

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 as identified in the audited 2019 Comprehensive Financial Annual Report (CAFR).

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.

BALANCE SHEET – GOVERNMENTAL FUNDS September 30, 2019

ASSETS	General	Bayfront Community Redevelopment Agency Fund	BCRA Construction Fund	GO Road Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	\$ 4,615,856	\$ 304,175	\$ -	\$ 310,756	\$ 11,234,381	\$ 16,465,168
Investments	12,399,131	536,262	-	53,936,929	14,355,618	81,227,940
Restricted Cash and Equivalents	-	-	-	-	133,504	133,504
Accounts Receivable	2,869,424	-	-	-	3,127	2,872,551
Due from Other Governments	2,751,536	-	-	-	274,241	3,025,777
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	\$ -	\$ 54,247,685	\$ 26,192,709	\$ 104,099,744

LIABILITIES AND FUND BALANCES Liabilities:	General	Bayfront Community Redevelopment Agency Fund	BCRA Construction Fund	GO Road Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
Accounts Payable	\$ 1,509,019	\$ 3,727	\$-	\$ 2,633	\$ 2,435,561	\$ 3,950,940
Accrued Liabilities	1,415,494	-	-	-	4,982	1,420,476
Due to Other Funds	-	-	-	-	274,240	274,240
Unearned Revenue	542,230	-	-	-	1,764,959	2,307,189

LIABILITIES AND FUND BALANCES Liabilities:	General	Bayfront Community Redevelopment Agency Fund	BCRA Construction Fund	GO Road Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
Advances from Other Funds	253,384	-	-	-	589,402	842,786
Due to Other Governments	-	-	-	-	34,146	34,146
Total Liabilities	\$ 3,720,127	\$ 3,727	\$-	\$ 2,633	\$ 5,103,290	\$ 8,829,777

LIABILITIES AND FUND BALANCES Fund Balances:	General	Bayfront Community Redevelopment Agency Fund	BCRA Construction Fund	GO Road Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable	\$ 92,969	\$ -	\$ -	\$ -	\$ 3,595	\$ 96,564
Restricted	800,000	836,710	-	54,245,052	18,610,884	74,492,646
Committed	255,356	-	-	-	2,251,588	2,506,944
Assigned	302,040	-	-	-	797,146	1,099,186
Unassigned (Deficit)	17,648,421	-	-	-	(573,794)	17,074,627
Total Fund Balances	19,098,786	836,710	\$ -	54,245,052	21,089,419	95,269,967
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 22,818,913	\$ 840,437	\$ -	\$ 54,247,685	\$ 26,192,709	\$ 104,099,744

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

REVENUES	General	Bayfront Community Redevelopment Agency Fund	BCRA Construction Fund	GO Road Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
Taxes	\$ 48,117,268	\$ 1,327,443	\$ -	\$ -	\$ -	\$ 49,444,711
Impact Fees	-	836,710	-	-	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	267,477	456,085	1,348,596
Miscellaneous Revenues	524,259	570	-	-	177,304	702,133
Total Revenues	74,957,784	1,343,680	19,396	267,477	7,362,506	83,950,843

EXPENDITURES	General	Bayfront Community Redevelopment Agency Fund	BCRA Construction Fund	GO Road Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
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	-	-	-	73,975	5,100,262
Economic Environment	-	373,888	-	-	374,775	748,663

EXPENDITURES Current:	General	Bayfront Community Redevelopment Agency Fund	BCRA Construction Fund	GO Road Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
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	-	831,236	4,530,615	5,451,823
Capital Outlay	-	11,359	-	-	9,252,169	9,263,528
Total Expenditures	64,996,426	1,838,219	2,278	831,236	17,469,500	85,137,659
Excess (Deficiency) of Revenues Over Expenditures	9,961,358	(494,539)	17,118	(563,759)	(10,106,994)	(1,186,816)

OTHER FINANCING SOURCES (USES)	General	Bayfront Community Redevelopment Agency Fund	BCRA Construction Fund	GO Road Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
Transfers In	\$ 2,182,654	\$ 990,848	\$ -	\$ -	\$ 9,443,162	\$ 12,616,664
Transfers Out	(8,730,927)	-	(990,848)	-	(2,020,526)	(11,742,301)
Proceeds from Sale of Capital Assets	713,075	-	-	-	-	713,075
Issuance of Debt	-	-	-	50,000,000	-	50,000,000
Bond Premium	-	-	-	4,808,811	-	4,808,811
Total Expenditures	(5,835,198)	990,848	(990,848)	54,808,811	7,422,636	56,396,249
Net Change in Fund Balances	4,126,160	496,309	(973,730)	54,245,052	(2,684,358)	55,209,433
Fund Balances - Beginning	14,972,626	340,401	973,730	-	23,773,777	40,060,534
Fund Balances - Ending	\$ 19,098,786	\$ 836,710	\$ -	\$ 54,245,052	\$ 21,089,419	\$ 95,269,967

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET
AND ACTUAL – BAYFRONT COMMUNITY REDEVELOPMENT AGENCY**

For Fiscal Year Ended September 30, 2019

REVENUES	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
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	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
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	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
Transfers In	\$ 990,848	\$ 990,848	\$ -

OTHER FINANCING SOURCES	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
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	-

City of Palm Bay, Florida

Financial Section

**BUDGET AND ACTUAL BCRA CONSTRUCTION FUND
For Fiscal Year Ended September 30, 2019**

REVENUES	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
Investment Income	\$ 4,000	\$ 19,396	\$ 15,396
Total Revenues	4,000	19,396	15,396

EXPENDITURES Current:	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
General Government	\$ 2,675	\$ 2,278	\$ 397
Capital Outlay	50,906	-	50,906
Total Expenditures	53,581	2,278	51,303
(Deficiency) of Revenues (Under) Expenditures	(49,581)	17,118	66,699

OTHER FINANCING SOURCES (USES)	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
Transfers Out	(990,848)	(990,848)	\$ 397
Total Other Financing Sources	(990,848)	(990,848)	50,906
Net Change in Fund Balance	\$ (1,040,429)	\$ (973,730)	\$ 66,699
Fund Balance - Beginning	-	973,730	-
Fund Balance - Ending	-	\$ -	-

City of Palm Bay, Florida

Financial Section

**NOTE 8 – Long Term Debt (Continued)
For Fiscal Year Ended September 30, 2019**

Governmental Activities	Purpose of Issue	Amount Issued	Amount Outstanding	Remaining Interest Rates (Percent)	Annual Maturity To
Bayfront Community Redevelopment Agency Note, Series 2006	Financing of redevelopment activities of the BCRA	6,000,000	1,142,000	4.100	2022
Local Option Gas Tax Refunding Revenue Note, Series 2014	Refunding of the Local Option Gas Tax Revenue Bonds, Series 2004	3,885,000	1,238,000	1.290	2021
Franchise Fee Revenue Note Series 2015	Financing of I-95 exchange project	4,744,000	3,423,000	2.100	2026
Franchise Fee Revenue Note, Series 2016	Partial Refunding of the Special Obligations 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			\$18,393,000		

Business-type Activities	Purpose of Issue	Amount Issued	Amount Outstanding	Remaining Interest Rates (Percent)	Annual Maturity To
Utility System Refunding Revenue Note, Series 2014	Refunding of Utility Revenue Bonds Series 2002, 2003 and 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 Refunding Note, Series 2016	Refunding of Special Assessment Note, Series 2009	2,060,000	1,257,000	2.420	2024
Total Business-type Activities			\$21,932,000		