

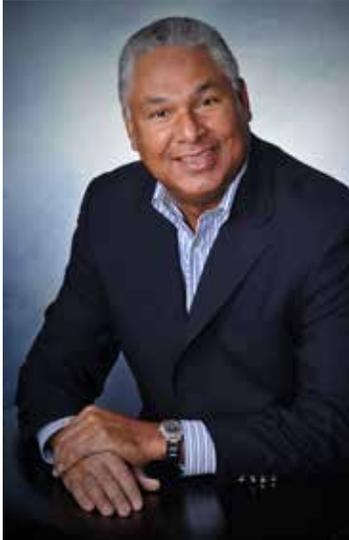


2012

ANNUAL REPORT



MESSAGE FROM THE *Chairman*



*Howard Lewis,
Delray Beach CRA Chairman*

Last year was a time of high profile exposure for Delray Beach. In February 2012, an international television broadcast of the ITC tennis tournament made Delray Beach a household name for tennis fans around the world. In July, the city claimed the title as the “Most Fun Small Town in America,” highlighting the city’s diverse culture, entertainment, natural wonders and special interests for the world to see. In October, President Obama held a rally at

the Tennis Center on West Atlantic Avenue. And anyone that indulged in a seat at the “Dinner in the Sky” event had a rare and unique opportunity to view the city from a first class dinner table suspended 180 feet in the air.

Last year was also full of economic opportunity. The City Commission made strides with the launch of a new branding campaign for the Delray Beach Innovation Corridor along Congress Avenue. The recently created citywide economic development fund and a host of new incentive programs are helping to recruit and retain jobs throughout the city, complementing ongoing efforts inside the CRA District.

Meanwhile, the CRA made significant progress on a number of initiatives and redevelopment projects last year, as you will see throughout this report. As economic conditions continue to improve, the agency is working to ensure that all of Delray Beach will be ready to capitalize on the opportunities that will come.

CRA Awareness Month

Since its creation in 1985, the CRA has worked to improve both physical and economic conditions throughout its District, which covers nearly 20 percent of the City’s geographic area. In March 2012, the City Commission adopted a proclamation that established the city’s first “CRA Awareness Month,” to help increase knowledge and understanding of the agency’s ongoing mission and accomplishments. The CRA held a month-long series of events and activities for the public, each designed to engage the community in the redevelopment process.

Several community presentations, including “Lunch & Learn” sessions for City employees, explained how CRA initiatives and partnerships help improve neighborhoods, support culture, and strengthen the local economy. The “Social Media MashUp” and “Coffee with the Chairman” connected local merchants and entrepreneurs in person and online through unique networking events. The campaign culminated with the “CRA Block Party,” a free family event that showcased the CRA’s partners organizations and included food, live music, a singing competition, and local youth performances.

Redevelopment is a long and often complicated process, but it’s more effective when the entire community is involved. Residents, businesses and other stakeholders are encouraged to stay informed and engaged, not just during the annual awareness month activities, but year-round.



*CRA Vice Chair Peter Arts
accepts a proclamation from
Mayor Woodie McDuffie*

Financial Report

The CRA is primarily funded through tax increment financing, commonly referred to as TIFs. TIFs consist of the increased property tax revenue collected by the City of Delray Beach and Palm Beach County within the CRA district, since its establishment. Each fiscal year, the CRA reinvests its TIF dollars, along with revenue from other sources such as the Delray GreenMarket and property sales, back into the CRA District through a variety of initiatives. During FY 2011/12, the largest portions of the CRA's budget were spent on Community Improvement & Economic Development (35%) and the implementation of Areawide & Neighborhood Plans (27%). Redevelopment Projects accounted for 7% of the budget, while administrative costs and debt service accounted for 10% and 21% of expenses, respectively.

The CRA has maintained its commitment to improving Delray Beach by fostering redevelopment and leveraging public funds to attract private investment into the area. Working in partnership with the City of Delray Beach, property owners, residents and other stakeholders, the CRA has worked to enhance the Central Business District and the surrounding neighborhoods. Although there is still much to do, these collective efforts are uniquely positioning Delray Beach to compete for enterprise opportunities and new jobs as the economy continues to rebound.

2011/2012 Expenses*

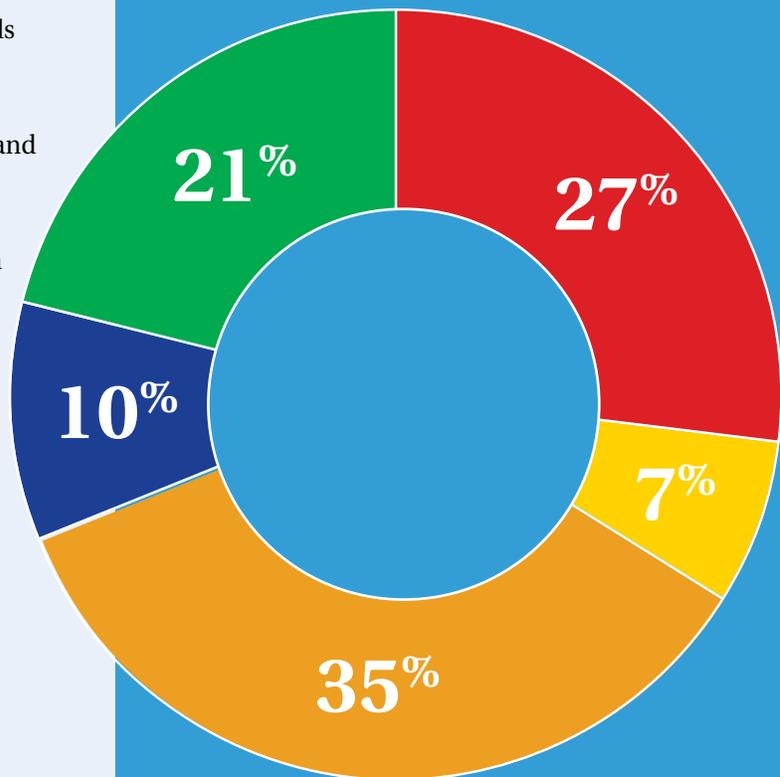
- **Community Improvement & Economic Development**
 - Grant & Incentive Programs
 - Delray Beach Marketing Cooperative
 - Clean & Safe Program
 - ITC Tennis Tournament Sponsorship
 - City Contractual Services

- **Areawide & Neighborhood Plans**
 - Downtown Master Plan
 - Southwest Area Neighborhood Redevelopment Plan
 - West Atlantic Redevelopment Plan
 - Osceola Park Neighborhood Plan

- **Debt Service**

- **Administrative**

- **Redevelopment Projects**
 - NW/SW 5th Avenue Beautification
 - Affordable & Workforce Housing



*Pre-Audit Numbers.

Redevelopment Projects



A close-up of the Endurance art sculpture in the Libby Wesley Plaza

The CRA continues to improve and revitalize its District through various redevelopment projects, ranging from public art installations to major infrastructure projects. In 2012, improvements were made along the West Atlantic Avenue corridor and within the surrounding neighborhoods, while the Pineapple Grove Arts District was another area of focus.

activist Elizabeth “Libby” Jackson Wesley. Wesley’s honor was celebrated at the 30th Annual Roots Cultural Festival, which she co-founded. The 2012 festival was sponsored and hosted by the CRA, in collaboration with the Delray Beach Marketing Cooperative.

A new hotel is coming to the West Atlantic neighborhood! The CRA finalized a deal with the Hollywood, Fla.-based Prime Investors & Developers for a four-story, 95-room Fairfield Inn by Marriott, to be built on land assembled by the CRA in the 900-block of West Atlantic Avenue. CRA incentives for the project include a long-term land lease, a \$1.5 million construction loan, and a \$332,348 Development Infrastructure Assistance (DIA) grant. The hotel will generate more than 30 permanent jobs—no less than 20% of which the developer has committed to filling with local residents. Construction of the hotel is anticipated to begin in late 2013.



Conceptual rendering of the proposed Fairfield Inn on West Atlantic Avenue

In late 2012, construction began on the long awaited Gateway Feature, just east of Interstate-95, in the right-of-way along West Atlantic Avenue. The project, originating from the 2002 Downtown Master Plan, centers around six 30-foot columns, each covered by murals that create a unique artistic display of the city’s history and cultural heritage. By

In December, the CRA began renovating two historic structures on NW 5th Avenue. The Muse House and Harvel Cottage, just north of the Spady Museum, are being converted from residential to commercial use at a cost of \$230,000. The project will encourage new business development in this area through the adaptive reuse and historic preservation.

Substantial improvements were made in the Southwest Area Neighborhood, with the completion of a joint CRA/City project along SW 12th, SW 14th and Auburn avenues. In addition to road resurfacing and new on-street parking, the project created new crosswalks and upgraded sidewalks, landscaping, irrigation and drainage in the area. The CRA contributed an approximate total of \$601,500 to the \$3.1 million project cost.

Plans for the redevelopment of the Old Library Site in the downtown core changed in 2012 with the termination of a development agreement for an office/hotel complex. To facilitate new development on the property, the CRA, City and Chamber of Commerce negotiated terms to relocate the Chamber of Commerce from its current location to vacant space on the ground floor of the Old School Square Parking Garage. The relocation agreement allows the current Chamber building, adjacent public parking lot and former public library building to be consolidated into a fully assembled parcel for easier redevelopment. The CRA anticipates issuing a new Request for Proposals (RFP) for the site in early 2013.

February 2013, sidewalks, trellis features, and other landscape improvements will complete the installation, which will serve as the new west entrance to the downtown. The CRA allocated \$983,082 for the project, with an additional \$199,760 provided by the Florida Department of Transportation.

In June 2012, another art installation—a 12-foot aluminum and glass mosaic sculpture by visual artist Cheryl Foster—was unveiled at the West Atlantic Plaza, at the corner of SW 5th and West Atlantic avenues. Funded by a \$25,000 CRA Call to Artists, the sculpture entitled “Endurance” pays homage to the strength of Delray’s original African American settlers. In August, the City Commission passed a resolution to rename the plaza in honor of longtime resident and community



The historic Muse House on NW 5th Avenue, before renovation

Economic Development



Proposed exterior paint design for the Arts Warehouse in Artists Alley

The 2011/2012 fiscal year proved to be one of growth and stability for the local business community, with CRA incentive awards totaling more than \$360,000. The CRA approved eight grants for rent assistance

totaling \$46,300 under the Business Development Assistance Program. More than \$180,000 in CRA funding assisted several businesses and commercial property owners with exterior improvements such as signage, painting, façade renovations and site work. The CRA approved grants under the Site Development Assistance and Historic Façade Easement programs totaling \$100,000 for 21 Drops, an aromatherapy company that is renovating a historic structure on Federal Highway to create contemporary office and retail space well-suited for technology firms and other innovative companies.

The CRA continued its investment in the Pineapple Grove Arts District, which is becoming an increasingly successful economic sector of the downtown. CRA incentives supported several businesses in the area, which is home to an eclectic mix of cafes, boutiques, galleries, spas, and the new Hyatt Place Hotel. Last year, the CRA and City began planning the NE 3rd Avenue/ Street Improvement Project. The project will enhance the northeastern portion of the arts district, including the newly dubbed Artists Alley, with sidewalks, additional lighting and other streetscape improvements, providing safe, walkable connections between area businesses and nearby public parking.

The Artists Alley community brought additional synergy to the Pineapple Grove Arts District, helping to recruit more artists to the area, and planning a variety of cosmetic improvements to quickly enhance aesthetics and brand the alley as a grassroots community for artists. They even proposed a new look for the CRA-owned Arts Warehouse, located at the southern end of Artists Alley, which will be implemented in the coming months. The CRA's consulting firm is working with the Creative City Collaborative and the local arts community to develop a concept plan for the Arts

Warehouse. While the project schedule, budget, and floor plan have yet to be finalized, the 15,000 square-foot facility is ultimately slated to become a multidisciplinary arts venue that can accommodate a variety of visual and performing arts programming, exhibitions, and work spaces.

As downtown viability is a critical part of the CRA's economic development strategy, the CRA has continued its commitment to the Clean & Safe Program, contributing \$1,144,795 during FY 2011/12. The program protects the cumulative investment made in the downtown by maintaining improvements and ensuring public safety. The CRA is also a partner in the nonprofit Delray Beach Marketing Cooperative, which focuses on destination marketing for the city and runs popular downtown events such as On the Ave, the July Fourth Celebration, the 100-Foot Christmas Tree, and First Night. The CRA supported the DBMC through administrative funding and other sponsorships totaling \$312,000.



Before (above) and after (below) photos of exterior renovations at the Grove Restaurant

In 2012, the City and CRA approved the creation of a new micro-lending program, which will provide startup and expanding microenterprises with small loans and technical assistance to foster entrepreneurship, job creation, and long-term viability. The CRA has allocated \$100,000 to cover administrative costs and to seed the micro-loan fund. Additional funding and administrative support will be provided by the City's Neighborhood Services Division.

Collectively, the CRA's economic development initiatives promote a supportive climate for business activity. The incentives help to create jobs, attract private investment, and ultimately support a variety of industries to enhance the tax base. As the business districts and vibrant downtown continue to thrive, the benefits will extend to the city's residential neighborhoods and cultural community as well.

Neighborhoods and Housing



Streetscape and parking improvements along SW 12th Avenue

ultimately replacing them with new landscaping and on-street parallel parking spaces. In late 2012, the CRA began renovating five duplexes on SW 12th Avenue, committing more than \$580,000 to upgrade the interior and exterior of the buildings. Once the project is complete, the duplexes will provide additional long-term affordable rental housing units for the community, as the CRA's Palm Manor, La France and Carolyn Quince Court apartment complexes currently do.

The CRA continued to improve existing single-family homes in the Northwest and Southwest Neighborhoods through the Curb Appeal Program. Established in 2007, the program funds minor structural and cosmetic improvements such as painting and landscaping. These small improvements often result in a dramatic transformation for the home and neighborhood. In 2012, the program funded several projects totaling \$19,437.



SW 12th Avenue duplexes before renovation

The enhancement and stabilization of residential neighborhoods is an ongoing focus for the CRA, achieved through physical improvements and the creation of housing opportunities for a diverse population. By partnering with the City of Delray

Beach and organizations such as the Delray Beach Community Land Trust (DBCLT), Habitat for Humanity, and the Delray Beach Housing Authority, the CRA has helped facilitate the development of infill housing in the Northwest and Southwest Neighborhoods. The CRA transferred three vacant lots on NW 5th Avenue to the DBCLT and sold 12 additional lots throughout the area to the DBCLT and Habitat for Humanity, for the future development of long-term affordable single-family homes. In FY 2011/12, the CRA also contributed \$250,000 to the DBCLT's operations, in support of their efforts to provide quality rental and for-sale housing.

An extensive beautification project along SW 12th Avenue was completed last year as well. The project consisted of the construction of several alleys, drainage, and the installation of new landscape nodes and sidewalks between West Atlantic Avenue and SW 3rd Street. The CRA also worked with the owners of 17 private properties along the corridor to relocate back-out parking spaces to the rear of their structures,



Conceptual design for SW 9th Avenue Parking Lot and Pocket Park

Last year, the CRA completed plans for a new parking lot to be constructed at the northwest corner of SW 9th Avenue and SW 1st Street. The project also calls for a new pocket park to serve residents in the immediate area, improvements to the abutting alley, and the installation of a roundabout at the intersection as a traffic calming measure. The pocket park design was completed using input from residents and community stakeholders, collected during two public meetings with CRA staff and design consultants. Construction is anticipated to take place in 2013.

Green Market



The Delray GreenMarket is a Saturday morning open-air marketplace, offering a variety of local farm-fresh produce and herbs, plants and flowers, baked goods, jams and spreads, and In October 2012, the market started its

17th season with a debut at its new home: the Old School Square Park in the Pineapple Grove Arts District. This central location accommodates more vendors than ever, and offers a more family-friendly shopping experience complete with shady seating areas, entertainment, playground equipment, and public restrooms. Parking is also more convenient for patrons, with free self-parking and affordable valet service available in the adjacent parking garage.

The GreenMarket continued its popular signature annual events, including Trick-or-Treat at the Market, the Chili Cook-Off, and the Easter Bonnet Pet Parade. In January 2012, the market partnered with the local chapter of Slow Food, an international nonprofit organization, to create a new educational series. Slow Food Saturday takes place on the first Saturday of every month during the market season, and uses live demonstrations to promote quality food production and healthy eating habits that are good for both people and the environment.

Shopping at the Delray GreenMarket is a great way to make healthier lifestyles choices and support local businesses while also having fun! To learn more, follow the Delray GreenMarket on Facebook and Twitter, and be sure to read our blog: delraygreenmarket.wordpress.com.

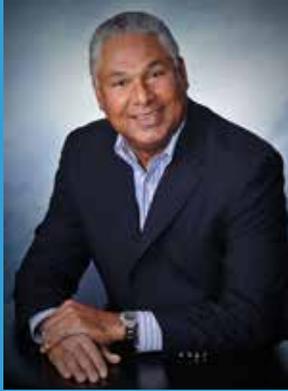


Cultural Non-Profit Partners

In FY 2011/12, the CRA contributed approximately \$1 million to its four cultural nonprofit partners, which provide important services and serve as cultural assets that promote the city, enhance the local economy and improve the quality of life in Delray Beach. In 2012, Old School Square rebranded itself as the Delray Beach Center for the Arts in order to better convey its commitment to events, theatre, exhibits, and learning. Its campus, home to the Crest Theatre, Cornell Museum and an outdoor entertainment pavilion, remains a central gathering place for the community and a cultural anchor to the downtown. **The Delray Beach Public Library** continues to serve as a cultural and educational anchor for the West Atlantic Avenue corridor, offering superior library services, dynamic collections of books and other media, and access to technology and global information networks. With CRA support, the library was able to maintain Sunday operations and keep the facility open seven days a week.

Last year, the board of Expanding & Preserving Our Cultural Heritage (EPOCH) selected a new Executive Director for the **Spady Cultural Heritage Museum**. With renewed energy and focus, the organization embarked on new fundraising, membership, and marketing campaigns, successfully raising its profile within the community. Meanwhile, the **Creative City Collaborative** became the only Palm Beach County arts organization to receive funding from the prestigious Knight Foundation, moving them toward greater self-sufficiency. Previously staffed and funded by the CRA, the Collaborative now fully employs its own staff, and has grown its music series, theater shows and educational programs into a consistent revenue stream.

CRA Board Of Commisioners



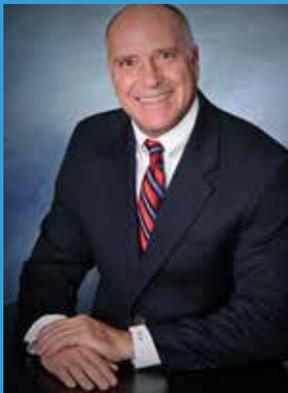
Howard Lewis
Chair



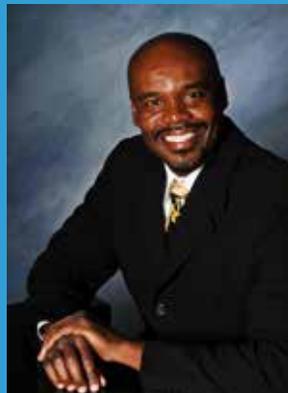
Cathy Baestriere
First Vice Chair



Peter B. Arts
Vice Chair



William Branning
Treasurer



Herman Stevens



Annette Gray

Veronica Covington
(not pictured)

Mission:

To foster and directly assist in 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 a whole.

