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TO: CRA Board of Commissioners

FROM: Gregory P. Harrison, Executive Director

DATE: September 17, 2018

SUBJECT: East CRA District Financing and Implementation Plan (FY 2019-2023)

Background

In 2009, the Board of the Pompano Beach Community Redevelopment Agency determined that a more aggressive approach was needed to effectively address the blighted conditions in the East CRA District (the "District"). In response, the CRA has created a five-year financing and implementation plan (the "Plan") utilizing the District's financial resources to fund the Plan initiatives.

CRA's formulation of the Plan involved all of the following:

- analysis of existing planning documents;
- conducting public forums to discuss the redevelopment options with the community at large; and
- multiple Plan presentations to the CRA Advisory Committee.

Formal approval of the Plan solidifies the redevelopment approach for many years. The result will be increased private sector investment because the development community, residents, lenders and all others involved in redevelopment will see that a solid financial commitment has been made by the elected officials presiding over the District.

The 1st year of the Plan (FY 2019) serves as the budget for the District with FY's 2020–2023 serving as the strategic vision that guides redevelopment planning. The following section provides an overview of the Plan and is followed by a detailed discussion of the budget for FY 2019.

Executive Summary of 5-Year Plan

The following section provides a summary of the Plan's sources and uses over the five year period (i.e. FY 2019 – FY 2023).

Plan Sources

Tax Increment

Tax increment for FY 2019 is based on preliminary taxable value figures provided by the Broward County Property Appraiser and an estimate of contributing authority millage rates. Taxable value growth for FY 2019 totals 4% with the Commercial (5% growth) market segment being the primary growth driver. During the forecast period (i.e. FY 2020-2023), the Plan conservatively factors real estate value growth at 2.5% annually.



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Miscellaneous

Represents estimated investment earnings (i.e. interest) generated from the CRA's cash balances and CRA-owned building rentals.

Carryforward Fund Balance

Represents the carryforward of fund balance (i.e. unspent cash balance) within the District that is available for investment in redevelopment projects.

Plan Uses

Operations

Consists of funding for personnel, general operating expenditures, and reimbursement to the City for administrative services provided to the District (e.g. Finance Department for payroll, vendor payments, etc.).

Debt Service

Represents funding for debt service on the Tax Increment Revenue Refunding Bonds, Series 2013A, and Tax Increment Revenue Bonds, Series 2013B.

Redevelopment Area Investment

Represents funding for redevelopment area investment over the five-year plan and includes the following:

Infrastructure, Streetscape and Parking
Redevelopment Initiatives, Marketing and Special Events
Housing and Neighborhood Stabilization
Property Acquisition/Development
Consultants and Professional/Design Services

Please refer to the Plan for a detailed listing of redevelopment projects.

Reserves

Represents the estimated reserves generated over the five-year period. Reserves are an integral part of the Plan and are necessary to cover deficiencies in revenue collection/forecasting as well as provide flexibility to invest in redevelopment opportunities as they arise.

Fiscal Year 2019 Budget (1st year of Plan)

The following section provides a narrative of the District's FY 2019 budget.

Revenues

Revenues for the District total \$8.2 million for FY 2019 and include the following:

Tax Increment	\$ 3,270,041
Miscellaneous	97,315
Carryforward Fund Balance	<u>4,789,416</u>



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Total: \$ 8,156,772¹

Tax Increment

The primary source of revenue for the District is derived of tax increment received from the City (est. millage rate: 5.1361 mills), County (est. millage rate: 5.4623 mills), and North Broward Hospital District (est. millage rate: 1.2483 mills). The FY 2019 tax increment revenues for the District are as follows:

City of Pompano Beach	\$ 1,417,704
Broward County	1,507,772
North Broward Hospital District	<u>344,565</u>
Total:	\$ 3,270,041

Total property values within the District for FY 2019 increased 4% to \$427 million. The Commercial market segment (5% growth) was the primary growth driver.

Miscellaneous

Represents \$57,315 in building rental revenue and \$40,000 in estimated investment earnings (i.e. interest) to be generated from the CRA's cash balance.

Carryforward Fund Balance

Represents the carryforward of fund balance (i.e. unspent cash balances) that is available for investment in redevelopment projects and totals \$4.8 million in FY 2019. Included in this total is an estimated \$4.7 million in carryforward within the District Operating Fund and an additional \$50,000 from the Series 2013B Capital Project Fund.

Expenditures

Expenditures for the District total \$8.1 million for FY 2019 and include the following:

Operations	\$ 404,184
Debt Service	1,097,355
Redevelopment Projects	<u>6,630,678</u>
Total:	\$ 8,132,217

¹ Please Note: This figure includes the total operating activity for both the East District Trust Fund and the East District 2013 Bond Fund and ties to the Finance Plan (Exhibit A of the Resolution). Excluded from this total is the \$1,097,355 transfer from the East District Trust Fund (expense within Fund 160) into the East District 2013 Bond Fund for debt service (revenue/expense within Fund 314). The interfund transfer represents an accounting transaction that "grosses-up" the totals which does not accurately reflect the actual investment in the CRA. As such, the Finance Plan excludes the interfund transfer activity to provide the CRA Board and stakeholders with an accurate reflection of anticipated investment within the CRA. The budget (Exhibit B of the Resolution) does include the interfund transfers to allow for the administrative management of the CRA.



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Operations

Totals \$404,184 for FY 2019 and consists of the following:

- Personnel - Includes partial/full funding for the following positions: Administrative Coordinator; CRA Director; CRA Project Manager; CRA Project Coordinator; CRA Marketing Coordinator; Part-Time staff (interns);
- Miscellaneous operating expenditures; and
- City administrative cost allocation which represents reimbursement to the City for administrative services provided to the District (e.g. Finance Department for payroll, vendor payments, etc.).

Debt Service

Represents funding for debt service on the Tax Increment Revenue Refunding Bonds, Series 2013A (\$707,551), and the Tax Increment Revenue Bonds, Series 2013B (\$389,804).

Redevelopment Area Investment

Represents funding for redevelopment area investment and includes the following:

Infrastructure, Streetscape and Parking	
Pier Street West Streetscape	\$ 1,500,000
McNab House & Gardens	1,150,000
Total:	\$ 2,650,000
Redevelopment Initiatives, Marketing and Special Events	
Incentive Programs	\$ 200,000
Marketing and Special Events	50,000
Total:	\$ 250,000
Housing and Neighborhood Stabilization	
Security	\$ 75,000
Property Acquisition/Development	
	\$ 3,350,000
Consultants and Professional/Design Services	
Consultants	\$ 305,678
Total Redevelopment Area Investment:	\$ 6,630,678

Reserves

The FY 2019 budget includes an allocation to reserve totaling \$24,555. Reserves are an integral part of the Plan and are necessary to cover deficiencies in revenue collection/forecasting as well as provide flexibility to invest in redevelopment opportunities as they arise.