

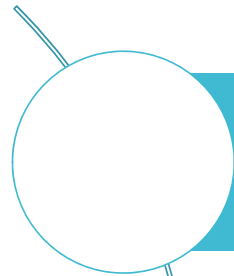
# CRA District Tax Increment Financing Analysis

Board Presentation of Draft Report

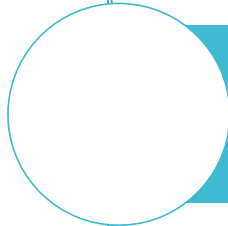
February 11, 2016



# Study Goals



Complete Assessment Of Entire CRA District Since Inception; Forecast TIF Revenues Thru 2045; Develop Funding Plan For City Services and Programs



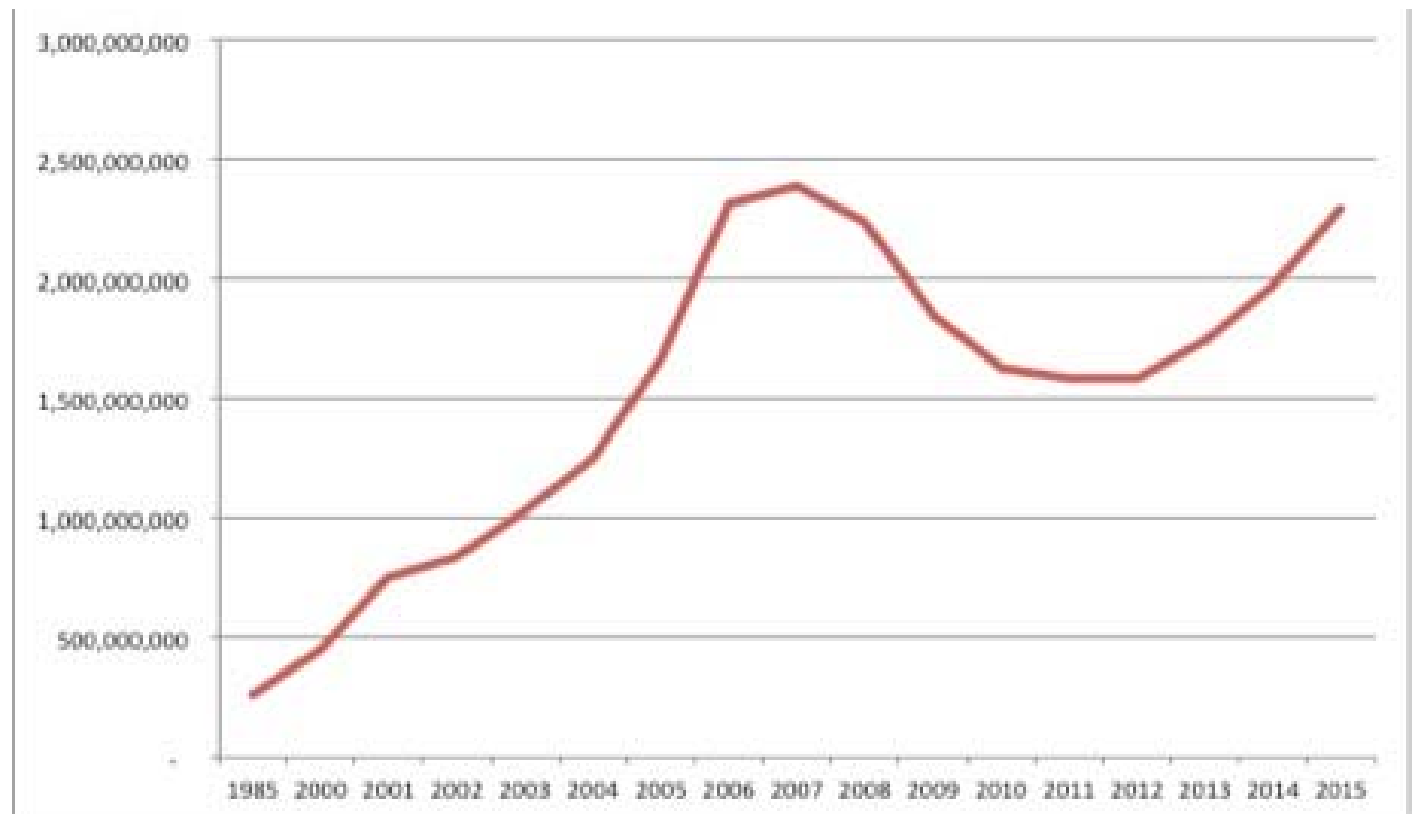
Provide Comparative Analysis Of CRA Peers In Palm Beach and Broward County and A City Without A CRA



Provide an Economic Analysis of The CRA's Contributions To The Delray Beach Economy

# Growth of CRA Area

Historical Market Value Growth





Compounded  
Annual Rates  
of Market  
Value Growth  
In CRA  
Subareas

Subarea	Return
1	6.96%
2	14.08%
3	5.81%
4	4.38%
5	7.42%
6	5.60%
7	5.52%
8	4.40%
<b>Total CRA Area</b>	<b>7.30%</b>

## Dollar Growth of Market Values In CRA Subareas

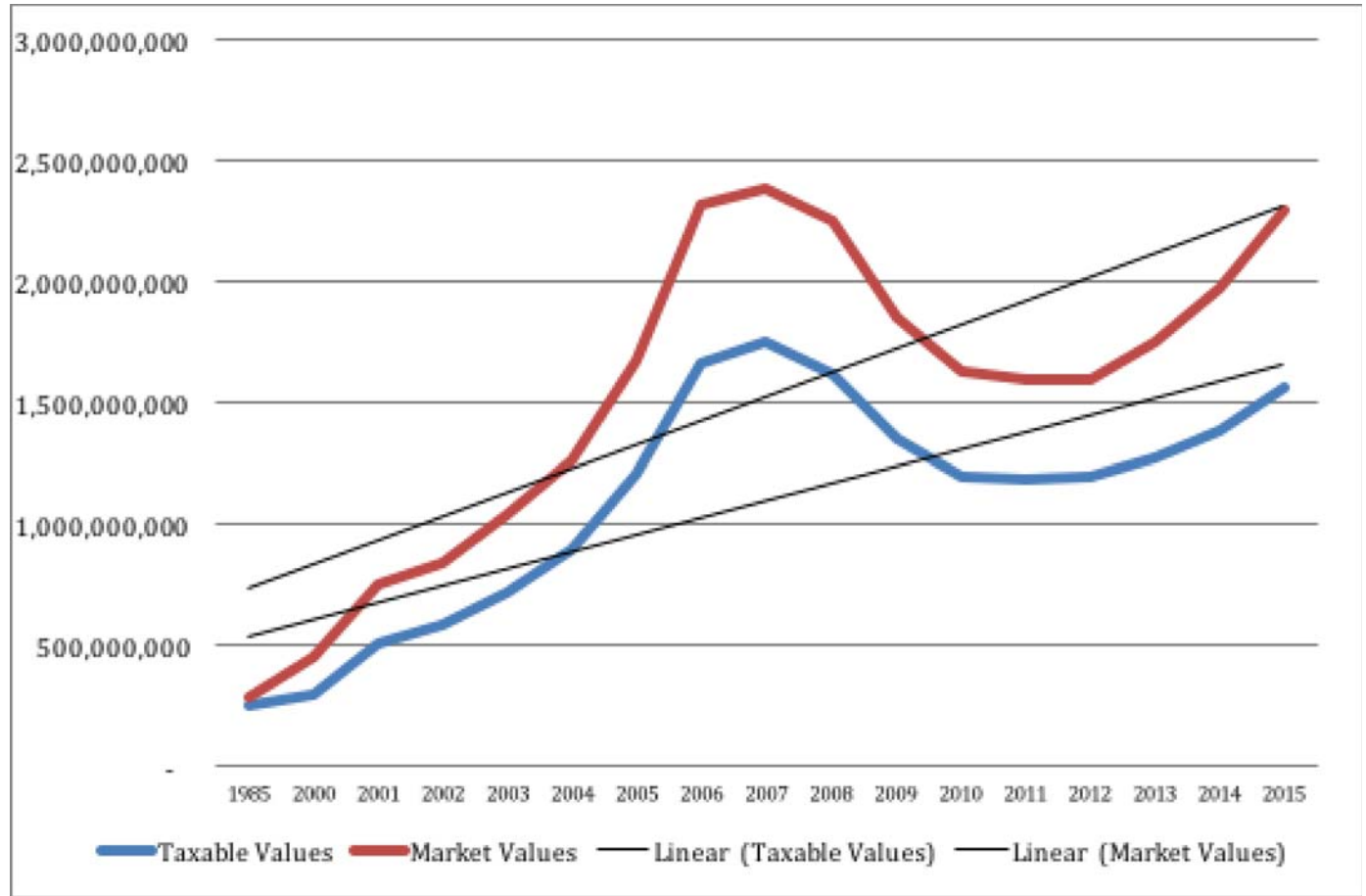
Subarea	30-year Dollar Change
1	324,367,295
2	848,446,673
3	134,665,141
4	65,992,570
5	219,716,711
6	157,062,571
7	96,224,555
8	168,111,811
Total CRA Area	2,014,589,343

# Market Values By Property Use- 2015

Subarea	Residential	Commercial	Industrial	Government/ NFP	Misellaneous Uses	Not Classified or Mixed Use
1	213,276,960	109,344,861	-	6,746,993	-	-
2	378,510,040	261,991,263	12,740,604	58,240,972	23,089,271	130,481,851
3	71,638,001	25,820,637	253,752	65,368,359	-	-
4	63,411,203	1,584,361	206,136	25,833,746	-	-
5	159,257,759	72,503,046	16,140,298	805,779	82,800	
6	152,317,385	15,663,608	1,219,729	25,968,901	-	-
7	67,739,551	38,817,776	10,779,004	2,141,555	713,417	-
8	172,578,816	4,775,810	8,369,633	46,124,218	1,893	-

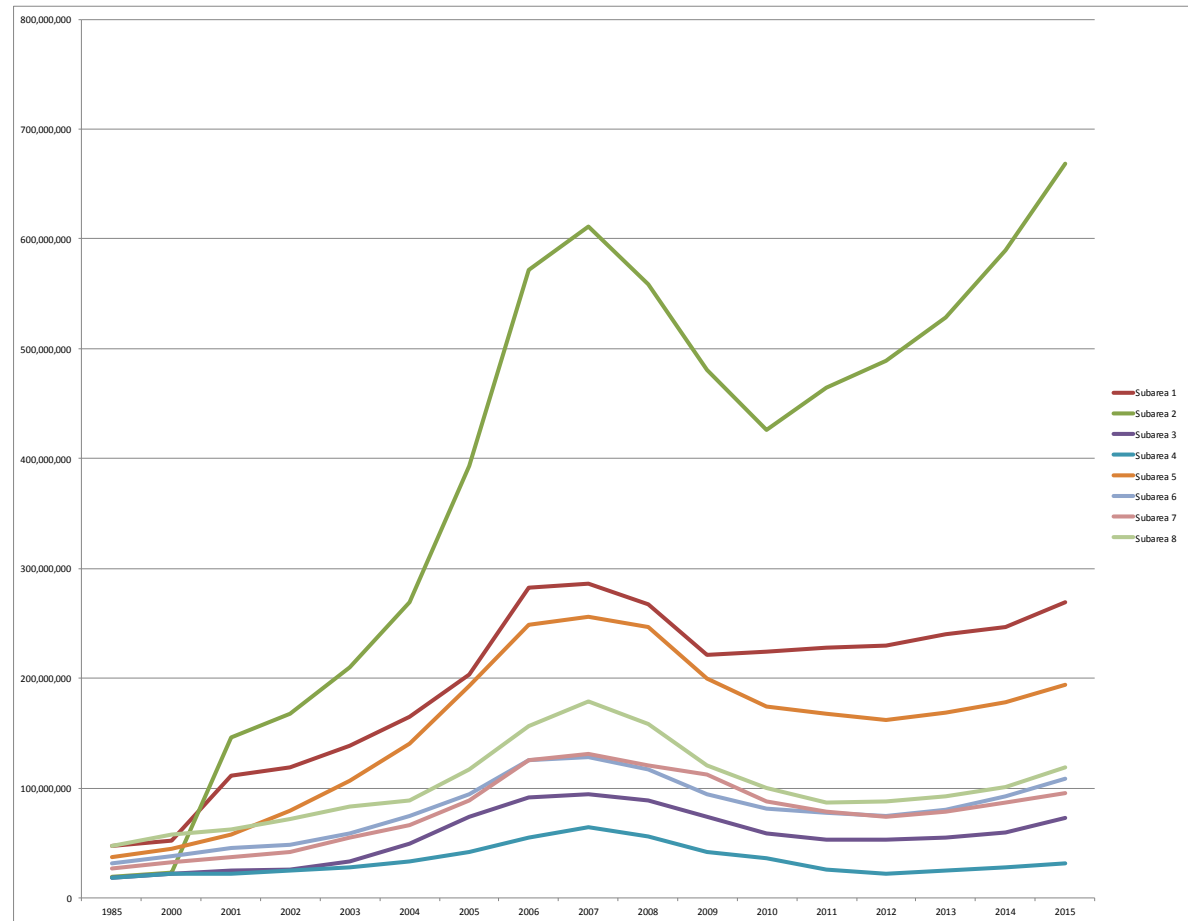
# Growth of CRA Area

Historical Taxable Value Growth Compared To Historical Market Value Growth





# Historical Taxable Value Growth of CRA Subareas



# Compounded Annual Rates of Taxable Value Growth In Subareas

Subarea	Compounded Return
1	5.98%
2	12.55%
3	4.69%
4	1.89%
5	5.68%
6	4.22%
7	4.29%
8	3.09%
<b>Total CRA Area</b>	<b>6.35%</b>

# Dollar Growth Of Taxable Values In CRA Subareas

Subarea	30-year Dollar Change
1	222,261,380
2	649,039,002
3	54,241,872
4	13,572,777
5	156,999,699
6	76,894,613
7	68,014,078
8	71,445,896
<b>Total CRA Area</b>	<b>1,312,469,317</b>

Differences  
Between  
Market and  
Taxable Value  
Returns Of  
Each Subarea

Subarea	Compounded Market Value Return	Compounded Taxable Value Return	Taxable Value As % of Market Value
1	6.96%	5.98%	-14.1%
2	14.08%	12.55%	-10.9%
3	5.81%	4.69%	-19.2%
4	4.38%	1.89%	<b>-56.7%</b>
5	7.42%	5.68%	-23.4%
6	5.60%	4.22%	-24.5%
7	5.52%	4.29%	-22.3%
8	4.40%	3.09%	-29.6%
<b>Total CRA Area</b>	<b>7.30%</b>	<b>6.35%</b>	<b>-13.0%</b>

# Dollar Differences Between Market and Taxable Values

Subarea	30-year Dollar Change In Market Value	30-year Dollar Change In Taxable Value	Difference
1	324,367,295	222,261,380	102,105,915
2	848,446,673	649,039,002	199,407,671
3	134,665,141	54,241,872	80,423,269
4	65,992,570	13,572,777	52,419,793
5	219,716,711	156,999,699	62,717,012
6	157,062,571	76,894,613	80,167,958
7	96,224,555	68,014,078	28,210,477
8	168,111,811	71,445,896	96,665,916
<b>Total CRA Area</b>	<b>2,014,589,343</b>	<b>1,312,469,317</b>	<b>702,118,011</b>

Base and  
Current Year  
Taxable Values  
By Subarea

<b>Subarea</b>	<b>Base Year Values</b>	<b>2015 Values</b>	<b>Difference</b>
1	47,166,850	269,428,230	222,261,380
2	19,242,556	668,281,558	649,039,002
3	18,336,506	72,578,378	54,241,872
4	17,963,702	31,536,479	13,572,777
5	36,932,370	193,932,069	156,999,699
6	31,279,109	108,173,722	76,894,613
7	26,926,969	94,941,047	68,014,078
8	47,783,005	119,228,901	71,445,896
<b>Total CRA Area</b>	<b>245,631,067</b>	<b>1,558,100,384</b>	<b>1,312,469,317</b>

# TIF Revenue By Subarea and Source, FY2016

<b>Subarea</b>	<b>Taxable Value</b>	<b>County TIF</b>	<b>City TIF</b>	<b>Total TIF</b>
<b>1</b>	269,428,230	1,009,606	1,490,939	2,500,545
<b>2</b>	668,281,558	2,948,211	4,353,783	7,301,994
<b>3</b>	72,578,378	246,390	363,857	610,247
<b>4</b>	31,536,479	61,653	91,047	152,700
<b>5</b>	193,932,069	713,159	1,053,161	1,766,320
<b>6</b>	108,173,722	349,288	515,813	865,101
<b>7</b>	94,941,047	308,949	456,241	765,190
<b>8</b>	119,228,901	324,538	479,262	803,800
	<b>1,558,100,384</b>	<b>5,961,793</b>	<b>8,804,103</b>	<b>14,765,897</b>

# Historical Contributions By Source and Subarea, 1985-2015

Subarea	Source	Amount	Percent of Total
1	<b>Total</b>	27,262,118	<b>17.8%</b>
	<b>County</b>	10,563,693	6.9%
	<b>City</b>	16,698,425	10.9%
2	<b>Total</b>	54,033,077	<b>35.3%</b>
	<b>County</b>	20,941,770	13.7%
	<b>City</b>	33,091,307	21.6%
3	<b>Total</b>	7,889,384	<b>5.2%</b>
	<b>County</b>	3,051,544	2.0%
	<b>City</b>	4,837,840	3.2%
4	<b>Total</b>	4,842,296	<b>3.2%</b>
	<b>County</b>	1,871,866	1.2%
	<b>City</b>	2,970,430	1.9%
5	<b>Total</b>	21,831,944	<b>14.3%</b>
	<b>County</b>	8,440,970	5.5%
	<b>City</b>	13,390,974	8.8%
6	<b>Total</b>	11,396,000	<b>7.5%</b>
	<b>County</b>	4,414,941	2.9%
	<b>City</b>	6,981,058	4.6%
7	<b>Total</b>	11,168,257	<b>7.3%</b>
	<b>County</b>	4,319,579	2.8%
	<b>City</b>	6,848,678	4.5%
8	<b>Total</b>	14,511,514	<b>9.5%</b>
	<b>County</b>	5,619,804	3.7%
	<b>City</b>	8,891,710	5.8%
<b>Total</b>	<b>Total</b>	152,934,590	<b>100.0%</b>
	<b>County</b>	59,224,167	38.7%
	<b>City</b>	93,710,422	61.3%



# TIF Revenue Forecast, 2016-2045

Year	Forecasted Tax Base	Current Tax Rates (FY2016)			Change From Prior Year
		County TIF	City TIF	Total TIF	
2016	1,657,255,080	6,412,196	9,603,342	16,015,538	8.46%
2017	1,903,937,160	7,532,731	11,281,531	18,814,262	17.48%
2018	2,024,467,312	8,080,230	12,101,503	20,181,733	7.27%
2019	2,366,152,821	9,632,311	14,426,005	24,058,316	19.21%
2020	2,517,279,992	10,318,795	15,454,130	25,772,925	7.13%
2021	2,614,725,271	10,761,433	16,117,054	26,878,487	4.29%
2022	2,716,419,750	11,223,372	16,808,887	28,032,259	4.29%
2023	2,822,570,609	11,705,555	17,531,036	29,236,590	4.30%
2024	2,933,396,029	12,208,971	18,284,986	30,493,957	4.30%
2025	3,049,125,806	12,734,665	19,072,301	31,806,965	4.31%
2026	3,170,002,008	13,283,736	19,894,627	33,178,363	4.31%
2027	3,296,279,661	13,857,342	20,753,700	34,611,042	4.32%
2028	3,428,227,484	14,456,706	21,651,347	36,108,052	4.33%
2029	3,566,128,661	15,083,111	22,589,495	37,672,606	4.33%
2030	3,710,281,658	15,737,915	23,570,174	39,308,089	4.34%
2031	3,861,001,089	16,422,547	24,595,525	41,018,072	4.35%
2032	4,018,618,634	17,138,513	25,667,804	42,806,317	4.36%
2033	4,183,484,005	17,887,402	26,789,391	44,676,792	4.37%
2034	4,355,965,976	18,670,888	27,962,793	46,633,681	4.38%
2035	4,536,453,468	19,490,739	29,190,658	48,681,397	4.39%
2036	4,725,356,695	20,348,818	30,475,775	50,824,593	4.40%
2037	4,923,108,386	21,247,090	31,821,089	53,068,179	4.41%
2038	5,130,165,067	22,187,629	33,229,705	55,417,334	4.43%
2039	5,347,008,431	23,172,624	34,704,900	57,877,524	4.44%
2040	5,574,146,773	24,204,383	36,250,132	60,454,515	4.45%
2041	5,812,116,524	25,285,343	37,869,051	63,154,394	4.47%
2042	6,061,483,867	26,418,075	39,565,508	65,983,583	4.48%
2043	6,322,846,445	27,605,295	41,343,570	68,948,865	4.49%
2044	6,596,835,178	28,849,868	43,207,527	72,057,396	4.51%
2045	6,884,116,180	30,154,821	45,161,913	75,316,734	4.52%

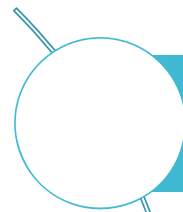
# 6-year Actual or Budgeted Expenditures For City Projects and Programs

<b>Areawide &amp; Neighborhood</b>	<b>FY2011-FY2016</b>
West Atlantic Redevelopment	1,869,899
Downtown-Master Plan	7,292,185
SW Neighborhood Plan	3,290,132
N. Federal Highway Redevelopment	44,492
Osceola Neighborhood	2,330,192
Other-Sidewalk (CIP)	529,589
NW/SW Neighborhood Alley (CIP)	300,000
Seacrest /Del Ida Plan	1,449,566
Pompey Park	200,000
<b>Total</b>	<b>17,261,563</b>
<b>Redevelopment Projects</b>	
NW/SW-5th Ave Beautification	784,261
Carver Square	135,936
<b>Total</b>	<b>920,197</b>
<b>Community Imp &amp; Economic Dev</b>	
Grant Programs	1,373,952
DBMC & Downtown	2,109,587
City Contractual Services & Positions	11,025,381
Pineapple Grove	9,930
Community Resource Enhancement (A-GUIDE)	6,127,657
Green Market	657,677
Economic Development Initiatives	655,590
Digital Divide	130,867
OSS Retail Rent/Buildout	1,119,193
International Tennis Tournament	3,315,400
Warehouse / Arts Incubator	1,300,000
<b>Total</b>	<b>27,825,234</b>
US1 Corridor Improvements Debt Services	849,298
<b>Grand Total</b>	<b>46,856,292</b>

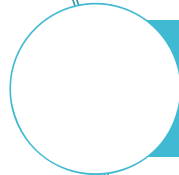
# Interviews With Elected and Appointed Officials and Staff



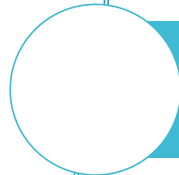
# Interviews With Elected and Appointed Officials and Staff



City Expressed Concern That CRA Goals Are Not Aligned With Community Needs, Particularly Infrastructure



Lack of Joint Workshops Has Probably Led To Misunderstanding of Board Efforts




Commission Has Expressed Concern That Some Development Projects Of CRA Not Priorities or Desires of City



Desire To Have Shared Vision That Is Monitored

## Interviews With Elected and Appointed Officials and Staff

- 
- Legal Concerns Regarding Reducing The City's TIF
  - Shared Funding of Current Programs and Services Should Continue
  - Board Generally Felt City Did Not Have A Full Appreciation of Its Level of Support
  - What Is The "End Game"

Effect On CRA TIF  
When Funds Are  
Used For Reducing  
City Deficits

<b>Fiscal Year</b>	<b>TIF</b>	<b>Net City Cash Flow Forecast</b>	<b>TIF Available After Reducing City Deficit</b>
<b>2017</b>	16,015,538	(3,654,720)	12,360,818
<b>2018</b>	18,814,262	(18,441,256)	373,006
<b>2019</b>	20,181,733	(11,393,450)	8,788,283
<b>2020</b>	24,058,316	(14,656,871)	9,401,445
<b>2021</b>	25,772,925	(19,116,141)	6,656,784
<b>2022</b>	26,878,487	(11,029,748)	15,848,740
<b>2023</b>	28,032,259	(10,795,841)	17,236,418
<b>2024</b>	29,236,590	(10,526,574)	18,710,017
<b>2025</b>	30,493,957	(10,220,074)	20,273,883
<b>2026</b>	31,806,965	(9,874,399)	21,932,567

Effect On CRA TIF  
When Funds Are  
Used For Reducing  
City Deficits,  
County Loss Of  
Funds Impact

<b>Fiscal Year</b>	<b>TIF</b>	<b>City Cash Flow Forecast</b>	<b>TIF Available After Reducing City Deficit</b>	<b>TIF Available If County Funds Proportionately Reduced</b>
<b>2017</b>	16,015,538	(3,654,720)	12,360,818	10,898,930
<b>2018</b>	18,814,262	(18,441,256)	373,006	(7,003,496)
<b>2019</b>	20,181,733	(11,393,450)	8,788,283	4,230,903
<b>2020</b>	24,058,316	(14,656,871)	9,401,445	3,538,697
<b>2021</b>	25,772,925	(19,116,141)	6,656,784	(989,672)
<b>2022</b>	26,878,487	(11,029,748)	15,848,740	11,436,841
<b>2023</b>	28,032,259	(10,795,841)	17,236,418	12,918,081
<b>2024</b>	29,236,590	(10,526,574)	18,710,017	14,499,387
<b>2025</b>	30,493,957	(10,220,074)	20,273,883	16,185,853
<b>2026</b>	31,806,965	(9,874,399)	21,932,567	17,982,807

County TIF  
Funding Lost If  
Deficits Are  
Financed By  
Reducing City's  
Contribution

<b>Fiscal Year</b>	<b>County TIF Funding Lost</b>
<b>2017</b>	1,461,888
<b>2018</b>	7,376,502
<b>2019</b>	4,557,380
<b>2020</b>	5,862,748
<b>2021</b>	7,646,456
<b>2022</b>	4,411,899
<b>2023</b>	4,318,337
<b>2024</b>	4,210,629
<b>2025</b>	4,088,030
<b>2026</b>	3,949,759
<b>Total</b>	<b>47,883,629</b>



## Recommendations

- 
- Envision The CRA In 2045 (“End Game”) and Work Backwards To Implement Vision
  - Maintain Current Board Structure and Oversight
  - Implement Periodic Workshops Between Commission and Board With Action Items
  - Maintain Current Coordination Of Staffs

## Recommendations

- Develop A Long-Term Financial Plan For City That Incorporates CRA Long-Term Financial Plan
- Do Not Reduce TIF Through Elimination of Subareas or Other Area Contraction
- Preference Should Be Given To Contribution Reductions By Percent or Dollar Amount

## Market Value Comparison Between CRA and City

Fiscal Year	Total City Market Value	Change From Prior Year	CRA Changes In Market Value	Difference	CRA Percent Of City Market Values
1999	3,677,106,381				
2000	3,970,026,911	8%			
2001	4,232,905,017	7%			11%
2002	4,824,553,609	14%	66%	374%	16%
2003	5,438,135,827	13%	12%	-6%	15%
2004	6,266,438,727	15%	23%	52%	16%
2005	7,248,585,022	16%	21%	36%	17%
2006	8,825,215,027	22%	33%	53%	19%
2007	11,937,071,793	35%	38%	8%	19%
2008	11,935,940,389	0%	3%	NA	20%
2009	11,224,196,182	-6%	-6%	1%	20%
2010	9,280,584,827	-17%	-18%	-1%	20%
2011	8,119,548,674	-13%	-12%	6%	20%
2012	7,942,508,722	-2%	-3%	-13%	20%
2013	7,998,166,069	1%	0%	NA	20%
2014	8,701,989,160	9%	10%	11%	20%
<b>2001-2014</b>		<b>206%</b>	<b>386.9%</b>	<b>88%</b>	

# Peer Group Comparisons

Agency Size

CRA	Total Acreage
Boca Raton	344
Boynton Beach	1,650
Fort Lauderdale Central Beach	344
Hallandale Beach	1,920
Hollywood Beach Area	239
Hollywood Downtown	580
Lake Worth	518
Pompano Beach East	158
<b>Pompano Beach Northwest</b>	<b>3,084</b>
Riviera Beach	1,044
West Palm Beach City Center	990
West Palm Beach Northwood	459
<b>Delray Beach</b>	<b>1,961</b>

# Peer Group Comparisons

Year Created

CRA	Year Created
<b>Boca Raton</b>	<b>1980</b>
Boynton Beach	1982
Fort Lauderdale Central Beach	1989
Hallandale Beach	1985
Hollywood Beach Area	1997
Hollywood Downtown	1997
Lake Worth	1989
Pompano Beach East	1984
Pompano Beach Northwest	1984
Riviera Beach	1984
West Palm Beach City Center	1984
West Palm Beach Northwood	1993
<b>Delray Beach</b>	<b>1985</b>

# Peer Group Comparisons

Sunset Year

CRA	Sunset Year
Boca Raton	2025
Boynton Beach	2044
Fort Lauderdale Central Beach	2020
Hallandale Beach	2026
Hollywood Beach Area	2023
Hollywood Downtown	2023
Lake Worth	2031
<b>Pompano Beach East</b>	<b>2045</b>
<b>Pompano Beach Northwest</b>	<b>2044<sup>1</sup></b>
<b>Riviera Beach</b>	<b>2045</b>
West Palm Beach City Center	2014
West Palm Beach Northwood	2023
<b>Delray Beach</b>	<b>2045</b>

<sup>1</sup>Pompano Beach is currently in litigation with Broward County regarding the extension of the CRA term.

# Peer Group Comparisons

Base Year Taxable Value

CRA	Base Year Taxable Value
Boca Raton	73,763,740
Boynton Beach	309,821,849
Fort Lauderdale Central Beach	118,537,320
Hallandale Beach	377,757,750
<b>Hollywood Beach Area</b>	<b>545,881,010</b>
Hollywood Downtown	103,167,427
Lake Worth	136,427,940
Pompano Beach East	136,437,980
Pompano Beach Northwest	297,388,021
Riviera Beach	132,767,499
West Palm Beach City Center	251,511,950
West Palm Beach Northwood	86,933,276
<b>Delray Beach</b>	<b>245,631,067</b>

# Peer Group Comparisons

Current Year TIF Value

CRA	Current Year TIF Value
Boca Raton	1,046,328,743
Boynton Beach	797,500,525
Fort Lauderdale Central Beach	791,672,620
Hallandale Beach	1,186,025,250
<b>Hollywood Beach Area</b>	<b>2,676,809,490</b>
Hollywood Downtown	560,881,500
Lake Worth	175,272,497
Pompano Beach East	356,428,920
Pompano Beach Northwest	850,703,940
Riviera Beach	699,330,308
<b>West Palm Beach City Center</b>	<b>1,860,942,074</b>
West Palm Beach Northwood	286,768,468
<b>Delray Beach</b>	<b>1,312,469,317</b>



# Peer Group Comparisons

Board Governance

CRA	Number of Elected Officials	Number of Appointed Board Members
Boca Raton	5	
Boynton Beach	5 <sup>1</sup>	
Fort Lauderdale	7	
Hallandale Beach	5	
Hollywood	7	
<b>Lake Worth</b>		<b>7</b>
Pompano Beach	6	
Riviera Beach	5	
West Palm Beach	6	
<b>Delray Beach</b>		<b>7</b>

<sup>1</sup>A 7-member advisory board was recently created.

# Peer Group Comparisons

City Requested Funding

CRA	City Funding FY2016
Boca Raton	2,000,000
Boynton Beach	200,000
Fort Lauderdale	94,497
Hallandale Beach	2,240,928
Hollywood	2,934,267
Lake Worth	20,000
Pompano Beach	55,382
Riviera Beach	123,979
West Palm Beach	3,576,593
<b>Delray Beach</b>	<b>3,621,367</b>

# Peer Group Comparisons

Current Year Budget

CRA	FY2016 Budget
<b>Boca Raton</b>	<b>26,977,200<sup>1</sup></b>
Boynton Beach	10,419,593
Fort Lauderdale	17,049,481
Hallandale Beach	17,218,552
<b>Hollywood Beach Area</b>	<b>32,734,291</b>
Hollywood Downtown	8,621,340
Lake Worth	2,954,128
Pompano Beach	9,630,275
<b>Riviera Beach</b>	<b>28,175,272</b>
West Palm Beach City Center	23,285,385
<b>Delray Beach</b>	<b>26,026,457</b>

<sup>1</sup> The Boca Raton CRA budget includes transfer payments to or related to the Mizner Park development lease. The operating budget other than those payments appears to be \$4,196,500

## Peer Group Comparisons

Comparison of Similar City  
Without A CRA

- Virtually All Cities In Broward and Palm Beach Counties Have Community Redevelopment Agencies. Neither Munitytics Nor CRA Staff Could Find A Comparable City Without A CRA