Springs Preservation Plan

Prepared for the City of North Port, Florida, by the Sarasota Alliance for Historic Preservation and their associates

North Port | Florida | 2024



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EXECUTIVE SUMMARY

Warm Mineral Springs is a local, national and international treasure. And the City of North Port's only historic landmark. Its waters have soothed the body and souls of bathers for years – its origins date back to pre-historic times. In 1959, the same year North Port was incorporated, three buildings were designed by Jack West of the Sarasota School of Architecture for the Florida Quadricentennial Celebration. The Springs thrived as a tourist destination and put North Port on the global map! The buildings are much diminished. Given this history, and considering what North Port needs for the future, the question for today's City Commissioners is "Are the Springs Buildings Worth Restoring?"

The Sarasota Alliance for Historic
Preservation strongly believes there is a
path to their survival — one that will restore the
complex to something that will be a source of
great pride to the City of North Port — and that
will increase tourism and continue to serve future
generations. This path is outlined in the plan
below.

We know the City has invested significant effort to rehabilitate the springs complex these past few years without the success hoped for. We can appreciate the fatigue these efforts have caused you. Yet we see reason for optimism in the future of the Springs complex by adopting a realistic multi-year plan using matching grants. historic tax credits and other means as outlined in the chart below. It also may be possible for the City to find another commercial partner that shares your vision for the future, bringing Warm Mineral Springs back to the popularity it once enjoyed – and making it even better. Regardless of that possibility, the City of North Port has within its own reach access to monies that will support your dreams of full restoration of the Springs complex.

The Sarasota Alliance for Historic Preservation, the Florida Trust for Historic Preservation and our partners can also assist in connecting you to subject matter experts in those areas where you need guidance. Our access to experts ranges from springs conservationists and grant writers to historic re-development construction experts and many more.

We believe it is important to think of this restoration not just as a cost, but as an investment in your community's future — one that will be good for the City of North Port because it will stimulate economic growth and serve the wellbeing of the citizens of North Port and beyond.

We look forward to addressing your questions regarding this proposed plan as well as supporting you in your efforts to invest in this most worthwhile endeavor. As the original developer, Sam Herron, was fond of saying: In all the world there is only one Warm Mineral Springs.

The historical and cultural integrity of the property comes from the springs, the parkland *and* its buildings.

For purposes of this proposal, we will use the restoration figures laid out in Sweet Sparkman's February 28 Warm Mineral Springs Building Complex Post-Storm Assessment and Options Report, which estimated that full restoration of the three historic buildings could cost between \$11 to \$13.1 million. As the report notes, the historic designation of the buildings enables exemptions under the Florida Building Code that make renovations of these structures more feasible. (The following scenario is for illustrative purposes only.)

We have taken onboard the city's desire to not have the buildings sitting unused for much longer, and used an ambitious but realistic four-year timetable for stabilizing the buildings, securing additional

financial support and restoring the buildings.

If the city were to allocate \$5 million of its Warm Mineral Springs funding to stabilizing and restoring the buildings and applied for a Special Category Grant for historic preservation from the Florida Division of Historical Resources, the city's funding would qualify as a matching grant for up to \$500,000 a year.

COMPLETE RESTORATION \$11 - \$13.1 **MILLION**

Per Sweet Sparkman 2/28 report

ALLOCATES \$5 MILLION

Applies to Special Category Grants for historic preservation from the Florida Division of **Historical Resources**

\$500K/YR **MATCHING GRANTS**

ENTRY BUILDING

SPA BUILDING

CYCLORAMA

FLOODING CONCERNS ADDRESSED Thanks to the foresight of North Port City officials, the three buildings at Warm Mineral Springs have been listed in the National Register of Historic Places. Therefore they would be exempt from certain FEMA requirements for rebuilding in a flood plain. This allows for the rehabilitation of the buildings without the need to elevate them above the flood zone level. But recognizing that North Port officials have concerns about investing in restoration in a flood plain regardless of this exemption, there is a solution: flood barriers could be installed and the floors, electrical outlets and mechanical elements could be elevated inside the buildings greater than 14 inches above ground. This would reduce the risk of building materials and contents being damaged in a flood, while not altering the exteriors of the buildings.

YEAR 1

City invests \$3.5 million to stabilize the buildings and get one opened immediately as a ticket office and for visitor amenities. \$500,000 of North Port's existing funding is matched by a **state Special**Category grant = \$4 million.

\$4 MILLION FROM CITY + MATCHING GRANT

North Port would also likely qualify for funds from the **Florida Communities Trust**, which helps protect historical, cultural and recreational resources and for which the Legislature allocated \$15 million this year.

The city works with a commercial entity to syndicate Historic Rehabilitation Tax Credits¹ and get the funding upfront to help with building restoration. This could equal 20 percent of the allowable expenses put into restoration = approximately \$1million.

UP TO \$1 MILLION IN TAX CREDITS

More about Historic Rehabilitation Tax Credits on page 6

\$500K FROM CITY \$500K MATCH YEAR 2

North Port invests another \$500,000 from existing funding and is matched by a state Special Category Grant to carry out further restoration = \$1 million

SAVE AMERICA'S
TREASURES GRANT
\$125K
TO \$750K

North Port applies for a <u>Save America's</u> <u>Treasures grant</u> from the National Park Service to restore the Cyclorama. These matching grants range from \$125,000 to \$750,000.

YEAR 3

North Port invests another \$500,000 from existing funding and is matched by a state Special Category Grant to carry out further restoration = \$1 million.

lease of the Springs.

\$500K FROM CITY \$500K MATCH

YEAR 4

\$4 MILLION IN POTENTIAL LOAN

If the City gains the ability to issue debt, the current revenue estimate could support borrowing for continued restoration and improvement of the historic buildings of about \$4 million.

Borrowing using tax-advantaged revenue financing would enable the City to restore the buildings, which then could be net leased to operator(s) of facilities that would offer the three priority services identified in the 2023 North Port Community Survey. There are potential sources of revenue beyond just tickets sales or an approximate \$500,000 triple net

POTENTIAL ADDITIONAL FUNDING+RESOURCES

North Port invests another \$500,000 from existing funding and is matched by a state Special Category Grant to carry out further restoration = \$1 million.

\$500K FROM CITY \$500K MATCH

Sarasota Alliance for Historic Preservation is offering technical support on grant opportunities.

The Florida Trust for Historic Preservation is offering its support in an advisory capacity with available state grants, specifically Division of Historical Resources.

Land and Water Conservation Fund Program
The maximum grant request for development projects is up to \$1.5 million.

Land and Recreation Grants Section | Florida Department of Environmental Protection

Florida Environmentally Sensitive Lands
Protection Program (ESLPP) – WMS is
underrepresented. SRQ County has protected
only. 4.98 acres at WMS; This represents 0.013%
of total protected acreage.

Outdoor Recreation Legacy Partnership Program, a grant through the National Park Service eligible for public and private recreation initiatives.

Center for Landscape Conservation Planning at the University of Florida has offered assitance with recreation/green infrastructure planning + climate or coastal resiliency planning.

The 2023 North Port Community Survey indicated that an overwhelming majority of North Port residents (88%) approved of allocating WMS revenues to Springs improvement. A majority (57%) approved of using a tax-supported bond issue, or property taxes (58%) for the same purpose.

The survey also showed that residents highest preferences for the Springs are:

- Clean and safe amenities and facilities (91%)
- Year-round fitness and recreation opportunities (63%)
- Healthy food options (62%)

ADDITIONAL FINANCIAL CONSIDERATIONS

More about Historic Rehabilitation Tax Credits

¹ The city could also generate funds to support restoration through syndication of historic tax credits. Historic Rehabilitation Tax Credits could equal 20 percent of the allowable expenses put into restoration. Non-profits such as a City Government are eligible if they have a for-profit entity that will syndicate or allocate the Federal Tax Credits to a tax investor who will invest equity into the historic building. Most recipients of historic tax credits (usually a developer or for-profit organization) choose to syndicate them—to transfer the tax credits to an investor. Tax credit syndication requires the building owner and an investor to form a legal entity like a limited partnership or limited liability company. This arrangement allows the building owner to receive capital sooner, while the investor claims the tax credits over a period of five years after construction is completed.

There are many companies who want to invest in a historic preservation project, and they actually pay to the owner nearly the whole value of the tax credits up front. This results in more cash for the non-profit owner at the beginning of rehabilitation and allows the private investor to amortize their investment over 5 years through syndication once the project is completed.





PRESERVING THE SPRINGS

"The City is pursuing the designation of Warm Mineral Springs as an Outstanding Florida Spring, which would limit or prohibit certain activities nearby that could harm or pollute the water... The City is committed to protecting the springs' natural environment and historic character."

FINDINGS REPORT CITY OF NORTH PORT, FLORIDA WARM MINERAL SPRINGS PARK COMMUNITY SURVEY

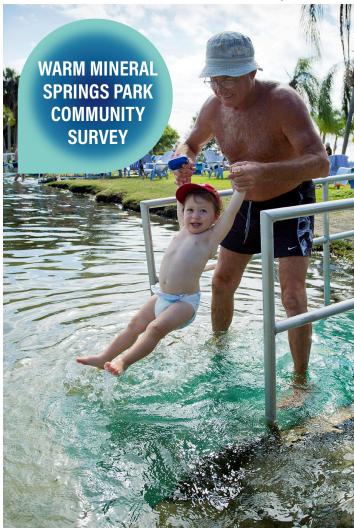
- (90%) report visiting Warm Mineral Springs
- Over the past two years, those respondents most often report visiting frequently (monthly- 30%) or very frequently (weekly - 30%).



 Most respondents (82%) either agree (24%) or strongly agree (58%) with the use of taxgenerated revenue being used towards the restoration and improvement of Warm Mineral Springs.







- Respondents were then asked to select all types of funding mechanisms they would be willing to invest in towards the improvement of Warm Mineral Springs Park: revenues generated by Warm Mineral Springs (88%), property tax proceeds (58%), and a taxsupported bond issue (57%) were the most supported methods.
- Ownership of Warm Mineral Springs.
 Respondents were asked to reflect upon
 what they would like the city commission to
 do if faced with having to decide to sell or
 transfer a portion of Warm Mineral Springs.
 Most respondents (73%) would like the city
 commission to do neither and 18% said sale
 would be ok.

- When asked to select one level of intensity, most respondents (82%) preferred a lowintensity development.
- Most Important Aspects of Health at Warm Mineral Springs: Respondents were asked to rate the importance of three aspects of overall health at Warm Mineral Springs.
 - Clean and safe amenities and facilities (91%)
 - Year-round fitness and recreation opportunities (63%), healthy food options (62%)
- 88% support phased improvement.



"The Florida Fish and Wildlife Conservation Commission (FWC) has successfully completed restoration work downstream from Warm Mineral Springs in Sarasota County. The warm water flowing from the spring is of particular importance to manatees seeking shelter from cooler winter temperatures.

Construction of this project was funded by the Florida Legislature in response to the manatee Unusual Mortality Event on the state's Atlantic coast and is the first to be completed using these funds. Manatee habitat conservation and restoration is important in all areas of Florida and this project will provide an important refuge for the southwest manatee population during the winter." Source: FFWC Web Site.

Florida Forever: In 2001, the Florida Forever program replaced Preservation 2000 as the largest public land conservation program in the nation. Implemented with bipartisan support in the state legislature, this followed the passage of a constitutional amendment in 1998 (which received 72 percent support) that

authorized revenue bonds for acquisition and improvements of land and water resource areas for conservation, environmental restoration, and historic preservation. Unlike Preservation 2000, Florida Forever does not expire.

2024 Florida Forever Priorities List: Sarasota County is underrepresented. Only the Maykka Farm Lands are listed on the Priorities List. WMS is not included, so work needs to be done to have WMS added given its importance to the habitat of the manatees.

Gulf Environmental Benefit Fund (GEBF) in the state of Florida stands at 46, with a total current value of nearly \$310 million. These projects leverage or complement other conservation investments worth nearly \$190 million, creating a total impact of nearly \$500 million for the Florida coast. These projects were selected for funding following extensive consultation with the Florida Fish and Wildlife Conservation Commission, the Florida Department of Environmental Protection, the U.S. Fish and Wildlife Service (FWS) and the National Oceanic and Atmospheric Administration (NOAA).



