

City of Florida City Community Redevelopment Agency Annual Report Fiscal Year 2012-13

Prepared effective 09-30-13

Introduction

The Florida City Community Redevelopment Agency (CRA) was created in 1996 and completed its 17th full year of operation in FY 2012-13. 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 of the streetscapes in the Northwestern part of the CR Area began in FY 2010-11 is complete except for punch list items and Phase 2 began in FY 2011-12 should be complete within 60 days. Construction will begin on Phase 3 in the first 90 days of FY 2013-14.

This report will address the primary operating aspects of the CRA, revenue shrinkage and significant projects for FY 2012-13, as well as the proposed budget and CRA plans for the coming year.

During 2009, the CRA completed a revised Community Redevelopment Plan (CR Plan) and worked with County staff to get the new CR Plan through the County's 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 newly approved CR Plan with the expanded CR Area contains a large residential area in Northwest Florida City in which the infrastructure is deficient and many of the structures are dilapidated. Much of the focus and spending of the CRA over 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.

I. Staffing and operating expenses

The CRA retained Richard Stauts, Executive Director, as its only employee in FY 2012-13. 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 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 fully implemented for FY 2012-13.

II. Administrative Procedures

The Agency by-laws 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 is composed of the Mayor and four (4) elected City Commissioners and two (2) representatives of the CR Area business community. The By-laws designate the Mayor as the Board Chairman and the Vice-Mayor as the Vice Chairman of the Board.

The CRA Board meets on an as needed basis, but the meetings have averaged about one per month during FY 2012-13. 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

In 2009, the Agency adopted a new total rewrite of the original CR Plan which was written in 1995. The new 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 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 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 will be significant over the coming years and a surplus was developed to help begin the process. That surplus is being expended over several years to avoid having a whole quadrant of the City under construction at the same time.

Development and Infrastructure Projects Funded During FY 2012-13

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 completed 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. The façade project was budgeted for \$200,000 in FY 2012-13. Five industrial buildings were addressed with CRA funds in FY 2012-13 totaling \$110,000. Of the 16 industrial buildings in the industrial area, 12 owners have upgraded the appearance of their buildings through the façade program in the past five years.

Pioneer Museum Improvements: The CRA did not expend any funds on the Pioneer Museum Building this year. However, the CRA coordinated the donation an early 1900's railroad caboose that was parked on the Museum grounds. The caboose was donated to the Gold Coast Railroad Museum at Zoo Miami.

Acquisition of Property in the Northwest Neighborhood: \$500,000 was budgeted for the acquisition of dilapidated structures in the Northwest Neighborhood. Funds could also be used for acquisition of undeveloped parcels for the purpose of site assembly. During the year the CRA expended approximately \$200,000 for acquisition of parcels.

Demolish Houses and Relocate Tenants in Northwest Neighborhood: \$40,000 was budgeted to demolish dilapidated houses in the Northwest Neighborhood and to relocate the tenants from those houses. Approximately \$30,000 was expended for demolition of houses. Since there were no legal tenants in the units when acquired, there was no relocation expense involved. The CRA also paid for the demolition of several structures within the CR Area using the County Unsafe Structures Board process.

Commercial Building Improvement Grant Program: A number of shopping centers and industrial buildings completed their construction at about the same time the economy entered a recession. This left a large number of new potential business spaces that the property owners were having a difficult time leasing. To assist in filling some of these vacant spaces, the CRA developed

this program in FY 2009-2010 to help potential tenants be able to afford to build out the shopping center spaces and make them ready for occupancy. 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. During FY 2012-13, four businesses were able to take advantage of the program. CRA expenditures were approximately \$40,000.

Florida City Youth Center: The new Youth Center was constructed in the CR Area on the corner of NW 5th Street and Davis Parkway. The total budget for the facility is \$3,000,000 and the CRA paid \$735,000 of that amount. The center will serve as a haven for youth, containing a gym, computer lab, study areas, game areas, a kitchen, and other facilities to serve the youth of the community after school and on weekends. In the morning, the Center will serve seniors with exercise and other activities. The Grand Opening was January 16, 2013.

WNW Neighborhood Streetscape, Phase 1: Phase 1 of the WNW Neighborhood Streetscape began in FY 2011-12 with a total budget of \$1,916,249 including change orders. The construction enhances the appearance of the residential area through creation of landscaping, curb and gutters, drainage, lighting, sidewalks and rebuilding the streets. The construction contract was executed on January 13, 2012. The project is complete except for a few punch list items. Total expenditures for FY 2012-13 were \$1,176,340.

NW 14th Street / NW 1st Streetscape Project: Phase 3 of the Coral Bay Manor Streetscape project began in FY 2011-12, and the contract was signed on October 25, 2011. Improvements included new streetscapes on NW 1st Avenue and NW 14th Street to include on-street parking, sidewalks, drainage, landscaping, lighting, curb and gutters, and repaving. This was the last phase of the Coral Bay Manor project. The bid for this phase was \$576,085 including change orders and it was completed in September, 2012 except for a few punch list items. The FY 2012-13 expenditures were \$62,575

WNW Neighborhood Streetscape, Phase 2: Phase two of the WNW Neighborhood Streetscape began in FY 2011-12 with a total budget of \$953,086, including change orders. 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 July 29, 2012. The project is complete except for a few punch list items and expenditures in FY 2012-13 were \$701,105.

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

The County is undertaking a management plan for the conservation area on Palm Drive and the CRA

is working with the County to create a passive recreational plan for the new park which will be in the CR Area. Work days in the preserve were conducted in November and March and the first trail within the preserve was improved.

The CRA is the County's contact point for a new Park and Ride Facility being to be built by Miami-Dade Transit Authority. The Environmental Assessment is complete as is the acquisition of two city blocks where MDTA plans to build the facility adjacent to the Busway. The design is complete and construction should begin soon. The parking facility will be in the CR Area on Palm Drive.

The CRA also coordinated the submission of a \$750,000 State Small Cities CDBG Neighborhood Revitalization grant application for water and sewer infrastructure improvements. The application did not rank high enough to be funded.

The CRA also coordinated the submission of a \$200,000 application to the Legislature. The City has replaced a small service line on Krome Avenue with a 16" water line and the City requested funds from the Legislature to pay the cost of disconnecting businesses from the old line and connecting them to the new water line. The funds were approved by the Legislature and placed in the budget. The Governor vetoed the appropriation.

The CRA is the City coordinating entity for 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 but one of the owners has agreed to donate the needed right of way.

The CRA has begun the process of developing a linear park on NW 3rd Avenue. The City owns half of the property and the CRA will acquire the remainder over the next several years. 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.

Plan Consistency

The significant number of development projects that were either completed, under construction or planned, combined with the substantial increase in the CR Area tax base attest to the "bottom line" success of CRA implementation over the past 17 years. The CRA has made excellent progress in implementing a number of the adopted CR Plan Goals during FY 2012-13 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 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 has assisted in the renovation of facades on four industrial or commercial buildings in the CRA in FY 2012-13. Two other building owners are working on their plans and should begin upgrading their facades in FY 2013-14.
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 several years along Krome Avenue, US 1, and Palm Drive directly contributed to the decision by AutoZone, Bank of America, Rise Academy, El Churrrito Plaza, Optima Nails and Krispy Cream to locate on US 1 and on Palm Drive. Dollar General Corporation and Chase Bank opened new facilities in FY 2012-13. Construction has begun on a new five-story hotel on Krome Avenue that is due for completion in February, 2014. The Aldi Grocery Store chain will start construction on a new store before the end of 2013. A mixed use project is proposed on Krome Avenue.
4. Attract relocating businesses to the CR Area through an aggressive marketing program coordinated with the South Dade Vision Council and the Beacon Council.
5. 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. Oshy's Nail Salon, C'Keisha's Treats and Sweets, and several other businesses relocated to within the CR Area in FY 2011-12. Optima Nails and Multi-Lingual Speech Group relocated to within the CRA in FY 2012-13.
6. 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.
7. 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 expansion 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 2013 tax base of the CR Area has grown to its present value of \$198 million, an increase of over 400% since the CRA's inception in 1995. In 2013, tax values decreased by \$17 million from FY 2011-12. The approved FY 2013-14 CRA Annual Budget (see Exhibit A) summarizes the planned financial program for the CRA in the coming year. Total funds available in FY 2013-14 are expected to be \$3,249,433. Of this amount, \$1,043,481 is the annual City increment revenue contribution and \$647,598 is the Miami-Dade County increment revenue contribution. The remainder constitutes \$1,538,354 in carryover funds from FY 2012-13 and projected interest and other income of \$20,000. The carryover is a result of the planned expansion of the CR Area to include the Northwest Neighborhood. The CRA accumulated surplus funds for several years in anticipation of the expansion that was approved in 2009. The carryover is decreasing every year as projects are completed. More of these carryover funds were expended in FY 2012-13 on capital projects described in Section III, and the remainder is scheduled for expenditure on capital projects in FY 2013-14.

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 proposed Park and Ride, the state-owned Pineland 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 to increment revenue for a number of years. In fact, the values in the expansion area have fallen over 56.8% during this period. During FY 2013-14, the CRA will continue investing existing increment revenue in the Northwest Neighborhood to address the blighted conditions there.

PROPOSED FY 2013-14 Expenses

Administrative Expenses

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

60% of Executive Director	\$75,404
Employee Fringes (28.6% of Salary)	\$21,461

Employee fringes are such things as FICA, Workers’ Compensation Insurance, FRS contribution, health insurance, life insurance, and unemployment compensation.

2. Indirect Cost Allocation (\$118,361)

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., to conduct the study and allocation of indirect costs using the Plan was first implemented for FY 2012-13.

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

3. Printing and Publishing (\$500)

The CRA will continue to publish brochures for the Commercial Building Improvement and Facades Programs. A new brochure will be published for the Public Infrastructure Program.

4. Advertising and Notices (\$4,000)

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.

5. Travel and Training (\$6,000)

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 Chairman of the Florida Redevelopment Association 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.

In FY 2013-14, the Florida Redevelopment Association Conference will be in South Florida and several of the CRA Board members are planning to attend part or all of the Conference.

6. Auto Expense (\$2,000)

The CRA Executive Director uses a City vehicle bought in 2013.

7. Office Equipment and Furniture (\$2,500)

The CRA plans to upgrade some of its office furniture this year. The CRA also needs a small meeting table, and another bookcase. The CRA planned to undertake this upgrade in FY 2012-13, but agreed to forgo the purchase since this type of expenditure was frozen for the rest of the City.

8. 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.

9. County Administrative Charge (\$9,714)

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	\$50,270
Employee Fringes (28.6% of salary)	\$14,378

Employee fringes are such things as FICA, Workers' Compensation Insurance, FRS contribution, health insurance, life insurance, and unemployment compensation.

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

2. Contractual Services (\$348,000)

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 appraisals for the acquisition of foreclosed and abandoned properties. A grant writer may be secured by contract to assist the CRA in obtaining grants.

3. Membership and dues (\$2,500)

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 (\$30,000)

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 (\$200,000)

This CRA will spend \$200,000, 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. 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 developed acquisition plans for five sections of the CR Area.

7. Infrastructure Improvements (\$1,889,728)

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 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 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 working with local schools to encourage field trips to the museum and this will require expanded hours of operation.

9. Redevelopment Façade Grants/Commercial Building Improvement Grant Program (\$150,000)

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 the funding programs.

10. Redevelopment Loans/Grants to Businesses (\$40,000)

The CRA maintains an "opportunity fund" that would be used to incentivize potential large tax-generating or job creating proposals within the CR Area. The CRA must be opportunistic and flexible to take advantage of unplanned business relocations or new businesses desiring to locate within the CR Area.

11. Building construction & Improvements (\$10,000)

This line item will pay for the cost of improvements for the Florida Pioneer Museum. The CRA, the City, and the Florida Pioneer Museum Association want to see greater utilization of the Museum by

both tourists and local residents. To accomplish this, the quality of the viewing experience has to be upgraded through better and more diverse displays.

12. Transfer out to others (\$240,000)

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 (\$240,000)

13. 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.

14. Reserve/Contingency (\$19,617)

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. This is only 1.5% of the total budget.

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. One development project by Pinnacle Housing Group that was coordinated in FY's 2009-11, completed construction and leased up in FY 2010-11. In addition, several infrastructure, design and streetscape projects are also planned as noted below.

Private developers seeking assistance from the CRA must go through the CRA's project selection process, which involves application submittal, review by staff and City Engineer, funding recommendation from the CRA Executive Director, and eventual approval by the CRA Board. CRA staff and Board use 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 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 2003-2011, the CRA expended over \$1,200,000 in increment revenue to create public infrastructure on US 1, Krome Avenue, and Palm Drive as an incentive to businesses to locate there. The enhanced property values where businesses have located and built buildings now generate approximately \$560,000 a year in new increment revenue. Further, there is still a significant amount of vacant land ready for development that is now served by this same public infrastructure. A new Dollar General Store, a new Chase Bank, and a new Salvation Army Store have opened this year. A new five-story Hilton Hotel and a new ALDI Supermarket are scheduled for completion in FY 2013-14 in areas where the CRA has previously constructed 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 also assembling several sites for future housing or other redevelopment. Most of the acquisitions will occur in the five areas where acquisition plans have been created. While property costs are low compared to recent years, now is the time to buy, demolish dilapidate structures, and assemble future building sites. This will address slum and blighting conditions in the CR Area as well as provide for future affordable 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 retarded some CRA actions in implementing the CR Plan, the CRA has been able to manage the sharp reduction in taxable value and in revenue over the past four years.

VI. FY 2013-14 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 buildings in this area have already reworked the appearance of their structures. Several new industrial buildings opened outside the CR Area in 2009 and the

building owners near NW 12th Street realize 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 will change the face of the whole area. The façade project is budgeted for \$100,000.

Pioneer Museum Improvements: The Museum building is owned by the City and the facility is operated by a non-profit that oversees 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 designated as a historic structure and is one of the few remaining of the original Florida East Coast Railroad Buildings that survive. Repairs for the Museum is budgeted for \$10,000.

Commercial Building Improvement Grant Program: The CRA has budgeted \$50,000 for grants to assist new and expanding businesses to relocate into unused shopping center and commercial space. 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, etc.

Loans and Grants to Businesses: Because of the economy, the CRA has budgeted \$40,000 to assist businesses with grants or loans. It is not the intent of the CRA to make a lot of small loans or grants, but rather to have a budget line item that would allow the CRA to be flexible and opportunistic should a large job-creating opportunity or a public-private partnership present itself.

WNW Neighborhood Streetscape Project, Phase 1: Pinnacle Housing Group has completed an 87 unit tax credit driven affordable housing development in this neighborhood. The CRA has also demolished eight dilapidated structures in this neighborhood and is planning on demolishing two others. To make this homeowner dominated area look better, the CRA is undertook a streetscape project in this quadrant of the CR Area. The project encompasses ten square blocks. All of the streets in that area will be reconstructed to include curb, gutter, landscaping, sidewalks, lighting, and repaving. The project construction is done except for a few punch list items. The total budget for the project is \$1,916,249, with a remaining balance of \$43,706.53.

WNW Neighborhood Streetscape Project Phase 2: This is a continuation of the streetscapes that will be completed in one of the areas added to the CR Area in 2009. The WNW Neighborhood Streetscapes will be completed over 5-6 years. In FY 2012-13, the CRA completed Phase 1 (as described above) and started and finished the construction of Phase 2 which encompasses seven square blocks. The Phase 2 project is complete except for several punch list items. The total budget for the Phase 2 project is \$953,086.75, with \$106,106.33 remaining to be paid to the contractor.

NW 12th Street between NW 6th Avenue and NW 8th Avenue: NW 12th Street is one of five unimpeded east-west corridors in the City and is heavily used. The construction will occur in two phases to minimize disruption of traffic by having part of the street always open for detour purposes. The streetscape will include new street paving, sidewalks, curb and gutters, drainage, landscaping, lighting, and the first round-a-bout in the City. The project was bid out with the WNW Streetscape, Phase 1 and is included in the budget for Phase 1. Part two of the NW 12th Street project between NW 8th Avenue and Redland Road was bid out with the WNW Streetscape project, Phase 3

NE 3rd Street Streetscapes: A local developer has secured a Hilton franchise for a 98 room 5 story suites hotel at the end of the Turnpike. The CRA will construct a streetscape on the entrance streets leading to the hotel as part of the incentive package to make the project work. The streetscape will include new street paving, sidewalks, curb and gutters, drainage, landscaping, and lighting. The hotel should create 25 new jobs and \$5,000,000 in ad valorem tax value in the CRA. This project was bid out with the WNW Streetscape project, Phase 3.

Krome Avenue Area Pump Stations: The sewer pump station that serves much of the vacant land on North Krome Avenue is reaching capacity. The CRA is budgeting \$34,728 to replace pumping station # 2 to avoid a moratorium by the County Department of Regulatory and Economic Resources that would make it difficult for major businesses to locate in this part of the CR Area. The CRA will also be repairing pumping station # 7 at a projected cost of \$10,000.

WNW Neighborhood Streetscape Project Phase 3: This is a continuation of the streetscapes that will be completed in one of the areas added to the CR Area in 2009. The WNW Neighborhood Streetscapes will be completed over 5-6 year. In FY 2012-13, the CRA is completing Phase 1 and 2 as described above. The project has been bid out and has been awarded in the amount of \$1,719,922. The project should be finished before the end of FY 13-14.

Lucy Street Shops Infrastructure: The County has agreed to fund the cost of expanding Lucy Street to three lanes with curb and gutter, drainage, and sidewalks. One of the commercial buildings has substantial on-site infrastructure within the ten feet that the City is requesting that the property owner donate to the City for widening the street. As part of the donation agreement, the CRA will be paying to have the on-site infrastructure relocated. The budget for this cost is \$125,000.

Other CRA Activities:

The CRA is also 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 picks up, the City is in a better position to work with developers/builders on these lots. The County also owns a parcel on NW 3rd Avenue that the City is trying to acquire for a passive park adjacent to the Busway.

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.

The CRA will continue coordinating with the County for the passive use of the Pineland Preserve on West Palm Drive. The County is undertaking a management plan for this conservation area and the CRA is working with the County to create a passive recreational plan for the new park, which will be in the CR Area.

The CRA is the lead department for a FFY 2013 State Small Cities CDBG Neighborhood Revitalization category application for improvements within the CR Area to the City's sanitary sewer system. There are several pumping stations that should be upgraded and older sewer lines that should be replaced. The grant application will be for \$750,000 and is due in January, 2014.

VII. FY 2013-14 Housing Programs

Acquire Property in the CR Areas: \$180,000 is budgeted for the acquisition of dilapidated structures in five sections of the Northwest Neighborhood. Funds could also be used for acquisition of undeveloped parcels for the purpose of site assembly. This part of the Northwest Neighborhood contains many 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 five sections of the CR Area.

Demolish Houses in the CR Area: \$20,000 is budgeted to demolish housing structures in the Northwest Neighborhood that are acquired by the CRA or that are demolished by the CRA based on orders from the County Unsafe Structures Board. There are a number of housing units that are in foreclosure or that have been abandoned that the CRA is planning to acquire so they can 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.

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 \$240,000 for FY 2013-14. 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 shrinkage over the past several years, and 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 actually increased this year. The CRA remains confident that it can accomplish all the planned activities in FY 2013-14 consistent with the CR Plan.