

2013 | ANNUAL REPORT





CHAIRMAN'S MESSAGE

Over the past decade, we have witnessed an extraordinary evolution in Delray Beach. This past year has been no exception, as we continue to celebrate progress and achievement throughout our neighborhoods and business centers.

As outgoing Chairman of the CRA Board of Commissioners, and as a proud member of the Board for the past 10 years, I want to take this opportunity to applaud the residents, businesses, and leaders of Delray Beach for having the passion to keep our community moving forward. I also must extend my gratitude to the CRA team, who skillfully guides and implements the community's vision on behalf of our citizens. Despite dramatic economic fluctuations over the past several years, I'm proud to say that the Delray Beach CRA district

has effectively weathered the storm, and the neighborhoods and businesses are thriving.

I encourage you to review our Annual Report, and get to know the Delray Beach Community Redevelopment Agency - the projects we implement, the grants we award, the communities we serve. Stay informed and stay involved, and let's work together to help Delray Beach continue along the path of success.

It has been an honor to serve the good people of Delray Beach, and I thank you for allowing me the opportunity. And, as a resident and business owner, I look forward to continuing to be involved in the community for many years to come.

Howard Lewis

MAJOR ACHIEVEMENTS 2013

In 2013, the CRA celebrated a number of significant achievements throughout the district, including:

GATEWAY FEATURE

The attention-grabbing "Gateway" icons just off I-95 are an important component of the Downtown Master Plan, which seeks the unification of East and West Atlantic Avenue. The six artistic mural columns represent Delray's history and cultural heritage and signify to visitors that they have arrived at someplace very special: downtown Delray Beach. The design is a result of input from the community and artist Michelle Newman, and also includes decorative crosswalks, landscaped berms and trellises. The \$1.2 million project was funded largely by the CRA, with some additional funds provided by the Florida Department of Transportation.



DOWNTOWN TROLLEYS

In 2013, the CRA provided funds to the City of Delray Beach to purchase four trolleys to replace the shuttle buses for the Downtown Roundabout service. The free trolleys provide transportation

between the Delray Beach Tri-Rail Station on Congress Avenue and the beach. Additional funds for the trolley service were obtained from the Florida Department of Transportation and the South Florida Regional Transportation Authority.

REDEVELOPMENT RFP'S

The CRA issued Requests for Proposals (RFP's) for two major redevelopment sites in the downtown area: the 1.6 acre former location of the public library and Chamber of Commerce (known as the Fourth & Fifth site), and 6.2 acres between SW 6th and SW 9th Avenues (known as the West Atlantic site.) Both RFP's generated significant interest and multiple proposals. See Page 4 for a description of the exciting projects that were selected for these properties.

FINANCIAL REPORT

The CRA funds its programs and projects primarily through Tax Increment Financing (TIFs), which uses the increased property tax revenues collected by the City of Delray Beach and Palm Beach County within the CRA district. Each fiscal year, the CRA reinvests its TIF dollars, along with other revenue from sources such

as grants, bond financing and property sales, back into redevelopment activities within the CRA district.

During FY 2012/13, the largest portions of the CRA's \$21.7 million budget were allocated to Community Improvement & Economic Development projects (36%), and the implementation of various Areawide &

Neighborhood Plans (28%.)

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 significantly

enhance the Central Business District and the surrounding neighborhoods.

While there are still many projects currently underway and much more work to do, these collective efforts uniquely position Delray Beach to compete for enterprise opportunities and new jobs as the local economy continues to recover and grow.

2012/13 EXPENSES*

COMMUNITY IMPROVEMENT & ECONOMIC DEVELOPMENT

- Grant & Incentive Programs
- Delray Beach Marketing Cooperative
- Clean & Safe Program
- ITC Tennis Tournament Sponsorship
- City Contractual Services
- Delray Beach GreenMarket
- Downtown Trolleys

AREAWIDE & NEIGHBORHOOD PLANS (project implementation)

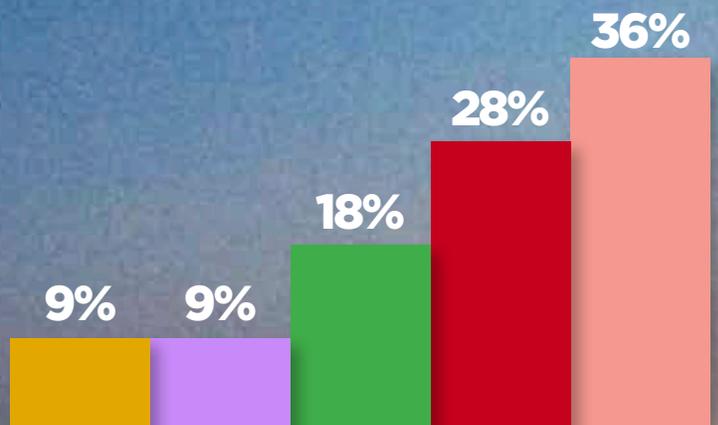
- Downtown Master Plan
- Southwest Area Neighborhood Redevelopment Plan
- West Atlantic Redevelopment Plan
- Osceola Park Neighborhood Plan
- Duplex Renovations/Affordable Rentals
- SW 2nd Street Beautification

DEBT SERVICE

REDEVELOPMENT PROJECTS

- Gateway Feature
- Federal Highway Improvement Project
- Chamber of Commerce Building Acquisition & Move
- Muse House & Harvel Cottage

ADMINISTRATIVE



*pre-audit numbers

REDEVELOPMENT PROJECTS

The CRA spearheads a number of ongoing redevelopment projects, all designed to continue to improve and revitalize the District. In 2013, two major upcoming projects were announced, and several additional redevelopment projects were completed.



iPIC THEATER COMPLEX After an extensive and competitive bidding process for the downtown Fourth & Fifth Avenues site, Delray Beach Holdings' proposal for a mixed-use development anchored by a 529-seat luxury movie theater was unanimously approved by the CRA Board in August 2013. Delray Beach Holdings will develop the former site of the Delray Beach Library on SE 4th Avenue, the former Chamber of Commerce property on SE 5th Avenue, and the adjacent public parking lot, into a mixed-use development, featuring 42,000 S.F. of Class A office space; eight theater auditoriums with seating ranging between 40 and 104 in an intimate setting; a gourmet concession component (Tanzy Express); and a living wall and rooftop garden deck. The project will create more than 400 permanent jobs and is expected to attract more than 400,000 visitors annually to Downtown Delray Beach. iPic Entertainment expects to break ground in 2015.



WEST ATLANTIC AVENUE PROJECT In October 2013, the CRA selected Equity Enterprises USA as the winning team for the redevelopment of property along the West Atlantic Avenue corridor. The 6.23 acre site is located along the south side of West Atlantic Avenue, between SW 6th and 9th Avenues, immediately east of the upcoming Fairfield Inn hotel. Equity Enterprises USA has proposed the creation of 43,638 S.F. of retail space, 34,000 S.F. of Class A office space, and 129 residential rental units, as well as 457 parking spaces in a combination of surface spaces and parking garage. The project will cost an estimated \$35 million to build. Led by an experienced, internationally recognized developer, Equity Enterprises USA has also partnered with two Delray Beach-based firms – Currie Sowards Aguila Architects, and Randolph & Dewdney Construction, Inc. The development team has also committed to help relocate existing West Atlantic Avenue businesses into in the new development.



FAIRFIELD INN This new project received building permits for its four-story, 95-room hotel in late 2013. The CRA had assembled the land in the 900-block of West Atlantic Avenue, and entered into a long-term land lease with Hollywood, Fla.-based Prime Investors & Developers for this Marriott-affiliated hotel. The hotel is expected to be open for business in the latter part of 2014.

AND MORE!

- The City and CRA embarked on a significant project to enhance beautification and traffic flow along 36 blocks of US Highway 1 (Federal Highway.) The project is expected to be completed in the summer of 2015.
- In November 2013, the Greater Delray Beach Chamber of Commerce unveiled its new 6,000 S.F. state-of-the-art headquarters at 140 NE 1st Street, in the Old School Square Parking Garage. The CRA acquired its previous building and site on S.E. 5th Avenue for redevelopment which will be incorporated into the proposed iPic Theater Complex project. The Chamber received a grant and a loan from the CRA to facilitate the relocation and help with the build-out.



ECONOMIC DEVELOPMENT

The CRA's economic development initiatives continue to promote a supportive climate for business activity. The CRA's incentives and grants help create jobs, attract private investment and support a variety of industries to enhance the tax base. As the business districts and vibrant downtown continue to thrive, the benefits will continue to expand into the City's residential and cultural communities, as well. In 2013, more than \$340,000 in incentives was awarded to local businesses, through a total of 33 grants, helping to facilitate the creation and retention of more than 40 local jobs.

BUSINESS GRANTS AND INCENTIVES AWARDED



CLEAN & SAFE PROGRAM

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 \$1.2 million during FY 2012/13. This program provides enhanced police patrols, landscape maintenance, and code enforcement within the downtown area.

MICRO ENTERPRISE PROGRAM The City of Delray Beach and the CRA continue to develop the micro-lending program, which will provide small startups and expanding businesses with small loans and technical assistance to foster entrepreneurship, job creation and long-term viability. In 2013, program guidelines were adopted, and the City issued a Request for Qualifications for a technical assistance consultant that will offer personalized training to all participating businesses. The CRA allocated \$100,000 to cover administrative costs and to provide seed funding for the loan fund. Additional funding is provided by the City of Delray Beach, which administers the program through the Neighborhood Services Division.

21 DROPS In 2013, Caster Developers, working with the CRA and the Delray Beach Historic Preservation Board, unveiled the renovation of the former Adams Chevrolet dealership on SE 3rd Street and Federal Highway. The building was constructed in 1949 and remained a Chevy dealership for more than 30 years. However, the building fell into disrepair and eventually was boarded up due to age and neglect. The CRA provided \$100,000 in site development and façade grants in support of the project. Today it serves as the headquarters for 21 Drops, a line of essential oil products sold online and in retail stores and spas, and office space for Leighton Design Group, Slash Fitness and Caster Developers.

OTHER PROGRAMS

The CRA continues to invest in the Pineapple Grove Arts District, providing grants and other funding to support small businesses and the arts in these unique parts of the downtown and the Osceola Park Business District.

The CRA has provided funding to the Creative City Collaborative's Arts Garage venue, which offers a variety of visual and performing arts programming, exhibitions and work spaces.

The CRA is a partner in the nonprofit Delray Beach Marketing Cooperative, which focuses on destination marketing for the City and organizes popular downtown events such as First Night, 100-Foot Christmas Tree, July Fourth Celebration and more.

“ The feedback we have received has been great and many people have either stopped by or written to show their appreciation of the job. The CRA was fundamental to our financing and I am very grateful for their participation. ”

Rick Caster, Caster Developers



NEIGHBORHOODS AND HOUSING

The enhancement and stabilization of residential neighborhoods is an ongoing focus of the CRA, achieved through physical improvements and the creation of housing opportunities for a diverse population. Projects within the CRA's residential district in 2013 included:



SW 2ND STREET BEAUTIFICATION Both the 2002 Downtown Master Plan and the 2003 SW Area Neighborhood Redevelopment Plan call for improvements to SW 2nd Street in order to help create a "secondary circulation system" as an alternative route to West Atlantic Avenue. The SW 2nd Street Beautification Project includes the installation of landscaping improvements, roundabouts at various intersections, and sidewalks along the corridor. The project design was completed in FY 11/12 and construction of the project began in 2013. Funding for the installation of the improvements is being shared by the CRA and City.



SW 12TH AVENUE DUPLEXES In 2013, the CRA completed the renovation of five duplexes in Atlantic Park Square, located on SW 12th Avenue. The CRA committed \$580,000 to upgrade the interior and exterior of the buildings, which now provides long-term, affordable rental housing units for the community.



OSCEOLA PARK Several alleyways were platted as part of the original Osceola Park subdivision, but many were never constructed. In 2013, the CRA allocated \$240,000 to build three alleyways in this long-established neighborhood. Several residents in the neighborhood have taken the initiative to enhance other existing alleys, expressing their creativity by painting murals along the wood fencing and restoring neighborhood pride in this creative community.



CURB APPEAL PROGRAM The CRA continues 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 the neighborhood. In 2013, the program funded four individual projects totaling \$29,665.90. The CRA also contributed \$5,000 to the City's Curb Appeal by the Block Program, which improved eight homes along NW 11th Avenue in the Poinciana Heights Neighborhood.



THE MUSE HOUSE AND HARVEL COTTAGE The CRA is investing \$230,000 in the renovation of these two historic structures to help spark additional business activity along NW 5th Avenue. Located just north of the Spady Museum in the West Settler's Historic District, the buildings are being converted from residential to commercial use. Once construction is complete, they will be available by lease to office and retail enterprises.



CULTURAL NONPROFIT PARTNERS

The CRA believes that the long-term viability of its District is enhanced significantly through partnerships with cultural and nonprofit organizations that enhance Delray as an arts destination, attracting visitors and helping to support local businesses. In 2011, the CRA developed its A-GUIDE Program (Achieving Goals Using Impact Driven Evaluation) to assist nonprofit and cultural entities with their initiatives.

In 2013, five cultural/arts organizations were awarded an A-GUIDE grant, totaling more than \$1 million. The grant recipients were Delray Beach Center for the Arts, Delray Beach Public Library, Spady Cultural Heritage Museum -- all of which received A-GUIDE funding in 2012 -- and two new organizations, the Creative City Collaborative and the Puppetry Arts Center.

The A-GUIDE uses a methodology for verifying consistency of the programs with the CRA's redevelopment objectives, and evaluates their effectiveness through measurable outcomes. Qualifying organizations must be located on public property, and provide quarterly reports to the CRA on the activities that the grant supports.



The Delray GreenMarket began its 18th season in 2013 and now features more than 60 vendors of all varieties, the most ever in its history. Local vendors include fresh seafood, baked goods, spices and teas, gluten-free products, organic pet food, plants, hot sauces, adoptable pets and much more.

The GreenMarket hosts several programs and notable events through the season that draw even bigger crowds. The

The GreenMarket is open on Saturdays from 9 am until 2 pm from mid-October through Mother's Day Weekend in May each year. It's located at Old School Square Park on NE 2nd Avenue, 1/2 block north of Atlantic Avenue in downtown Delray Beach.

Budding Artists Booth was launched in 2013, presented by the Delray Beach Center for the Arts. For a nominal fee, kids of all ages can spend time creating works of art from recycled and natural materials.

The GreenMarket also hosts the ever popular and much anticipated annual Chili Cook-Off every February, as well

as the Easter Bonnet Pet Parade each spring.



CRA BOARD OF COMMISSIONERS



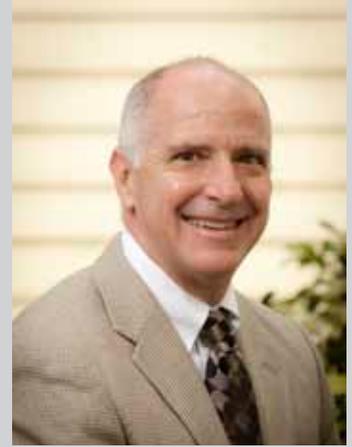
HOWARD LEWIS
CHAIR



HERMAN STEVENS
VICE CHAIR



ANNETTE GRAY
FIRST VICE CHAIR



WILLIAM BRANNING
TREASURER

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.



JOSEPH BERNADEL



REGINALD COX



PAUL ZACKS

