



Phone
(850) 475-4982



Address
1000 College Blvd
Bldg. 26, Suite #2686
Pensacola, FL 32504

Board of Directors

Gubernatorial Appointees

Stephanie White, Esq.
Vice Chair
Attorney, Law Offices of
Berkowitz & White

Tori Woods
Treasurer
Marketing and Outreach
Specialist, Centene

Dr. Rex Northup
Chair
Pediatrician, Retired

Vacant

Vacant

Positional Members

Honorable Thomas Williams
Circuit Judge, First Judicial
Circuit Court

David Williams
Escambia County School Board

Lumon May
Commissioner, Escambia County
Board of County Commissioners

Tina Cain
Director of Child Protection
Department of Children &
Families

Keith Leonard
Superintendent, Escambia County
School District



ESCAMBIA
CHILDREN'S TRUST
Our Children. Our Community. Our Future.

November 26, 2025

Via email: dcreeves@cityofpensacola.com

Honorable Mayor D.C. Reeves
City of Pensacola
222 W. Main Street
Pensacola, Florida 32502

RE: Escambia Children's Trust Supplemental Request for Exemption
Pursuant to Sec. 163.387(2)(d), Florida Statutes

Dear Mayor Reeves,

On June 13, 2025, the Escambia Children's Trust (the "Trust") was notified by the Office of the City Attorney that the City of Pensacola (the "City") is seeking \$2,448,905.58 for payment of 2021 - 2024 tax increment revenues pursuant to Sec. 163.387(2)(a), Florida Statutes, along with late fees and interest through July 31, 2025. Thereafter, on July 23, 2025, and pursuant to City policy and Sec. 163.387(2)(d), Florida Statutes, the Trust respectfully requested an exemption from the payment of tax increment revenues for the 2021 - 2024 tax years, to include a waiver of all late fees and interest.

In lieu of this payment, the Trust proposed entering into an interlocal agreement with the City. While the Trust remains willing to enter into such an agreement, the Trust submits this Supplemental Request for Exemption Pursuant to Sec. 163.387(2)(d) to clarify both its position on its obligation to make tax increment payments to the City for tax years 2021-2024 and the specifics of its exemption for the same. Moreover, the Trust also requests placement of this exemption request decision on the agenda for the City Council's December 11, 2025, Regular Meeting.

Lastly, during discussions with the parties' counsel regarding the proposed interlocal agreement, the City notified the Trust, via email, of its obligation to pay the tax increment payment for the 2025 tax year, an estimated \$567,000, by January 1, 2026. To that end, the Trust now seeks to include a request for formal demand by the City for the 2025 tax increment revenue payments, including an itemized invoice detailing the amount owed per CRA.

Exemption Request and Other Specific Considerations:

a. Complete Exemption from the Obligation to Appropriate Tax Increment Revenues

The Trust currently has limited unobligated funding to address critical needs of our children throughout the entirety of the County, not only within the City

of Pensacola. Similar to the complete exemption from the obligation to annually appropriate tax increment revenues to the City's redevelopment trust fund that was granted to the Downtown Improvement Board, the Trust believes that such a complete exemption would better position the Trust to carry out its specific mission of improving the lives of our children. In support of said total exemption, the Trust submits the information contained in (a) – (h) below.

b. Exemption from the Payment of Tax Increment Revenues for the Purposes of the Community Redevelopment Plans

Alternatively, should the City decide not to grant a complete exemption from the obligation to annually appropriate tax increment revenues, the Trust requests that the City grant it an exemption from contributing to the general purposes of the community redevelopment plans and instead enter into an interlocal agreement that would direct the expenditure of the Trust's payments towards programs that enhance the well-being of children and youth in the City of Pensacola.

In doing so, the Trust respectfully requests the City to consider the direct investment the Trust has made to the City of Pensacola Parks and Recreation Department. Specifically, the Trust has currently obligated itself to fund the City's Parks and Recreation Department in the amount of \$655,288.00 for March 1, 2025 – May 31, 2026. Notably, that amount only represents funding for the department's *third and final renewal contract*; indeed, the Trust granted \$1,080,082 in additional funding to the department during the years 2023 (\$540,041) and 2024 (\$540,041). Cumulatively, the Trust has granted or otherwise obligated itself to pay the City's Parks and Recreation Department \$1,735,370.00 in funding from 2023 – May 2026. Of those available funds, the department utilized \$139,954.38 in 2023 and \$281,862.05 in 2024. While the department did not draw down all the allotted funds, the Trust was contractually obligated to set aside those dollars for the department's use and could not authorize those funds for other providers during those contract periods.

Further, the Trust respectfully asserts that the City's demand for increment revenue payments was untimely for, at a minimum, tax year 2021. While the Community Redevelopment Act does not appear to instruct on a limitations period in which to assess taxes, borrowing from Section 95.091, the Florida Department of Revenue "may determine and assess the amount of any tax, penalty, or interest due under" several enumerated chapters, including for example, tourist development tax, tourist impact tax, and sales and use taxes, "within 3 years after the date the tax is due, any return with respect to the tax is due, or such return is filed, whichever occurs later." 95.091(3)(a)(1)(a), Fla. Stat. Here, the 2021 payment was purportedly due by January 1, 2022, yet the Trust did not receive an assessment for the same until June 13, 2025, more than three years after the tax was due. Although not dispositive, the Department of Revenue's three-year limitation to assess the amount of any tax or interest for those enumerated taxes is persuasive here, and the Trust posits that the City has waived its right to collect on, at a minimum, tax year 2021 based on the same.

As such, the outstanding requests for 2022-2024 tax years total \$1,438,171, with the Trust already pledging \$1,080,082 in funding to the City through its Parks and Recreation Department during those years. To that end, the Trust requests the City consider the \$1,080,082 in funding obligated to the department as offsets to the Trust's tax increment revenue payments for those years. With the offsets considered and without considering tax year 2021, the Trust's alleged obligations to the City would be decreased to \$358,089. It is this amount over which the Trust seeks the alternative exemption under Sec. 163.387(2)(d)(2) and proposes entering into an interlocal agreement that would direct the expenditure of said funds to programs that align with the Trust's, and the voter-supported, mission.¹ The Trust reiterates its request for a waiver of all late fees and interest associated with tax

¹ Should, however, the City determine that the 2021 tax year was timely or decide not to provide an offset for funds already disbursed to the City through its Parks and Recreation Department, the Trust requests an exemption for the total amount so requested, including entering into an interlocal agreement to direct expenditure of those funds.

years 2021-2024.

With that background in mind, and pursuant to Sec. 163.387(2)(d)(2) and the City's "Procedures of Application for Exemption from Redevelopment Trust Funds," the City must consider the following to determine whether or not to grant an exemption.

In response to each of the required criteria, the Trust would respectfully submit the following:

a) The legal name of the special district requesting the exemption –

Escambia Children's Trust

b) The benefit of the activities of the special district to the area of operation of the City –

Granting the exemption will allow for ongoing children's programming within the City limits as outlined in **Exhibit A** and further described herein. Additionally, as described herein, the Trust currently has pledged a total annual commitment to programs within the City of Pensacola in the amount of \$9,935,027.00. Since its creation, however, the Trust has pledged an amount of approximately \$25,588,948 to programs within the City.

Requiring payment of the amount demanded by the City would be detrimental to the ongoing operations of the Trust.

c) Any additional revenue sources of the community redevelopment agency which could be used in lieu of the special district's tax increment –

The City has adequate revenue sources of the CRA which can be used in lieu of the special district's tax increment. Similar to the Downtown Improvement Board's exemption, the Trust's tax increment revenue payments would represent a relatively small percentage of the total increment deposited to the redevelopment trust fund for each CRA each year at issue—especially in the Urban Core CRA and the Eastside CRA.

A copy of the City's CRA 2021 - 2024 Annual Reports and the City's CRA FY 2026 Budget Presentation was attached as **Composite Exhibit B** to the Trust's original exemption request dated July 2025.

d) The fiscal and operational impact on the community redevelopment agency –

The City's CRA successfully operated before the establishment of the Trust, and tax increment contributions were not a point of discussion during the Trust's first four years. Granting an exemption would have little financial or operational impact on the CRA while allowing these funds to be used as intended by voters—to support programs that benefit children.

Further, similar to the Downtown Improvement Board's exemption, the Trust's tax increment revenue payments would represent a relatively small percentage of the total increment deposited to the redevelopment trust fund each year—especially in the Urban Core CRA and the Eastside CRA.

e) The fiscal and operational impact on the special district –

The impact on the Trust would be significant, resulting in fewer funds being available for community services and a reduction in the annual budget allocated to programs benefiting children. This would limit the Trust's ability to effectively support its mission and provide essential services to the broader community.

f) The benefit to the specific purpose for which the special district was created. The benefit to the special district must be based on specific projects contained in the approved community redevelopment plan for the designated community redevelopment area –

Granting the exemption will benefit the specific purpose for which the Trust was created by directing the CRA TIF funds to children's services. This approach aligns with the Trust's mission to support programs that enhance the well-being of children and youth in the City of Pensacola, while ensuring that funds are allocated efficiently and effectively to benefit the community.

The approved community redevelopment plans for the designated redevelopment areas do not include specific projects dedicated to providing children's services as envisioned by the purpose of the special district and the voters who adopted the Trust.

g) The impact of the exemption on incurred debt and whether such exemption will impair any outstanding bonds that have pledged tax increment revenues to the repayment of the bonds –

There will be no impact by the exemption on any incurred debt or outstanding bonds.

h) The benefit of the activities of the special district to the approved community redevelopment plan –

The Trust currently has pledged a total annual commitment to programs within the City of Pensacola in the amount of \$9,935,027.00. This includes the following:

Chain Reaction Pensacola's Promise Inc.

Chain Reaction After School Program

RFP#2022-03 / Out of School Time

\$239,655.00

Children's Home Society

SAIL Afterschool

RFP#2022-03

\$368,956.00

City of Pensacola Parks and Recreation Department

PPRD Free After-School

RFP#2022-03 / Out of School Time

\$655,288.00

CMB Visions Unlimited, Inc.

Be a Success in School (B.A.S.I.S.)

RFP#2022-03 / Out of School Time

\$560,582.00

Covenant Hospice Foundation Inc

Camp Monarch Grief Camp

RFP#2022-03 / Out of School Time

\$196,667.00

Dixon School of Arts and Sciences

Dixon After Hours

RFP#2022-03 / Out of School Time

\$612,500.00

Early Learning Coalition of Escambia County

School Readiness Matching Grant

Matching Grant

\$238,875.00

James B Washington Education and Sports Inc

JBWES

RFP#2022-03 / Out of School Time

\$409,152.00

Lamplighter Academic and Mentoring Program

Project Ignite

RFP#2022-03 / Out of School Time

\$240,534.00

Lamplighter Academic and Mentoring Program

Project P.R.I.D.E.

RFP#2022-03 / Mental Health Supports

\$258,635.00

Legal Services of North Florida

Increased Representation of Dependent Children & Kids with Educational Issues

Sole-Source Special Community Initiatives

\$792,744.00

Pensacola Children's Chorus

Sing to Succeed

RFP#2022-03 / Out of School Time

\$273,968.00

Pensacola Little Theatre

Character Building Through Building Characters

RFP#2022-03 / Out of School Time

\$129,937.00

Pensacola MESS Hall

Science Afterschool

RFP#2022-03 / Out of School Time

\$71,569.00

The Arc Gateway - Pearl Nelson Center

Help Me Grow

Help Me Grow ITB 2023
\$1,382,937.00

Twin Oaks Juvenile Development, Inc.
Escambia Connects
RFP#2022-03 / Mental Health Supports
\$1,093,547.00

YMCA of Northwest Florida
YREADS
RFP#2022-03 / Out of School Time
\$1,216,004.00

United Way of West Florida
Healthy Schools Escambia
ITB#2024-01
\$900,000.00

Readykids
RFP#2025-01 CARE Microgrant
\$50,000.00

Healthy Start Coalition
Enhanced Prenatal Home Visits
RFP#2025-01 CARE Microgrant
\$11,475.00

Gulf Coast Kids House
Child Abuse Prevention Education
RFP#2025-01 CARE Microgrant
\$50,000.00

BRACE
Disaster Defenders
RFP#2025-01 CARE Microgrant
\$41,379.00

Dixon School of Arts and Sciences
Dixon After Hours-STEAM Academy
RFP#2025-01 CARE Microgrant
\$50,000.00

General Daniel Chappie James Flight Academy
Flight Academy
RFP#2025-01 CARE Microgrant
\$40,623.00

James B Washington Education and Sports Inc
STEAM Future Leaders of NWFL
RFP#2025-01 CARE Microgrant
\$50,000

Notably, as mentioned previously, the Trust has obligated \$25,588,948 to programs within the City since it was established.

Not included in this total are the Social Service Navigators and the National Flight Academy (Workman Middle) which are county-wide and benefit the City of Pensacola.

General Legality of the City's Request:

While the Trust requests an exemption from the payment of tax increment revenues pursuant to Sec. 163.387(2)(d), Florida Statutes as further clarified above—completely or through entering into an interlocal agreement that directs the funds to programs that align with the Trust's mission—the Trust wishes to reiterate its position that the City's request for tax increment payments from the Trust to fund the City's approved community redevelopment plans is unconstitutional. Specifically, Article VII, Section 9(a), Florida Constitution, allows the legislature to authorize special districts, among other taxing entities, to levy ad valorem and other taxes "for their respective purposes." Fla. Const., art. VII, § 9(a). Florida law has long established that a special taxing district may not be created with general taxing authority, and may be empowered to levy only those taxes bearing a substantial relation to the special purpose of the taxing district.² The First District Court has held that a special taxing district is prohibited by Article VII, Section 9(a), Florida Constitution, from making tax appropriation to a redevelopment trust fund which is shown not to have any relation to the special purpose of the special taxing district. State ex rel. City of Gainesville v. St. Johns River Water Mgmt. Dist., 408 So. 2d 1067 (Fla. Dist. Ct. App. 1982).

In the present case, the City's redevelopment plans do not contain any specific program or projects related to the funding of children's services. The plans show no relation to the Trust's purposes or concerns. In other words, the proposed use by the City to fund CRA projects is a general purpose for the public at large and does not support the specific purpose of the special taxing district. As in State ex rel. City of Gainesville v. St. Johns River Water Mgmt. Dist., the primacy of the constitutional restraints in article VII, section 9(a), *supra*, prevent enforcement of the literal terms of s. 163.387(2) against the Trust.

Based on the above, the Trust respectfully requests the City grant it a complete exemption from the obligation to annually appropriate tax increment revenues to the City's redevelopment trust fund. Alternatively, the Trust asks the City to consider the \$1,080,082 in funding pledged to the City's Parks and Recreation Department as offsets to the Trust's tax increment revenue payments for tax years 2022-2024, to waive all amounts demanded for tax year 2021 based on the timeliness of the request and all late fees and interest for tax years 2021-2024, and to grant the exemption for the remaining \$358,089 to be governed by an interlocal agreement. The Trust also requests placement of the Trust's exemption request on the City Council's December 11, 2025, Regular Meeting, and for said hearing to occur prior to any City action regarding collection for the tax years at issue. The Trust further requests an extension of any deadlines for payment until such time as a determination on the exemption request is made. As for the 2025 increment payment, the Trust will send an additional exemption request for that year following a formal demand by the City, to include an

² Okaloosa County Water and Sewer Dist. v. Hilburn, 160 So.2d 43, 45 (Fla.1964): "We have many times held that taxes raised for the purpose of one governmental unit may not be employed to accomplish the performance of the functions of another...."

Consolidated Land Co. v. Tyler, 101 So. 280, 281 (Fla.1924): "(I)t is within the law-making power of the Legislature ... to impose particular taxes upon property within the district ... when the formation of the district has at least some special or peculiar relation to benefits or advantages to accrue...."

Amos v. Mathews, 126 So. 308, 322 (Fla.1930): "'A particular district or locality cannot lawfully be taxed for the cost of an undertaking which results only in a general public benefit.' But a single project in some instances may constitute a dual purpose, and therefore may justify a levy of taxes appropriate to the purpose...."

See also, State ex rel. Milton v. Dickenson, 33 So. 514 (Fla.1902); cf., Crowder v. Phillips, 1 So.2d 629 (Fla.1941).

itemized invoice which details the amount owed by each CRA.

Sincerely,

Lindsey B. Cannon

Lindsey B. Cannon
Executive Director

CC:

Adam C. Cobb, City Attorney, acobb@cityofpensacola.com

Jared Moore, City Council President, District 4, jmoore@cityofpensacola.com

Alison Patton, City Council Vice President, District 6, apatton@cityofpensacola.com

Jennifer Brahier, City Council Member, District 1, jbrahier@cityofpensacola.com

Charles Bare, City Council Member, District 2, cbare@cityofpensacola.com

Casey Jones, City Council Member, District 3, cjones@cityofpensacola.com

Teniadé Broughton, City Council Member, District 5, tbroughton@cityofpensacola.com

Delarian Wiggins, City Council Member, District 7, dwiggins@cityofpensacola.com

Enclosures