses its intention that the Issuer be reimbursed from the proceeds of the Note for any costs incurred in connection with the Project prior to the issuance of the Note.

SECTION 11. Tax Covenant. The Issuer covenants to the Owner of the Note provided for in this Ordinance that the Issuer will not make any use of the proceeds of the Note at any time during the term of the Note which would cause the Note to be an "arbitrage bond" within the meaning of the Code. The Issuer will comply with the requirements of the Code and any valid and applicable rules and regulations promulgated thereunder necessary to ensure the exclusion of interest on the Note from the gross income of the Owner thereof for purposes of federal income taxation.

SECTION 12. Amendment. No modification or amendment of this Ordinance or of any resolution supplemental hereto may be made without the consent in writing of the Owner; provided, however, that no consent of the Owner shall be required for amendments made to cure any ambiguity, formal defect or omission in this Ordinance.

SECTION 13. Limitation of Rights. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Ordinance or the Note is intended or shall be construed to give to any Person other than the Issuer and the Owner any legal or equitable right, remedy or claim under or with respect to this Ordinance or any covenants, conditions and provisions herein contained; this Ordinance and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Owner.

SECTION 14. Note Mutilated, Destroyed, Stolen or Lost. In case the Note shall become mutilated, or be destroyed, stolen or lost, the Issuer shall issue and deliver a new Note of like tenor as the Note so mutilated, destroyed, stolen or lost, in exchange and in substitution for such mutilated Note, or in lieu of and in substitution for the Note destroyed, stolen or lost and upon the Owner furnishing the Issuer proof of ownership thereof and indemnity reasonably satisfactory to the Issuer and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur. The Note so surrendered shall be canceled.

SECTION 15. Impairment of Contract. The Issuer covenants with the Owner of the Note that it will not, without the written consent of the Owner of the Note, enact any ordinance or adopt any resolution which repeals, impairs or amends in any manner adverse to the Owner the rights granted to the Owner of the Note hereunder.

SECTION 16. Budget and Financial Information. At no cost to the Owner, the Issuer shall provide the Owner of the Note with annual audited financial statements for each Fiscal Year of the Issuer when available and in no event later than 210 days after the close of such Fiscal Year, prepared in accordance with applicable law and generally accepted accounting principles and audited by an independent certified public accountant. In addition, the Issuer shall provide to the Owner (at no cost to the Owner) of the Note such other financial and budget information as may be reasonably requested by the Owner from time to time. All accounting terms not specifically defined or specified herein shall have the meanings attributed to such terms under generally accepted accounting principles as in effect from time to time, consistently applied.

SECTION 17. Events of Default; Remedies of Owner. The following shall constitute "Events of Default": (i) if the Issuer fails to pay any payment of principal of or interest on the Note as the same becomes due and payable; (ii) if the Issuer defaults in the performance or observance of any covenant or agreement contained in this Ordinance or the Note (other than set forth in (i) above) and fails to cure the same within thirty (30) days following written notice thereof; or (iii) filing of a petition by or against the Issuer relating to bankruptcy, reorganization, arrangement or readjustment of debt of the Issuer or for any other relief relating to the Issuer under the United States Bankruptcy Code, as amended, or any other insolvency act or law now or hereafter existing, or the involuntary appointment of a receiver or trustee for the Issuer, and the continuance of any such event for ninety (90) days undismissed or undischarged.

Upon the occurrence and during the continuation of any Event of Default, the Owner of the Note may, in addition to any other remedies set forth in this Ordinance or the Note, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State, or granted or contained in this Ordinance, and may enforce and compel the performance of all duties required by this Ordinance, or by any applicable statutes to be performed by the Issuer.

In case of an Event of Default pursuant to (i) above, upon written declaration of the Owner of the Note, the entire debt then remaining unpaid under the Note shall be immediately due and payable.

SECTION 18. Severability. If any one or more of the covenants, agreements or provisions of this Ordinance should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions and in no way affect the validity of all the other provisions of this Ordinance of the Note issued hereunder.

SECTION 19. Business Days. In any case where the due date of interest on or principal of a Note is not a Business Day, then payment of such principal or interest need not be made on such date but may be made on the next succeeding Business Day, provided that credit for payments made shall not be given until the payment is actually received by the Owner.

SECTION 20. Applicable Provisions of Law; Waiver of Jury Trial. This Ordinance shall be governed by and construed in accordance with the laws of the State of Florida. The Issuer and the Original Purchaser, as evidenced by acceptance of the Note, shall each consent to Florida jurisdiction and each agree to waiver trial by jury in any action arising under this Ordinance or Note.

SECTION 21. Rules of Interpretation. Unless expressly indicated otherwise, references to sections or articles are to be construed as references to sections or articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Ordinance and not solely to the particular portion in which any such word is used.

SECTION 22. Captions. The captions and headings in this Ordinance are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Ordinance.

SECTION 23. No Personal Liability. Neither the members of the City Council of the Issuer, any employees of the Issuer, nor any Person executing the Bonds shall be personally liable therefor or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 24. Authorizations. The Mayor and any member of the City Council of the Issuer, the City Manager, the City Attorney, the City Clerk and such other officials and employees

of the Issuer as may be designated by the Issuer are each designated as agents of the Issuer in connection with the issuance and delivery of the Note and are authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents, and contracts on behalf of the Issuer that are necessary or desirable in connection with the execution and delivery of the Note, and which are specifically authorized or are not inconsistent with the terms and provisions of this Ordinance.

SECTION 25. Repeal of Inconsistent Instruments. All ordinances or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 26. No Third Party Beneficiaries. Except such other persons as may be expressly described in this Ordinance or in the Note, nothing in this Ordinance or in the Note, expressed or implied, is intended or shall be construed to confer upon any person, other than the Issuer and the Owner, any right, remedy or claim, legal or equitable, under and by reason of this Ordinance, or any provision thereof, or of the Note, all provisions thereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Persons who shall from time to time be the Owner.

SECTION 27. Ordinance to Constitute a Contract. In consideration of the acceptance of the Note authorized to be issued hereunder by the Owner, this Ordinance together with any Supplemental Resolution adopted hereunder shall be deemed to be and shall constitute a contract between the Issuer and the Owner. The covenants and agreements herein set forth to be performed by the Issuer shall be for the benefit, protection and security of the Owner.

SECTION 28. Severability. If any provision of this Ordinance is held or deemed to be or in fact, is illegal, inoperative or unenforceable in any context, it will not affect any other provision of this Ordinance or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent.

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SECTION 29. Effective Date. This ordinance shall take effect immediately upon its passage and enactment.

(SEAL)

Gary Jarvis, Mayor

ATTEST:

Lance Johnson, City Manager

Rey Bailey, City Clerk

First Reading May 3, 2021

Second Reading May 17, 2021

ORDINANCE NO. 21-11-CN

Enacted May 17, 2021

CITY OF DESTIN, FLORIDA
(the "Issuer")

RELATING TO:

NOT TO EXCEED \$10,600,000
CITY OF DESTIN, FLORIDA
NON-AD VALOREM REFUNDING REVENUE NOTE, SERIES 2021

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ORDINANCE NO. 21-11-CN

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA AUTHORIZING THE ISSUANCE OF THE CITY'S NON-AD VALOREM REFUNDING REVENUE NOTE, SERIES 2021 IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$10,600,000 FOR THE PURPOSE OF FINANCING THE ACQUISITION OF CERTAIN REAL PROPERTY WITHIN THE CITY TO BE USED TO EXPAND PUBLIC BEACH ACCESS, REFUNDING ON A CURRENT BASIS THE CITY'S OUTSTANDING NON-AD VALOREM REFUNDING REVENUE NOTE, SERIES 2015A, AND REFUNDING ON A CURRENT BASIS THE OUTSTANDING HARBOR COMMUNITY REDEVELOPMENT AREA PHASE I REVENUE NOTE, SERIES 2009, ISSUED BY THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA; PROVIDING THAT THE NOTE SHALL BE A LIMITED OBLIGATION OF THE CITY PAYABLE FROM NON-AD VALOREM REVENUES BUDGETED, APPROPRIATED AND DEPOSITED AS PROVIDED HEREIN; PROVIDING FOR THE RIGHTS, SECURITIES AND REMEDIES FOR THE OWNER OF THE NOTE; AUTHORIZING CERTAIN OFFICIALS AND EMPLOYEES OF THE CITY TO TAKE ALL ACTIONS REQUIRED IN CONNECTION WITH THE SALE, ISSUANCE AND DELIVERY OF SUCH NOTE; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DESTIN, FLORIDA:

SECTION 1. Authority for this Ordinance. This Ordinance is enacted pursuant to the provisions of Article VIII, Section 2 of the Constitution of the State of Florida, Chapter 166, Parts I and II, the municipal charter of the City of Destin, Florida, and other applicable provisions of law (collectively, the "Act").

SECTION 2. Definitions. Unless the context otherwise requires, the terms used in this Ordinance shall have the meanings specified in this Section 2. Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

"Act" has the meaning ascribed thereto in Section 1 hereof.

"Ad Valorem Revenues" means all revenues of the Issuer derived from the levy and collection of ad valorem taxes.

"Business Day" means any day except any Saturday or Sunday or any other day on which the Principal Office of the Original Purchaser is lawfully closed.

"City Clerk" means the City Clerk of the Issuer or any assistant or deputy City Clerk.

"City Manager" means the City Manager of the Issuer or any acting, assistant or deputy City Manager.

"Code" means the Internal Revenue Code of 1986, as amended, and any Treasury Regulations, whether temporary, proposed or final, promulgated thereunder or applicable thereto.

"Debt Service Fund" means the Debt Service Fund established with respect to the Note pursuant to Section 8 hereof.

"Finance Director" means the Finance Director of the Issuer or any acting, assistant or deputy Finance Director.

"Fiscal Year" means the period commencing on October 1 of each year and ending on the next succeeding September 30, or such other annual period as may be prescribed by law from time to time for the Issuer.

"Issuer" means the City of Destin, Florida.

"Maturity Date" means a date determined by Supplemental Resolution as the final maturity date of the Note.

"Mayor" means the Mayor or Mayor Pro Tem of the Issuer.

"Non-Ad Valorem Revenues" means all legally available revenues of the Issuer other than Ad Valorem Revenues.

"Note" means the Issuer's Non-Ad Valorem Refunding Revenue Note, Series 2021 authorized by Section 4 hereof, which can be issued as "Notes" in one or more series in accordance with Section 5(E) hereof.

"Note Counsel" means Bryant Miller Olive P.A., or other nationally recognized bond counsel firm.

"Original Purchaser" means the original purchaser of the Note, as provided by Supplemental Resolution.

"Owner" or "Owners" means the Person or Persons in whose name or names the Note shall be registered on the books of the Issuer kept for that purpose in accordance with provisions of the Ordinance. The Original Purchaser shall be the initial Owner.

"Permitted Investments" means any legal investments under the laws of the State and the written investment policy of the Issuer.

"Permitted Lender" means any affiliate of the Original Purchaser or any bank, trust company, savings institution, insurance company or qualified institutional buyer under Rule 144A promulgated under the Securities Act of 1933.

"Person" means an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or governmental entity.

"Pledged Revenues" means the Non-Ad Valorem Revenues budgeted, appropriated and deposited as provided herein, and amounts on deposit from time to time in the Debt Service Fund and the Project Fund as provided herein.

"Principal Office" means, with respect to the Original Purchaser, such office as the Owner may designate to the Issuer in writing.

"Project" means the acquisition of certain real property to be used for a public purpose located within the Issuer to be owned and used exclusively by the Issuer.

"Project Fund" means the Project Fund established with respect to the Note pursuant to Section 9 hereof.

"Refunded 2009 Note" means the outstanding Harbor Community Redevelopment Area Phase I Revenue Note, Series 2009, issued by the Community Redevelopment Agency of the City of Destin, Florida, as amended, restated, replaced and re-issued from time to time, and as particularly amended, restated, replaced and re-issued on September 18, 2015.

"Refunded 2015A Note" means the Issuer's outstanding Non-Ad Valorem Refunding Revenue Note, Series 2015A.

"Refunded Notes" means, collectively, the Refunded 2009 Note and the Refunded 2015A Note.

"State" means the State of Florida.

"Supplemental Resolution" means any resolution supplemental hereto adopted in connection with the Note.

SECTION 3. Findings. It is hereby ascertained, determined and declared as follows:

(A) The Issuer deems it necessary, desirable and in the best interests of the Issuer and its citizens and to serve a public purpose that the costs of the Project be financed and that the Refunded Notes be refunded on a current basis for net present value debt service savings.

(B) Debt service on the Note will be secured by the Issuer's covenant to budget and appropriate Non-Ad Valorem Revenues and by a pledge of the Pledged Revenues as provided herein.

(C) Debt service on the Note and all other payments hereunder shall be payable solely from moneys deposited in the manner and to the extent provided herein. The Issuer shall never be required to levy ad valorem taxes or use the proceeds thereof to pay debt service on the Note or to make any other payments to be made hereunder or to maintain or continue any of the activities of the Issuer which generate user service charges, regulatory fees or any other Non-Ad Valorem Revenues. The Note shall not constitute a lien on any property owned by or situated within the limits of the Issuer.

(D) It is estimated that Non-Ad Valorem Revenues will be available after satisfying funding requirements for obligations having an express lien on or pledge thereof and after satisfying funding requirements for essential governmental services of the Issuer, in amounts sufficient to provide for the payment of the principal of and interest on the Note and all other payment obligations hereunder.

(E) Because of the characteristics of the Note, prevailing market conditions, and additional savings to be realized from an expeditious sale of the Note, it is in the best interest of the Issuer to sell the Note at a private negotiated sale, based upon a competitive selection process, and the Issuer intends to solicit bids for the purchase of the Note, the winning bidder to be approved, and the terms of the Note to be determined, by a Supplemental Resolution.

(F) The Issuer has determined to issue the Note as a bank loan.

(G) The Note shall be issued upon approval by Supplemental Resolution of the Issuer and compliance with the terms hereof.

(H) The Issuer wishes to hereby authorize issuance of the Note, establish terms and conditions applicable to such issuance and provide that the Note shall be secured and payable in the manner and to the extent described herein.

SECTION 4. Authorization of Note, the Project and Refunding of the Refunded Notes. Subject and pursuant to the provisions of this Ordinance, an obligation of the Issuer to be known as "City of Destin, Florida Non-Ad Valorem Refunding Revenue Note, Series 2021" is hereby authorized to be issued under and secured by this Ordinance, in the principal amount of not to exceed \$10,600,000 for the purpose of providing funds, together with other legally available funds of the Issuer, to finance the costs of the Project, to currently refund the Refunded Notes, and to pay the costs of issuance of the Note.

The Issuer hereby authorizes the Project and the refinancing of the Refunded Notes.

Prior to the issuance of the Note, the Issuer shall receive from the Original Purchaser a Lender's Certificate, the form of which shall be approved by Supplemental Resolution, and the Disclosure Letter containing the information required by Section 218.385, Florida Statutes, the form of which shall be approved by Supplemental Resolution.

SECTION 5. Description of Note. The Note shall be dated the date of its execution and delivery, which shall be a date agreed upon by the Issuer and the Original Purchaser, subject to the terms of a Supplemental Resolution and the following terms:

(A) Interest Rate. The initial fixed interest rate on the Note will be as provided by Supplemental Resolution (subject to adjustment as provided in the Note, the "Interest Rate"); provided, however the Interest Rate shall in no event exceed the maximum interest rate permitted by the Act.

(B) Principal and Interest Payment Dates. Interest on the Note shall be paid on the dates provided by Supplemental Resolution. All unpaid principal on the Note shall be paid on the Maturity Date unless earlier prepaid.

(C) Prepayment of the Note. The Note may be subject to prepayment as provided by Supplemental Resolution.

(D) Form of the Note. The Note is to be in substantially the form approved by Supplemental Resolution.

(E) Series Designation; Original Denominations. Notwithstanding anything herein to the contrary, the Issuer may determine by Supplemental Resolution to issue the indebtedness authorized hereunder in one or more series of Notes, with such further appropriate particular designations added to or incorporated in such title for the Notes of any particular series as may be necessary to distinguish such Notes from the Note of any other series; provided, however, that the aggregate principal amount of such Notes shall not exceed \$10,600,000. In the case that debt service on the Notes is paid from the hereinafter created Debt Service Fund, such payments shall be made on a parity and equal basis. The Notes issued for each series shall originally be issued in a single denomination equal to the original principal amount thereof.

SECTION 6. Registration and Exchange of Note; Persons Treated as Owner. Except as otherwise provided by Supplemental Resolution, the Note is initially registered to the Original Purchaser. So long as the Note shall remain unpaid, the Issuer will keep books for the registration and transfer of the Note. The Note shall be transferable only upon such registration books and only in whole to a Permitted Lender in a single denomination equal to the principal amount of the Note.

The Person in whose name the Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal and interest on the Note shall be made only to or upon the written order of the Owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Note to the extent of the sum or sums so paid.

SECTION 7. Payment of Principal and Interest; Limited Obligation. The Issuer promises that it will promptly pay the principal of and interest on the Note at the place, on the dates and in the manner provided therein according to the true intent and meaning hereof and

thereof. The Note is secured by a pledge of and lien upon the Pledged Revenues in the manner and to the extent described herein. The Note shall not be or constitute a general obligation or indebtedness of the Issuer as a "bond" within the meaning of Article VII, Section 12 of the Constitution of Florida, but shall be payable solely from the Pledged Revenues in accordance with the terms hereof. No holder of any Note issued hereunder shall ever have the right to compel the exercise of any ad valorem taxing power or taxation of any real or personal property thereon or the use or application of ad valorem tax revenues to pay such Note, or be entitled to payment of such Note from any funds of the Issuer except from the Pledged Revenues as described herein.

SECTION 8. Covenant to Budget and Appropriate; Further Assurance. (A) Subject to the next paragraph, the Issuer covenants and agrees and has a positive and affirmative duty to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues, and to deposit into the Debt Service Fund (hereinafter created) amounts sufficient to pay principal of and interest on the Note and all other payments due hereunder not being paid from other amounts as the same shall become due. Such covenant and agreement on the part of the Issuer to budget, appropriate and deposit such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated, deposited and actually paid. No lien upon or pledge of such budgeted Non-Ad Valorem Revenues shall be in effect until such monies are budgeted, appropriated and deposited as provided herein. The Issuer further acknowledges and agrees that the obligations of the Issuer to include the amount of such appropriations in each of its annual budgets and to pay such amounts from Non-Ad Valorem Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth herein.

Until such monies are budgeted, appropriated and deposited as provided herein, such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the Issuer from pledging in the future its Non-Ad Valorem Revenues, nor does it require the Issuer to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Owner of the Note a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the Issuer. Such covenant to budget and appropriate Non-Ad Valorem Revenues is subject in all respects to the prior payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). Anything in this Ordinance to the contrary notwithstanding, it is understood and agreed that all obligations of the Issuer hereunder shall be payable from the portion of Non-Ad Valorem Revenues budgeted, appropriated and deposited as provided for herein and nothing herein shall be deemed to pledge ad valorem taxing power or ad valorem tax revenues or to permit or constitute a mortgage or lien upon any assets owned by the Issuer and no Owner of the Note nor any other Person, may compel the levy of ad valorem taxes on real or personal property within the boundaries of the Issuer or the use or application of ad valorem tax revenues in order to satisfy any payment obligations hereunder. The obligation of the Issuer to budget, appropriate, deposit and make payments hereunder from its Non-Ad Valorem Revenues is subject to the availability

of Non-Ad Valorem Revenues after the satisfaction of the funding requirements for obligations having an express lien on or pledge of such revenues and the funding requirements for essential governmental services of the Issuer. Notwithstanding any provisions of this Ordinance or the Note to the contrary, the Issuer shall never be obligated to maintain or continue any of the activities of the Issuer which generate user service charges, regulatory fees or any Non-Ad Valorem Revenues. Until such monies are budgeted, appropriated and deposited as provided herein, neither this Ordinance nor the obligations of the Issuer hereunder shall be construed as a pledge of or a lien on all or any legally available Non-Ad Valorem Revenues of the Issuer, but shall be payable solely as provided herein and is subject to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the Issuer and is further subject to the provisions of Section 166.241, Florida Statutes insofar as there are not sufficient Non-Ad Valorem Revenues to comply with such covenant after the satisfaction of the funding requirements for obligations having an express lien on or pledge of such revenues and the funding requirements for essential governmental services of the Issuer.

There is hereby created and established the "City of Destin, Florida Non-Ad Valorem Revenue Note, Series 2021 Debt Service Fund" (the "Debt Service Fund"), which fund shall be a trust fund held by the City Clerk, which shall be held solely for the benefit of the Owner as provided herein. The money in the Debt Service Fund shall be continuously secured in the same manner as state and municipal deposits are authorized to be secured by the laws of the State. The designation and establishment of the Debt Service Fund in and by this Ordinance shall not be construed to require the establishment of a completely independent, self-balancing fund as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the Issuer for certain purposes and to establish certain priorities for application of such revenues and assets as herein provided.

The Issuer may at any time and from time to time appoint one or more depositories to hold, for the benefit of the Owner of the Note, the Debt Service Fund established hereby. Such depository or depositories shall perform at the direction of the Issuer the duties of the Issuer in depositing, transferring and disbursing moneys to and from such Debt Service Fund as herein set forth, and all records of such depository in performing such duties shall be open at all reasonable times to inspection by the Owner of the Note. Any such depository shall be a bank or trust company duly authorized to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and having a combined capital, surplus and undivided profits aggregating not less than fifty million dollars (\$50,000,000).

Until applied in accordance with this Ordinance, the Non-Ad Valorem Revenues of the Issuer on deposit in the Debt Service Fund and other amounts on deposit from time to time in the funds and accounts established herein, plus any earnings thereon, shall be pledged to the repayment of the Note.

SECTION 9. Application of Note Proceeds. Together with other legally available funds of the Issuer, proceeds from the sale of the Note shall be used to finance the costs of the Project, the refunding of the Refunded Notes and pay the costs of issuance of the Note.

The Issuer covenants and agrees to establish a special fund to be designated "City of Destin, Florida Non-Ad Valorem Revenue Note, Series 2021 Project Fund" (the "Project Fund"). The designation and establishment of the Project Fund by this Ordinance shall not be construed to require the establishment of a completely independent, self-balancing fund as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain assets of the Issuer for certain purposes and to establish certain priorities for application of such assets as herein provided. Amounts on deposit from time to time in the Project Fund, plus any earnings thereon, are pledged to the repayment of the Note.

The funds and accounts created and established by this Ordinance shall constitute trust funds for the purpose provided herein for such funds. Moneys on deposit to the credit of all funds and accounts created hereunder may be invested pursuant to applicable law and the Issuer's written investment policy and shall mature not later than the dates on which such moneys shall be needed to make payments in the manner herein provided. The securities so purchased as an investment of funds shall be deemed at all times to be a part of the account from which the said investment was withdrawn, and the interest accruing thereon and any profit realized therefrom shall be credited to such fund or account, except as expressly provided in this Ordinance, and any loss resulting from such investment shall likewise be charged to said fund or account.

Moneys in the Debt Service Fund and/or the Project Fund may be invested and reinvested in the Permitted Investments which mature not later than the dates on which the moneys on deposit therein will be needed for the purpose of such fund. Investment income accrued in the Debt Service Fund shall be used to pay debt service on the Note and investment income accrued in the Project Fund shall be used to pay costs of the Project or debt service on the Note.

SECTION 10. Intent to Reimburse. The City Council of the Issuer hereby expresses its intention that the Issuer be reimbursed from the proceeds of the Note for any costs incurred in connection with the Project prior to the issuance of the Note.

SECTION 11. Tax Covenant. The Issuer covenants to the Owner of the Note provided for in this Ordinance that the Issuer will not make any use of the proceeds of the Note at any time during the term of the Note which would cause the Note to be an "arbitrage bond" within the meaning of the Code. The Issuer will comply with the requirements of the Code and any valid and applicable rules and regulations promulgated thereunder necessary to ensure the exclusion of interest on the Note from the gross income of the Owner thereof for purposes of federal income taxation.

SECTION 12. Amendment. No modification or amendment of this Ordinance or of any resolution supplemental hereto may be made without the consent in writing of the Owner; provided, however, that no consent of the Owner shall be required for amendments made to cure any ambiguity, formal defect or omission in this Ordinance.

SECTION 13. Limitation of Rights. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Ordinance or the Note is intended or shall be construed to give to any Person other than the Issuer and the Owner any legal or equitable right, remedy or claim under or with respect to this Ordinance or any covenants, conditions and provisions herein contained; this Ordinance and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Owner.

SECTION 14. Note Mutilated, Destroyed, Stolen or Lost. In case the Note shall become mutilated, or be destroyed, stolen or lost, the Issuer shall issue and deliver a new Note of like tenor as the Note so mutilated, destroyed, stolen or lost, in exchange and in substitution for such mutilated Note, or in lieu of and in substitution for the Note destroyed, stolen or lost and upon the Owner furnishing the Issuer proof of ownership thereof and indemnity reasonably satisfactory to the Issuer and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur. The Note so surrendered shall be canceled.

SECTION 15. Impairment of Contract. The Issuer covenants with the Owner of the Note that it will not, without the written consent of the Owner of the Note, enact any ordinance or adopt any resolution which repeals, impairs or amends in any manner adverse to the Owner the rights granted to the Owner of the Note hereunder.

SECTION 16. Budget and Financial Information. At no cost to the Owner, the Issuer shall provide the Owner of the Note with annual audited financial statements for each Fiscal Year of the Issuer when available and in no event later than 210 days after the close of such Fiscal Year, prepared in accordance with applicable law and generally accepted accounting principles and audited by an independent certified public accountant. In addition, the Issuer shall provide to the Owner (at no cost to the Owner) of the Note such other financial and budget information as may be reasonably requested by the Owner from time to time. All accounting terms not specifically defined or specified herein shall have the meanings attributed to such terms under generally accepted accounting principles as in effect from time to time, consistently applied.

SECTION 17. Events of Default; Remedies of Owner. The following shall constitute "Events of Default": (i) if the Issuer fails to pay any payment of principal of or interest on the Note as the same becomes due and payable; (ii) if the Issuer defaults in the performance or observance of any covenant or agreement contained in this Ordinance or the Note (other than set forth in (i) above) and fails to cure the same within thirty (30) days following written notice thereof; or (iii) filing of a petition by or against the Issuer relating to bankruptcy, reorganization, arrangement or readjustment of debt of the Issuer or for any other relief relating to the Issuer under the United States Bankruptcy Code, as amended, or any other insolvency act or law now or hereafter existing, or the involuntary appointment of a receiver or trustee for the Issuer, and the continuance of any such event for ninety (90) days undismissed or undischarged.

Upon the occurrence and during the continuation of any Event of Default, the Owner of the Note may, in addition to any other remedies set forth in this Ordinance or the Note, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State, or granted or contained in this Ordinance, and may enforce and compel the performance of all duties required by this Ordinance, or by any applicable statutes to be performed by the Issuer.

In case of an Event of Default pursuant to (i) above, upon written declaration of the Owner of the Note, the entire debt then remaining unpaid under the Note shall be immediately due and payable.

SECTION 18. Severability. If any one or more of the covenants, agreements or provisions of this Ordinance should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions and in no way affect the validity of all the other provisions of this Ordinance of the Note issued hereunder.

SECTION 19. Business Days. In any case where the due date of interest on or principal of a Note is not a Business Day, then payment of such principal or interest need not be made on such date but may be made on the next succeeding Business Day, provided that credit for payments made shall not be given until the payment is actually received by the Owner.

SECTION 20. Applicable Provisions of Law; Waiver of Jury Trial. This Ordinance shall be governed by and construed in accordance with the laws of the State of Florida. The Issuer and the Original Purchaser, as evidenced by acceptance of the Note, shall each consent to Florida jurisdiction and each agree to waiver trial by jury in any action arising under this Ordinance or Note.

SECTION 21. Rules of Interpretation. Unless expressly indicated otherwise, references to sections or articles are to be construed as references to sections or articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Ordinance and not solely to the particular portion in which any such word is used.

SECTION 22. Captions. The captions and headings in this Ordinance are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Ordinance.

SECTION 23. No Personal Liability. Neither the members of the City Council of the Issuer, any employees of the Issuer, nor any Person executing the Bonds shall be personally liable therefor or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 24. Authorizations. The Mayor and any member of the City Council of the Issuer, the City Manager, the City Attorney, the City Clerk and such other officials and employees

of the Issuer as may be designated by the Issuer are each designated as agents of the Issuer in connection with the issuance and delivery of the Note and are authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents, and contracts on behalf of the Issuer that are necessary or desirable in connection with the execution and delivery of the Note, and which are specifically authorized or are not inconsistent with the terms and provisions of this Ordinance.

SECTION 25. Repeal of Inconsistent Instruments. All ordinances or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 26. No Third Party Beneficiaries. Except such other persons as may be expressly described in this Ordinance or in the Note, nothing in this Ordinance or in the Note, expressed or implied, is intended or shall be construed to confer upon any person, other than the Issuer and the Owner, any right, remedy or claim, legal or equitable, under and by reason of this Ordinance, or any provision thereof, or of the Note, all provisions thereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Persons who shall from time to time be the Owner.

SECTION 27. Ordinance to Constitute a Contract. In consideration of the acceptance of the Note authorized to be issued hereunder by the Owner, this Ordinance together with any Supplemental Resolution adopted hereunder shall be deemed to be and shall constitute a contract between the Issuer and the Owner. The covenants and agreements herein set forth to be performed by the Issuer shall be for the benefit, protection and security of the Owner.

SECTION 28. Severability. If any provision of this Ordinance is held or deemed to be or in fact, is illegal, inoperative or unenforceable in any context, it will not affect any other provision of this Ordinance or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent.

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SECTION 29. Effective Date. This ordinance shall take effect immediately upon its passage and enactment.

(SEAL)

Gary Jarvis, Mayor

ATTEST:

Lance Johnson, City Manager

Rey Bailey, City Clerk

First Reading May 3, 2021

Second Reading May 17, 2021

EXHIBIT A

CITY OF DESTIN Budget Amendment Form

Fiscal Year 2021 Short Description 2021 DEBT ISSUANCE Entity Code 1
 Period 7 Effective Date 5/17/2021 Amendment Type* One Time
 Ref 1 BUA Budget Year Code 1 Budget Projection Inclusion One Time
 Ref 2 ADJ

*AMENDMENT TYPE: 1 = Exp/Exp or Rev/Rev, 2 = Exp/Rev, 3 = Exp/Rev one sided, 7 = Exp/Rev Inter fund, 8 = Exp/Exp Inter Fund

ORG	OBJECT	PROJECT	LINE DESCRIPTION	(I)increase (D)decrease	AMOUNT	CURRENT AVAILABLE BUDGET	REVISED AVAILABLE BUDGET
0151720	572000 INTEREST		INCREASE 2015 GF CIP NOTE INT PMTS	I	\$ 685	\$ 109,349	\$ 110,034
0158188	581221 TXFR TO 2021 DEBT SVC		INCREASE 2021 NOTE DEBT SVC	I	\$ 364,669	\$ -	\$ 364,669
11058188	581209 TXFR TO 2009 DEBT SVC		DECREASE 2009 NOTE DEBT SVC	D	\$ 182,659	\$ 554,590	\$ 371,931
11058188	581221 TXFR to 2021 DEBT SVC		INCREASE 2021 NOTE DEBT SVC	I	\$ 152,786	\$ -	\$ 152,786
209300	381209 TXFRS IN		DECREASE TXFRS IN FROM HRBR CRA FOR 2009 DEBT SVC	D	\$ 182,659	\$ 554,590	\$ 371,931
20951729	571000 PRINCIPAL PMTS		DECREASE 2009 PRINCIPAL PMTS	D	\$ 442,981	\$ 442,981	\$ -
20951729	572000 INTEREST PMTS		DECREASE 2009 INTEREST PMTS	D	\$ 22,330	\$ 114,798	\$ 92,468
20958188	581221 TXFR to 2021 DEBT SVC		INCREASE TXFR OUT TO 2021 DEBT SVC	I	\$ 419,352	\$ -	\$ 419,352
221300	384000 NEW BOND PROCEEDS		NEW BOND PROCEEDS (BEACH)	I	\$ 2,819,000	\$ -	\$ 2,819,000
221300	385000 PROCEEDS FOR REFUNDING		BOND PROCEEDS FOR REFUNDING	I	\$ 7,086,000	\$ -	\$ 7,086,000
221300	381221 TXFRS IN		TXFRS IN TO 2021 DEBT SVC FUND	I	\$ 1,063,807	\$ -	\$ 1,063,807
22151729	571000 PRINCIPAL		2021 NOTE PRINCIPAL	I	\$ 393,000	\$ -	\$ 393,000
22151729	572000 INTEREST		2021 NOTE INTEREST	I	\$ 35,188	\$ -	\$ 35,188
22151729	573000 OTHER DS COSTS		REFUND 2009 AND 2015 PRINCIPAL	I	\$ 7,663,827	\$ -	\$ 7,663,827
22151729	573001 OTHER DS COSTS		2021 NOTE COST OF ISSUANCE	I	\$ 78,781	\$ -	\$ 78,781
22158188	581129 TXFR OUT TO 129		TXFR TO OKA 1/2 PENNY FUND (REPLENISH)	I	\$ 2,798,013	\$ -	\$ 2,798,013
129300	381129 TXFRS IN		TXFR IN TO OKA 1/2 PENNY FUND	I	\$ 2,798,013	\$ -	\$ 2,798,013
12958188	581221 TXFR OUT		TXFR OUT TO DEBT SERVICE	I	\$ 127,000	\$ -	\$ 127,000
						\$ -	\$ -
						\$ -	\$ -

Created by: _____ Initials _____ Date _____
 Entered by: _____
 Approved by: _____

Note
 Amend Budget to account for issuance of debt
 to refund 2009 and 2015 debt and to replenish the Okaloosa 1/2 Penny fund

revs increase/(decrease)
 \$ \$ 13,584,160.07
 exps \$ 11,231,858.70

FY2021 BUDGET AMENDMENT #1

Ordinance #21-12-CN

First Reading: 05/03/2021

Second Reading: 05/17/2021

Effects on Budget related to refunding the 2009 Harbor CRA Note and the 2015A General Fund CIP Note and borrowing \$2,819,000 in New Debt to expand public beach access.

1. 0151720-572000 General Fund 2015 Note Interest Payment will increase \$685 from \$109,349 to \$110,034 to account for additional interest payment through the debt payoff date of May 21, 2021. The interest payments for the General Fund 2015 Note were set for October 1 and May 1 of each year.
2. 0158188-581221 General Fund Transfers Out will increase \$364,669 from \$0 to transfer the 2015 debt service fund balance (\$216,267 after the additional interest payment) into the 221 Debt Service Fund to pay off the 2015 Note, and to make monthly debt service payments (\$148,402) to pay the General Fund's portion of the 2021 Note payments beginning June 15, 2021.
3. 11058188-581209 Harbor CRA Transfers Out to the 2009 Debt Service Fund will decrease \$182,659 from \$554,590 down to \$371,931 when the 2009 Harbor CRA Note is paid.
4. 11058188-581221 Harbor CRA Transfers out to the 2021 Debt Service Fund will increase \$152,786 from \$0 to account for the Harbor CRA's portion of the 2021 Note related to paying off the 2009 Note.
5. 209300-381209 2009 Harbor CRA Debt Service Fund Transfers In will decrease \$182,659 from \$554,590 down to \$371,931 when the 2009 Harbor CRA note is paid off.
6. 20951729-571000 2009 Debt Service Fund Principal Payments will decrease from \$442,981 down to \$0 when the 2021 Debt Service Fund pays off the 2009 Debt principal.
7. 20951729-572000 2009 Debt Service Fund Interest Payments will decrease \$22,330 from \$114,798 down to \$92,468 when the final interest payment on the 2009 debt is paid on May 21, 2021. Interest payments on the 2009 Harbor CRA Debt were made on January 31 and July 31.
8. 20958188-581221 2009 Debt Service Fund Transfers out to 2021 Debt Service Fund will increase \$419,352 from \$0 to move the 2009 Harbor CRA Debt Service fund and bank balance (\$419,352 after final interest payment) into the 2021 Debt Service Fund to help pay off the 2009 Harbor CRA Debt.
9. 221300-384000 2021 Debt Service Fund New Bond Proceeds will increase \$2,819,000 from \$0 to account for new debt issued as relates to public beach expansion.

10. 221300-385000 2021 Debt Service Fund Bond Proceeds for Refunding will increase \$7,086,000 from \$0 to account for funds borrowed to payoff (refund) the 2009 Harbor CRA Note (\$3,597,000) and the 2015 General Fund Note (\$3,489,000).
11. 221300-381221 2021 Debt Service Fund Transfers In will increase \$1,063,807 to account for the transfers in from the 2009 Harbor CRA debt service account (\$419,352 see line 8) and the 2015 General Fund debt service account (\$364,699 see line 2) and the transfers in from the Harbor CRA (\$152,786 see line 4) to pay the Harbor CRA's portion of the 2021 Note, and for transfers in from the Okaloosa Half Penny fund (\$127,000 see line 18 below) to pay the portion of debt related to expanding beach access.
12. 22151729-571000 2021 Debt Principal Payments will increase \$393,000 from \$0 to pay monthly payments of principal on the 2021 Note.
13. 22151729-572000 2021 Debt Interest Payments will increase \$35,188 from \$0 to pay monthly payments of interest on the 2021 Note.
14. 22151729-573000 2021 Debt Service Fund Other Debt Service Costs will increase \$7,663,827 from \$0 to pay the principal balance owed on the 2009 Note (\$3,986,826.63) and to pay the principal balance owed on the 2015A Note (\$3,677,000).
15. 22151729-573001 2021 Debt Service Fund Other Debt Service Costs will increase \$78,781 from \$0 to pay cost of issuance for Bond Counsel, Financial Advisor, General Counsel's opinion, and to reimburse reasonable expenses.
16. 22158188-581129 2021 Debt Service Fund Transfer Out to 129 Okaloosa ½ Penny Fund will increase \$2,798,013 from \$0. One of the intents of this bond issuance was to replenish the Okaloosa ½ Penny fund for cash outlays made this fiscal year toward beach property acquisitions and to repay this debt over the remaining life of the Okaloosa ½ Penny surtax.
17. 129300-381129 Okaloosa ½ Penny Fund Transfers In will increase \$2,798,013 from \$0 to replenish the account for City's expenditures to date for expanding public beach access. See also line 16 above.
18. 12958188-581221 Okaloosa ½ Penny Fund Transfers Out will increase \$127,000 from \$0 to account for transfers into the 221 Debt Service Fund for the portion of monthly payments related to borrowing funds to expand public beach access.

RESOLUTION NO. 21-04

Adopted May 17, 2021

CITY OF DESTIN, FLORIDA
(the "Issuer")

RELATING TO:

NOT TO EXCEED \$10,600,000
CITY OF DESTIN, FLORIDA
NON-AD VALOREM REFUNDING REVENUE NOTE, SERIES 2021

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RESOLUTION NO. 21-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DESTIN, FLORIDA SUPPLEMENTING ORDINANCE NO. 21-11-CN ENACTED ON THE DATE HEREOF, WHICH AUTHORIZED ISSUANCE OF THE CITY'S NON-AD VALOREM REFUNDING REVENUE NOTE, SERIES 2021 IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$10,600,000 FOR THE PURPOSE OF FINANCING THE ACQUISITION OF CERTAIN REAL PROPERTY WITHIN THE CITY TO BE USED TO EXPAND PUBLIC BEACH ACCESS, REFUNDING ON A CURRENT BASIS THE CITY'S OUTSTANDING NON-AD VALOREM REFUNDING REVENUE NOTE, SERIES 2015A, AND REFUNDING ON A CURRENT BASIS THE OUTSTANDING HARBOR COMMUNITY REDEVELOPMENT AREA PHASE I REVENUE NOTE, SERIES 2009 ISSUED BY THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA; PROVIDING FOR CERTAIN DETAILS OF SUCH NOTE; APPROVING THE FORM AND AUTHORIZING EXECUTION OF AN INTERLOCAL AGREEMENT BETWEEN THE CITY AND THE DESTIN COMMUNITY REDEVELOPMENT AGENCY; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Ordinance No. 21-11-CN enacted on even date hereof (the "Ordinance") by the City of Destin, Florida (the "Issuer") authorized issuance of the not to exceed \$10,600,000 City of Destin, Florida Non-Ad Valorem Refunding Revenue Note, Series 2021 (the "Note"), in accordance with the Act; and

WHEREAS, all capitalized undefined terms shall have the meanings ascribed thereto in the Ordinance; and

WHEREAS, in response to the requests for proposals issued by the Issuer, the Issuer has received an offer from the Original Purchaser to purchase the Note, and the Issuer desires to accept such offer; and

WHEREAS, the Issuer now desires to accept the offer of the Original Purchaser and supplement the Ordinance to provide for certain details of the Note; and

WHEREAS, the Note is being issued to for the purpose of providing funds, together with other legally available funds of the Issuer, to finance the costs of the Project, to currently refund the Refunded Notes, and to pay the costs of issuance of the Note; and

WHEREAS, due to the need to access such market very quickly, the willingness of the Original Purchaser to purchase the Note at interest rates favorable to the Issuer, and the critical importance of timing of the sale of the Note, the Issuer has determined to sell the Note through a negotiated sale to the Original Purchaser; and

WHEREAS, the Issuer ratifies all of the findings in Section 3 of the Ordinance; and

WHEREAS, upon issuance, Note shall be payable solely from and secured by the sources described in the Ordinance; and

WHEREAS, the Issuer has determined it to be in its best interests and to serve a public purpose to provide in this resolution for the issuance of the Note for the purposes heretofore described, and this resolution shall constitute a Supplemental Resolution for purposes of the Ordinance.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF DESTIN, FLORIDA:

SECTION 1. Authority for this Resolution. This resolution is adopted pursuant to the provisions of the Ordinance and the Act.

SECTION 2. Definitions. The following words and phrases shall have the following meanings when used herein:

"Agency" means the Community Redevelopment Agency of the City of Destin, Florida.

"Interlocal Agreement" means the Interlocal Agreement, the form of which is attached hereto as Exhibit D, between the Issuer and the Agency.

"Maturity Date" means March 15, 2029.

"Original Purchaser" means Key Government Finance, Inc., the original purchaser of the Note.

"Permitted Lender" means any affiliate of the Original Purchaser or any bank, trust company, savings institution, insurance company or qualified institutional buyer under Rule 144A promulgated under the Securities Act of 1933.

SECTION 3. Findings. The findings set forth in Section 3 of the Ordinance are hereby incorporated by reference. The recitals clauses set forth above are adopted as additional legislative findings of the Issuer pertaining to issuance of the Note.

SECTION 4. Description of Project and Note.

(A) Form and Execution of the Note. The Note shall be in substantially the form set forth in Exhibit A attached hereto together with such changes as shall be approved by the Mayor and the City Manager, such approval to be conclusively evidenced by the Mayor's and the City Manager's execution thereof. The Note shall be executed on behalf of the Issuer with the manual or facsimile signature of the Mayor and the City Manager and the official seal of the Issuer shall be imprinted thereon, attested with the manual or facsimile signature of the City Clerk. In case any one or more of the officers who shall have signed or sealed the Note or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Note so signed

and sealed has been actually sold and delivered, such Note may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Note had not ceased to hold such office. The Note may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Note shall hold the proper office of the Issuer, although, at the date of such Note, such person may not have held such office or may not have been so authorized. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this Ordinance, notwithstanding that either or both shall have ceased to hold such office at the time the Note shall be actually sold and delivered.

(B) Interest Rate. The initial fixed interest rate equals 1.139% per annum, subject to adjustment as provided in the Note (the "Interest Rate"); provided, however the Interest Rate shall in no event exceed the maximum interest rate permitted by the Act.

(C) Principal and Interest Payment Dates. Principal and interest on the Note shall be paid monthly, on the 15th of each month, commencing on June 15, 2021 through and including the Maturity Date. All unpaid principal on the Note shall be paid on the Maturity Date unless earlier prepaid.

(D) Prepayment of the Note. The Note shall be subject to prepayment as provided in the Note.

SECTION 5. Lender's Certificate; Disclosure Letter. Prior to the issuance of the Note, the Issuer shall receive from the Original Purchaser a Lender's Certificate in substantially the form set forth in Exhibit B attached hereto, and a Disclosure Letter containing the information required by Section 218.385, Florida Statutes, in substantially the form set forth in Exhibit C attached hereto.

SECTION 6. Limitation of Rights. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Supplemental Resolution is intended or shall be construed to give to any Person other than the Issuer and the Owner any legal or equitable right, remedy or claim under or with respect to this Supplemental Resolution or any covenants, conditions and provisions herein contained; this Supplemental Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Owner.

SECTION 7. Anti-Dilution. The Issuer hereby covenants that in each Fiscal Year, it will not issue non-self-supporting revenue debt of the Issuer payable from its Non-Ad Valorem Revenues unless the net available Non-Ad Valorem Revenues of the Issuer for the preceding Fiscal Year were at least 1.25 times annual debt service of all indebtedness of the Issuer payable from its Non-Ad Valorem Revenues including the debt proposed to be issued, for the current Fiscal Year and any future Fiscal Year. For this purpose, indebtedness does not include any unsecured obligations of the Issuer or any obligations of the Issuer for a duration of 12 months or less.

As used above, the term "non-self-supporting revenue debt" shall mean all revenue debt obligations in whatever form except such revenue debt obligations which are payable from a specific enterprise fund or are otherwise self-liquidating and the term "net available Non-Ad Valorem Revenues" shall mean "Non-Ad Valorem Revenues," less amounts required for essential governmental services of the Issuer (except any such costs paid from ad valorem taxes) plus legally available unencumbered cash balances on hand at the end of the most recent Fiscal Year.

Within this Section, for the purpose of calculating annual debt service on any indebtedness which bears interest at a variable rate, such indebtedness shall be deemed to bear interest at the greater of (i) 1.25 times the most recently published Revenue Bond Index of *The Bond Buyer*, or (ii) 1.25 times actual average interest rate during the prior Fiscal Year of the Issuer. In addition, for the purpose of calculating annual debt service on "balloon indebtedness" (as defined in the immediately succeeding sentence), such indebtedness shall be assumed to amortize over a period not to exceed twenty (20) years in substantially equal annual payments at the interest rate set forth in the instrument evidencing such indebtedness if the interest rate is fixed and, if the interest rate is not fixed, at the rate calculated pursuant to the immediately preceding sentence; and any put or tender rights with respect to any indebtedness shall be ignored and such debt shall be assumed to mature as otherwise provided in the instrument evidencing such debt. "Balloon indebtedness" is any indebtedness twenty percent (20%) or more of the principal amount of which comes due in any single Fiscal Year.

SECTION 8. Interlocal Agreement. The Interlocal Agreement is to be substantially in the form set forth in Exhibit D attached hereto, together with such non-material changes as shall be approved by the Issuer, such approval to be conclusively evidenced by the execution thereof by the Issuer. The Interlocal Agreement shall be executed on behalf of the Issuer with the manual signature of the Mayor and the City Manager and the official seal of the Issuer, be attested with the manual signature of the Clerk and be approved as to form and legality by the City Attorney. In case any one or more of the officers who shall have signed or sealed the Interlocal Agreement shall cease to be such officer of the Issuer before the Interlocal Agreement so signed and sealed has been actually delivered, the Interlocal Agreement may nevertheless be delivered as herein provided and may be issued as if the person who signed or sealed the Interlocal Agreement had not ceased to hold such office. The Interlocal Agreement may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of the Interlocal Agreement shall hold the proper office of the Issuer, although, at the date of the Interlocal Agreement, such person may not have held such office or may not have been so authorized. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this Resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Interlocal Agreement shall be actually delivered.

SECTION 9. Severability. If any one or more of the covenants, agreements or provisions of this Supplemental Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy,

or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions and in no way affect the validity of all the other provisions of this Supplemental Resolution.

SECTION 10. Rules of Interpretation. Unless expressly indicated otherwise, references to sections or articles are to be construed as references to sections or articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Supplemental Resolution and not solely to the particular portion in which any such word is used.

SECTION 11. Captions. The captions and headings in this Supplemental Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Supplemental Resolution.

SECTION 12. Repealer. All City resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 13. No Third Party Beneficiaries. Except such other persons as may be expressly described in this Supplemental Resolution, nothing in this Supplemental Resolution, expressed or implied, is intended or shall be construed to confer upon any person, other than the Issuer and the Owner, any right, remedy or claim, legal or equitable, under and by reason of this Supplemental Resolution, or any provision thereof, all provisions thereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Persons who shall from time to time be the Owner.

SECTION 14. Supplemental Resolution to Constitute a Contract. In consideration of the acceptance of the Note authorized to be issued under the Ordinance and herein by the Original Purchaser, this Supplemental Resolution shall be deemed to be and shall constitute a contract between the Issuer and the Owner. The covenants and agreements herein set forth to be performed by the Issuer shall be for the benefit, protection and security of the Owner.

[Remainder of page intentionally left blank]

SECTION 15. Effective Date. This resolution shall be effective immediately upon its adoption, this 17th day of May, 2021.

ADOPTED: May 17, 2021

(SEAL)

Gary Jarvis, Mayor

ATTEST:

Lance Johnson, City Manager

Rey Bailey, City Clerk

EXHIBIT A

[FORM OF NOTE]

May 21, 2021

\$9,905,000

CITY OF DESTIN, FLORIDA
NON-AD VALOREM REFUNDING REVENUE NOTE, SERIES 2021

KNOW ALL MEN BY THESE PRESENTS that the City of Destin, Florida (the "Issuer"), a municipal corporation created and existing pursuant to the Constitution and the laws of the State of Florida, for value received, promises to pay from the sources hereinafter provided, to the order of Key Government Finance, Inc. or registered assigns (hereinafter, the "Owner"), the principal sum of \$9,905,000, together with interest on the principal balance at the "Interest Rate" described below; provided, however, that such interest rate shall in no event exceed the maximum interest rate permitted by applicable law. This Note shall bear interest at a fixed rate equal to 1.139% (the "Interest Rate") subject to adjustment as herein provided. Interest shall be calculated on a 30/360 day basis. All of the principal on this Note shall be due on the "Maturity Date" of March 15, 2029.

Principal and interest shall be payable monthly on the 15th of each month, commencing on June 15, 2021 through and including the Maturity Date. Principal on this Note shall amortize as follows:

<u>Year</u>	<u>Principal Payment</u>	<u>Year</u>	<u>Principal Payment</u>
06/15/2021	\$87,000	06/15/2025	\$102,000
07/15/2021	102,000	07/15/2025	102,000
08/15/2021	102,000	08/15/2025	102,000
09/15/2021	102,000	09/15/2025	113,000
10/15/2021	100,000	10/15/2025	105,000
11/15/2021	100,000	11/15/2025	104,000
12/15/2021	100,000	12/15/2025	104,000
01/15/2022	100,000	01/15/2026	104,000
02/15/2022	100,000	02/15/2026	104,000
03/15/2022	100,000	03/15/2026	105,000
04/15/2022	100,000	04/15/2026	105,000
05/15/2022	100,000	05/15/2026	105,000
06/15/2022	100,000	06/15/2026	105,000
07/15/2022	100,000	07/15/2026	105,000
08/15/2022	100,000	08/15/2026	105,000
09/15/2022	100,000	09/15/2026	108,000
10/15/2022	100,000	10/15/2026	105,000
11/15/2022	100,000	11/15/2026	105,000

12/15/2022	100,000	12/15/2026	105,000
01/15/2023	100,000	01/15/2027	105,000
02/15/2023	100,000	02/15/2027	105,000
03/15/2023	100,000	03/15/2027	105,000
04/15/2023	100,000	04/15/2027	105,000
05/15/2023	100,000	05/15/2027	105,000
06/15/2023	101,000	06/15/2027	105,000
07/15/2023	101,000	07/15/2027	105,000
08/15/2023	101,000	08/15/2027	105,000
09/15/2023	105,000	09/15/2027	112,000
10/15/2023	103,000	10/15/2027	105,000
11/15/2023	102,000	11/15/2027	105,000
12/15/2023	102,000	12/15/2027	105,000
01/15/2024	102,000	01/15/2028	106,000
02/15/2024	102,000	02/15/2028	106,000
03/15/2024	102,000	03/15/2028	106,000
04/15/2024	102,000	04/15/2028	106,000
05/15/2024	102,000	05/15/2028	106,000
06/15/2024	102,000	06/15/2028	107,000
07/15/2024	102,000	07/15/2028	107,000
08/15/2024	102,000	08/15/2028	107,000
09/15/2024	109,000	09/15/2028	118,000
10/15/2024	103,000	10/15/2028	137,000
11/15/2024	102,000	11/15/2028	137,000
12/15/2024	102,000	12/15/2028	137,000
01/15/2025	102,000	01/15/2029	137,000
02/15/2025	102,000	02/15/2029	137,000
03/15/2025	102,000	03/15/2029	141,000
04/15/2025	102,000		
05/15/2025	102,000		

If any date for the payment of principal and interest hereon shall fall on a day which is not a Business Day the payment due on such date shall be due on the next succeeding day which is a Business Day, but the Issuer shall not receive credit for the payment until it is actually received by the Owner.

All payments by the Issuer pursuant to this Note shall apply first to accrued interest, then to other charges due the Owner under the Ordinance or this Note, and the balance thereof shall apply to principal.

THIS NOTE DOES NOT CONSTITUTE A GENERAL INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION OR LIMITATION, AND IT IS EXPRESSLY AGREED BY THE HOLDER OF THIS NOTE THAT SUCH OWNER SHALL NEVER HAVE THE RIGHT TO REQUIRE OR COMPEL

THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE ISSUER OR TAXATION OF ANY REAL OR PERSONAL PROPERTY THEREIN OR USE OR APPLICATION OF AD VALOREM TAX REVENUES OF THE ISSUER FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS NOTE OR THE MAKING OF ANY OTHER PAYMENTS PROVIDED FOR IN THE ORDINANCE.

This Note is issued pursuant to the provisions of Article VIII, Section 2 of the Constitution of the State of Florida, Chapter 166, Parts I and II, the municipal charter of the City of Destin, Florida, and other applicable provisions of law and Ordinance No. 21-11-CN enacted by the City Council of the Issuer on May 17, 2021, as supplemented by a resolution adopted by the City Council of the Issuer on May 17, 2021 (collectively, the "Ordinance"), and is subject to all the terms and conditions of the Ordinance. All terms, conditions and provisions of the Ordinance including, without limitation, remedies in the Event of Default are by this reference thereto incorporated herein as a part of this Note. Payment of this Note is secured by a covenant to budget, appropriate and deposit Non-Ad Valorem Revenues of the Issuer and a pledge of and lien upon the Pledged Revenues, in the manner and to the extent described in the Ordinance. Terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Ordinance.

In the event of a Determination of Taxability, "Interest Rate" means a per annum rate equal to the Taxable Rate, effective retroactively to the date on which the interest payable on this Note is includable for federal income tax purposes in the gross income of the Owner.

"Determination of Taxability" means the circumstance of interest paid or payable on this Note becoming includable for federal income tax purposes in the gross income of the Owner as a consequence of any act or omission of the Issuer. A "Determination of Taxability" shall be deemed to occur upon (i) the issuance by the Internal Revenue Service of a statutory notice of deficiency or other written notification which holds in effect that the interest payable on this Note is includable for federal income tax purposes in the gross income of the Owner, or (ii) a determination by a court of competent jurisdiction that the interest payable on this Note is includable for federal income tax purposes in the gross income of the Owner, which determination either is final and non-appealable or is not appealed within the requisite time period for appeal, or (iii) the admission in writing by the Issuer or an opinion of Note Counsel to the effect that interest on this Note is includable for federal income tax purposes in the gross income of the Owner, based only on an action or inaction by the Issuer and not based on a change in law.

For all purposes of this definition, a Determination of Taxability will be deemed to occur on the date as of which the interest on this Note is deemed includable in the gross income of the Owner. A Determination of Taxability shall not occur solely from the fact that such interest is taken into account in determining adjusted current earnings for the purpose of the alternative minimum income tax imposed on corporations. In addition to any other amounts to be paid hereunder, the Owner or any former Owner, as appropriate, shall be paid an amount equal to any additions to tax, interest and penalties, and any arrears in interest that are required to be paid

to the United States of America by the Owner or any former Owner as a result of such Determination of Taxability. All such additional interest, additions to tax, penalties and interest shall be paid by the Issuer within thirty (30) days following the Determination of Taxability and demand by the Owner.

"Taxable Rate" shall mean the lesser of (i) 1.442% per annum or (ii) the maximum interest rate permitted by applicable law.

In the event of a payment default longer than 90 days, the interest rate shall increase to the Default Rate until the payment default is cured. "Default Rate" means the rate of interest that would be borne by this Note but for the existence of a payment default, plus 3.00%.

Notwithstanding anything herein to the contrary, in the event that more than one of (i) a payment default, and (ii) a Determination of Taxability be ongoing at the same time, the interest rate shall be the higher of the Taxable Rate and the Default Rate, as applicable but such interest rate shall in no event exceed the maximum interest rate permitted by the Act.

A final payment in the amount of the entire unpaid balance, together with all accrued and unpaid interest thereon, shall be due and payable in full on the Maturity Date.

This Note shall be prepayable, in whole or in part, at the option of the Issuer at any time without penalty or premium.

This Note may be exchanged or transferred by the Owner hereof but only upon the registration books maintained by the Issuer and in the manner provided in the Ordinance.

It is hereby certified, recited and declared that all acts, conditions and prerequisites required to exist, happen and be performed precedent to and in the execution, delivery and the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Note is in full compliance with and does not exceed or violate any constitutional or statutory limitation.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the City of Destin, Florida has issued this Note and has caused the same to be executed by the manual signature of the Mayor and the City Manager, attested by the manual signature of its City Clerk, and its official seal or a facsimile thereof to be affixed or reproduced hereon, all as of the 21st day of May, 2021.

CITY OF DESTIN, FLORIDA

(SEAL)

By: _____
Mayor

By: _____
City Manager

ATTEST:

By: _____
City Clerk

EXHIBIT B

FORM OF LENDER'S CERTIFICATE

This is to certify Keys Government Finance Inc. (the "Lender") has made a loan (the "Loan") to the City of Destin, Florida (the "Issuer"). The Loan is evidenced by the Issuer's \$_____ Non-Ad Valorem Refunding Revenue Note, Series 2021 dated May 21, 2021 (the "Note"). The Lender acknowledges that the Loan is being made as a direct loan and not through the purchase of municipal securities. No inference should be drawn that the Lender, in the acceptance of said Note, is relying on Note Counsel or the City Attorney as to any such matters other than the legal opinions rendered by Note Counsel and the City Attorney. Any capitalized terms not otherwise defined herein shall have the meanings set forth in Ordinance No. 21-11-CN enacted by the City Council of the Issuer on May 17, 2021, as supplemented by a resolution adopted by the City Council of the Issuer on May 17, 2021 (collectively, the "Ordinance").

We are engaged in the business of entering into loan transactions similar to the Note.

We are aware that investment in the Note involves various risks, that the Note is not a general obligation of the Issuer or payable from ad valorem tax revenues, and that the payment of the Note is secured solely from the sources described in the Resolution (the "Note Security").

We are a sophisticated investor and have made such independent investigation of the Note Security as we, in the exercise of sound business judgment, consider to be appropriate under the circumstances. We understand that no offering statement, prospectus, offering circular, official statement or other disclosure document containing material information with respect to the Issuer or the Note is being or has been prepared, and that, with due diligence, we have made our own inquiry and analysis with respect to the Issuer, the Note, and the Note Security. We have been provided access to and have reviewed all information about the Issuer we deemed necessary. In making our lending decision, we have relied upon the accuracy of information which has been provided to us by the Issuer and Ford & Associates, Inc., the Issuer's financial advisor (the "Financial Advisor"). We acknowledge that the Financial Advisor is not acting as a placement agent, and that the Financial Advisor represents solely the interests of the Issuer and not those of the Lender. Documentation for the Note will be provided by the Note Counsel.

We have knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of our investment in the Note and can bear the economic risk of our investment in the Note.

We acknowledge that the Resolution is not being qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"), and is not being registered, in reliance upon the exemption from registration under Section 3(a)(2) of the Securities Act of 1933, Section 517.051(1), Florida Statutes, and/or Section 517.061(7), Florida Statutes, and that neither the Issuer, Note Counsel nor the City Attorney shall have any obligation to effect any such registration or qualification.

We acknowledge that no CUSIP numbers or credit ratings have been obtained with respect to the Note. We are not acting as a broker or other intermediary, and are purchasing the Note as investments for our own account and not with a present view to a resale or other distribution to the public. We understand that the Note may be transferred only in whole and not in part; provided, however, we understand that the Note may only be transferred in accordance with the limitations set forth in the Resolution.

We are a bank (or wholly-owned subsidiary of a bank), trust company, savings institution, insurance company, dealer, investment company, pension or profit-sharing trust, or qualified institutional buyer as contemplated by Section 517.061(7), Florida Statutes. We are not purchasing the Note for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of Chapter 517, Florida Statutes.

The interest rate represented by the Note was negotiated pursuant to an arms-length transaction. The full principal amount represented by the Note will be advanced by the Lender on this date to the Issuer.

We are an "accredited investor" within the meaning of the Securities Act of 1933, as amended, and Regulation D thereunder.

This Certificate is furnished by us as Lender based solely on our knowledge on the day hereof and is solely for the benefit of the Issuer and may not be relied upon by, or published or communicated to, any other person without our express written consent. We disclaim any obligation to supplement this letter to reflect any facts or circumstances that may hereafter come to our attention.

DATED this 21st day of May, 2021.

KEY GOVERNMENT FINANCE, INC.

By: _____

Name: Thomas Parachini

Title: Authorized Signor

EXHIBIT C

FORM OF DISCLOSURE LETTER

The undersigned, as purchaser, proposes to negotiate with the City of Destin, Florida (the "Issuer") for the purchase of its City of Destin, Florida Non-Ad Valorem Refunding Revenue Note, Series 2021 (the "Note") in the principal amount of \$9,905,000. Prior to the award of the Note, the following information is hereby furnished to the Issuer:

1. Set forth is an itemized list of the nature and estimated amounts of expenses to be incurred for services rendered to us (the "Lender") in connection with the issuance of the Note (such fees and expenses to be paid by the Issuer):

None

2. (a) No other fee, bonus or other compensation is estimated to be paid by the Lender in connection with the issuance of the Note to any person not regularly employed or retained by the Lender (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Lender, as set forth in paragraph (1) above.

(b) No person has entered into an understanding with the Lender, or to the knowledge of the Lender, with the Issuer, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer and the Lender or to exercise or attempt to exercise any influence to affect any transaction in the purchase of the Note.

3. The amount of the underwriting spread expected to be realized by the Lender is \$0.

4. The management fee to be charged by the Lender is \$0.

5. Truth-in-Bonding Statement:

The Note is being issued for the purpose of providing funds, together with other legally available funds of the Issuer, to finance the costs of the Project, to currently refund the Refunded Notes, and to pay the costs of issuance of the Note.

Unless earlier redeemed, the Note is expected to be repaid by March 15, 2029; at an interest rate of 1.139%, total interest paid over the life of the Note is estimated to be \$458,978.34.

The Note will be payable solely from the Pledged Revenues, which consist primarily of Non-Ad Valorem Revenues budgeted, appropriated and deposited in the manner and to the

extent described in Ordinance No. 21-11-CN enacted by the City Council of the Issuer on May 17, 2021, as supplemented by a resolution adopted by the City Council of the Issuer on May 17, 2021 (collectively, the "Ordinance"). Issuance of the Note is estimated to result in an annual average of approximately \$1,325,882.09 of revenues of the Issuer not being available to finance the other services of the Issuer during the life of the Note. This paragraph is provided pursuant to Section 218.385, Florida Statutes.

6. The name and address of the Lender is as follows:

Key Government Finance, Inc.
201 South Warren Street, 4th Floor
Syracuse, NY 13202

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Letter on behalf of the Lender this 21st day of May, 2021.

KEY GOVERNMENT FINANCE, INC.

By: _____

Name: Thomas Parachini

Title: Authorized Signor

EXHIBIT D

FORM OF INTERLOCAL AGREEMENT

ORDINANCE 21-12-CN

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DESTIN, FLORIDA, AMENDING THE FISCAL YEAR 2021 BUDGET AS DESIGNATED IN THE ATTACHED EXHIBIT “A,” DESCRIBING AMENDMENTS NECESSARY TO ACCOMMODATE ISSUANCE OF THE NON-AD VALOREM REVENUE NOTE, SERIES 2021; PROVIDING FOR AUTHORITY; PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR AMENDMENT TO THE 2021 BUDGET; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

SECTION 1. AUTHORITY.

The authority for enactment of this Ordinance is Article III, Section 3.14, of the City Charter, and Section 166.241, Florida Statutes (2020).

SECTION 2. FINDINGS OF FACT.

WHEREAS, on March 18, 2021, at the direction of the City Council of the City of Destin, Florida (the “City”), the City issued Request for Proposal #21-03-FIN, seeking competitive proposals for tax exempt loan financing in an amount not to exceed \$12,500,000.00 (the “RFP”); and

WHEREAS, through the issuance of Addendum #2 to the RFP, the City changed the amount it sought to finance to an amount not to exceed \$10,600,000.00 (the “Amended RFP”); and

WHEREAS, specifically, the Amended RFP seeks proposals relating to the issuance of tax-exempt loan financing in the form of a Non-Ad Valorem Revenue Note, Series 2021 (the “2021 Note”); and

WHEREAS, the City will use proceeds of the 2021 Note to (i) reimburse expenditures made for and/or finance the acquisition of property within the City to expand public beach access; (ii) refund, on a current basis, the City’s outstanding Non-Ad Valorem Refunding Revenue Note, Series 2015A; (iii) refund, on a current basis, the City’s outstanding Harbor Community Redevelopment Area Phase I Revenue Note, Series 2009 (as modified); and (iv) pay costs of issuance; and

WHEREAS, after receipt and review of proposals to the Amended RFP, on April 19, 2021, the City’s Bid Committee recommended that the City Council accept the proposal of Key Government Finance, Inc. (“Key”); and

WHEREAS, on May 3, 2021, the City Council accepted Key’s proposal; and

WHEREAS, pursuant to Section 3.12 of the City Charter, the City must adopt an ordinance authorizing the borrowing of money; and

WHEREAS, Ordinance Number 21-11-CN authorizes the issuance of the 2021 Note and it is scheduled for first reading on May 3, 2021, and second reading on May 17, 2021; and

WHEREAS, this transaction is scheduled to close on May 21, 2021; and

WHEREAS, the City has adopted its Fiscal Year 2021 Budget (the “2021 Budget”) through the adoption of Ordinance Number 20-26-CN; and

WHEREAS, upon adoption of Ordinance Number 21-11-CN, the City must amend the 2021 Budget to accommodate issuance of the 2021 Note; and

WHEREAS, the City Council has determined that it is necessary and in the public’s best interest to amend the 2021 Budget in accordance with the attached City of Destin Budget Amendment Form, attached hereto as Exhibit “A,” which describes amendments necessary to accommodate the issuance of the 2021 Note;

WHEREAS, a public hearing has been conducted by the City Council after due public notice.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DESTIN, FLORIDA, AS FOLLOWS:

SECTION 3. RECITALS. The foregoing recitals are true and correct, and incorporated into this Ordinance.

SECTION 4. AMENDING THE 2021 BUDGET. The 2021 Budget is hereby amended as described in Exhibit “A.”

SECTION 5. SEVERABILITY. If any section, phrase, sentence, or portion of this Ordinance is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

SECTION 6. EFFECTIVE DATE. This Ordinance shall become effective upon its adoption by the City Council and signature by the Mayor.

ADOPTED THIS 17TH DAY OF MAY 2021

Gary Jarvis, Mayor

ATTEST:

APPROVED AS TO FORM FOR THE CITY OF DESTIN, FLORIDA ONLY:

Rey Bailey, City Clerk

Kyle S. Bauman, Esq., City Attorney

**ACTION AGENDA
REGULAR MEETING
DESTIN CITY COUNCIL
MAY 3, 2021
ANNEX COUNCIL CHAMBERS**

AGENDA APPROVAL

- Pull item 7E(1) from the agenda (Hebert)
- Walk on item: Discussion / Direction on filling vacated Council seat (City Manager)

Motion to approve the agenda, as amended, passed 6-0.

1. APPROVAL OF MINUTES

- A) Approval of minutes of March 15, 2021 Regular City Council Meeting

Motion to approve minutes of March 15, 2021 Regular City Council Meeting passed 6-0.

2. PROCLAMATIONS / RECOGNITIONS / **SPECIAL PRESENTATIONS / ANNOUNCEMENTS

- A) Proclamation - Food For Thought Day

The Mayor Pro Tem read the Proclamation recognizing May 18, 2021 as *Food for Thought Day*, and then presented it to Ms. Tiffanie Nelson, Founder/Director of Food For Thought, and Ms. Jessica Roberts, Director of Food For Thought Outreach.

- B) Proclamation – Drinking Water Week

The Mayor read the Proclamation proclaiming May 2-8, 2021 as *Drinking Water Week* and then presented it to Mr. Lockwood Wernet, General Manager of the Destin Water Users.

3. PUBLIC COMMENTS ON AGENDA ITEMS THAT ARE NOT PUBLIC HEARINGS AND ANY OTHER MATTERS NOT ON THE AGENDA

4. CITY MANAGER REPORTS

A) September Meeting Schedule

Motion to approve the FY 2022 Budget Calendar and to set the Budget and Millage Adoption Public Hearing #1 for September 9, 2021 at 5:30 PM in the City Hall Annex Council Chambers at 4100 Indian Bayou Trail passed 6-0.

B) RFP 21-03-FIN Tax Exempt Loan Financing

Motion to accept the proposal of Key Government Finance, Inc. in response to RFP 21-03-FIN and authorize and direct the City Manager and Mayor to execute all documentation necessary to consummate the transaction passed 6-0.

C) Small Cellular Service Poles in Rights-of-Way

D) Fill Vacated Council Seat

Motion to schedule the appointment of an interim councilmember at the next City Council meeting passed 6-0.

E) Announcements:

- **Crosstown Connector Workshop is scheduled for May 10th at 5:30 PM**
- **CRA Board Meeting is scheduled for May 17th at 5:30 PM**
- **The building that was located on the far eastern parcel in the Shores at Crystal Beach Park was demolished. The debris will be removed, and the work will be completed shortly**
- **Lauren Witt, the City's Principal Planner for 2½ years will be leaving the City shortly. She will be sorely missed**
- **The City has recently hired a new planner and a building inspector**
- **The Community Development Department is now open 5 days a week, from 8 AM to 5 PM**

5. PUBLIC HEARINGS

- A) First reading of Ordinance 21-11-CN - Authorizing the issuance of the City of Destin non-ad valorem refunding revenue note, Series 2021 in the principal amount of not to exceed \$10,600,000 for the purpose of financing the acquisition of certain real property within the City to be used to expand public beach access, refunding on a current basis the City's outstanding non-ad valorem refunding revenue note, Series 2015A and refunding on a current basis the outstanding Harbor Community Redevelopment Area Phase 1 revenue note, Series 2009, issued by the Community Redevelopment Agency of the City of Destin

Motion to approve Ordinance 21-11-CN on first reading and direct City staff to advertise it for second reading on May 17, 2021 passed 6-0.

- B) First reading of Ordinance 21-12-CN - Amending the FY2021 Budget to accommodate issuance of the Non-Ad Valorem Revenue Refunding Note, Series 2021, providing for authority, providing for findings of fact, providing for amendment to the 2021 Budget, providing for severability, and providing for an effective date

Motion to approve Ordinance 21-12-CN on first reading and direct City staff to advertise it for second reading on May 17, 2021 passed 6-0.

- C) First reading of Ordinance 21-03-LC - Providing for amendments to Article 7, Section 7.12.08, "Dimensional Requirements"; amending Table 7-3, "Schedule of Dimensional Requirements in Zoning districts;" providing for consistency with the City's Comprehensive Plan.

Motion to approve Ordinance 21-03-LC on first reading and direct City staff to advertise it for second reading on May 17, 2021 passed 6-0.

- D) First reading of Ordinance 21-08-LC - Providing for amendments to Article 7 of the Land Development Code, "Land Use, Type, density, Intensity, zoning and Regulatory Controls" to require multi-family long-term uses to include commercial components in the commercial General (CG) zoning district

Motion to approve Ordinance 21-08-LC on first reading and direct City staff to advertise it for second reading on May 17, 2021 passed 6-0.

- E) First reading of Ordinance 20-24-LC - Regulating low speed vehicles, amending Article VIII "Transportation" and creating a new Section 8.09.04 entitled, "Alternative Modes of Transportation"; defining "Low Speed Vehicles"; providing for limited operation of low speed vehicles on certain city streets, prohibiting low speed vehicles on specified streets.

Motion to table this item passed 6-0.

6. CONSENT AGENDA

- A) Minutes from Boards and Committees
B) Letter of Support/E. Byrne Memorial Justice Assistance Program

Motion to approve Consent Agenda item 6A and 6B passed 6-0.

7. COMMENTS/PRESENTATIONS FROM MAYOR, COUNCIL, LAND USE ATTORNEY AND CITY ATTORNEY

- A) Councilmember Braden
B) Councilmember Ramswell

- 1) Determining the Harbor CRA Boundary Line
- 2) Harbor Capacity Study - identify the number of existing boat slips in the harbor
- 3) Water Quality Study

Councilmember Ramswell noted a concern by many that water quality in many areas of the harbor is so horrible people do not want to swim in it. Different elements (mineral, metals) that are currently being tested are not the same as those that have been tested in the past. Past findings were so concerning there was actually a moratorium on building slips and any sorts of development along the harbor. Councilmember Ramswell asked staff to investigate the following:

- **A comparison between what elements were tested back in 1999, what elements were tested in 2009, and what elements are being tested today. What is actually included in the water quality study being conducted periodically**
- **What is the difference in terms of the elements? Why those elements tested in the past are no longer being tested?**

4) Norriego Point Submerged Land Lease

C) Councilmember Destin

Time Saver Oil Change on Mountain Drive has closed. They were under contract with the City to take used oil from people who change oil on boats. He asked staff to come up with a course of action to provide an environmentally safe and lawful place for people to dispose their used oil and advertise accordingly.

D) Councilmember Overdier

E) Councilmember Hebert

- 1) Recommendation to delay repair of the boardwalk in front of Tailfins until November and any immediate boards that are damaged be replaced immediately, but no full replacement be made until the end of the season

Item pulled from the agenda.

F) Councilmember King

G) Councilmember Schmidt

- 1) Airport Road Curve – Update
- 2) Nomination of Mr. Alexander Santos to the Town Center CRA Advisory Committee

Motion to appoint Mr. Alexander Santos to the Town Center CRA Advisory Committee passed 6-0.

H) Mayor Gary Jarvis

I) Land Use Attorney

J) City Attorney

8. PUBLIC COMMENTS

ADJOURNMENT: 8:11 PM

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: May 12, 2021
TYPE OF AGENDA ITEM: Action Item
AGENDA OUTLINE NUMBER: 5.B.

TO: CRA Board

THRU: Kyle Bauman, City Attorney
Louis Zunguze, Community Development Director

FROM: Krystal Strickland, Finance Director

DATE: May 11, 2021

SUBJECT: Resolution CRA 21-01 - Approving the form of and authorizing the execution of an interlocal agreement with the City of Destin

I. BACKGROUND: This resolution authorizes execution of an interlocal agreement between the City of Destin and the Harbor CRA whereby the Harbor CRA agrees to pay its portion of the 2021 loan. Both the resolution and the interlocal agreement are attached.

Given the favorable interest rates, the City of Destin is issuing new debt to refinance certain loans, including the Harbor CRA's Phase 1 Revenue Note, Series 2009. Refinancing this loan with a new loan to the City will save the Harbor CRA \$245,776 (net present value).

The 2009 Harbor CRA loan was secured by Harbor CRA Tax Increment revenue. The new loan will be a non-ad valorem revenue note to be paid by the City. With this interlocal agreement, the Harbor CRA agrees to pay its portion of the new 2021 loan from its current and future revenues.

II. DISCUSSION: In March 2021, the City issued a request for proposals for tax-exempt financing to borrow funds for public beach acquisition. This loan is to be repaid using Okaloosa 1/2 Penny Local Surtax funds that will be collected from January 2019 - December 2028. The City also had two loans that were eligible for refinancing, the Harbor CRA's 2009 loan (\$3,986,826, 2.84%) and the General Fund's 2015A Capital Improvement loan (\$3,677,000, 2.71%). The responses to the request for proposal came back favorably. Staff recommend refinancing the two callable loans.

In order to take advantage of current favorable interest rates, staff recommend refinancing the two callable loans, and recommend borrowing \$2.8 million for public beach access projects. The City will issue a total of \$9,905,000 in debt to be repaid as follows:

\$3,597,000 to refinance the Harbor CRA's 2009 loan to be repaid with Harbor CRA TIF revenues

\$3,489,000 to refinance the General Fund 2015A Capital Improvement loan to be repaid using general non-ad valorem revenues

\$2,819,000 to expand public beach access to be repaid from Okaloosa 1/2 Penny Local Surtax revenues

The attached Interlocal Agreement authorizes shows the CRA supports the Issuance the City of Destin's Non-Ad Valorem Refunding Revenue Note, Series 2021. The attached Resolution gives authorization for the CRA and the City to enter into the attached Interlocal Agreement.

A. Link to Strategic Goals / Objectives:

B. Effect on Budget (EOB): The effect on budget is included in Ordinance 12-12-CN FY2021 Budget Amendment which is attached to item 5.A.

C. Level of Service (LOS):

III. CONCLUSION: Ultimately, the consummation of this transaction will result in cost savings to both the CRA and the City.

IV. RECOMMENDED MOTION: I move to recommend that the Destin Community Redevelopment Agency adopt Resolution CRA-21-01, authorizing and directing the Agency's Chair or Vicechair to enter into the attached Interlocal Agreement with the City of Destin.

Attachments:

1. CRA 21-01 - Authorizing Interlocal Agreement with City of Destin
2. Interlocal Agreement Between the CRA and the City of Destin (1)

RESOLUTION CRA-21-01

A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA, A PUBLIC BODY CORPORATE AND POLITIC, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF AN INTERLOCAL AGREEMENT WITH THE CITY OF DESTIN, FLORIDA; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Community Redevelopment Agency of the City of Destin, Florida (the "Agency") desires to enter into that certain Interlocal Agreement with the City of Destin, Florida (the "City") (the "Interlocal Agreement"), the substantially final form of which is attached hereto as Exhibit A; and

WHEREAS, on October 25, 2010, pursuant to Resolution No. 09-01-CRA adopted by the Board of Directors (the "Board") of the Agency on August 24, 2009, the Agency issued its Community Redevelopment Agency of the City of Destin, Florida Harbor Community Redevelopment Area Phase 1 Revenue Note, Series 2009 (as amended, restated, replaced and re-issued from time to time, and as particularly amended, restated, replaced and re-issued on September 18, 2015, the "Agency Note") for the purpose of financing the cost of a redevelopment project within the Harbor Community Redevelopment Area (the "CRA Project"); and

WHEREAS, the City intends to issue its not to exceed \$10,600,000 pursuant to Ordinance No. 2021-11-CN enacted on May 17, 2021 and a resolution adopted on May 17, 2021 (collectively, the "Ordinance"), the City intends to issue is not to exceed \$10,600,000 City of Destin, Florida Non-Ad Valorem Refunding Revenue Note, Series 2021 (the "City Note") for the purpose of providing funds, together with other legally available funds of the City, to (1) finance the costs of expanding public beach access, and (2) currently refund the City's Non-Ad Valorem Refunding Revenue Note, Series 2015A and the Agency Note for net present value debt service savings; and

WHEREAS, pursuant to the Interlocal Agreement, the Agency will agree to make payments to the City in amounts therein described to pay the portion of the City Note which is attributable to the CRA Project.

BE IT RESOLVED BY THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA:

SECTION 1. The form of the Interlocal Agreement relating to the City Note, attached hereto as Exhibit A, is hereby approved. The Interlocal Agreement with such non-material omissions, insertions and variations as may be necessary and/or desirable and approved by the Chair or Vice-Chair prior to the execution thereof, which necessity and/or desirability and approval shall be presumed by the Agency's execution of the Interlocal Agreement, shall be

executed in the name of the Agency by the Chair or Vice-Chair and attested by the Secretary or an authorized assistant or deputy and a seal of the Agency shall be affixed thereto or reproduced thereon.

SECTION 2. This resolution shall become effective immediately upon its passage and adoption.

COMMUNITY REDEVELOPMENT AGENCY OF
THE CITY OF DESTIN, FLORIDA

Passed: May 17, 2021

(SEAL)

By: _____
Chair

ATTEST:

By: _____
Secretary

EXHIBIT A

FORM OF INTERLOCAL AGREEMENT

INTERLOCAL AGREEMENT

This INTERLOCAL AGREEMENT is made and entered into this 21st day of May, 2021 (herein, the "Agreement"), by and between the COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA, a public body corporate and politic, and a public instrumentality, duly created pursuant to the Florida Community Redevelopment Act, Chapter 163, Part III, Florida Statutes, as amended (hereinafter referred to as the "Agency"), and the CITY OF DESTIN, FLORIDA, a municipal corporation of the State of Florida (hereinafter referred to as the "City");

WITNESSETH:

WHEREAS, pursuant to Resolution No. 98-09 adopted by the City Council of the City (the "City Council") on March 3, 1998, the City created and established the Agency to carry out the community redevelopment purposes of the provisions of Part III, Chapter 163, Florida Statutes (the "Redevelopment Act"); and

WHEREAS, pursuant to Resolution No. 03-06 adopted by the City Council on June 2, 2003, the City determined that the area described therein as the "Harbor Community Redevelopment Area" is a blighted area as defined in Section 163.340(8), Florida Statutes, and made a finding of necessity for such area; and

WHEREAS, pursuant to Resolution No. 03-06 adopted by the City Council on June 2, 2003, the City approved the "Redevelopment Plan for the Harbor Community Redevelopment Area" (as may be amended from time to time, the "Redevelopment Plan"); and

WHEREAS, pursuant to Ordinance No. 03-01-CRA enacted by the City Council on June 16, 2003 (the "Trust Fund Ordinance"), the City provided for the establishment of a Redevelopment Trust Fund for the purpose of carrying out redevelopment in the Harbor Community Redevelopment Area pursuant to the Redevelopment Plan (the "Redevelopment Trust Fund"); and

WHEREAS, on October 25, 2010, pursuant to Resolution No. 09-01-CRA adopted by the Board of Directors (the "Board") of the Agency on August 24, 2009 (as amended and supplemented from time to time, the "Agency Resolution"), the Agency issued its Community Redevelopment Agency of the City of Destin, Florida Harbor Community Redevelopment Area Phase 1 Revenue Note, Series 2009 (as amended, restated, replaced and re-issued from time to time, and as particularly amended, restated, replaced and re-issued on September 18, 2015, the "Agency Note") for the purpose of financing the cost of a redevelopment project within the Harbor Community Redevelopment Area (the "CRA Project"); and

WHEREAS, the CRA Project is located in the area of operation of the City and serves a public purpose, in furtherance of the purposes for which the Agency was created; and

WHEREAS, the Agency Note was heretofore secured by Trust Fund Revenues which consist of, collectively, (i) Net Tax Increment Revenues (as defined in the Agency Resolution), and (ii) all investment earnings and income thereon; and

WHEREAS, pursuant to Ordinance No. 2021-11-CN enacted on May 17, 2021 and a resolution adopted on May 17, 2021 (collectively, the "Ordinance"), the City issued its not to exceed \$10,600,000 City of Destin, Florida Non-Ad Valorem Refunding Revenue Note, Series 2021 (the "City Note") for the purpose, amongst other purposes, of currently refunding the Agency Note for net present value debt service savings; and

WHEREAS, because the indebtedness relating to the Agency Note is being retired and refinanced with a portion of the proceeds of the City Note, the City and Agency desire to enter into this Interlocal Agreement to memorialize the terms by which the Agency shall reimburse the City for its obligations heretofore incurred by the Agency in the form of the Agency Note by paying to the City each year, from Net Tax Increment Revenues, an amount equal to the annual principal and interest payments on the City Note attributable to the CRA Project.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the parties agree as follows:

1. Incorporation of Recitals. The recitals set forth above are hereby incorporated into the terms of this Agreement.

2. Definitions. The following terms in this Agreement shall have the following meanings unless the text otherwise expressly requires:

"Net Tax Increment Revenues" shall mean the Tax Increment Revenues deposited in the Redevelopment Trust Fund less Operating Expenses.

"Operating Expenses" means the Agency's reasonable and necessary current expenses related to the Harbor Community Redevelopment Area incurred in the Agency's ordinary course of business, paid or accrued, including, without limitation: (i) expenses of owning, operating, leasing, maintaining and repairing the real and personal property of the Agency; (ii) expenses related to employee salaries, wages, benefits and pension or retirement fund payments; (iii) administrative and overhead expenses necessary or incidental to the implementation of the Redevelopment Plan; and (iv) such other expenses as shall be considered, under the Redevelopment Act, reasonable and necessary current expenses of the Agency related to the Harbor Community Redevelopment Area; provided, however, that Operating Expenses with respect to the Agency shall not include debt service requirements on indebtedness of the Agency (other than indebtedness with a stated maturity of less than 365 days), depreciation expenses and other non-cash charges or reserves.

"Tax Increment Revenues" shall mean the revenues derived from the Harbor Community Redevelopment Area and received by the Agency from the City, Okaloosa County and, to the extent permitted by law, any other "taxing authority", for deposit to the Redevelopment Trust Fund, all pursuant to Section 163.387, Florida Statutes, and the Trust Fund Ordinance. For purposes of this definition, the term "Taxing Authority" shall have the meaning ascribed thereto in Section 163.340(24), Florida Statutes, or any other successor statute or statutory provision to the extent the same maybe applicable in respect of the Tax Increment Revenues.

3. Obligation to Repay City. To the extent permitted by the Redevelopment Act, the Agency shall reimburse the City for all costs incurred by the City on behalf of the Agency in connection with the issuance of the City Note which are attributable to the CRA Project as described in Section 4.C hereof. In the event Net Tax Increment Revenues are not sufficient to immediately reimburse the City for these payments, then, in addition to the amounts due the City as described in the immediately preceding sentence, the Agency shall pay the same interest rate due on the City Note on amounts paid by the City and due and owing from the Agency from the date of such payment until and including the date reimbursed by the Agency.

4. Financing.

A. The City's issuance of the City Note is authorized by and in accordance with the Ordinance for the purpose of refinancing the CRA Project and for other lawful purposes authorized by the Ordinance. The debt service on the City Note is not secured by any amounts pledged to the City hereunder.

B. In consideration of the payment of the Net Tax Increment Revenues by the Agency to the City to pay the portion of the City Note which is attributable to the CRA Project, the City has refinanced the cost of the CRA Project through the issuance of the City Note pursuant to the Ordinance.

C. Upon execution of this Agreement, the Agency shall timely deposit or cause to be deposited Net Tax Increment Revenues received from time to time by the Agency with the City in amounts sufficient to pay the following (the "CRA Obligations"):

(i) all amounts paid or payable pursuant to the Ordinance, by reason of the issuance of the portion of the City Note which is attribute to the CRA Project; and

(ii) all amounts necessary to reimburse the City for amounts expended by it to pay any of the items mentioned in clause (i) above and any interest thereon as prescribed in Section 3 hereof.

The Agency agrees that it will reimburse the City for any subsequent shortfalls which may be encountered hereafter in the amounts payable by the Agency to the City in respect of annual debt service on the City Note.

The obligation to transfer the Net Tax Increment Revenues to the City to pay the CRA Obligations shall survive the date on which the City Note is no longer due and owing under the Ordinance.

Any amounts received by the Agency in excess of the amount necessary to pay the CRA Obligations set forth above may be retained by the Agency and used for any lawful purpose of the Agency.

D. In order to secure its indebtedness to the City for the CRA Obligations, the Agency hereby pledges to the City the Net Tax Increment Revenues which pledge shall be prior and superior to all other pledges thereof; provided, however, that the Tax Increment Revenues which derive from any other redevelopment areas heretofore or subsequently established by the Agency are not pledged in any manner to secure the CRA Obligations.

E. The Agency is presently entitled to receive the Tax Increment Revenues to be deposited in the Redevelopment Trust Fund, and has taken all action required by law to entitle it to receive such Tax Increment Revenues, and the Agency will diligently enforce the obligation of any Taxing Authority to appropriate its proportionate share of the Tax Increment Revenues and will not take, or consent to or adversely permit, any action which will impair or adversely affect the obligation of each such Taxing Authority to appropriate its proportionate share of such Tax Increment Revenues, impair or adversely affect in any manner the deposit of such Tax Increment Revenues in the Redevelopment Trust Fund, or the pledge of such Net Tax Increment Revenues hereby to the extent as described herein. The Agency and the City shall be unconditionally and irrevocably obligated so long as the City Note is outstanding, and until the payment in full by the Agency of its indebtedness to the City for the CRA Obligations, to take all lawful action necessary or required in order to ensure that each such Taxing Authority shall appropriate its proportionate share of the Tax Increment Revenues as now or later required by law, and to make or cause to be made any deposits of Tax Increment Revenues or other funds required by this Agreement.

F. The Agency does hereby authorize and consent to the exercise of full and complete control and custody of the Redevelopment Trust Fund, and any and all moneys therein, by the City for the purpose provided in this Agreement, including payment of the CRA Obligations.

5. Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provision herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatever.

6. Applicable Provisions of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

7. Rules of Interpretation. Unless expressly indicated otherwise, references to sections or articles are to be construed as references to sections or articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Agreement and not solely to the particular portion in which any such word is used.

8. Captions. The captions and headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

9. City Council Members of the City Exempt from Personal Liability. No recourse under or upon any obligation, covenant or agreement of this Agreement or the City Note or for any claim based thereon or otherwise in respect thereof, shall be had against any City Council members of the City, as such, of the City, past, present or future, either directly or through the City it being expressly understood (a) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the City Council members of the City, as such, under or by reason of the obligations, covenants or agreements contained in this Agreement or implied therefrom, and (b) that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such City Council member of the City, as such, are waived and released as a condition of, and as a consideration for, the execution of this Agreement and the issuance of the City Note on the part of the City.

10. Board Members of the Agency Exempt from Personal Liability. No recourse under or upon any obligation, covenant or agreement of this Agreement or the City Note or for any claim based thereon or otherwise in respect thereof, shall be had against any board members of the Agency, as such, of the Agency, past, present or future, either directly or through the Agency it being expressly understood (a) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the board members of the governing board of the Agency, as such, under or by reason of the obligations, covenants or agreements contained in this Agreement or implied therefrom, and (b) that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such board member of the Agency, as such, are waived and released as a condition of, and as a consideration for, the execution of this Agreement.

11. Obligations Limited. By execution of this Agreement, the Agency hereby consents to all the provisions of the Ordinance. The obligation to pay to the City the CRA Obligations shall not be deemed to constitute a debt of the Agency or a pledge of the faith and credit of the Agency, but such CRA Obligations shall be payable solely from the Tax Increment Revenues to be received by the Agency pursuant to the Redevelopment Act. The Agency has no taxing power.

12. Eligibility to Receive Tax Increment Revenues. The Agency shall comply with all applicable requirements set forth in the Redevelopment Act which are necessary in order to receive Tax Increment Revenues from each applicable Taxing Authority and shall take all lawful

action necessary or required to continue to receive such Tax Increment Revenues so long as it exists and shall not allow an impairment of its receipt of the Tax Increment Revenues to the detriment of the City.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties to this Agreement have caused their names to be affixed hereto by the proper officers thereof as of the day and year first written above.

CITY OF DESTIN, FLORIDA

(SEAL)

Gary Jarvis, Mayor

Lance Johnson, City Manager

ATTEST:

Rey Bailey, City Clerk

COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF DESTIN,
FLORIDA

Chair

ATTEST:

Secretary

[Signature Page to Interlocal Agreement]