



LEGISLATIVE MEMORANDUM

TO: Honorable Mayor and Members of the City Council

FROM: Lisa Morrell, City Manager

REQUESTING DIRECTOR: Joan Junkala-Brown, Community & Economic Development

DATE: June 4, 2020

RE: Fiscal Year 2021 Proposed Budget of the Bayfront CRA

SUMMARY:

At the regularly scheduled meeting of the Brevard County Board of County Commissioners on May 19, 2020, the City brought forth the Fiscal Year (FY) 2021 Proposed Budget of the Bayfront CRA for consideration by the Board. The Proposed Budget was approved unanimously by the County Commission. At the Special Meeting of the Bayfront CRA Board held on June 4, 2020, the Board adopted a Resolution to approve the FY 2021 Proposed Budget of the Bayfront CRA.

Attached for review and discussion is the Proposed FY 2021 Budget of the Bayfront CRA which uses the current year (FY 2020) revenues as a starting point. The current FY 2020 revised budget provided for \$1,403,970 in revenues from the City (67.7%) and Brevard County (32.3%) ad valorem tax contributions to the Bayfront Redevelopment Trust Fund. The preliminary revenue projections for FY 2021 budget year will be obtained by the Brevard County Property Appraiser's Office (BCPAO) following assessment valuations for the 2020 property tax year expected in July 2020.

The Proposed Budget for FY 2021 provides for a total of \$919,785 in expenditures as well as \$490,585 in Reserves to be reimbursed back to the general funds of the City and County following the end of FY 2021. The total proposed expenditures include \$486,976 in Operating Expenses and \$432,809 in total debt service payments towards the 2006 Bond. In accordance with the Interlocal Agreement (ILA) between Brevard County, City of Palm Bay and the Bayfront CRA executed on October 8, 2019, the CRA is prohibited from incurring new debt which pledges tax increment funds as well as prohibits the expenditure of any funds which are not contractually obligated or otherwise required by law.

Please note that the total Operating Expenses includes \$477,724 budgeted for the 90 percent ad valorem tax (AVT) rebate for Northshore Development, LLC as authorized by the Redevelopment Incentive Agreement fully executed in June 2019, a contractual obligation which existed prior to the execution of the ILA. The estimated AVT rebate is based on the assumption that Northshore will receive a Certificate of Occupancy (CO) for Phase I Residential (estimated value of \$45.2 million) prior to the BCPAO property tax assessments for the 2020 tax year. The estimation includes the reduction of the base year property tax value of \$809,040.

REQUESTING DEPARTMENTS:

Community & Economic Development; Bayfront CRA

FISCAL IMPACT:

The proposed FY 2021 budget would increase the Bayfront Redevelopment Trust Fund by \$1,403,970 and result in an increase to the general fund at the end of FY 2021 by approximately \$332,126.05 from the Bayfront CRA's reserves.

RECOMMENDATION:

Motion to approve the Fiscal Year 2021 Budget of the Bayfront CRA.

Attachments: (available upon request)

- 1) FY 2021 Proposed Budget of the Bayfront CRA
- 2) Interlocal Agreement between Brevard County, City of Palm Bay & Bayfront CRA