

CRA District Tax Increment Financing Analysis

Board Presentation of Draft Report

March 24, 2016



Study Goals



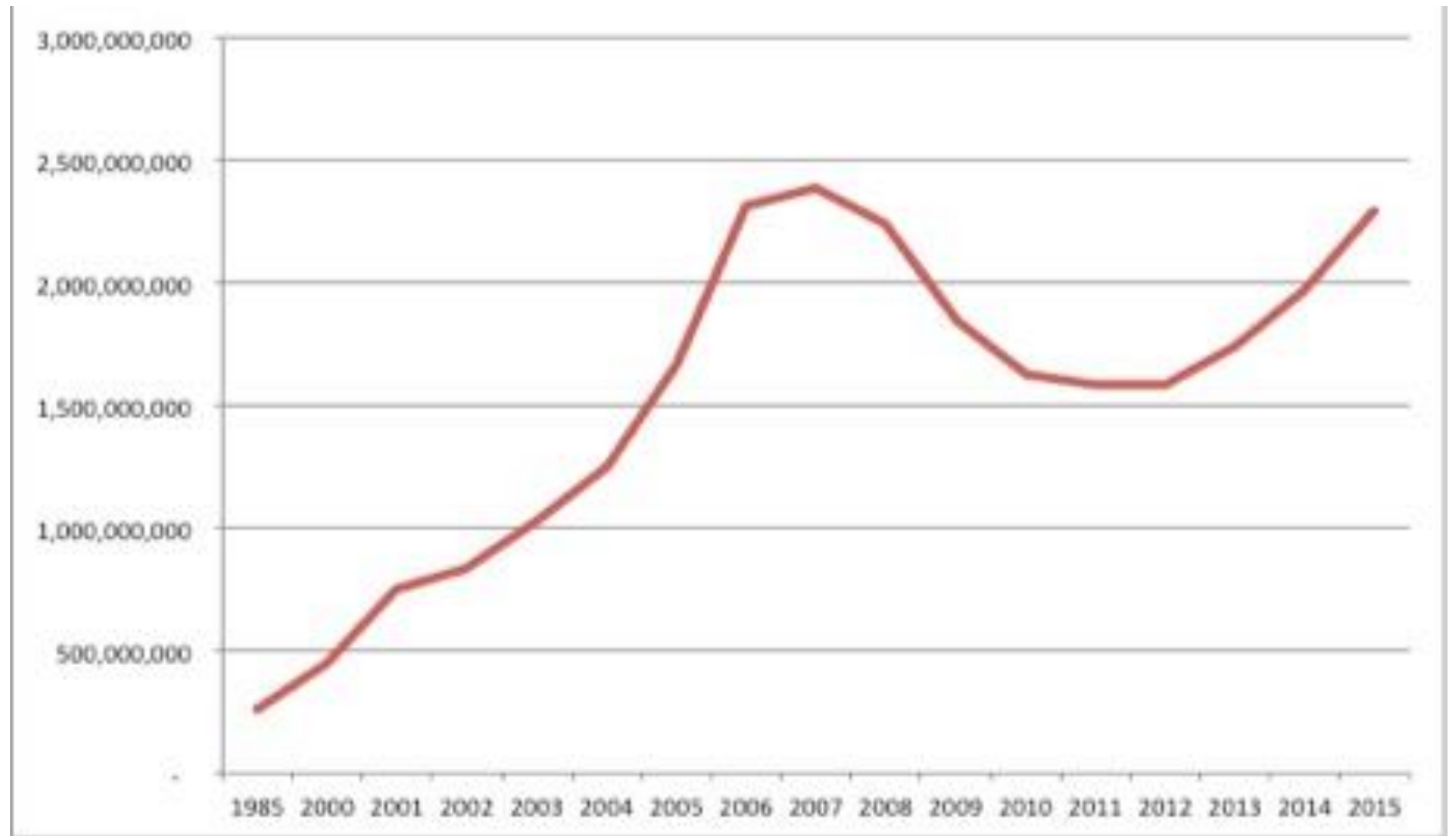
Complete Assessment Of Entire CRA District Since Inception; Forecast TIF Revenues Thru 2045; Develop Funding Plan For City Services and Programs

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

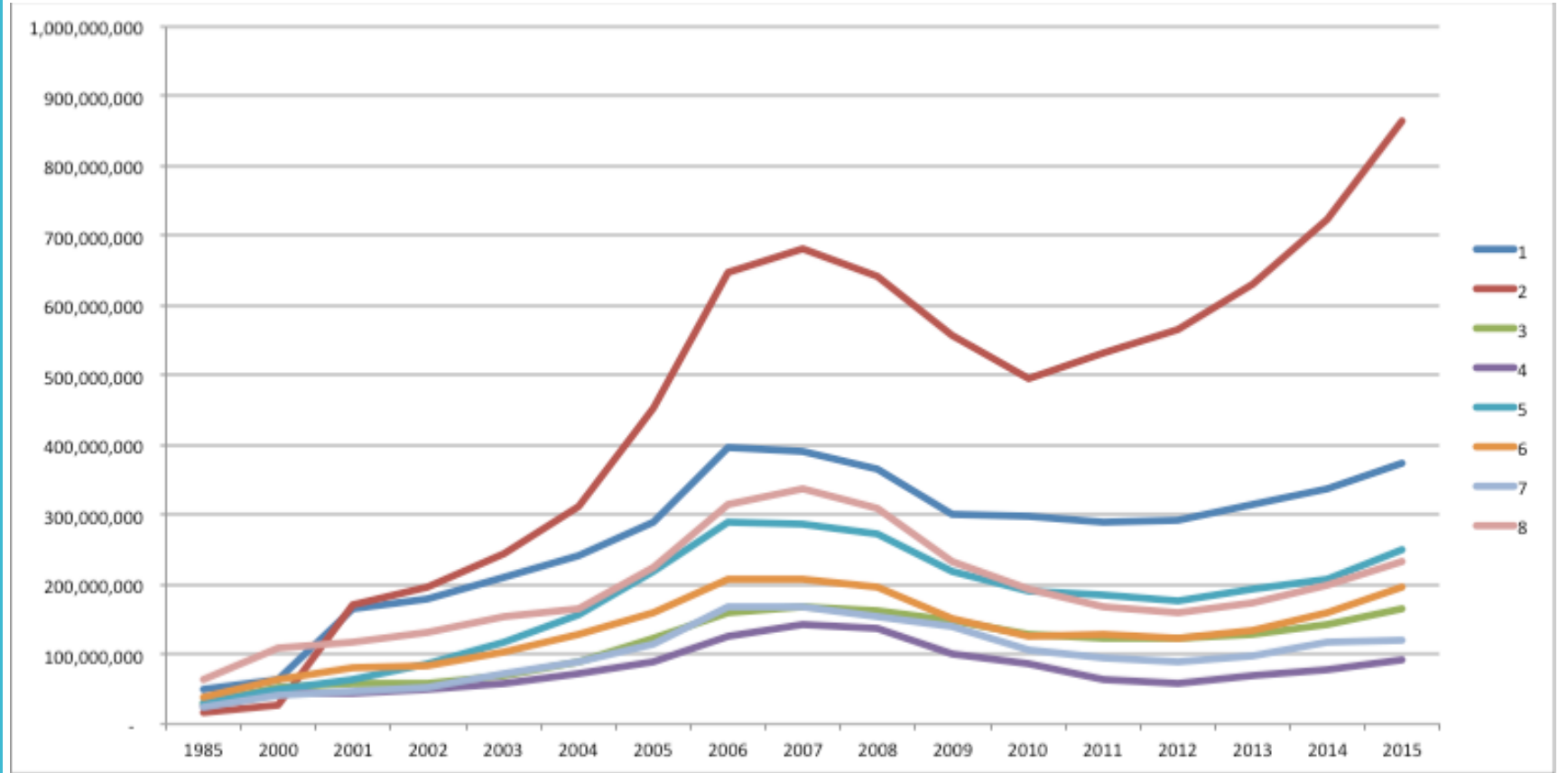


Growth of CRA Subareas

Historical Market Value Growth

Property Tax Calendar Years

1985-2015



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%
Total CRA Area	7.30%

Dollar Growth of Market Values In CRA Subareas

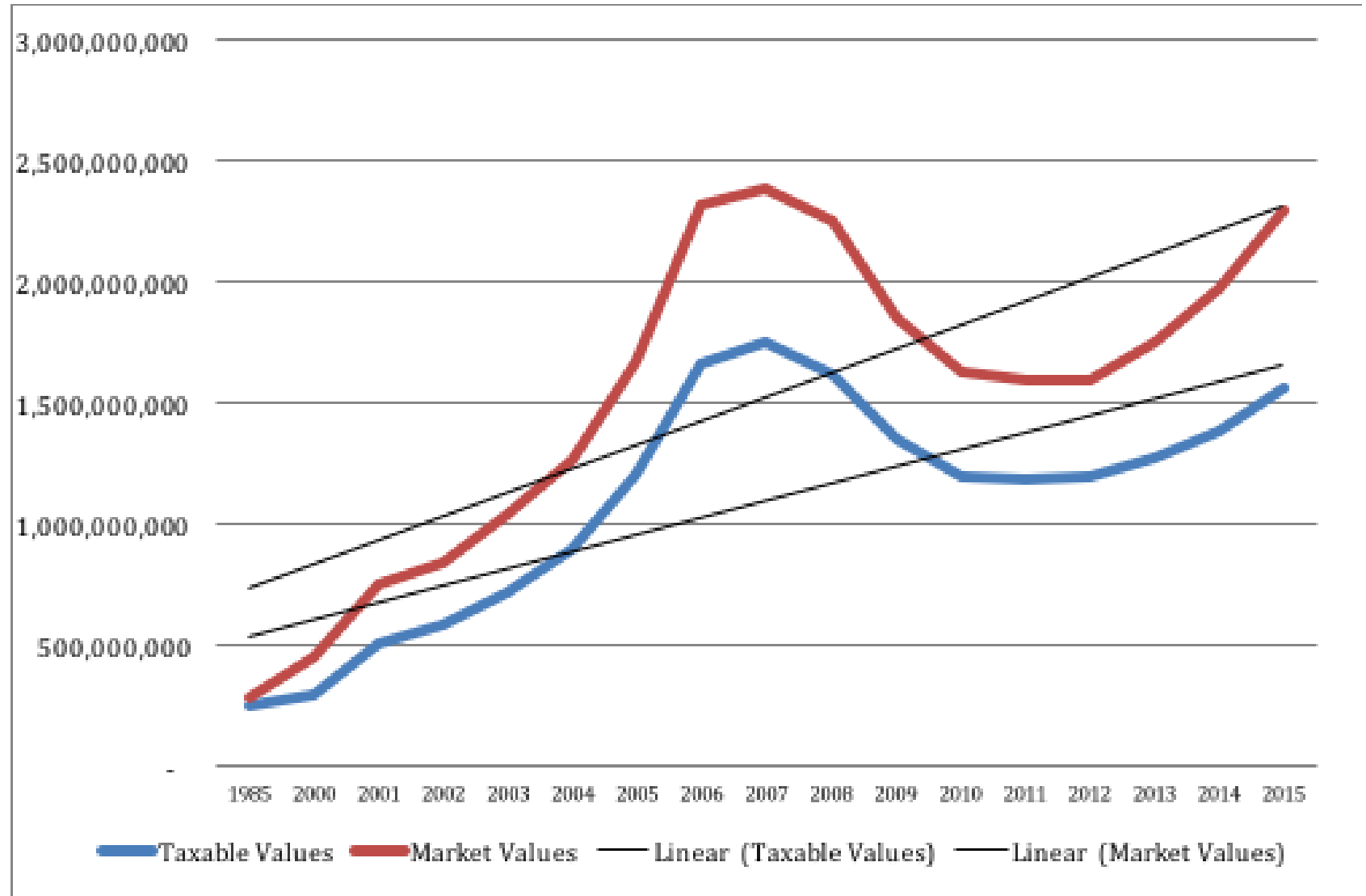
Subarea	30-year Dollar Change
1	324,367,295
2	848,446,673
3	134,665,141
4	65,992,570
5	219,716,711
6	157,062,571
7	96,224,555
8	168,111,811
Total CRA Area	2,014,589,343

Market Values By Property Use- 2015

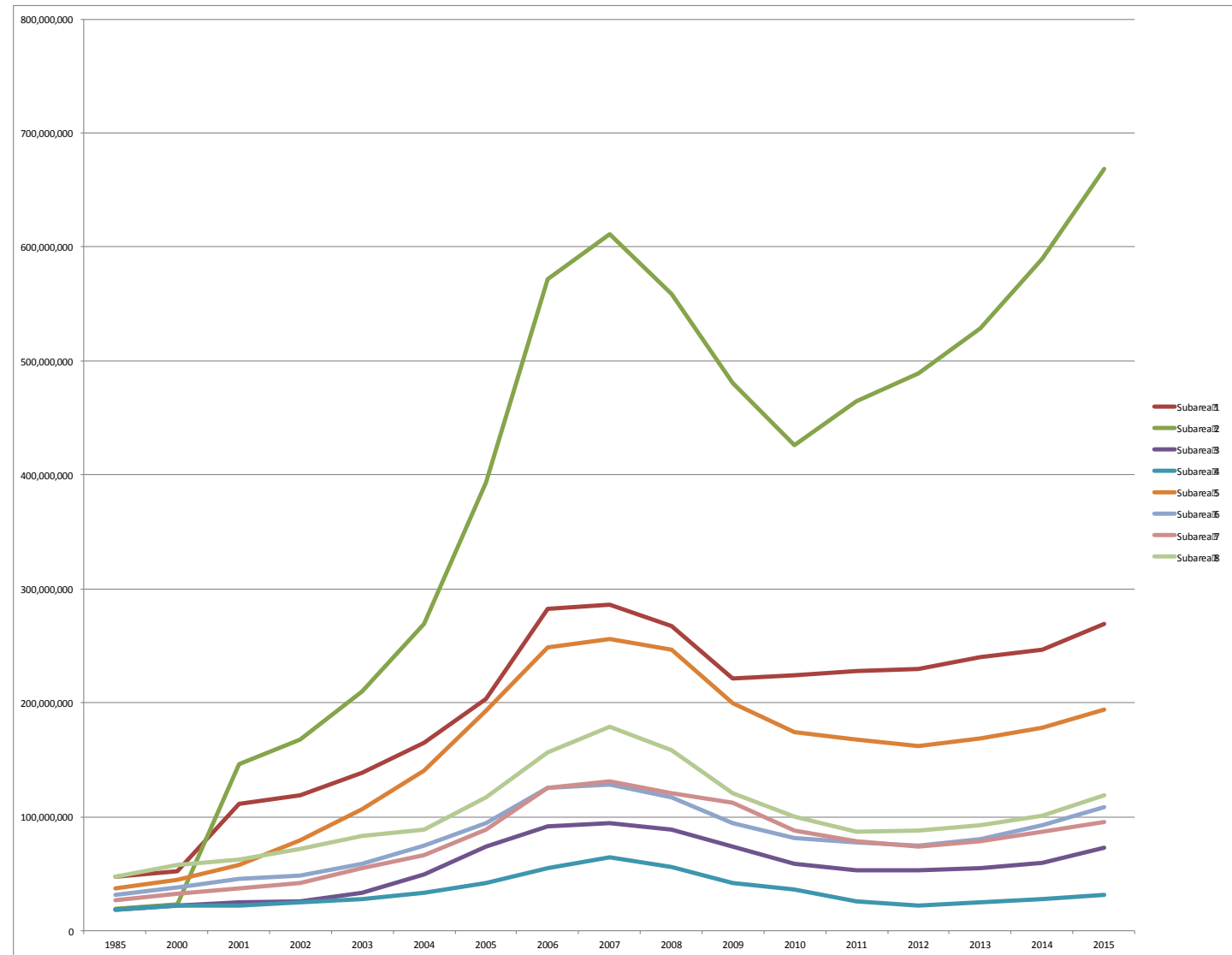
Subarea	Residential	Commercial	Industrial	Government/ NFP	Misellaneous Uses	Not Classified or Mixed Use
1	213,276,960	109,344,861	-	6,746,993	-	-
2	378,510,040	261,991,263	12,740,604	58,240,972	23,089,271	130,481,851
3	71,638,001	25,820,637	253,752	65,368,359	-	-
4	63,411,203	1,584,361	206,136	25,833,746	-	-
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%
Total CRA Area	6.35%

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
Total CRA Area	1,312,469,317

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%	-56.7%
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%
Total CRA Area	7.30%	6.35%	-13.0%

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
Total CRA Area	2,014,589,343	1,312,469,317	702,118,011

Base and
Current Year
Taxable Values
By Subarea

Subarea	Base Year Values	2015 Values	Difference
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
Total CRA Area	245,631,067	1,558,100,384	1,312,469,317

TIF Revenue By Subarea and Source, FY2016

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

Historical Contributions By Source and Subarea, 1985-2015

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

Areawide & Neighborhood	FY2011-FY2016
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
Total	17,261,563
Redevelopment Projects	
NW/SW-5th Ave Beautification	784,261
Carver Square	135,936
Total	920,197
Community Imp & Economic Dev	
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
Total	27,825,234
US1 Corridor Improvements Debt Services	849,298
Grand Total	46,856,292

Interviews With Elected and Appointed Officials and Staff



Consensus For Board To Continue Overseeing CRA Operations

Unanimous Agreement That Scheduled Periodic Workshops
Should Be Held Between Commission and Board

CRA's Success Has Resulted In City Budget Issues

Goal Should Be To Keep As Much Of County TIF Funds As Possible

Interviews With Elected and Appointed Officials and Staff



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

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

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

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

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%
2001-2014		206%	386.9%	88%	

Peer Group Comparisons

Agency Size

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

Peer Group Comparisons

Year Created

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

Peer Group Comparisons

Sunset Year

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

¹Pompano 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
West Palm Beach Northwood	86,933,276
Hollywood Downtown	103,167,427
Fort Lauderdale Central Beach	118,537,320
Riviera Beach	132,767,499
Lake Worth	136,427,940
Pompano Beach East	136,437,980
Delray Beach	245,631,067
West Palm Beach City Center	251,511,950
Pompano Beach Northwest	297,388,021
Boynton Beach	309,821,849
Hallandale Beach	377,757,750
Hollywood Beach Area	545,881,010

Peer Group Comparisons

Current Year TIF Value

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

Peer Group Comparisons

Board Governance

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

¹A 7-member advisory board was recently created.

Peer Group Comparisons

City Requested Funding

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

Peer Group Comparison

Current Year Budget With and Without Carryforward Balances

	Total Budget	TIF Amounts	Carryforward Amounts	Budget Without TIF & Carryforward Amounts (Other Revenues)
Lake Worth	2,954,128	1,705,236	1,165,392	83,500
Hollywood, Downtown	8,621,340	5,889,420	2,664,720	67,200
Boynton Beach	10,419,593	9,319,593	0	1,100,000
Pompano Beach	16,991,693	9,077,445	7,600,916	313,332
Fort Lauderdale	17,045,063	9,713,118	1,575,512	5,756,433
Hallandale Beach	17,218,552	8,690,421	4,885,586	3,642,545
Delray Beach	26,026,456	14,757,176	7,557,636	3,711,644
Boca Raton	26,977,200	8,300,000	7,796,200	10,881,000
Riviera Beach	28,175,272	7,122,728	11,758,624	9,293,920
Hollywood, Beach	32,734,291	27,383,861	5,215,430	135,000
West Palm Beach	46,230,891	28,357,087	17,027,606	846,198

Peer Group Comparisons

Comparison of Similar City
Without A CRA

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

CRA Project Expenditures 1986-2016

Subarea Project Expenditures

Draft. Project Subarea Assignments Are Currently Incomplete. Some projects overlap subareas or are Area-wide.

The expenditures do not include all Business and Residential Improvements Grants, and Affordable Housing acquisitions and subsidies.

	Project Expenditures 1986-2016
Area Wide/Unassigned	110,532,514
1-Beach District	1,261,768
2-Central Core/Downtown	43,545,278
3-W. Atlantic Avenue	62,152,749
4-NW Neighborhood	2,390,235
5-N. Federal Hwy.	2,912,482
6-Seacrest/Del Ida	2,387,033
7-Osceola Park	4,289,118
8-SW Neighborhood	18,519,732
Total	247,990,909

Economic Impacts

One-time Impacts From New Construction

Total Impact Metropolitan Area	
Initial Impact	537,409,127
Final Demand, output	1,165,640,397
Tota Impact	1,703,049,525
Employment	11,392
Earnings	392,254,922

Economic Impacts

Estimated Annual Impact and Annual Employment

Use	Employees	Payroll
Initial Impact		
Hotel Uses	429	14,147,562
Retail and Restaurant Uses	698	18,949,304
Office Uses	1,320	65,346,296
Warehouse/Industrial Use	114	3,539,208
Total	2,561	101,982,370
Direct Effect		
Hotel Uses	540	18,737,031
Retail and Restaurant Uses	849	24,222,895
Office Uses	2,132	84,865,235
Warehouse/Industrial Use	143	4,417,286
Total	3,664	132,242,447
Total Impact		
Hotel Uses	969	32,884,593
Retail and Restaurant Uses	1,547	43,172,199
Office Uses	3,452	150,211,531
Warehouse/Industrial Use	257	7,956,494
Total	6,225	234,224,817

Economic Impacts

Estimated Impact From CRA Investments

Initial Impact	Direct Effect	Total Impact	Jobs	Earnings	Average Wage
173,642,793	374,270,456	547,913,249	3,660	129,546,896	35,399

Changes In Property Values

Comparing Changes In Property Values Inside the CRA Area to Those in the City Outside the CRA Area

	Change In Market Value, 2000-2015	Change In Taxable Value, 2000-2015
Delray Beach, Not In CRA	151%	124%
Delray Beach CRA Area	319%	312%
Percent Difference	211%	251%

Sample Project Impacts

Atlantic Grove



Value To City	\$9,852,275
Jobs During Construction	169
Estimated Annual Jobs	66

Sample Project Impacts

Pineapple Grove Village



Value To City	\$35,580,011
Jobs During Construction	838
Estimated Annual Jobs	51

Sample Project Impacts

City Walk



Value To City	\$15,022,994
Jobs During Construction	344
Estimated Annual Jobs	51

Sample Project Impacts

Hyatt Place Delray Beach



Value To City	\$13,729,123
Jobs During Construction	291
Estimated Annual Jobs	87