

City of Florida City

Community Redevelopment Agency

Annual Report

Fiscal Year 2016-17

Prepared effective 09-30-17

Introduction

The Florida City Community Redevelopment Agency (CRA) was created in 1996 and completed its 22nd full year of operation in FY 2016-17. The CRA continued to facilitate a number of private development projects in the Community Redevelopment Area (CR Area) in the current year. The CRA also continued the on-going series of neighborhood streetscapes. The streets in and around the Coral Bay Manor Subdivision in the CR Area are 100% complete. Phase 1, Phase 2, and Phase 3 of the streetscapes in the Northwestern part of the CR Area began in FY 2010-11 are also complete. Except for two blocks near the Snake Pit, all of the streets in the 80 block area bordered by NW 6th Ave, Redland Road, Lucy Street, and Davis Parkway are completed. Construction is 95% complete on the SW 1st Street Streetscape and should be complete in December 2017. The CRA will begin streetscapes on NW 1st Street, and NW 2nd Street in FY 2017-18 and on NW 8th Court and NW 9th Avenue in 2018-19.

This report will address the primary operating aspects of the CRA, revenue growth and significant projects for FY 2016-17, as well as the proposed budget and CRA plans for FY 2017-18.

During 2009, the CRA completed a revised Community Redevelopment Plan (CR Plan) and worked with County staff to get the 2009 revised CR Plan through the County's review and approval process. The focus of the original 1995 CR Plan had been on the recovery from Hurricane Andrew, the facilitation of revenue enhancing commercial development projects, and the development of public/private partnerships to generate new construction. The 2009 revision of the CR Plan provided for the expansion of the CR Area. The expanded CR Area contains a large residential area in Northwest Florida City in which the infrastructure was deficient and many of the structures are older or dilapidated. Much of the focus and spending of the CRA over the past seven years was, and in the coming years will be, the correction of this infrastructure deficit and upgrading the appearance and quality of life in this predominately African-American neighborhood. Emphasis will also be on arresting the blighting effects of dilapidated structures in this residential neighborhood through rehabilitation of some structures and the demolition of others that are beyond redemption. The CRA's focus in the new CR Plan has also been broadened to include more

proactive projects initiated solely by the CRA.

For FY 2016-17, the CRA Budget was \$3,660,460 in expenses and revenue. The details of the FY 2016-17 budget are reflected under the column titled “FY 16-17 Budget Projected” on Exhibit A.

I. Staffing and operating expenses

The CRA retained Richard Stauts, Executive Director, as its only employee in FY 2016-17. The City Finance Director, Mark Ben-Asher, is the Treasurer of the CRA. Jennifer Evelyn, City Clerk, serves as the Board Secretary. Employee salary and fringes are divided into two categories, administrative and operating.

During FY 2011-12, the CRA’s Consultant, Willdan Financial Services, Inc., completed an Indirect Cost Allocation Plan to better determine and document the indirect costs that the CRA pays for City Services. These shared services include such things as the Mayor’s Office, the Finance Department, the City Clerk’s Office, and other shared costs such as City Hall rent, insurance, utilities, and maintenance. This cost allocation method was first fully implemented during the FY 2012-13 budget cycle and has continued to be used during subsequent fiscal year budgets since there have been no City/CRA structural changes that would make the calculation methodology obsolete.

II. Administrative Procedures

The Agency by-laws and the Interlocal Agreement with the County establish the CRA composition, purpose and powers, meetings and notice requirements and administrative procedures. New by-laws were adopted during FY 2010-11. The Agency Board is composed of the Mayor and four (4) elected City Commissioners and two (2) representatives of the CR Area business and residential community. The By-laws designate the Mayor as the Board Chairman and the Vice-Mayor as the Vice Chairman of the Board. The CRA adopted City policies and procedures as CRA policies and procedures, except where the variance is approved by the CRA Board.

The CRA Board meets on an as needed basis, but the meetings have averaged about one every other month during FY 2016-17. The Board typically meets immediately prior to a City Commission Meeting on either the second or fourth Tuesday of the month.

III. Community Redevelopment Plan Implementation

As stated earlier, in 2009, the Agency adopted a new total rewrite of the original 1995 CR Plan. The 2009 revision of the CR Plan provided for expansion of the CR Area to take in four additional areas in need of redevelopment. The new CR Plan and expansion areas were approved by the County and the new Interlocal Agreement was executed on July 10, 2009. The focus of

implementation is the facilitation of proposed and new development projects through providing necessary infrastructure and upgrading existing public infrastructure in the commercial and residential sections of the CR Area. In anticipation of the expansion of the CR Area to take in the Northwest Neighborhood (which contains the worst housing and highest crime rates in the City), the CRA did not spend all of the prior years' increment revenue. The cost of addressing the needs of this area has been and will continue to be significant over the coming years and a surplus was developed to help begin the process. That surplus was expended over several years to avoid having a whole quadrant of the City under construction at the same time. That surplus has now been mostly depleted and the CRA is operating using current funds.

Development and Infrastructure Projects Funded During FY 2016-17

Commercial and Industrial Façade Program: The CRA adopted a Commercial and Industrial Building Façade Program in FY 2007-08 to assist building owners within the CR Area to upgrade the appearance of their buildings. The first area to be addressed was the industrial area around NW 12th Street and NW 3rd Avenue. The owners of the industrial buildings in this area have been anxious to rework the appearance of their structures. Several new industrial buildings have been constructed in the City outside the CR Area in the past several years and the owners of the older buildings in the CR Area are at a competitive disadvantage. The building owners near NW 12th Street realized that they must improve the appearance of their buildings, or the best tenants will seek quarters elsewhere. Combining the façade improvements with the streetscape improvements on NW 12th Street and NW 3rd Avenue has changed the face of the whole area. Of the sixteen industrial buildings in the industrial area, fourteen owners have upgraded the appearance of their buildings through the façade program in the past nine years. The façade rehabilitation project was originally budgeted for \$30,000 in FY 2016-17. No industrial buildings were addressed with CRA funds in FY 2016-17.

Pioneer Museum and Depot Building Improvements: The CRA budgeted \$10,000 for building repairs and improvements at the Pioneer Museum and \$20,000 for the Depot Building. Because the historic Museum building is old and may need repairs from time to time, the CRA normally budgets \$10,000 every year. The \$20,000 budget for the Depot Building was for painting and repairs to the exterior. The final cost of the exterior repairs and repainting was \$11,545.

Acquisition of Property in the Northwest Neighborhood: \$400,000 was originally budgeted for the acquisition of dilapidated structures in the Northwest Neighborhood. The budget was subsequently amended to \$194,000. Funds could also be used for acquisition of undeveloped parcels for the purpose of site assembly. During the year the CRA expended approximately \$90,031 for acquisition of parcels.

Demolish Houses and Relocate Tenants in Northwest Neighborhood: \$30,000 was budgeted to demolish dilapidated houses in the Northwest Neighborhood and to relocate the tenants from those houses. The budget was subsequently amended to \$10,000. Approximately \$10,000 was expended in FY 2016-17 for demolition of one house. Since there were no legal tenants in the unit when acquired, there was no relocation expense involved. The CRA demolished that one structures using the County Unsafe Structures Board process.

Commercial Building Improvement Grant Program: Many small businesses fail each year and many outgrow their current location. Both of these situations create vacancies in commercial and retail buildings for other business to inhabit. The problem many of these potential tenants have is the inability to fund the remodeling cost of the space they would prefer to occupy. To assist in filling some of these vacant spaces and the business' desire to inhabit those spaces,, the CRA developed this program in FY 2009-2010 to help potential tenants be able to afford to build out the shopping center and other commercial spaces and make them ready for occupancy. The CRA budgeted \$30,000 for this activity in FY 2016-17. Under this program, the CRA will pay for up to 50% of the cost with a maximum expenditure of \$10,000. The building owner is also required to contribute. The budget was amended to \$10,000. During FY 2016-17, no businesses were able to take advantage of the program.

SW Streetscape, Phase 1: This is a continuation of the on-going streetscape projects begun in 2010 and is the first to be done in the SW Neighborhood. The project was to bid out in November of 2015. The streetscape includes new street paving, sidewalks, curb and gutters, drainage, and landscaping. The project should be finished before the end of 2017, and the cost for FY 16-17 is projected to be \$262,831. The remainder of the cost will be paid in FY 17-18. The City is participating in the project with CITT funds in the amount of \$729,645.

WNW Neighborhood Streetscape, Phase 3: Phase three of the WNW Neighborhood Streetscape began in FY 2014-15 with a total budget of \$1,719,923. The construction enhances the appearance of the residential area through creation of landscaping, curb and gutters, drainage, lighting, sidewalks and repaving the streets. The construction contract was executed on November 5, 2013, and the project is now complete. The final project expenditures in FY 2016-17 were \$16,828.

Farmers Market Water Improvement Project: The CRA was the lead agency in applying for a state legislative appropriation to upgrade and replace the water lines in the Florida State Farmers Market, located in the CR Area. The City applied for \$231,380 from the legislature and this amount was awarded to the City in July, 2015. Construction is complete and approximately \$45,667 was expended in FY 2016-17. The total construction cost was \$662,926.

East Lucy Street Shops Infrastructure: The County has agreed to fund the cost of expanding East Lucy Street to three lanes with curb and gutter, drainage, landscaping and sidewalks. One of the commercial buildings had substantial on-site private infrastructure within the ten feet that the City requested that the property owner donate to the City for widening the street. As part of the donation agreement, the CRA paid to have the on-site infrastructure relocated. In 2015-16, the CRA contracted with American Pipeline to do the infrastructure relocation at a total cost of approximately \$230,000. The 2016-17 budget for this cost was \$174,144.

Other CRA Activities: The CRA was designated the lead entity for the City for several additional projects and activities in the CR Area.

The CRA coordinated the submission of a \$750,000 State of Florida Small Cities CDBG Housing Rehabilitation grant application for repairing homes for low and moderate income households. The application ranked high enough to be funded and a contract was signed on October 30, 2015. Most of the houses to be rehabilitated will be located in the CR Area. Most of the grant funds will be expended in FY 2017-18.

The CRA is coordinating the culverting and coverage of the Palm Drive Canal east of US 1. Florida City is currently working with developers on both sides of East Palm Drive in order to bring commercial developments in the area. East Palm Drive is currently a four (4) lane roadway divided by an open canal. There is a concern about the traffic access and flow that is limited by the canal in the middle of East Palm Drive. Therefore, the City is proposing to culvert the existing canal from US 1 to NW 172nd Avenue in order to add additional lanes and provide better access to the area. The cost of the total project was expected to be approximately \$6,300,000. The City has procured EAC Consultants, Inc. for full engineering of the project. The City will be paying the engineering cost, though the CRA will be coordinating all the activities of the engineering firm. The permitting should be finished in December of 2017. The low bid came in at \$5,776,768. The City has entered into a Joint Participation Agreement with the County for funding in the amount of \$3,100,000. Local developers who are planning to construct commercial buildings adjacent to the improved roadway are contributing \$750,000 toward the construction cost. The City is paying the remainder. The roadway is within the CRA and the development along the south side of East Palm Drive will be within the Community Redevelopment Area.

The CRA is coordinating the Miami-Dade County, City of Homestead, and Florida City collaboration for widening Lucy Street between NE 6th Avenue and US 1. The CRA has worked with the adjacent property owners and all of the owners have agreed to donate the needed right of way and have executed documents that dedicate the needed land. The CRA has relocated private utilities and other infrastructure from the donated property at Lucy Street Shops in FY 2015-16 and

FY 16-17. Construction on East Lucy Street should begin in the fall of 2017.

During FY 2016-17, the CRA sold two of its adjoining infill lots for affordable housing and the City sold a commercial lot it owns within the CR Area. The infill builder is going to build a duplex on each lot. The City lot was sold for a six story Hilton branded hotel.

The CRA has begun the process of developing a linear park on NW 3rd Avenue. In FY 2016-17, the County donated a small sliver of the site to the City. The City now owns a little over half of the property and the CRA will acquire the remaining one parcel over the next several years. The CRA is asking the owner to donate the parcel. The CRA has been spreading excess fill from streetscape projects on the property and will continue to do so in the next several streetscape phases. This action will ultimately reduce the cost of development. Though this strip of land is narrow, it could contain a walking track around the perimeter and other amenities in the center.

The CRA coordinated a legislative appropriation request for part of the cost of constructing new hookups to 12 businesses along Krome Avenue. Though approved by the Legislature, it was vetoed by the Governor.

The CRA will continue coordinating with the City's consultant for a Revolving Loan application to the Florida Department of Environmental Protection. The loan would pay for repairs and upgrades to the sanitary sewer system required by Miami Dade County as part of its settlement with USDEP. Many of the repairs will be within the Community Redevelopment Area. The amount sought is \$7,585,189. The City has been approved for the planning portion of the project.

Plan Consistency

The significant number of development projects that were either completed, under construction or planned attest to the "bottom line" success of CRA implementation over the past 21 years. The CRA has made excellent progress in implementing a number of the adopted CR Plan Goals during FY 2016-17 including:

1. Create strong partnerships with area non-profits, the real estate industry, the financial community and potential businesses in successfully developing existing and new commercial and industrial uses. The CRA has worked with several realtors over the past year as they attempted to locate available sites for business growth or relocation. Stronger relationships have been forged with the Florida Pioneer Museum, Rebuilding Together, Miami, and with Centro Campesino
2. Assist area landowners in transforming slum and blighted conditions into value-stable and

value-growth properties. The CRA Façade Grant Program was available for building owners to use to dress up the front of their businesses. The CRA also assisted in the removal of dilapidated structures in the Northwest Neighborhood. Property values in the Northwest Neighborhood are rising as the slum and blighting conditions are removed.

3. Use CRA funds as an incentive and leveraging factor in non-profit and private sector development opportunities. The expenditure of CRA infrastructure funds over the last decade along Krome Avenue, US 1, and Palm Drive directly contributed to the decision by the following businesses to locate in these commercial corridors:

AutoZone	Bank of America	Rise Academy	Vince Rod & Reel Shop
Optima Nails	Panda Express	Mattress One	Dollar General Corp.
Krispy Cream	Jimmy Johns	Chase Bank	Aldi Grocery Store
T Mobil	Metro PCS	Amscot	Special Day Care
The Vapor Shop	Music Depot	GNC	Home 2 Suites Hotel
Sprint	Payless Shoes	Super Cuts	Lumber Liquidators
Badcock Furniture	Napa Auto Parts	AT & T	ARC Charter School
Domino's Pizza	Edible Arrangements	Subway	Lincoln Marti School
Dollar Tree	Starbucks	Walgreens	Discovery Academy
The Tax House	El Churrrito Plaza	Krome Express	Salvation Army Store
Boost Mobil	C Keisha Sweet Shop	Duncan Donuts	Joe Ward Plumbing
Wing Stop	Family Dollar Store	Smoke Unlimited	Allstate Insurance
International Bakery	Boardwalk Pizza	K&G Cycle	Kings Court Key
Texas Roadhouse	Dollar Tree	Harbor Freight	Family Dollar Store
Reef Tropical	Multi Lingual Speech Therapy Group		

Several Professional Groups have also located in the CRA. A mixed use project is proposed on North Krome Avenue. A retail/office complex will be built on the corner of Krome and Palm Drive. Other projects underway are a Publix Shopping Center, Waffle House Restaurant, a Choice Flag Hotel, a Sleep Inn Motel, a Hilton Flag Hotel, and a Miami-Dade Fire Rescue Facility.

4. Assist local businesses and start-up entrepreneurs in relocating to the CR Area. The Commercial Building Improvement Grant Program was used to attract new businesses to vacant commercial space.

5. Increase the overall attractiveness of the Area through strict code enforcement and special projects and programs such as streetscaping and facade improvements. The CRA has worked closely with the City Code Enforcement Department and the City Public Works Department to

address the appearance of the CR Area. The CRA has also utilized the Miami-Dade County Unsafe Structure Board to demolish numerous unsafe and dilapidated structures within the CR Area.

6. Provide cost-effective and strategic infrastructure improvements that are necessary to ensure the on-going redevelopment of the CR Area. The CRA continues to subsidize part of the cost of public infrastructure to attract business and residential growth in the CR Area.

These and other adopted principles will be supported and further implemented during the upcoming year.

IV. Tax Base Growth and Proposed Budget

The continuing goal of the CRA is the increase of the property values within the CR Area to the maximum extent possible and to improve the physical quality of life for the businesses and residents of the CR Area, consistent with the adopted Community Redevelopment Plan. The 2017 property tax base of the original CR Area has grown to its present value of \$214 million, an increase of 510% since the CRA's inception in 1995. In 2017, property tax values decreased in this portion of the CR Area by \$3.5 million (or 2.1%) from 2016. The approved FY 2016-17 CRA Annual Budget (see Exhibit A) summarizes the planned financial program for the CRA in the coming year. Total funds available in FY 2017-18 are expected to be \$3,966,416. Of this amount, \$1,908,101 is the annual City increment revenue contribution and \$720,188 is the Miami-Dade County increment revenue contribution. The remainder constitutes \$2,029,372 in carryover funds from FY 2016-17 and projected interest and other income of \$100,000. The carryover funds are dedicated to capital projects.

During FY 2009, the CRA, with County approval, added additional blighted parts of the City to the CR Area. The CR Plan was updated to outline the City and CRA plans for these four areas. The additional areas include the Northwest Neighborhood, a small residential area near the Florida City Busway Park and Ride facility, the state-owned Pineland conservation area on West Palm Drive, and an infrastructure deficient agricultural based property south of Palm Drive and west of Krome Avenue. It is not anticipated that these areas will contribute significantly if at all to increment revenue for a number of years. The values in the expansion area had fallen over 44% % during the 2009-2014 period. During 2015, 2016, and 2017 the property tax values have begun to rise as reflected by a 7% increase in 2015, a 17.1% increase for 2016 and a 13.2% increase in 2017. During FY 2017-18, the CRA will continue investing increment revenue in the Northwest Neighborhood to address the blighted conditions there. This will also be the area where most of the CDBG and all of the CRA funded housing rehabilitation units will be located.

PROPOSED FY 2017-18 Expenses

Administrative Expenses

1. The administrative salary costs charged to the CRA will be as follows:

60% of Executive Director	\$86,488
Employee Fringes (32.5% of Salary)	\$28,100

Employee fringes are such things as FICA, Workers' Compensation Insurance, FRS contribution, health insurance, life insurance, and unemployment compensation. Employees pay 100% of the insurance for family members.

Note: The operating salary and fringe costs are listed in the "Operating Expenses" section below.

2. Indirect Cost Allocation (\$128,047)

The CRA commissioned a cost allocation study in FY 2010-11 to be able to better determine its fair share of City administrative and indirect costs. A contract was executed with Willdan, Inc. from Orlando to conduct the study and the allocation of indirect costs using the Plan was first implemented for FY 2012-13. Indirect costs are such expenses as the CRA's contribution to the cost of the Finance Department, the City Clerk's Office, Human Resources, Administrative Services, office rent and utilities, shared office equipment, building cleaning and maintenance, and facility insurance

3. Advertising and Notices (\$3,000)

The CRA will be advertising public notices for Requests for Qualifications and for Invitations to Bid for infrastructure and other projects, and publishing other legal notices as required. The CRA is also paying for amending the City's Comprehensive Plan to implement land use changes proposed in the new CR Plan adopted on 2009. This amendment would not be necessary but for the proposed land use changes in the new CR Plan. The City may also seek an amendment to its CR Plan and this action would require advertising expenditures.

4. Travel and Training (\$8,000)

This category includes educational and business events relating to community redevelopment as well as out of town travel for conferences and client meetings. The CRA Executive Director is Vice Chairman of the Florida Redevelopment Association (FRA) Certification Committee and travels frequently to Board and Committee meetings. He is also a member of the Board of Directors of the FRA. The Executive Director also represents the CRA at state meetings of the Florida Economic Development Council, the Florida Community Development Association, and the Florida Housing Coalition. Since the grant applications for the Small Cities Community Development Block Grant Program will mainly address issues in the CR Area, attendance at application and implementation workshops is also warranted.

5. Auto Expense (\$3,000)

The CRA Executive Director uses a City vehicle bought in 2013. This budget represents maintenance and local fuel cost.

6. Office Equipment and Furniture (\$3,000)

This line item will pay for new furniture or equipment for the CRA Office. The scanner and printer are both over five years old and this small line item is in the budget expecting one or more of them to fail soon. Additionally, the office furniture is over fifteen years old and will have to be replaced at some point in time.

7. Other Administrative Expenses (\$2,000)

This line item will be used to pay for miscellaneous administrative expenses such as office supplies, postage, minor equipment replacement, phone expenses, CRA share of copy machine and reproduction costs, coffee and supplies, water, internet, etc.

8. County Administrative Charge (\$10,803)

Required County fee - 1.5% of County's tax increment contribution.

Operating Expenses

1. The *operating* salary cost charged to the CRA will be as follows:

40% of Executive Director	\$57,658
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Employee Fringes (32.5% of salary) \$18,733

Employee fringes are such things as FICA, Workers' Compensation Insurance, FRS contribution, health insurance, life insurance, and unemployment compensation. Employees pay 100% of the insurance cost for family members.

Note: The administrative salary and fringe costs are listed in the "Administrative Expenses" section above.

2. Contractual Services (\$300,000)

This line item provides funding for architectural, engineering, and survey professionals for infrastructure and building projects. It also pays for professional services for the changes that are driven by the new CR Plan to the Future Land Use Map. Other costs are for realtor services and required appraisals for the acquisition of foreclosed and abandoned properties. A grant writer may be secured by contract to assist the CRA in obtaining grants. The CRA is also considering an update to the Community Redevelopment Plan and has hired a consultant who began this process for the CRA in FY 2016-17.

3. Membership and dues (\$3,000)

This line item pays for CRA memberships in the Florida Redevelopment Association, the Florida Economic Development Council, the Florida Community Development Association, the Florida Housing Coalition, and the Florida Special Districts Program.

4. Legal Services/ Court Costs (\$5,000)

This line item pays for the cost of the City Attorney's review and/or preparation of CRA documents, Resolutions, agenda items, and contracts, and for attendance at CRA Board Meetings. The CRA also incurs legal expenses when it acquires property in the CR Area. Costs also include attorney fees associated with using the County Unsafe Structures Board to demolish unsafe buildings in the CR Area.

5. Property Maintenance (\$2,500)

The CRA pays the City Public Works Department to cut the grass and maintain the CRA-owned properties.

6. Property Acquisition and Demolition (\$520,000)

This CRA will spend \$520,000 for acquisition of dilapidated housing and vacant lots in the “Snake Pit” area and the Northwest Neighborhood, and to pay for demolition of any dilapidated structures. It is not known which parcels will be acquired or demolished. What is acquired will be a function of what comes on the market, what properties complete the foreclosure process and are available, whether a desired property is for sale at a price the CRA is willing to pay, and in many cases, the finalization of probate issues so that an heir can pass a clean title. Properties are also acquired at Tax Deed sales and from the County List of Lands. The properties will be held until the real estate market in the neighborhood improves and the lots will eventually be developed for affordable or market rate housing. The CRA has developed acquisition plans for six sections of the CR Area.

7. Infrastructure Improvements (\$2,112,400)

This line item pays for the cost of the public infrastructure projects to be undertaken in the CR Area. These projects are detailed in the Projects Section on page two of the CRA Budget (Exhibit A) and Section VI of this report.

8. Assistance to Non-Profits (\$10,000)

This line item will pay for an operating subsidy for the Florida Pioneer Museum Association, Inc., to operate the Florida Pioneer Museum. The Museum is a major tourist attraction on Krome Avenue within the CR Area and the CRA desires to fund the cost of expanded hours so the historic building and museum displays are more readily available to tourists and local residents alike. The Association will be again working with local schools to encourage field trips to the museum and to open as part of local festivals such as the Redland Ramble. While the Museum building is owned by the City, the collection is owned by the Association.

9. Housing Assistance Projects (\$100,000)

Rebuilding Together is a national non-profit organization and will be doing substantial rehabilitation on 20 homeowner occupied houses in FY 2018-19. The CRA is coordinating their efforts, and the CRA is contributing up to \$100,000 to assist with the cost of material that will not be donated and tradesman who cannot be located to do volunteer work.

10. Redevelopment Façade Grants and Commercial Building Improvement Grant Programs (\$50,000)

This line item will pay the CRA's part of approved façade rehabilitation projects undertaken by owners of commercial or industrial buildings. The CRA also initiated a new program in FY 2010-2011 to assist businesses with the cost of moving into vacant shopping center and other unused commercial space. The CRA Board has established a policies and procedures document to provide guidance on use of both of these funding programs.

11. Building Construction & Improvements (\$20,000)

This line item will pay for the cost of any needed repairs or improvements for the Florida Pioneer Museum Building and the known repairs that are needed for the interior of the Depot Building. The Museum building is over 100 years old and unexpected repair expense seems to happen every year. To have funds available, the CRA usually budgets \$10,000 each year to cover that potential need. In FY2016-17, the Depot Building needed to be repaired and painted on the outside at a cost of approximately \$10,000.

12. Transfer out to others (\$300,000)

This line item pays for enhanced police services within the CR Area. These three officers devote 100% of their time to the CR Area.

100 % of 3 Police Officers (\$280,000)

13. Acquisition of Tax Certificates (\$15,000)

The CRA bids on tax certificates each year. There are properties in the CRA Area that the CRA wants to acquire as part of an assemblage for development. These tax certificates are usually on properties that have been abandoned or have so many liens that the owner simply ignores the property. By acquiring the tax certificate, the CRA can eventually request a tax deed sale, recoup its tax certificate investment, and hopefully gain title to the desired property.

14. Other Operating Expenses (\$500)

This line item pays for various and sundry operating expenses. Items covered are such small things as camera batteries, water provided for a road race in the CR Area, and other miscellaneous purchases.

15. Reserve/Contingency (\$179,587)

This line item will provide a source of funds to pay for cost overruns or enhancements for infrastructure projects or unanticipated CRA costs, as well as a source of funds for the CRA to be opportunistic.

V. Future Development Projects and Other Agency Initiatives

The CRA plans to continue to work with private developers and public funding agencies to recruit employment-generating businesses and to create affordable housing opportunities in the CR Area. Several infrastructure, design and streetscape projects are also planned as noted below in Sections VI and VII.

Private developers or property owners seeking assistance from the CRA must go through the CRA's project selection process, which involves application submittal, review by staff and City Engineer (where appropriate), funding recommendation from the CRA Executive Director, and eventual approval by the CRA Board. CRA staff and Board use some or all of the following criteria in deciding whether projects should be funded:

1. Does the project provide a significant benefit to CR Area businesses and residents?
2. Is the project consistent with the Community Redevelopment Plan?
3. Will pay back through estimated revenue increases to City taxes occur within 5-7 years?
4. Are project funds provided to a private developer on a reimbursement basis such that a project is at least 50% constructed before CRA funds are released?
5. Is the applied for amount necessary to make the project feasible?
6. Are CRA infrastructure improvements timed such that the private developer effort will be underway before or concurrently with the CRA funded infrastructure?

This process has worked well for the CRA. During the period from FY's 2003 through 2017, the CRA expended nearly \$2,000,000 in increment revenue to create public infrastructure on US 1, Krome Avenue, East Lucy Street, and Palm Drive as a direct incentive to businesses to locate there. Further, there is still a significant amount of vacant land ready for development that is now served by this same public infrastructure. This investment in public infrastructure will continue to pay great dividends to both the City and County long after the life of the CRA has ended.

The CRA is assembling several sites for future housing or other redevelopment. Most of the acquisitions will occur in the six areas where acquisition plans have been created. While property costs are rising compared to recent years, now is still the time to buy, demolish dilapidated structures, and assemble future building sites. These actions will address slum and blighting

conditions in the CR Area as well as provide for future affordable housing. The CRA is also currently negotiating with several developers for use of CRA owned properties. Two of the developments are multifamily housing and the other developer is interested in developing infill housing.

The CRA does not have any indebtedness at this time. To date, the CRA has limited its activities to “pay as you go”. Though this may have initially delayed the CRA in implementing the CR Plan, the CRA was able to manage the sharp reduction in taxable values and in increment revenue that occurred between 2009 and 2014.

VI. FY 2017-18 Public Improvements and Assistance to Private Developments

Commercial and Industrial Façade Program: The CRA has adopted a Commercial and Industrial Building Façade Program to assist building owners within the CR Area in upgrading the appearance of their buildings. The first area to be addressed was the industrial area around NW 12th Street and NW 3rd Avenue. Many of the industrial building owners in this area have already reworked the appearance of their structures. Several new industrial buildings were constructed outside the CR Area prior to 2009 and the building owners near NW 12th Street realized that they must improve the appearance of their buildings, or their best tenants will seek quarters elsewhere. Combined with the streetscape improvements on NW 12th Street and NW 3rd Avenue, this façade renovation program is changing the face of the whole area. The façade project is budgeted for \$20,000 out of the \$50,000 budgeted for redevelopment facades and CBIG grants.

Commercial Building Improvement Grant Program: The CRA has budgeted \$30,000 for grants to assist new and expanding businesses to relocate into unused shopping center and commercial spaces. The program requires a match from the business and a contribution from the building owner as well. The use of the funds is limited to improvements that remain in the building as tenants change, such as lighting, flooring, partitions, water and electrical relocation, handicap access, etc.

Florida Pioneer Museum Building Improvements: The Florida Pioneer Museum building is owned by the City and the facility is operated by a non-profit that owns and displays the museum collection. The facility is a jewel that has drawn students and travelers in the past to the heart of the Community Redevelopment Area. The building is over 100 years old and is designated as a historic structure. It is one of the few original Florida East Coast Railroad Buildings that survive. Repairs for the Museum is budgeted for \$10,000.

FEC Railroad Depot Building: The Florida East Coast Railroad Depot Building is a faithful reconstruction of the original Florida East Coast Railroad Depot building that served Florida City and Homestead in the early 1900's. It sits immediately behind the Florida Pioneer Museum Building on Krome Avenue. The original depot was destroyed by Hurricane Andrew in 1992 and was reconstructed in 1995. The building needs some interior repairs and repainting. The rehabilitation of the building is budgeted to be \$10,000.

East Lucy Street Shops Infrastructure: The County has agreed to fund the cost of expanding East Lucy Street to three lanes with curb and gutter, drainage, and sidewalks. One of the commercial buildings has substantial on-site private infrastructure within the ten feet that the City requested that the property owner donate to the City for widening the street. As part of the donation agreement, the CRA paid to have the on-site infrastructure relocated. The 2017-18 budget does not contain any funding for this line item, but it is anticipated that the budget will have to be amended to include funding for relocation of a commercial sign out of the donated right of way.

SW 1st Street Streetscape: This is a continuation of the on-going streetscape phases begun in 2010 and the first to be done in the SW Neighborhood. The project was bid out in December of 2015, and the low bidder was Weekley Asphalt at \$1,127,614. The streetscape will include new street paving, sidewalks, curb and gutters, drainage, and landscaping. The project should be finished before the end of December, 2017, and the cost for FY 2017-18 is projected to be \$112,000. The City is contributing approximately \$729,645 in CITT funding.

NW 1st Street and NW 2nd Street Streetscapes: This is a continuation of the on-going streetscape phases begun in 2010 and the first to be done in the neighborhood between Palm Drive and Davis Parkway. The streetscape will include new street paving, sidewalks, curb and gutters, drainage, parallel parking, and landscaping. The design is completed in and construction will begin in FY 2017-18. The project was bid out, the bids were opened in September of 2017, and the low bid is \$1,601,563. The project was budgeted for \$1,800,000. The budget will have to be amended at some point in time.

West Lucy Street Commercial Parking: The County will be widening and improving West Lucy Street and the businesses on Lucy Street between NW 5th Ave and NW 5th Court will lose the head-in parking that is now available to them within the existing Lucy Street right of way. To minimize financial damage to these businesses, the CRA will begin designing a small parking lot on adjacent property to serve these businesses. The anticipated construction cost is \$60,000.

Davis Parkway Round-a bout: Davis Parkway is one of three major east-west corridors in Florida

City, but unlike the other two, it traverses a mainly residential pathway. As traffic has increased on Davis Parkway, so has a tendency to speed or to pass recklessly. A round-a-bout at NW 8th Avenue would retard the flow of traffic and create a safer street. A round-a-bout would also discourage very large commercial trucks from using Davis Parkway. \$40,000 has been budgeted for this project

NW 7th Street / VFW Parking Lot: The City is taking ownership of the defunct VFW Post Building on NW 6th Avenue. The building is across the street from Loren Roberts Park, which suffers from a parking deficit when large activities occur there. Behind the VFW, there is a large lot that could be converted to parking that would serve the park as well as the adjacent Youth Activity Center. The cost for constructing the parking lot is estimated to be \$100,000.

Other CRA Activities:

The CRA has agreed to sell nine infill lots to builders who will be building single family and multifamily affordable housing units on those lots. The CRA will continue to push for the development of affordable housing on infill lots during FY 2017-18

The CRA is coordinating the acquisition of several buildable residential lots in the CR Area from the County and other sources. The City believes that as the real estate market continues to improve, the City is in a better position to work with developers/builders on these lots.

The CRA will continue coordinating with the City of Homestead, and the County for the widening of Lucy Street between NE 6th Avenue and US 1. This project is being funded by the MPO. All of the right of way has been acquired and roadway construction should begin before the end of FY 2017-18.

The CRA is the lead City department for a FY 2016-17 State of Florida DEP Wastewater revolving loan to upgrade lift stations and replace some sewer lines within the CRA. The loan application will be for \$7,985,189 and is due in December, 2018.

The CRA is also the lead City department for the construction of a culverting system to allow covering part of the Palm Drive Canal. Though the CRA is not contributing to the cost of construction, the canal is in the CR Area. By covering the Palm Drive Canal, Palm Drive can be expanded to the center to provide room for construction of additional traffic lanes. Numerous businesses and property owners want to open commercial and retail establishments in the area, but are limited because of the traffic congestion on East Palm Drive. Projects in the planning stage would over the next ten years bring about \$150,000,000 in new property tax value and create over

500 new jobs. Proposed construction will include a Publix Supermarket with 9 outparcels, two hotels, an urgent care clinic, a bowling alley, a fronton, a restaurant, and an entertainment complex. In addition, approximately 1,000 new housing units are proposed on the north side of Palm Drive. With the southbound extension of SW 172nd Avenue and the east bound extension on SW 352nd Street to a point of intersection, additional properties will be accessible for development. Culverting and covering the canal between US 1 and SW 172nd Avenue has been bid out and the low bid was \$5,766,788. The County MPO is contributing \$3,100,000 to assist with construction funding.

The CRA has begun the process of developing a linear park on NW 3rd Avenue. The CRA owns over half of the proposed site and the CRA hopes to acquire the remainder in the future. The CRA has been spreading excess fill from its streetscape projects on the property and will continue to do so in the next several streetscape phases. This action will ultimately reduce the cost of development. Though this strip of land is narrow, it could contain a walking track around the perimeter and other amenities in the center.

Because the construction will occur in the CR Area, the CRA is the city coordinator for the street work to be done on Davis Parkway, on Krome Avenue, and on Palm Drive as part of the Homestead Bypass project. Construction should begin on the Davis Parkway portion of the project in FY 2019-20. The Palm Drive portion of the project will follow several years later. Though the street work is being funded by the State, the City must relocate some water lines and some trees that are in the path of the construction.

The City has requested \$400,000 in the form of a Legislative appropriation to pay for part of the cost of the drainage and streetscape project near the intersections of Palm Drive, NW 9th Avenue, and NW 8th Court. This part of the CR Area floods during a major rain event and the CRA is planning a drainage and streetscape project to address flooding and improve the appearance of the area. The total project is estimated to cost \$1,198,715. If awarded, the CRA will administer the grant from the State and coordinate its use with the Florida Department of Environmental Protection.

The CRA is also considering an amendment to the existing Community Redevelopment Plan, and work on the amendment will begin in FY 2016-17. The proposal should be ready to present to the County in FY 2017-18. The last CR Plan amendment was done in 2009.

VII. FY 2017-18 Housing Programs

Acquire Property in the CR Areas: \$300,000 is budgeted for the acquisition of dilapidated structures in five sections of the Northwest Neighborhood. Funds could also be used for acquisition of undeveloped scattered parcels for the purpose of site assembly. The Northwest Neighborhood contains some housing units that are unfit for rehabilitation and just should be demolished. The properties will be held until the real estate market improves and they will eventually be developed for affordable or market rate housing. The CRA has completed acquisition plans for the six sections of the CR Area.

Demolish Houses in the CR Area: \$220,000 is budgeted to demolish housing structures in the Northwest Neighborhood that are acquired by the CRA, to demolish under an agreement with a property owner, or that are to be demolished by the CRA based on orders from the County Unsafe Structures Board. There are several housing units in probate, under foreclosure or that have been abandoned which the CRA is planning to acquire for demolition and reuse for affordable housing. The properties will be held until the real estate market improves and they will eventually be developed for affordable or market rate housing. The CRA will also be demolishing a dilapidated structure on Lucy Street and the land will be repurposed for commercial parking.

The CRA will be coordinating two housing rehabilitation and repair programs in FY 2017-18. The City successfully applied for \$750,000 from the State of Florida Small Cities CDBG Program to be used for substantial rehabilitation on at least 16 homeowner occupied houses, most of which will be located in the CR Area. This project should begin in December and will be complete in about 12 months. The CRA will begin preparation for another Rebuilding Together Miami housing rehabilitation program to be done in 2018-19

The CRA is also working with three developers to construct fifty new housing units on infill lots being sold to them by the CRA. The sale of the lots will closed in January, 2018 and construction should begin shortly thereafter.

The CRA is also working with a developer for the property assemblage known as the Snake Pit. The CRA has spent the last seven years accumulating thirty-two properties in the Snake Pit and there are only four remaining to be purchased. It is anticipated that eighty too one hundred affordable housing units will be constructed at this location.

VIII. Enhanced Public Safety Program

Community Policing Program: The CRA plans to continue implementation of the special public safety program. This program enhances Florida City Police patrols, over and above normal service levels, for CR Area only. The projected cost of this program is \$300,000 for FY 2017-18. This

innovative community policing program has been very effective in providing greatly increased police visibility and interaction with CR Area businesses and residents. Business owners in the area have repeatedly expressed the desire that the program continue and even be strengthened in the future. The CRA Board believes this is one of its most important and necessary programs because it creates a good public safety environment in which quality redevelopment may occur. It also allows our Police department to provide enhanced presence at night to prevent theft in areas where the CRA is paying for infrastructure projects.

IX. Summary

Overall, the CRA has grown at a very healthy rate since 1995, even with the property tax value shrinkage between 2009 and 2014. The CRA has been a very productive catalyst thus far in overall City redevelopment. An effective partnership with Miami-Dade County has greatly assisted the CRA in its mission. This growth stagnation or shrinkage trend seems to have run its course since the value of property within the original CRA and the 2009 expansion area actually increased over the past two years. The CRA remains confident that it can accomplish all the planned activities in FY 2017-18 consistent with the CR Plan.