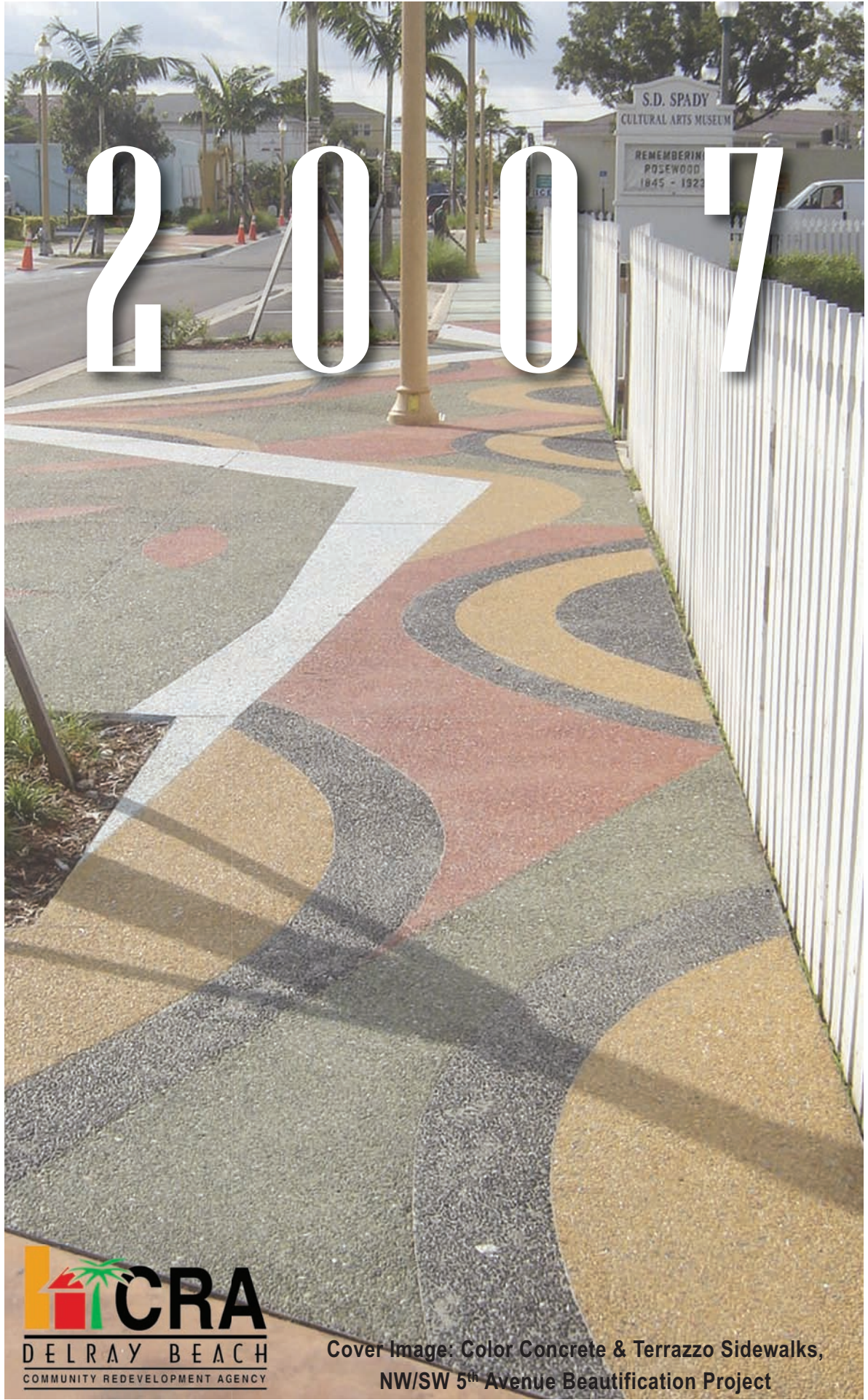


ANNUAL REPORT

2007



Cover Image: Color Concrete & Terrazzo Sidewalks, NW/SW 5th Avenue Beautification Project

UNCHANGING COMMITMENT

A Message from the CRA Chair

Change happens. Sometimes it happens when we least expect it, in ways that we cannot predict.

In June 2007, Florida lawmakers approved a tax reform measure that included a mandatory rollback of current property tax rates and varying additional cuts based on recent increases. While the intent of the reform measure was to significantly reduce property taxes for individuals, many property owners saw only minor decreases in their taxes. However, local government—cities, counties, and community redevelopment agencies across the state—have had to cut projects, programs, and in some cases employees, due to the significant decline in revenue.

Only months later, the Florida Supreme Court reversed some twenty years of standing legislation in their decision on “Escambia County v. Strand.” The Strand Decision ruled that it is unconstitutional to pledge tax increment dollars to pay long-term debt without voter approval, affecting CRAs across the state. As a result the Delray Beach CRA is unable to use a standing line of credit for projects that require multi-year financing.

In 2007 the housing boom that South Florida and much of the rest of the country experienced in recent years slowed considerably. Property values are no longer rising at the levels they did in previous years, and many of the private development projects planned within the CRA district were halted. This trend will affect the CRA’s future revenues and may ultimately require modifications to projects and programs.

Change happens. But despite these changes, the Delray Beach CRA’s commitment to the community, its residents, and its businesses has remained the same. Changes to tax law have not deterred us from continuing to foster redevelopment throughout our District. Instead, these changes push us to look for more creative ways to achieve our goals.

We look forward to what the 2008 holds in store for us. If nothing else, more change can be expected.

The Delray Beach CRA is up for the challenge.

Frank Wheat,
CRA Chair



NEIGHBORHOOD REDEVELOPMENT

Many of the homes in the **Carver Square Neighborhood** suffered from varying degrees of structural damage after the land beneath—a former dump site—began to settle. The CRA began acquiring the homes and vacant lots in the subdivision in 2005.



Since then, the CRA has also provided financial assistance to residents to help cover the cost of replacement housing. The homes were demolished in 2007, after the successful relocation of the residents. According to a plan under the state Brownfield Program, the soil will be completely excavated and stabilized in 2008. The CRA will partner with Habitat for Humanity and the Delray Beach Community Land Trust, which owns one of the Carver Square lots, to build 20 single-family homes on the site.

The CRA continues to make improvements to the **West Settler’s Neighborhood**, one of the City’s five historic districts. While the redevelopment of commercial and residential structures is generally encouraged, a conscious effort is made to maintain the historic character of the neighborhood. After establishing the West Settler’s Advisory Board in 2001, the CRA established the West Settler’s Historic Rehabilitation Program in 2003 to assist residents with the costs of maintaining the historical integrity of homes in the area. Over the life of the program, the CRA has invested approximately \$97,200 into the West Settler’s area, including a \$15,000 grant in 2007.

In February 2007, the community celebrated the completion of the **NW/SW 5th Avenue Beautification Project**. While the project includes many typical components of traditional beautification—including landscaping, decorative lighting, parking improvements, and streetscaping—unique elements reflective of the area’s cultural history were also used. Colorful terrazzo and concrete symbols, designed by artist Gary Moore, were incorporated into the sidewalks along the three-block commercial district, based on residents’ descriptions of their experiences on 5th Avenue. Four different banner and bronze medallion designs were also created to acknowledge Historic 5th Avenue, the West Settler’s Neighborhood, the Sands and Frog Alley. Street furniture will be added to the area in 2008.



FINANCIAL REPORT

The Delray Beach CRA is committed to eliminating blight and encouraging growth within the CRA district, to the benefit of all Delray Beach citizens. This commitment guides its organizational goals, which is evident in the financial priorities of the agency. Administrative and operating costs were at 8% of the fiscal year 2006-2007 budget, allowing the CRA to apply the majority of its resources (86% of the fiscal year 2006-2007 budget) to programs that provide substantial benefits to the businesses and residential communities of Delray Beach.

By funding various historic preservation, affordable housing, redevelopment, beautification, and downtown marketing projects, the CRA has played a considerable role in ensuring that the City of Delray Beach has sustainable success in the downtown area, and that all of the citizens will continue to have the opportunity to live and work in this great community.

It should be noted that during the year 2007 property tax reform became a major issue of the Florida Legislature. As a result of new legislation future tax collections were rolled back to the 2006-07 levels and then reduced by a specified percentage (9% for Delray Beach). This had the effect of reducing revenues for the City and County, and consequently, for the CRA. FY 2006-2007 was not directly affected by this action, but future years will see an impact from this proposed amendment.

2006-2007 Revenues

Tax Incremental Financing (TIF) – Revenues from increases in property values over the CRA's base year (1985). TIF revenues are used to help fund improvements within the CRA district, such as development, beautification, and parking facilities.

- ♦ 31 % of 2006-2007 revenues are County TIFs
- ♦ 49 % of 2006-2007 revenues are City TIFs

Land Sales & Housing Construction/Improvement Loan Payoffs

- ♦ \$2.6 million derived from land sales, affordable and for work force housing loans

Grants

- ♦ \$1,000,000 – County grant to City applied to CRA affordable housing projects

Other Revenues

- ♦ Green Market
- ♦ Property Management
- ♦ Project Reimbursements
- ♦ Interest Income

2006-2007 Programs

Areawide & Neighborhood Plans

- ♦ West Atlantic Redevelopment Plan
- ♦ Downtown Master Plan
- ♦ Southwest Area Neighborhood Redevelopment Plan
- ♦ North Federal Highway Redevelopment Plan

Redevelopment Projects

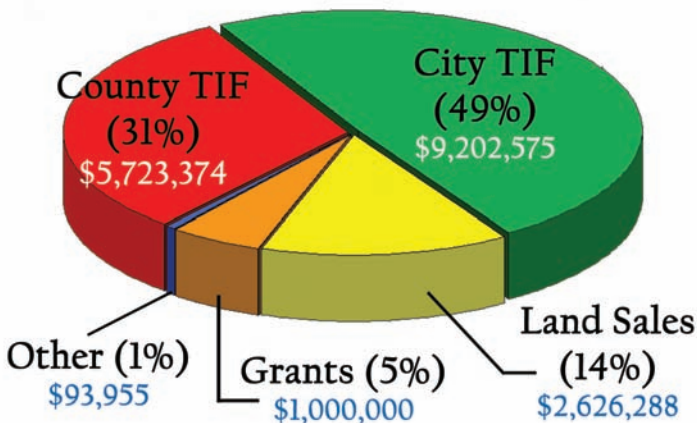
- ♦ Affordable & Workforce Housing Program
 - ♦ La France Apartments
 - ♦ Delray Beach Community Land Trust
 - ♦ Subsidies and relocations
- ♦ NW/SW 5th Avenue Beautification
- ♦ Old School Square parking garage
- ♦ West Settlers Historic Grant Program
- ♦ Carver Square Neighborhood

Community Improvement & Economic Development

- ♦ Downtown marketing and promotions
- ♦ Delray GreenMarket
- ♦ Grant Programs
 - ♦ Business Assistance Grants
 - ♦ Community Sponsorship Grants
 - ♦ Site Development Grants
 - ♦ Development Regions Grants
 - ♦ Funding support for community organizations
 - ♦ EPOCH
 - ♦ Old School Square
 - ♦ Pineapple Grove
 - ♦ WARC

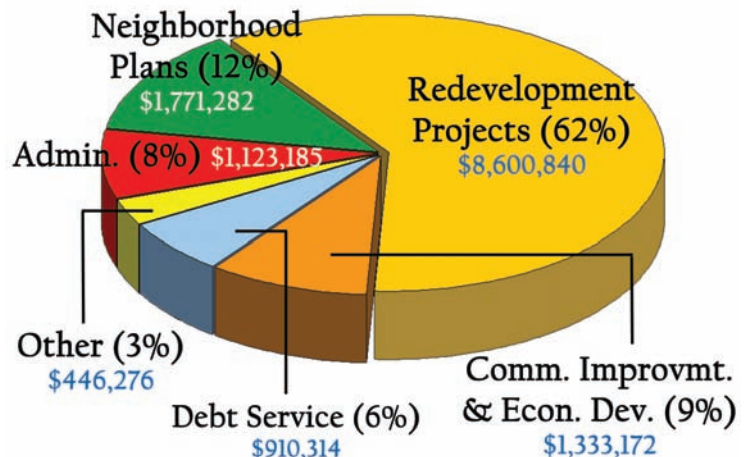
2006-2007 Revenues: \$18,646,192

*Pre-Audit Numbers



2006-2007 Expenses: \$14,185,069

*Pre-Audit Numbers



AFFORDABLE HOUSING



The renovation of the **La France Apartments** (140 NW 4th Avenue) was completed in October 2007, providing 14 permanently affordable rental units for low income seniors. The original building, formerly known as the La France Hotel, was modified to provide eight efficiency apartments. A second building consisting of six one-bedroom apartments was also constructed. The two buildings are joined by a breezeway and outdoor courtyard. Both buildings are handicap accessible, and an elevator provides easy access to the top floor of either building. A wall in the lobby of the main building features a permanent exhibit on the history of the La France Hotel, paying tribute to the cultural and economic significance of the hotel during its heyday. A ribbon cutting ceremony, held on November 15, 2007, was well attended by community members, including residents of the West Settler's Neighborhood, where the apartments are located. The Delray Beach Community Land Trust, currently accepting applications for eligible residents, is managing the apartments.

With the support of the CRA and the City, the **Delray Beach Community Land**

Trust quickly became the one of the most active community land trusts in the state in 2007. In order to satisfy part of its affordable housing mission, the CRA has provided the DBCLT with annual operating funds, as well as financing for land acquisition and construction. In 2007, the DBCLT successfully placed more than 10 families into quality affordable single-family homes, and began construction on ten additional homes. Currently, four homes are ready to be occupied, and many people are actively working with the land trust by repairing their credit, saving money, and researching mortgage opportunities. The DBCLT has more than 400 members, each of whom joined the organization to show their support of its mission. The DBCLT has also expanded its affordable home options to include townhouses. The organization is offering a total of six affordable three-bedroom, three-and-a-half-bathroom units in the CODA development, just south of the Delray Beach Public Library downtown. The units, some of which sell for more than \$350,000 on the open market, are available to qualified buyers for less than \$268,000. Affordable rental units are also available through the land trust, which currently manages CRA-owned rental properties at 140 NW 4th Avenue and 133 NW 5th Avenue.



The **Eagle's Nest** is a construction academy at Atlantic High School. The program instructs students in the skills and techniques for the construction and building industries. Participating students are in the process of building a three-bedroom, two-bathroom house from the ground up. The City donated the lot and the CRA provided a \$150,000 interest-free construction loan for the project. Once the 1,500-square-foot house is complete, it will be sold as an affordable home to an income-qualified homebuyer.

The CRA acquired the property located at **133 NW 5th Avenue** in 2006 as part of an overall plan to beautify and improve NW/SW 5th Avenue. The 10-unit apartment building also was renovated to help further the CRA's affordable housing mission by providing long-term affordable housing to very low, low, and moderate income residents. Improvements to the building were made by Delray Beach based Hatcher Construction and Development, Inc., and included major upgrades to the apartment interiors, a newly designed façade, landscape improvements, and the installation of an on-site laundry facility. The CRA invested approximately \$670,000 into the project, and the City successfully obtained a \$500,000 grant from Palm Beach County for the renovations. The Delray Beach Community Land Trust has a temporary agreement with the CRA to manage the property and is currently accepting applications for eligible tenants.



PARKING & TRANSPORTATION



On December 12, 2007 the City held a ribbon cutting ceremony for the **Old School Square public parking garage**, located immediately east of the cultural arts center. This 528-space facility was built to replace the 184-space parking lot on the same block, which is going to be transformed into an urban park to complement the Old School Square campus. The CRA acquired the property necessary for the garage and contributed \$6.5 million toward the construction costs. The garage includes approximately 17,000 square feet of retail commercial space on the ground floor, which will allow for new shops and offices along NE 1st Street and Pineapple Grove Way.

The **Robert “Bob” Federspiel Parking Garage**, located on SE 1st Avenue, opened to the public in March 2007, providing 202 additional parking spaces downtown. It was built to replace the 66-space public parking lot on the block immediately to the east which, along with property formerly owned by the CRA, will become part of the Worthing Place residential development. The garage was built entirely with private dollars and deeded to the public. It is named in honor of the Delray Beach attorney who served the CRA and the Delray Beach Housing Authority for more than 20 years before his untimely death in 2005.



Have you seen the City's new shuttle busses? The **Downtown Roundabout** service was launched in January 2007 to provide FREE transportation through the downtown, traveling from Tri-Rail to the beach, 7 days a week. Popular shuttle stops include the Marriott Hotel, the Delray Beach Public Library, the municipal tennis center, and the South County courthouse. The CRA splits the operating costs with the City, contributing \$153,000 for the service in 2007. A third bus is scheduled to be added in 2008 to provide more timely connections to Tri-Rail trains. All aboard!

In the 1980's the City created an east/west **downtown bypass system** by converting NE and SE 1st Streets to one-way traffic. The bypass allowed the City to avoid plans by the Florida Department of Transportation's (FDOT) to widen Atlantic Avenue to four lanes throughout the downtown. Instead, the City beautified East Atlantic Avenue with landscaping, paver bricks and decorative lighting, and it became a popular destination for diners and shoppers. Unfortunately the effect on NE and SE 1st Streets was the opposite, impeding traffic circulation and making the streets less attractive for businesses and visitors. In 2007 the CRA funded the construction work necessary to convert these streets back to 2-way traffic. As soon as the new traffic signals are installed by Palm Beach County, vehicles will be able to travel both ways on either street.

The **US-1 corridor** consists of two one-way thoroughfares through downtown Delray Beach. Each road consists of 3 lanes of traffic with turn lanes provided at several intersections. An increase in the number of pedestrians downtown has led to increased concerns over speed and safety along this road. Since the mid-1990's there have been discussions about installing beautification and traffic calming measures along US-1, and the project was included in the 2002 Downtown Master Plan. The firm of Kimley-Horn & Associates was hired to conduct studies of traffic speeds and volumes and prepare a beautification and traffic calming plan. The plans call for the elimination of one travel lane in each direction, installation of landscape nodes, bike lanes and wider sidewalks. The changes will improve the area by creating a more attractive downtown corridor with safer crossings for pedestrians. In 2007 the City agreed to move forward with a temporary modification of the roadway in order to assess the impacts the proposed changes will have on traffic. The CRA is funding the cost of the temporary trial and will help fund the final project if approved.



COMMUNITY DEVELOPMENT

The **Downtown Marketing Cooperative** (DMC) is a partnership of the CRA, the City of Delray Beach, the Downtown Development Authority (DDA) and the Greater Delray Beach Chamber of Commerce. The DMC markets the downtown through events such as Art & Jazz on the Avenue, the 100' Christmas tree, and the First Night New Year's celebration, as well as special promotions throughout the year. The CRA contributes funding to the DMC for administrative costs, and provides funding to help cover the costs for entertainment at Art & Jazz events. In 2007 the CRA also agreed to fund an additional staff position at the DMC to promote the Pineapple Grove and West Atlantic Avenue areas.



The Florida Redevelopment Association awarded the **2007 Roy F. Kenzie Award for Management Program/Creative Partnership** to the CRA for its role in the development of the City's Neighborhood Resource Center (NRC). The CRA supported the growth of the facility by contributing \$462,000 to parking and center expansion. With the help of the CRA, the City expanded the NRC to a second building, adjacent to the first, which currently provides office space for the Delray Beach Community Land Trust. The NRC buildings are owned and maintained by the City of Delray Beach, offering free office space, supplies and clerical assistance to participating organizations. The CRA and City jointly fund the Neighborhood Planner position, a city staff person that manages NRC operations and provides support to members of the community.



The CRA's **Delray GreenMarket in the Park** opened its twelfth season on the last Saturday of October 2007 in Worthing Park with "Trick or Treat at the Market," now a local tradition of ongoing festivities at the weekly farmer's market. The GreenMarket has also gotten a lot of attention for its **fresh organic produce**, new to the market this season. Many of our longstanding favorite vendors have returned—including Anita's Guacamole and Pappardelle's Pasta—but there are lots of new people to meet and food to eat! With live entertainment every week, the GreenMarket is a weekend must-see in downtown Delray Beach. Don't forget to enter the annual Chili Cook-Off and Easter Bonnet Dog Parade contests this spring. Winners receive great prize packages (and bragging rights for the year).

For the first time, the CRA will contribute \$270,000 to the **Delray Beach Public Library** to support its operations for the 2007/08 fiscal year. After the 2007 property tax cuts, the City was forced to significantly decrease its annual funding to the library. Faced with the threat of large cuts to programs, services, and operating hours, the library turned to the CRA for support. The CRA made its annual contribution to the library, a private nonprofit organization housed in a public facility, based on the economic and cultural benefit it creates for the community. The library serves as an economic anchor for the West Atlantic Avenue corridor, drawing thousands of people to the area each month.

The CRA's **Site Development Assistance Grant Program** assists businesses in the CRA District by reimbursing them for a portion of the cost of cost for approved exterior improvements to commercial property. In 2007, the owners of **Blacktip Reef Restaurant** (301 NE 3rd Avenue) made an extensive renovation and expansion to the property, using the grant toward the cost of landscaping, painting, roof repair, lighting, and other expenses. The program also assisted **Century 21 Danon Realty** (400 W. Atlantic Avenue) with the cost of signage and new awnings for a prominent ground-floor unit in Atlantic Grove.



The CRA acquired the blighted property located at **82 NW 5th Avenue** in 2005 as a part of the overall plan to beautify and improve the commercial corridor along Historic 5th Avenue. In 2007, the CRA issued a Request for Proposals (RFP) for the redevelopment of the property. After reviewing proposals and presentations from three applicants, the CRA board approved a proposal from the Delray Beach Housing Authority for a mixed-use project that would incorporate permanent office space for the affordable housing organization. Demolition of the existing apartment building is projected to begin in early 2008.



POCKET PARKS



In 2007, the CRA completed two pocket parks in neighborhoods within the CRA District. Pocket parks are designed to be used by nearby residents, to foster a sense of ownership and civic pride, and to provide a point for orientation. The completion of **La Hacienda Gardens**, located in a neighborhood along the North Federal Highway corridor, was celebrated in February. The CRA contributed \$185,000 toward equipment, in addition to a half lot. Most of the land used to create the park was donated by New Urban Communities, a local developer that built the Old Palm Grove neighborhood adjacent to the park. The park is now owned by the City, which maintains the park's landscaping and equipment.

In 2007, plans were finalized for **Sunshine Park**, a passive pocket park that will be located in the Southwest Neighborhood near the I-95 barrier wall. Projected to be complete in 2008, the park will help further the goals and objectives of the Southwest Area Neighborhood Redevelopment Plan.

What was once an unimproved right-of-way on SW 6th Street used for illegal storage and dumping is now **Rosemont Park**. Before the creation of the park, the property was a source of blight for the neighborhood. The City and CRA collaborated to create the park, contributing \$28,500 and \$131,197 to its construction, respectively. Today, the residents of Rosemont Park and Rosemont Gardens take ownership in the new park because they contributed to its artistic vision. Neighborhood children picked 13 words they deemed important, such as education, dream, spirit and unity, which they painted onto ceramic tiles. The tiles were inlaid into the park's sidewalk as part of the "Words to Live By" public art project. The park also includes playground equipment and decorative benches and trashcans. The project was completed in October 2007.



NEW CRA STAFF MEMBERS



Administrative Assistant II **Ruth Ann Brown** joined the CRA staff in March 2007. She has worked in the finance and human resources fields for many years. Today, Ruth Ann handles human resources and accounts payable for the CRA, along with anything else that comes across her desk, with a sunny disposition. Just knowing that she is helping the Delray Beach community is enough to put a smile on her face.

Assistant Director **Jeff Costello** also joined the CRA staff in March 2007 after working for New Urban Communities, a local development company. Prior to that, he worked for the City of Delray Beach for 17 years and served as the Assistant Planning Director, where he became more than familiar with the City's ongoing projects. Jeff's knowledge of the community and his experience in both the public and private sectors make him a valuable asset to the Delray Beach CRA.



Finance Director **Joe Hinckley** joined the CRA staff in October 2007. He has many years of experience as a Director of Finance and Controller in various industries. For the last eight years he has served as a finance director for various local nonprofit organizations, first with Habitat for Humanity of Broward County and most recently with Old School Square in Downtown Delray Beach. Today, he handles the budgeting, financial reporting, and fiscal controls for the CRA. Joe holds a B.S. Degree in Accounting from Spring Hill College and an MBA Degree from the University of Miami.



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BOARD OF COMMISSIONERS

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Chair

Howard Lewis,
Vice Chair

Thomas F. Carney, Jr.
1st Vice Chair

Peter B. Arts,
Treasurer

William Branning

Angeleta E. Gray

Veronica Covington



CRA STAFF

Sitting (left to right): **Jean Moorefield** (*Administrative Assistant II*);
Carolyn Holder (*Property Superintendent*).

Standing (left to right): **Elizabeth Butler** (*Marketing & Grants Coordinator*);
Joe Hinckley (*Finance Director*); **Ruth Ann Brown** (*Administrative Assistant II*);
Walt Gerhard (*Project Manager*); **Diane Colonna** (*Executive Director*);
Vincent Wooten (*Development Manager*); **Lori Nolan** (*GreenMarket Manager*);
Jeff Costello (*Assistant Director*).

The mission of the Delray Beach CRA is to foster or directly assist the redevelopment of the Community Redevelopment Area in order to eliminate blight, create a sustainable downtown and encourage economic growth, thus improving the attractiveness and quality of life for the benefit of the CRA District and the City of Delray Beach as whole.

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