

City of Palm Bay

Bayfront Community Redevelopment Agency

2021 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 2021 Overview

An annual report of the Bayfront Community Redevelopment Agency (Bayfront CRA) for the fiscal year ending on September 30, 2021 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 2021.

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 2021, expected at the end of May 2022.

District Year in Review

In August 2021, the City and CRA sold the Pelican Harbor marina site along Palm Bay's waterfront for \$1.7 million-dollars to Space Coast Marinas, LLC. The development is anticipated to generate \$10-12 million-dollar capital investment and create over 300 jobs. The project is slated to include a dry dock boat storage and service facility, a boat launch

and wash area, boat club, ship store, tiki bar and outdoor entertainment venue, restaurant, and retail amenities including a valet service. The project will serve as an anchor for future development, bringing us a step closer to the City's vision for a Bayfront Village waterfront district.

In FY 2021, the City contracted with a commercial real estate broker, One Sotheby's and a residential real estate broker, Ellingson Properties, to actively market and sell City and CRA-owned surplus real estate to leverage favorable residential and commercial development projects.

The Bayfront CRA sold the following properties in FY2021 - 4220 Dixie Highway NE, 2920 Pospisil Ave. NE and 2932 Pospisil Ave NE, Palm Bay, FL 32905.

During FY 2021, Aqua Palm Bay Apartments, 320-luxury style apartment units located on Robert J. Conlan Boulevard and Dixie Highway/U.S. 1 along the Bayfront was completed and occupied, this is the newest apartment complex within the CRA.

Total Assessed Taxable Value

The Fiscal Year (FY) 2021 Bayfront Community Redevelopment Agency witnessed another year of increased revenue due to steadily increasing property values within the redevelopment district.

As reported by the Brevard County Property Appraisers Office, the 2020 certified taxable property values within the Bayfront redevelopment district was \$233,837,970 up from the 2019 and 2018 certified taxable values totaling \$223,965,788 and \$213,098,886, respectively. The 2020 certified taxable property value represents a net increase of four (4) percent or \$9,872,182 in taxable property value for over the last fiscal year.

Tax Revenues

Redevelopment activity within District provided the Bayfront CRA increased tax revenues to \$ 1,469,578, a 9.7 percent increase over 2019 (\$1,403,970).

The City portion of the increment equaled \$999,313 (68%) while the Brevard County portion totaled \$470,265 (32%) for FY 2021.

Expenditures

Expenditures for the Fiscal Year 2021 totaled \$730,944 with \$410,000 allocated to debt service.

Though the FY 2021 approved budget provided \$486,976 in total operational expenses, to include \$289,085 reimbursed to Brevard County for unexpended funds from Fiscal

Years 2018 and 2019 per the Interlocal Agreement (ILA) between Brevard County, City of Palm Bay and Bayfront CRA executed on October 8, 2019. The CRA also initiated a transfer of \$616,004 to reimburse the City's General Fund for similar unexpended funds from previous Fiscal Years.

II. Board Members and Staff

In Fiscal Year 2017, Palm Bay City Council revised the composition of the Agency's governing body. Changes included 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. As of September 30, 2021, the Board Commissioners were as follows:

Members

Rob Medina, Chairperson

Kenny Johnson, Vice-Chairperson

Donny Felix, Commissioner

Randy Foster, Commissioner

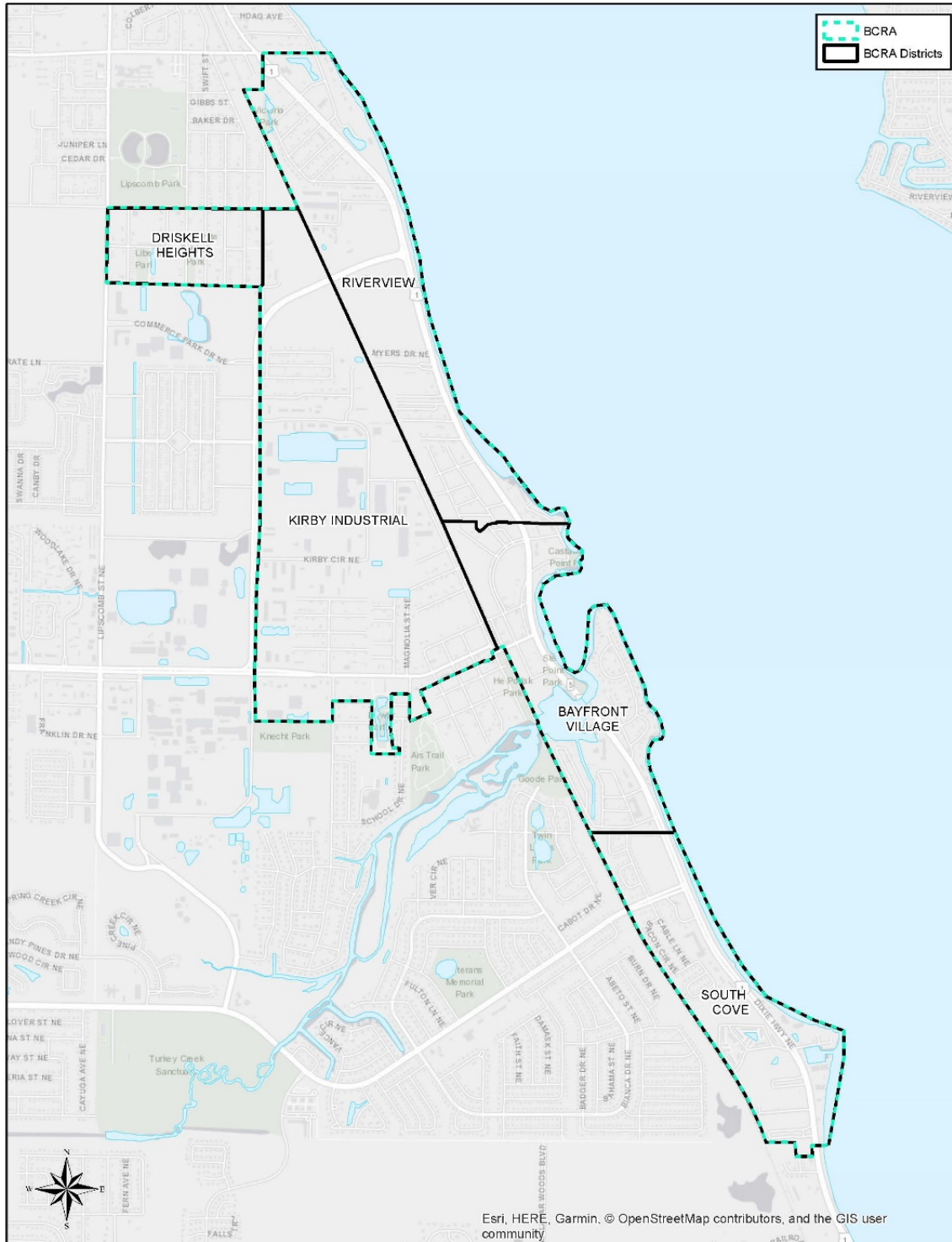
Vacant, Commissioner

Peter Filiberto, Commissioner At-Large

Aaron Parr, 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.

On October 8, 2019, the Brevard County Board of County Commissioners adopted Resolution 2019-198 modifying the delegation of the powers of the City of Palm Bay, revoking the City's authorization to issue bonds, pledge funds, incur debt, obtain loans, and limiting all other financial activities of the Bayfront CRA.

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 succeeded 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, the 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 (Phase I) and over 40,000 square feet in commercial space providing for office, retail, restaurant, bar, and event venue (Phase II).

In November 2020, Northshore Development, LLC received their Certificate of Completion for Phase I of the project and is now fully occupied. Construction of Phase II commercial is in the site plan process and anticipated to start before the end of the 2022 calendar year.

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:

Brevard County Resolution 2019-198 prohibits the Bayfront CRA from undertaking any new projects that would commit Agency funds. There were no new projects in FY 2021.

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

The Aqua Apartments at Palm Bay, Phase I of Northshore Development, LLC's mixed-use development project, generated eight (8) full-time jobs and over 50 part-time indirect jobs, not including jobs related to construction.

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. The 2021 assessed property value was \$233,837,970.

e. Affordable Housing

No CRA funds have been expended for affordable housing projects in FY 2021.

ATTACHMENT “A”
Fiscal Year 2021 Financial Reports (*unaudited*)

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

For Fiscal Year Ended September 30, 2021 (unaudited)

REVENUES	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
Taxes	\$ 1,462,070	\$ 1,462,000	\$ -
Investment Income	6,400	2,277	(4,123)
Miscellaneous Revenue	3,401	5,301	1,900
Total Revenues	1,471,801	1,469,578	(2,223)

EXPENDITURES	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
Current:			
Economic Environment	486,976	298,135	188,841
Capital Outlay	-	-	-
Debt Service: Principal Retirement	410,000	410,000	-
Interest and Fiscal Charges	22,809	22,809	-
Total Expenditures	919,785	730,944	188,841
Excess (Deficiency) of Revenues Over (Under) Expenditures	552,016	738,634	186,618

OTHER FINANCING SOURCES	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
Transfers Out	(616,004)	(616,004)	-

OTHER FINANCING SOURCES	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
Proceeds from Sale of Capital Assets	943,753	943,754	1
Total Other Financing Sources	327,749	327,750	1
Net Change in Fund Balance	\$ 879,765	\$ 1,066,384	\$ 186,619
Fund Balance - Beginning	-	905,089	-
Fund Balance - Ending	-	\$ 1,971,473	-

BALANCE SHEET – BAYFRONT COMMUNITY REDEVELOPMENT AGENCY
September 30, 2021 (unaudited)

ASSETS	Bayfront Community Redevelopment Agency Fund
Cash and Cash Equivalents	\$ 377,180
Investments	1,594,311
Total Assets	\$ 1,971,491
LIABILITIES AND FUND BALANCES Liabilities:	Bayfront Community Redevelopment Agency Fund
Accounts Payable	\$ 18
Total Liabilities	18
LIABILITIES AND FUND BALANCES Fund Balances:	Bayfront Community Redevelopment Agency Fund
Restricted	1,971,473
Total Fund Balances	1,971,473
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,971,491

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Bayfront Community Redevelopment Agency
For Fiscal Year Ended September 30, 2021 (unaudited)

REVENUES	Bayfront Community Redevelopment Agency Fund
Taxes	\$ 1,462,000
Investment Income	2,277
Miscellaneous Revenues	5,301
Total Revenues	1,469,578

EXPENDITURES	Bayfront Community Redevelopment Agency Fund
Current:	
Economic Environment	298,135
Debt Service: Principal Retirement	410,000
Interest and Fiscal Charges	22,809
Total Expenditures	730,944
Excess (Deficiency) of Revenues Over Expenditures	738,634

OTHER FINANCING SOURCES (USES)	Bayfront Community Redevelopment Agency Fund
Transfers Out	(616,004)
Proceeds from Sale of Capital Assets	943,754
Total Other Financing Sources and Uses	327,750
Net Change in Fund Balances	1,066,384
Fund Balances - Beginning	905,089
Fund Balances - Ending	\$ 1,971,473

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

NOTE 8 – Long Term Debt
For Fiscal Year Ended September 31, 2020 (unaudited)

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	\$ 342,000	4.100	2022
Franchise Fee Revenue Note Series 2015	Financing of I-95 exchange project	4,744,000	2,495,000	2.100	2026
Franchise Fee Revenue Note, Series 2016	Partial Refunding of the Special Obligations Bonds, Series 2004	3,983,000	3,409,000	4.070	2031
Local Option Gas Tax Note, Series 2018	Financing I-95 connector road project	9,000,000	7,778,000	2.710	2033
Special Obligation Rev. Ref. Note Series 2020	Refunding of Public Service Tax Bonds	4,258,000	4,258,000	1.880	2036
Total Governmental Activities			\$ 18,282,000		