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Memorandum

DATE: July 20, 2021
TO: CRA Board of Commissioners
FROM: Kimberly Vazquez, Project Manager
THROUGH: Gregory P. Harrison, Executive Director
Nguyen Tran, Director
RE: East CRA District Proposed FY2022 Budget/ Financing
and Implementation Plan (FY 2022-2026)

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 1st year of the Plan (FY 2022) serves as the budget for the District with FY's 2023–2026 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 2022.

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 2022 – FY 2026).

Plan Sources

Tax Increment

The COVID-19 pandemic and associated social distancing policies have had wide-ranging economic impacts on the local and national community. As the CRA is not a traditional taxing authority, the revenue impact of COVID-19 on our operations lags typical government entities. Our main source of revenue is tax increment which is annually valued by the Broward County Property Appraiser (PAO) as of January 1st.

The June 2021 estimate of taxable value provided by the PAO highlights a tax



base impacted by COVID-19 but still manages overall tax base growth of 1.2% which far exceeded prior-year forecasts.

During the forecast period, the Plan conservatively factors real estate value growth between 1%-2% in FY's 2023-2024 as the economy continues to recover from the pandemic and 3% 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.

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 2022 Budget (1st year of Plan)

The following section provides a narrative of the District's FY 2022 budget.

Revenues

Revenues for the District total \$8.1 million and include the following:



Tax Increment	\$ 3,978,478
Miscellaneous	104,190
Carryforward Fund Balance	<u>4,004,546</u>
Total:	\$ 8,087,214

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: 5.4999 mills), and North Broward Hospital District (est. millage rate: 1.1469 mills). The FY 2022 tax increment revenues for the District are as follows:

City of Pompano Beach	\$ 1,743,496
Broward County	1,848,492
North Broward Hospital District	<u>386,490</u>
Total:	\$ 3,978,478

Total property values (June estimate) within the District for FY 2022 increased 1.2% to \$490 million. Both the Residential (59% of tax base) and Commercial (40% of tax base) market segments approximated 1% growth over the prior year.

Miscellaneous

Represents \$78,090 in building rental revenue and \$26,100 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 million in FY 2022.

Expenditures

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

Operations	\$ 670,385
Debt Service	1,101,184
Redevelopment Projects	<u>6,301,202</u>
Total:	\$ 8,072,771

Operations

Totals \$670,385 for FY 2022 and consists of the following:

- Personnel - Includes partial/full funding for the following positions: Capital Improvements and Innovation Director; Administrative Coordinator; Real Property Manager; CRA Director; CRA Project Manager; CRA Project Coordinator; CRA Marketing Director; CRA Marketing Coordinator; Community Development Inspector; 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 (\$705,177), and the Tax Increment Revenue Bonds, Series 2013B (\$396,007).

Redevelopment Area Investment

Represents funding for redevelopment area investment and includes the following:

Infrastructure, Streetscape and Parking

Public Parking and Capital Improvements	\$ 800,000
Pier Street West Streetscape	1,299,619
Oceanside Parking Garage (Interlocal Agmt)	650,000
McNab House & Gardens	1,994,015
Total:	\$ 4,743,634

Redevelopment Initiatives, Marketing and Special Events

Incentive Programs	\$ 200,000
Marketing and Special Events	105,000
Total:	\$ 305,000

Housing and Neighborhood Stabilization

Security Services	\$ 102,568
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Property Acquisition/Development	\$ 800,000
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Consultants and Professional/Design Services

Consultants	\$ 350,000
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Total Redevelopment Area Investment:	<u>\$ 6,301,202</u>
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Reserves

The FY 2022 budget includes an allocation to Reserve totalling \$14,443. 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.