



Inspired Communities of Florida, LLC
Attn: Harold Dawson Jr.
350 Cedar Street, Suite 303
Pensacola, FL 32502

April 16, 2026

RE: TIF Rebate Application Review Determination

Dear Inspired Communities of Florida, LLC:

Thank you for submitting your TIF Rebate Application for the proposed Rhythm Lofts and REVERB by Hard Rock project at Community Maritime Park – Lot 5.

Following review of the application and the accompanying memorandum from Lambert Advisory, LLC, CRA staff has determined that the application, as submitted, is incomplete and cannot be processed further in its current form. While the project generally aligns with the CRA’s policy objectives, the application contains fundamental deficiencies and unresolved technical issues that prevent a reliable evaluation. Key concerns include:

1. **TIF Cap and Term** – Policy limits the TIF rebate to the actual increment generated by the project and restricts the term to a maximum of 20 years or the remaining life of the TIF district. Based on the information provided, the requested TIF does not appear to align with the projected increment, particularly in light of the Live Local Act tax exemption. Additionally, due to inconsistencies in the pro forma, a reliable estimate of anticipated increment cannot be determined, and the proposed term does not appear to align with the TIF’s expiration in 2043.
2. **Equity Contribution** – The application indicates \$50 million in sponsor at-risk equity (20% of total project costs), which is below the CRA’s policy preference for projects demonstrating equity contributions exceeding 30%.
3. **Self-Supporting Requirement** – The application does not provide sufficient clarity to determine whether the project will generate enough tax increment to support the requested rebate. Notably, there is a lack of clear cost allocation among project components, and several pro forma assumptions—particularly related to rental rates, hotel revenues, and condominium pricing—appear misaligned with market conditions. As a result, projected revenues cannot be reliably validated.

LOCATION

222 W Main Street
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4. **Internal Rate of Return** – Due to the same inconsistencies noted above, staff cannot reasonably evaluate the project’s return on equity, return on cost, or internal rate of return relative to market benchmarks. Accordingly, it cannot be determined whether the requested assistance is limited to the minimum necessary to achieve a reasonable return.
5. **Financial Commitments** – The application does not include sufficient evidence of committed financing or equity necessary to fully support the project.
6. **“But For” Test** – The information provided does not adequately demonstrate that the project would not occur “but for” the requested TIF assistance, nor does it clearly establish a defined financial gap or that the level of assistance requested is the minimum necessary. Given the unresolved inconsistencies, this determination remains inconclusive.

For these reasons, the application is considered incomplete at this time. Should you choose to resubmit, the revised application must fully address the issues outlined above. Staff can coordinate with their consultant to discuss these items with you. Given the size and complexity of the project, and in accordance with CRA policy, any additional consultant review required as part of a resubmittal will be at the applicant’s expense. This ensures that any requested TIF assistance is appropriately validated and limited to the minimum necessary to support project feasibility while safeguarding public resources.

Please contact me if you have any questions.

Sincerely,

Victoria D’Angelo
CRA Administrative Officer
Pensacola Community Redevelopment Agency

Cc: Delarian Wiggins, CRA Chairperson
D.C. Reeves, Mayor
David Stafford, City Administrator
Clifford Collins, Jr., Associate City Administrator
Anna Kate Baygents, Asst. Economic Development Director
Ann Teston, Incentives and Land Development Program Manager

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