The landscape of downtown Delray Beach changes as the construction of the new Hyatt Place Hotel gets underway.
MESSAGE FROM THE CHAIRMAN:  
“The Year of Economic Development”

Despite the lingering recession, the CRA made steady progress to grow the Delray Beach economy this past year. Several awards granted through the economic development incentives introduced in 2010 are now helping to foster a more attractive business environment for investors and bringing more jobs to the area. A large South Florida law firm is moving into the downtown after the CRA approved incentive funding under the Job Creation Bonus Program. Similarly, the Development Infrastructure Assistance Program is contributing to the construction of two downtown hotels—the Hyatt Place Hotel in Pineapple Grove and a new moderately priced hotel proposed for West Atlantic Avenue.

The proposed West Atlantic hotel has garnered the attention of other potential investors, who are now eagerly awaiting their chance to submit new redevelopment proposals when the CRA issues its next Request for Proposals for other West Atlantic properties. Such exposure will help to diversify our local economy, which remains a top priority. We are working hard to attract larger employers and corporations that will bring higher-paying jobs to the area. Our local economy will grow stronger as we achieve a more balanced mix of businesses.

Of course, economic development is not the CRA’s only focus. We are still investing in our neighborhoods, providing affordable housing, and supporting our cultural arts and nonprofit partners who help enrich our community. In addition, we approved a minor CRA Plan Amendment in 2011, updating the status of several projects and adding two new ones. You can download a copy of it on our website: www.delraycra.org.

AWARD-WINNING REDEVELOPMENT

In 2011, the Delray Beach CRA was one of 12 organizations throughout the state recognized by the Florida Redevelopment Association (FRA) for redevelopment projects illustrating the use of best practices. The 2011 award for “Outstanding Affordable Housing Project” went to the CRA’s Palm Manor Apartments renovation project, completed in late 2010.

The CRA originally acquired the blighted, three-building apartment complex on SW 9th Avenue with the intent to demolish it and add it to a larger redevelopment parcel. But after recognizing the need for quality affordable housing in the city, the CRA moved ahead with a complete interior and exterior renovation of the 25-unit complex. Completed in late 2010, the $1.1 million project was done in two phases to avoid displacing existing tenants. It has given Palm Manor tenants and surrounding residents an increased sense of pride in their neighborhood.
Faced with another year of declining property values within the District, the CRA reduced its budget for the fourth consecutive year in 2011. While still working to eliminate blight and foster redevelopment, the CRA focused on a variety of economic development initiatives to promote business growth and job creation in Delray Beach.

The majority of CRA revenues were attributed to tax increment funds (TIFs) collected from both the City and County. Other revenue sources included land sales, property rentals and the Delray GreenMarket. During the 2010/2011 fiscal year, the CRA continued to fund numerous redevelopment projects, grant and incentive programs for businesses, neighborhood improvements, affordable housing and transportation projects, which accounted for 70% of annual expenditures. Approximately 21% of funds were applied to debt service, while administrative costs accounted for 9% of the agency’s budget.

### FY 2010/2011 EXPENSES

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### NONPROFIT PARTNERS

In early 2011, the CRA completed the build-out of a 5,600 square-foot space on the ground floor of the Old School Square parking garage. Known as The Arts Garage, the multi-disciplinary arts venue is managed by the nonprofit Creative City Collaborative (CCC). With funding support from the CRA and other donors, the CCC introduced several ongoing events and programs at The Arts Garage, including the Jazz Project, Classical Explosion, Urban Underground and Divas in Art series. The Studio @ Arts Garage offers dance, theater and music classes for children and adults, and numerous visual art exhibits rotate through the venue year-round. According to the Palm Beach ArtsPaper, the Arts Garage "has already become an important player on the South Florida cultural scene, with a busy slate of activities each weekend that range from puppet theatre to hip hop. It has also become a key venue for jazz.” (Engoren, Jan; January 2012).

The CRA also continued to support the operations of three other publicly owned cultural arts facilities that complement the agency’s mission. Old School Square provides a central downtown anchor for the cultural arts, with visual art exhibits, theatre, art and photography classes, and a new Friday night concert series at its outdoor pavilion. The Delray Public Library serves the community with computer access, meeting space, and the Life-Long Learning Center. Expanding and Preserving Our Cultural Heritage (EPOCH) continues to operate the Spady Cultural Heritage Museum, offering cultural and historical exhibits, bus tours of historic Delray, an annual lecture series, and other special events.
Throughout 2011, the CRA actively promoted its grant and incentive programs to encourage job creation, new development, and commercial property improvements within the CRA District.

The Site Development Assistance Program, which offers a partial reimbursement for the cost of exterior façade and site improvements to commercial properties, remained popular. The CRA awarded $30,500 to several small businesses, including Anthony’s Coal Fired Pizza and Avenue Pilates. A total of $7,175 was allocated under the Paint-Up Program, which reimburses commercial property owners for half of their exterior painting and pressure cleaning costs, up to $5,000. The CRA also approved four grants totaling $23,500 under the Business Development Program, which offers monthly rent assistance to businesses during their critical first year of operation.

Some of the CRA’s newer economic development incentives were also utilized last year. The Hyatt Place Hotel, under construction at the intersection of NE 2nd Avenue and NE 1st Street in the Pineapple Grove Arts District, is the first project approved to receive funds under the Development Infrastructure Assistance (DIA) program. The CRA agreed to reimburse the developer, Kolter Group, LLC, 50% of the cost of eligible site improvements, up to $431,000. The incentive will be disbursed over a 10-year period beginning in 2014. The 134-room hotel will offer moderate room rates and will bring an estimated 45 to 50 jobs to the downtown. Completion is anticipated by the end of 2012.

In November, the first Job Creation Bonus Program incentive was awarded to the Law Offices of Kanner & Pintaluga. The expanding law firm purchased office space in the Pineapple Grove Arts District, where it will consolidate its three South Florida locations and establish a global headquarters. The CRA Board approved an award up to $66,180, to be paid out over a five-year period. The incentive is a percentage of the company’s annual certifiable wages that will be paid to the 16 qualifying new and relocated positions the company will bring to Delray Beach.

In March 2011, Prime Investors & Developers proposed the construction of a moderately priced hotel in the 900-block of West Atlantic Avenue, in response to a Request for Proposals (RFP) issued by the CRA. The Hollywood Fla.-based developer has requested the use of several CRA incentives, including the Development Infrastructure Assistance program, a long-term land lease through the Land Value Investment Program, and a construction loan. Negotiations of the project details and incentive terms are underway.

**PRE-APPLICATION GRANTS WORKSHOPS**

With so many grant and incentive opportunities available to local businesses, property owners, and developers, the Delray Beach CRA needed a way to help applicants through the approval process. In January 2011, CRA staff instituted pre-application workshops as a way to explain the eligibility criteria and application requirements for each program. Generally held twice a month, the workshops bring together small groups of people where they can ask questions in a comfortable setting.

In addition to eligibility and application requirements, CRA grants workshops also offer basic tips for putting together business plans and financial projections, and provides each attendee with a list of business resources, such as contact information for business tax receipts, building permits, and other potential funding sources. Workshops are free to attend, but advance registration is required. For more information, visit the “How to Apply” page under the Grants section of the CRA website, at www.delraycra.org.
REDEVELOPMENT PROJECTS

Phase I of the Martin Luther King, Jr. Drive Beautification Project was completed in 2011, installing landscape nodes, irrigation, crosswalks at major intersections, two public plazas, and a series of sidewalk plaques featuring Dr. King’s inspirational quotes. Phase II of the project, which calls for additional lighting, landscaping, sidewalk improvements, and connection to a passive park on the Intracoastal, has not yet been funded.

Improvements along SW 12th Avenue were significantly completed last year, adding new landscape nodes, sidewalks, drainage and alleyway improvements between West Atlantic Avenue and SW 3rd Street. The CRA also relocated parking from the front to the rear of several private properties, creating safer travel conditions along the corridor. The CRA has already invested $750,000 in these improvements, with additional streetscape and beautification improvements underway between SW 3rd and 10th Streets.

Planning was substantially completed for beautification of the SW 2nd Street corridor, from Swinton Avenue west to the I-95 sound wall. The CRA and the City will share the cost of installing landscaping and sidewalks along the thoroughfare, identified as an important secondary circulation corridor in both the 2002 Downtown Master Plan and the SW Area Neighborhood Redevelopment Plan. The CRA allocated $600,000 for this redevelopment project.

Three public parking lot projects were completed along the Historic Fifth Avenue corridor in 2011. The CRA developed a new 21-space parking lot at 57 SW 5th Avenue, complete with LED lighting, permeable paver bricks, landscaping, a bike rack, and trash receptacles. The existing parking lot on the north side of the Spady Cultural Heritage Museum (182 NW 5th Avenue) was expanded to add 10 new parking spaces and four on-street spaces adjacent to the property. Another existing parking lot at 77 NW 5th Avenue was renovated to provide 35 additional public parking spaces for the area. In order to make the lot available to the public, the CRA obtained a perpetual easement from Mt. Olive Missionary Baptist Church, which owns the property. The lot will accommodate event parking for the nearby West Atlantic Public Plaza and supplement parking for the future Delray Beach Housing Authority office building.

In the Pineapple Grove Arts District, the CRA redeveloped the parking lot located at 362 NE 3rd Avenue. After acquiring the site in 2010, the CRA repaved the lot and installed upgraded lighting, landscaping, and irrigation features. The 42-space lot now serves the patrons of Pineapple Grove businesses and will ultimately be used to serve the future art incubator program at the Arts Warehouse, 313 NE 3rd Street.
**DELRAY GREENMARKET**

With a reputation for friendly vendors and healthy local food, the Delray GreenMarket continues to attract thousands of people to the downtown every Saturday morning from mid-October through mid-May. Visitors choose from a wide variety of quality products, including locally grown produce, farm-fresh eggs, flowers and plants, artisan breads and baked goods, fresh seafood, and other gourmet fare. Featuring live music and a rotating exhibit of farm animals, the GreenMarket has a distinct personality that keeps people coming back.

Situated on SE 4th Avenue just south of Atlantic Avenue, the market began its sixteenth season one week earlier this year, and introduced slightly later operating hours—9 a.m. to 2 p.m. Signature annual events, including the Chili Cook-off and the Easter Bonnet Pet Parade, drew large enthusiastic crowds. The GreenMarket also ramped up its social media outreach, establishing a blog to augment its Facebook and Twitter accounts, and emailing brief newsletters to a growing list of subscribers. For more information and to sign up for the e-newsletter, visit www.delraygreenmarket.com.
Last year, the CRA funded several projects that contribute to the long-term viability of the downtown. In January 2011, the CRA published a Cluster Study Update, providing recommendations for future development along West Atlantic Avenue between Swinton Avenue and I-95 (Planning Clusters 1 and 2). The report’s findings were based on market research, input from public meetings, and interviews with key community stakeholders.

The CRA continued to fund the Clean & Safe Program, which employs police officers, code enforcement officers and maintenance personnel who keep the downtown safe and attractive for residents and visitors. The $1.14 million program also includes pressure cleaning, decorative lighting, and streetlight maintenance. An additional $300,000 was allocated to the Downtown Roundabout, the City’s free shuttle service. The Roundabout carries an estimated 100,000 riders through the downtown annually, from the Tri-Rail station to the beach.

The CRA contributed $270,000 to the Delray Beach Marketing Cooperative (DBMC) last year. The nonprofit organization, formerly known as the Downtown Marketing Cooperative, changed its name to reflect its expanded mission to market the entire Delray Beach area, with an emphasis on tourism marketing. The DBMC is responsible for the July Fourth Celebration, 100-foot Christmas Tree and First Night festivities, as well as the ‘On the Ave’ event series. In October 2011, the DBMC also successfully launched a downtown Wi-Fi network, providing computers, smart-phones and other mobile devices with free 24-hour internet access from NW/SW 5th Avenue to the beach.

NEW STAFF HIGHLIGHT

Matthew Farmer (left) became the Facility and Program Manager for the Creative City Collaborative in April 2011. A native Floridian, he studied music and performing arts in college and is an accomplished singer and stage actor. In his current position, Matthew helps to develop and run events at the Arts Garage, occasionally adding his own wonderful voice to the performances.

Kristyn Cox (center) joined the CRA staff in April 2011 as Project Administrator. Drawing on her background in the construction industry and natural organizational skills, Kristyn’s daily tasks include file management, project bids and schedules, and property maintenance. Born and raised in Indianapolis, Ind., Kristyn attended Florida Atlantic University on an academic-athletic scholarship where she received her B.S. in Business Management. She and her husband love to cook, relax, and spend time with their three daughters.

Certified Economic Developer (CEcD) Vin Nolan (right) relocated from New Milford, Conn. to become the new Economic Development Director in October 2011. Overseeing the CRA’s economic development incentives, Vin helps facilitate business retention, expansion and recruitment throughout the CRA District, as well as the City of Delray Beach overall. Vin and his fiancee, Rochelle, are enjoying their first winter in South Florida.
The mission of the Delray Beach Community Redevelopment Agency is 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 of the CRA District and the City of Delray Beach as a whole.