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**TO: CRA Board of Commissioners**

**THRU: Gregory P. Harrison, Executive Director  
Nguyen Tran, Director**

**FROM: Kimberly Vazquez, Project Manager**

**DATE: September 17, 2019**

**SUBJECT: East CRA District Financing and Implementation Plan (FY 2020-2024)**

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### **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, a five-year financing and implementation plan (the "Plan") was created utilizing the District's financial resources to fund the Plan initiatives.

Formulation of the Plan involved 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 is 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 1<sup>st</sup> year of the Plan (FY 2020) serves as the budget for the District with FY's 2021–2024 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 2020.

### **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 2020 – FY 2024).

#### **Plan Sources**

##### **Tax Increment**

Tax increment for FY 2020 is based on the certified taxable values provided by the Broward County Property Appraiser and an estimate of contributing authority millage rates. Taxable value growth for FY 2020 totals 10% with the Commercial (15% growth) market segment being the primary growth driver. During the forecast



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period, the Plan factors real estate value growth at 3% in FY's 2021-2022 and 2.5% thereafter.

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, as well as a contribution towards debt service on the Oceanside Parking Garage.

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

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.



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### **Fiscal Year 2020 Budget (1<sup>st</sup> year of Plan)**

The following section provides a narrative of the District's FY 2020 budget.

#### **Revenues**

Revenues for the District total \$9.2 million for FY 2020 and include the following:

Tax Increment	\$ 3,708,494
Miscellaneous	66,000
Carryforward Fund Balance	<u>5,399,993</u>
Total:	\$ 9,174,487 <sup>1</sup>

#### **Tax Increment**

The primary source of revenue for the District is derived of tax increment received from the City (est. millage rate: 5.1875 mills), County (est. millage rate: 5.4792 mills), and North Broward Hospital District (est. millage rate: 1.0855 mills). The FY 2020 tax increment revenues for the District are as follows:

City of Pompano Beach	\$ 1,636,954
Broward County	1,729,002
North Broward Hospital District	<u>342,538</u>
Total:	\$ 3,708,494

Total property values within the District for FY 2020 increased 10% to \$469 million. The Commercial market segment (15% growth) was the primary growth driver.

#### **Miscellaneous**

Represents \$36,000 in building rental revenue and \$30,000 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 \$5.4 million in FY 2020. Included in this total is an estimated \$5.3 million in carryforward within the District Operating Fund and an additional \$47,350 from the Series 2013B Capital Project Fund.

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<sup>1</sup> 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. Excluded from this total is the \$1,101,255 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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## **Expenditures**

Expenditures for the District total \$8.9 million for FY 2020 and include the following:

Operations	\$ 520,882
Debt Service	1,551,255
Redevelopment Projects	<u>6,852,350</u>
Total:	\$ 8,924,487

### Operations

Totals \$520,882 for FY 2020 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 Director; 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 (\$710,673), and the Tax Increment Revenue Bonds, Series 2013B (\$390,582), as well as a contribution towards debt service on the Oceanside Parking Garage (\$450,000).

### Redevelopment Area Investment

Represents funding for redevelopment area investment and includes the following:

#### Infrastructure, Streetscape and Parking

Public Parking and Capital Improvements	\$ 800,000
<u>Pier Street West Streetscape</u>	<u>1,497,350</u>
<u>Pier Entranceway Arch</u>	<u>400,000</u>
McNab House & Gardens	<u>1,700,000</u>
Total:	\$ 4,397,350

#### Redevelopment Initiatives, Marketing and Special Events

<u>Incentive Programs</u>	<u>\$ 200,000</u>
Marketing and Special Events	<u>50,000</u>
Total:	\$ 250,000



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Property Acquisition/Development	<u>\$ 1,800,000</u>
Consultants and Professional/Design Services	
Consultants	<u>\$ 405,000</u>
Total Redevelopment Area Investment:	<u>\$ 6,852,350</u>

**Reserves**

The FY 2020 budget includes an allocation to reserve totaling \$250,000. 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.

The East CRA Advisory Committee reviewed and recommended approval of the proposed budget at their meeting on September 5, 2019, with the exception no funds be expended for the Pier Entranceway Arch until the Committee has had opportunity to receive a presentation and additional information on the project at their October 3, 2019 meeting.