

City of Palm Bay

Bayfront Community Redevelopment Agency

2019 Annual Report

I. Introduction, Mission and Overview

The City established the Bayfront Community Redevelopment District as a Community Redevelopment Agency (CRA) in 1999. The Bayfront Community Redevelopment Agency (Bayfront CRA) is due to sunset in 2024. A CRA is defined as a separate public entity created by the local municipality in order to implement redevelopment activities outlined in Chapter 163 of the Florida Statutes. The mission of the Bayfront CRA is to remove and reduce blight in the District, facilitate economic renewal and attract new capital investment.

The goal of the Agency, as stated in the adopted redevelopment plan, is to develop, redevelop, and revitalize the area over a 30-year period. The adopted vision of the Bayfront Redevelopment Plan is to have the District be redeveloped as an attractive, inviting, and economically successful community with residential, commercial, retail and mixed-use development. This planned regional destination includes an active waterfront village for the enjoyment of all Palm Bay residents.

Fiscal Year 2019 Overview

An annual report of the Bayfront Community Redevelopment Agency (Bayfront CRA) for the fiscal year ending on September 30, 2019 is submitted herewith pursuant to Chapters 163.365(3)(c) and 163.371 of the Florida Statutes.

This report consists of the activities of the Agency and an unaudited financial statement of the Agency as reported by the City of Palm Bay's Comprehensive Annual Financial Report, Fiscal Year 2019.

A copy of the audited financial statement will be included herein following the completion of the City of Palm Bay's Comprehensive Annual Financial Report, Fiscal Year 2019, expected at the end of April 2020.

District Year in Review

"In the earlier part of Fiscal Year (FY) 2019, the Bayfront CRA Board approved minor improvements to Liberia Park, located in the Driskell Heights subdivision in northeast Palm Bay. These improvements included the addition of a picnic bench, the installation

of palm trees as well as a new sunshade to provide residents protection from the elements. These improvements were a continuation of a project which began in FY 2018. In the latter part of FY 2019, the CRA has continued to monitor the construction of Aqua Palm Bay Apartments, 320-luxury style apartment units located on Robert J. Conlan Boulevard and Dixie Highway/U.S. 1 along the Bayfront and expected to be complete in spring 2020. In an attempt to diversify the City's housing stock, City staff from various departments has met with affordable housing developers regarding opportunities to leverage the City's housing grants for elderly and veteran housing. Additionally, the CRA and City staff worked towards soliciting a commercial real estate broker to leverage CRA-owned properties for strategic private commercial development."

– Mayor & Chairman of the Bayfront CRA, William Capote

Total Assessed Taxable Value

Fiscal Year (FY) 2019, provided the Bayfront Community Redevelopment District yet another year of steadily increasing property values.

As reported by the Brevard County Property Appraisers Office, taxable property values within the Bayfront CRA grew to total \$223,965,788 up from the FY 2018 total of \$213,098,886. This represents a net increase of five (5) percent or \$10,866,902 in taxable property value for over last fiscal year.

Tax Revenues

Activity within District provided the Bayfront CRA increased tax revenues to \$1,327,443, a 7.6 percent increase over FY 2018.

The City portion of the increment equaled \$904,909 (68%) while the Brevard County portion totaled \$422,534 (32%) for FY 2019.

For the year, revenues totaled \$2,334,528.

Expenditures

Expenditures for the Fiscal Year 2019 totaled \$1,837,966 with \$1,452,972 allocated to debt service.

Though the FY 2019 approved budget provided \$387,822 in total operational expenses, actual operational cost finished the year 31 percent lower at \$266,902.

At the Regular Meeting of the Bayfront CRA held on May 21, 2019, the Bayfront CRA Board of Commissioners approved a prepayment of \$988,000 in unused bond proceeds

towards the principal balance of the outstanding 2006 Bond debt. This prepayment of a portion of the bond saved the CRA approximately \$179,541.05 in interest payments and moved the payoff date up by two years to calendar year 2022 instead of 2024.

II. Board Members and Staff

Seven commissioners appointed by the City Council serve as the Board of the Bayfront Community Redevelopment Agency (BCRA). As the Fiscal Year 2017 concluded, the City Council revised the composition of the Agency's governing body. Changes include the establishment of each City Councilman as a Bayfront CRA Commissioner to serve congruently with their term of office with the Mayor and Deputy Mayor serving as Chairman and Vice-Chairman respectively. The Board also includes two at-large citizen commissioners that are appointed by City Council.

The City Council of the City of Palm Bay became the governing board for the Bayfront CRA at the end of FY 2017.

Members

William Capote, Chairperson

Brian Anderson, Vice-Chairperson

Harry Santiago, Commissioner

Kenny Johnson, Commissioner

Jeff Bailey, Commissioner

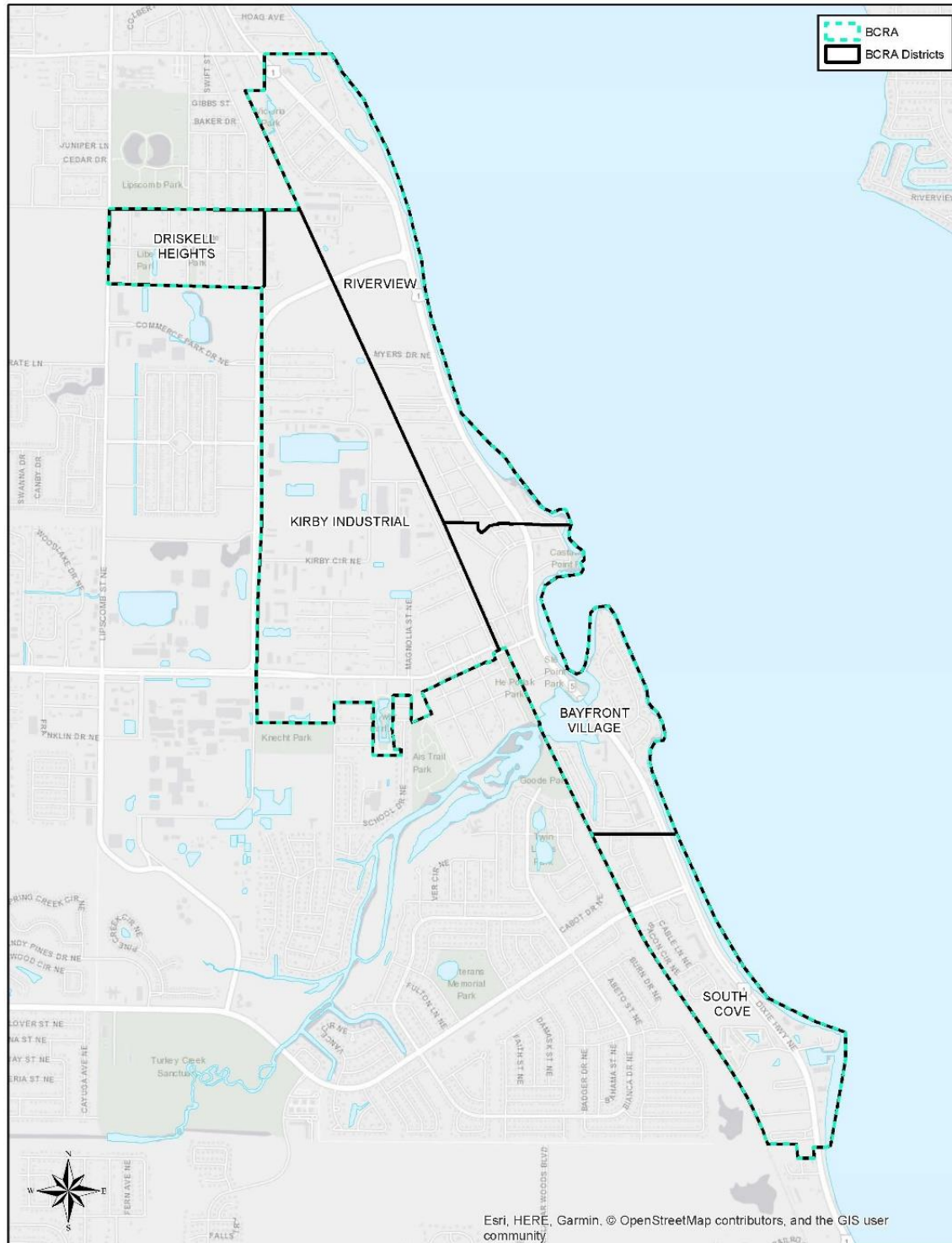
Aaron Parr, Commissioner At-Large

James Ritter, Commissioner At-Large

III. Boundary Lines

The Bayfront Community Redevelopment District is a four-mile section of US Highway 1, bound by the city limits of the City of Melbourne on the north and the Town of Malabar on the south. The Indian River Lagoon makes up the eastern boundary and the western boundary runs south from the US Highway 1 and University Boulevard intersection for approximately 500 feet, then west to the Florida East Coast (FEC) Railroad; south along the railroad about 2,200 feet; west along the city limits at Florida Avenue to Lipscomb St.; south on Lipscomb St. to Doreatha Fields Ave. (also known as Pacific Ave.); east on Doreatha Fields Ave. to Northview St.; south on Northview St. to R. J. Conlan Blvd.; south

on R. J. Conlan Blvd. to Palm Bay Road; east on Palm Bay Road including those parcels abutting the south side of Palm Bay Road to the FEC Railroad; and south on the FEC Railroad to the Malabar town limits.



IV. History

a. Creation Date

In 1994, the Bayfront Community Redevelopment District was determined to be an area of slum and blight, and in 1999 the Bayfront Community Redevelopment District 2024 Plan was adopted by the City of Palm Bay. The Bayfront Community Redevelopment Agency will sunset 25 years from the date of establishment on May 4, 2024.

b. Plan Amendment Dates

The Bayfront CRA did not conduct a Plan Amendment; however, in October 2009, the CRA commissioned MSCW, Inc. to observe and document the conditions of slum and blight. These findings have been reported in the Plan under Appendix A Field Inventory and Analysis.

c. Applicable Resolution(s) and Ordinances

The City created the Agency pursuant to City Resolution 99-20 and approved its Community Redevelopment Plan after the County delegated its authority under Chapter 163, Part III, Florida Statutes, as set forth in County Resolution 99-11. The City created a tax increment redevelopment trust fund (Agency tax increment fund) pursuant to section 163.387, Florida Statutes under City Ordinance 99-19.

V. Projects Overview

Northshore Development's Aqua Project

In 2016, the Bayfront CRA launched a small marketing initiative to promote waterfront redevelopment as part of a published "Expression of Interest." This effort included a video and magazine advertisement that was produced internally for use in communicating the big-picture opportunity to a national audience. One of the successes culminating from that campaign was attracting the attention of an investment group, Northshore Development.

The Bayfront CRA succeeding in its efforts to attract the development of a new multi-family development project, to include commercial frontage along Robert J. Conlan Boulevard. At a regularly scheduled meeting of the Bayfront CRA Board held on August 30, 2018, CRA Board approved a Redevelopment Incentive Agreement for Northshore Development providing for a 90 percent rebate for five years on the assessed value of the new ad valorem tax generated from the project upon completion. The Aqua development project is expected to yield approximately \$52.9 million in private capital

investment, which includes a 320-unit luxury apartment complex and over 40,000 square feet in commercial space providing for office, retail, restaurant, bar, and event venue. The Aqua project is expected to generate approximately \$52.9 million in new ad valorem tax revenue for the redevelopment district upon completion.

The construction of the multi-family component is nearing completion, anticipated for spring 2020. Construction for the commercial frontage will begin as Northshore and its commercial brokerage firm identify end-users and tenants of commercial space.

Maintenance, Landscaping, and Vegetation Management

In FY 2019, the Bayfront CRA continued maintenance of the district's improved rights of way, tracts, retention ponds, and CRA-owned properties, contracting with Ground Professionals. This contract will expire on April 2020 and will not be renewed. Regular mowing and maintenance will be provided by the City's Public Works Department.

Additionally, the Bayfront CRA continued to fund the vegetation management program along the Bayfront shoreline and US Highway 1 providing for visibility and public access, contracting with B.K.I. Consulting Ecologists for vegetation reduction and removal along Bayfront's boardwalk and U.S. Highway 1. This contract expired before the end of the FY and was not renewed.

Palm Bay Entrance Channel Dredging, Historic Pier & Mooring Field

In FY 2017, the Bayfront CRA on behalf of the City of Palm Bay applied for a Florida Inland Navigation District (FIND) Waterways Assistance Program Grant for Palm Bay Entrance Channel Dredging Phase I (Project # BV-PB-16-132) providing for planning and feasibility for possible dredging of the Palm Bay entrance channel. The overall cost for Phase I (bathymetric survey and preliminary site evaluation) was estimated to be \$48,000. The City of Palm Bay was awarded a 50 percent matching grant in the amount of \$24,000 for Phase I, which was completed in FY 2018 (December 2018). In order for the City to collect the 50 percent reimbursement, the City would need to execute a construction contract for Phase II, dredging of the Palm Bay entrance channel; however, following further evaluation, the City and CRA staff decided not to pursue Phase II dredging due to funding constraints in FY 2019.

In FY 2018, the Bayfront CRA commissioned B.S.E. Consultants, Inc. to provide a 10 percent concept design plans for a "Pier Concept" providing for several preliminary engineering designs of a historic pier and restaurant/venue space and a mooring field. The intent of the 10 percent designs was to allow for public comment and input regarding the location, scale, and interest of pursuing the pier concept. The Bayfront CRA held two

public meetings in May 2018 to engage the community in providing input and generate discussion on the concept plan for next steps.

In FY 2018, City Council approved Resolution 2008-17 authorizing the City to submit a subsequent application to the Florida Inland Navigation District (FIND) Waterways Assistance Program for Palm Bay Access Channel Dredging, Mooring Field & Pier Phase I. Phase I would provide for 100 percent design and engineered plans to include the size, location, and scale of the access channel, pier and mooring field. The final application was accepted by FIND in FY 2018, and a FIND Project Agreement was executed by the City of Palm Bay and submitted on March 29, 2019; however, following further evaluation, the City and CRA decided not to pursue due to budget constraints in FY 2019. All FIND projects have been closed out.

VI. Financial Reports

a. Balance Sheet

See Attachment A – Financial Section (Unaudited)

b. Statement of Revenues, Expenditures & Changes in Fund Balances

See Attachment A – Financial Section (Unaudited)

c. Summary of Projects, Grants & Debt

See Attachment A – Financial Section (Unaudited)

VII. Performance Information

a. Total Projects started, completed and estimate cost for each project:

In FY 2019, the Bayfront CRA initiated three (3) new projects, to include Land Acquisition (\$888,259), a Florida Inland Navigation District (FIND) Grant Project for a Mooring Field & Dredging to the Palm Bay entrance channel to Turkey Creek (\$153,495), and Living Shoreline (\$8,000) aimed to restore the shoreline along U.S. 1 and Turkey Creek.

By the end of FY 2019, the CRA completed Liberia Park, which began in FY 2018, spending a total of \$19,602 between both FY 2018 and 2019 out of a total \$25,000 budgeted for the project. The project expenditures included a splash pad, lighting, installation of trees, seating and a sunshade.

Additionally, the CRA completed a portion of the Living Shoreline project, spending \$6,400 out of a total of \$8,000 on planning, design and engineering of the living shoreline project which included mangroves and oyster bags. Because of funding and maintenance, the CRA sought involvement by the City's Public Works Department for installation and maintenance of the mangroves and oyster bags; however, it was determined to be financially infeasible and within the jurisdiction of Florida Department of Transportation and the Florida Department of Environmental Protection as the City did not own the portion of the bayfront for which the mangroves would be installed.

b. Number of jobs created and sector of the economy from which these jobs were created within the CRA

There were no new jobs created as a result of the projects and activities of the Bayfront CRA.

c. Number of jobs retained within the CRA

There were no jobs retained as a direct result of the projects and activities of the Bayfront CRA.

d. Assessed Property Values

When the CRA was enacted in 1998, the base property assessed value was \$100,372,760.00. The 2019 assessed property values was \$223,965,788.

e. Affordable Housing

No CRA funds have been expended for affordable housing projects in FY 2019.

BUDGET AND ACTUAL
BAYFRONT COMMUNITY REDEVELOPMENT AGENCY
For the Year Ended September 30, 2019 (Unaudited)

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Taxes	\$ 1,327,443	\$ 1,327,443	\$ -
Investment Income	6,400	15,667	9,267
Miscellaneous Revenue	-	570	570
Total Revenues	1,333,843	1,343,680	9,837
EXPENDITURES			
Current:			
Economic Environment	579,811	373,888	205,923
Capital Outlay	319,358	11,359	307,999
Debt Service:			
Principal Retirement	1,369,190	1,363,000	6,190
Interest and Fiscal Charges	96,770	89,972	6,798
Total Expenditures	2,365,129	1,838,219	526,910
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,031,286)	(494,539)	536,747
OTHER FINANCING SOURCES			
Transfers In	990,848	990,848	-
Total Other Financing Sources	990,848	990,848	-
Net Change in Fund Balance	\$ (40,438)	\$ 496,309	\$ 536,747
Fund Balance - Beginning		340,401	
Fund Balance - Ending		\$ 836,710	

BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2019 (Unaudited)

	General	Bayfront Community Redevelopment Agency	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 9,047,659	\$ 839,986	\$ 47,704,376	\$ 57,592,021
Investments	7,967,328	451	32,266,812	40,234,591
Accounts Receivable	3,318,728	-	68	3,318,796
Accrued Interest Receivables	-	-	3,059	3,059
Due from Other Governments	2,302,232	-	274,240	2,576,472
Due from Other Funds	89,997	-	184,243	274,240
Land Held for Resale	-	-	4,000	4,000
Prepaid Items	88,895	-	3,595	92,490
Inventory	4,074	-	-	4,074
Total Assets	\$ 22,818,913	\$ 840,437	\$ 80,440,393	\$ 104,099,743
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 1,509,019	\$ 3,727	\$ 2,438,194	\$ 3,950,940
Accrued Liabilities	1,415,494	-	4,982	1,420,476
Due to Other Funds	-	-	274,240	274,240
Unearned Revenue	158,945	-	1,764,959	1,923,904
Advances from Other Funds	253,384	-	589,402	842,786
Due to Other Governments	-	-	34,146	34,146
Total Liabilities	3,336,842	3,727	5,105,923	8,446,492
DEFERRED INFLOW OF RESOURCES				
Deferred Business Tax Licenses	371,875	-	-	371,875
Total Deferred Inflow of Resources	371,875	-	-	371,875
Fund Balances:				
Nonspendable	92,969	-	3,595	96,564
Restricted	800,000	836,710	72,855,935	74,492,645
Committed	255,356	-	2,251,588	2,506,944
Assigned	306,944	-	797,146	1,104,090
Unassigned (Deficit)	17,654,927	-	(573,794)	17,081,133
Total Fund Balances	19,110,196	836,710	75,334,470	95,281,376
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 22,818,913	\$ 840,437	\$ 80,440,393	\$ 104,099,743

The notes to the financial statements are an integral part of the financial statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For Fiscal Year Ended September 30, 2019 (Unaudited)

	General	Bayfront Community Redevelopment	BCRA Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 48,117,268	\$ 1,327,443	\$ -	\$ -	\$ 49,444,711
Impact Fees	-	-	-	5,261,719	5,261,719
Licenses and Permits	5,829,324	-	-	-	5,829,324
Intergovernmental Revenues	14,972,423	-	-	1,166,143	16,138,566
Charges for Services	4,423,200	-	-	228,504	4,651,704
Fines and Forfeitures	501,339	-	-	72,751	574,090
Investment Income	589,971	15,667	19,396	456,085	1,081,119
Miscellaneous Revenues	535,669	570	-	177,304	713,543
Total Revenues	74,969,194	1,343,680	19,396	7,362,506	83,694,776
EXPENDITURES					
Current					
General Government	20,058,338	-	2,278	1,028	20,061,644
Public Safety	35,683,856	-	-	194,258	35,878,114
Transportation	5,026,287	-	-	297,041	5,323,328
Economic Environment	-	373,888	-	374,775	748,663
Culture/Recreation	4,227,945	-	-	7,585	4,235,530
Debt Service:					
Principal Retirement	-	1,363,000	-	3,035,095	4,398,095
Interest and Fiscal Charges	-	89,972	-	4,530,615	4,620,587
Capital Outlay	-	11,359	-	9,252,169	9,263,528
Total Expenditures	64,996,426	1,838,219	2,278	17,692,566	84,529,489
Excess (Deficiency) of Revenues Over Expenditures	9,972,768	(494,539)	17,118	(10,330,060)	(834,713)
OTHER FINANCING SOURCES (USES)					
Transfers In	2,182,654	990,848	-	9,401,130	12,574,632
Transfers Out	(8,730,927)	-	(990,848)	(2,014,632)	(11,736,407)
Proceeds from Sale of Capital Assets	713,075	-	-	-	713,075
Issuance of Debt	-	-	-	54,200,641	54,200,641
Total Other Financing Sources and (Uses)	(5,835,198)	990,848	(990,848)	61,587,139	55,751,941
Net Change in Fund Balances	4,137,570	496,309	(973,730)	51,257,079	54,917,228
Fund Balances - Beginning	14,972,626	340,401	973,730	23,773,777	40,060,534
Fund Balances - Ending	\$ 19,110,196	\$ 836,710	\$ -	\$ 75,030,856	\$ 94,977,762

The notes to the financial statements are an integral part of the financial statements.

NOTE 8 - Long Term Debt

The following is a summary of the City's notes payable as of September 30, 2019:

Governmental Activities:	Purpose of Issue	Amount Issue	Amount Outstanding	Remaining Interest Rates (Percent)	Annual Maturity To
Bayfront Community Redevelopment Agency Note Series 2006	Funding redevelopment activities of the BCRA	\$ 6,000,000	\$ 1,142,000	4.100	2024
Local Option Gas Tax Refunding Note Series 2014	Refunding of the Local Option Gas	3,885,000	1,238,000	1.290	2021
Franchise Fee Revenue Note Series 2015	Financing of I-95 Interchange Mitigation costs	4,744,000	3,423,000	2.100	2026
Franchise Fee Revenue Note Series 2016	Partial Refunding of Special Obligation Bonds, Series 2004	3,983,000	3,742,000	4.070	2031
Local Option Gas Tax Note Series 2018	Financing I-95 connector road project	9,000,000	8,848,000	2.710	2033
Total Governmental Activities			<u>\$ 18,393,000</u>		
Business-type Activities:	Purpose of Issue	Amount Issue	Amount Outstanding	Remaining Interest Rates (Percent)	Annual Maturity To
Utility System Refunding Revenue Note Series 2014	Refunding of Utility Revenue Bonds Series 2002, 2003 & 2004	\$ 28,800,000	\$ 11,095,000	2.060	2022
Utility System Refunding Revenue Note Series 2016	Refunding of Utility Revenue Bonds Series 2005B	13,190,000	9,580,000	2.200	2024
Special Assessment Revenue Note Refunding Note, Series 2016	Refunding of special assessments Note, Series 2009	2,060,000	1,257,000	2.420	2024
Total Business-type Activities			<u>\$ 21,932,000</u>		