

WEST PALM BEACH
COMMUNITY
REDEVELOPMENT AGENCY

Prepared by:
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ANNUAL REPORT

FOR THE

FISCAL YEAR ENDING

SEPTEMBER 30, 2015



BOARD OF COMMISSIONERS

Board of Commissioners

JERI MUOIO
MAYOR



JMuio@wpb.org

SYLVIA MOFFETT
COMMISSIONER



SMoffett@wpb.org

CORY NEERING
COMMISSIONER



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Mission Statement

*TO PROTECT AND ENHANCE THE
QUALITY OF LIFE through providing
efficient and effective customer-
focused services.*

PAULA RYAN
COMMISSIONER



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COMMISSIONER



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LETTER FROM THE EXECUTIVE DIRECTOR

Letter from the Executive Director

Date: March 25, 2016

It was another successful year for the West Palm Beach Community Redevelopment Agency (CRA). Supported by the CRA Board, residents, business owners, and other stakeholders, we have completed major projects and worked aggressively to redevelop and strengthen our community. We are committed to stimulating redevelopment activity in order to strengthen the economic base of the redevelopment area and our Motto continues to guide our decision making:

Plan Your Work, Then Work Your Plan

Presented herein is the 2015 Annual Report for the CRA which covers the period from October 1, 2014 through September 30, 2015 and includes the following information:

- General background information regarding the CRA and the Redevelopment Areas;
- Historical/current economic and financial data regarding the redevelopment areas including: taxable property values; contributing taxing authority millage rates; tax increment revenues; tax-base segmentation; etc.
- Report of activities (redevelopment projects, initiatives, etc.) within the redevelopment areas; and
- Financial statements for the fiscal year ending September 30, 2015.

This Annual Report has been prepared in accordance with §163.356(3)(c) and 163.387(8).

Respectfully Submitted,



Jon Ward
CRA Executive Director
Senior Redevelopment Associate, RMA



REINVENTING YOUR CITY

LETTER FROM THE EXECUTIVE DIRECTOR

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West Palm Beach CRA

Background

The City Commission of the City of West Palm Beach (“City”) declared on August 27, 1984, through adoption of Resolution No. 97-84 that there existed within the City slum or blighted areas and a shortage of affordable housing and that there was a corresponding need for a community redevelopment agency. Accordingly, the City Commission through adoption of Ordinance No. 1805-84 on September 10, 1984, created the West Palm Beach Community Redevelopment Agency (“CRA”). Chapter 163, Part III, Florida Statutes, as amended (“Redevelopment Act”) authorizes a municipality to create a CRA after finding that there exists within the municipality slum or blighted areas.

Pursuant to the Redevelopment Act, the governing body of a municipality may declare itself the CRA Board of Commissioners (“CRA Board”), in which case all the rights, powers, duties, privileges, and immunities vested by F.S. Chapter 163, Part III, in the CRA will be vested in the governing body of the municipality. The City Commission has chosen this option and functions as the CRA Board.

Management and Staffing

As the CRA progressed into the next critical phases of its redevelopment initiatives, the CRA Board decided that outsourcing operations to a qualified private staffing firm would provide a more effective and cost efficient approach than either hiring full-time city staff or individual consulting firms for each required discipline. Accordingly, the CRA issued a Request for Qualifications (“RFQ”) in 2013 for CRA management/staffing services. Redevelopment Management Associates (“RMA”) was selected by the CRA Board through this public RFQ process as the most qualified firm to lead the CRA. RMA, one of the most experienced full-service consulting and management firms in the State of Florida, specializes in repositioning and redeveloping places for cities, counties, and CRAs. RMA has managed and staffed CRA operations since January 2014.

Powers

The CRA possesses all of the powers necessary to carry-out community redevelopment including the following:

- Hiring staff and consultants;
- Installation, construction, or reconstruction of streets, utilities, parks, etc.;
- Voluntary or compulsory repair and rehabilitation programs;
- Constructing foundations and platforms for housing;
- Holding, improving, cleaning or preparing property for future construction;

WEST PALM BEACH CRA

- Mortgaging or pledging property;
- Borrowing money and investing funds;
- Acquisition and disposition of property; and
- Relocating owners and occupants.

Redevelopment Areas

The CRA consists of the following two separate Redevelopment Areas comprising approximately 1,399-acres¹ :

- City Center Community Redevelopment Area (hereafter referred to as the “CCRA”; approximately 940-acres); and
- Northwood/Pleasant City Community Redevelopment Area (hereafter referred to as the “NPCCRA”; approximately 459-acres).

Funding Source

The primary funding source available to the CRA consists of Tax Increment revenues. Tax Increment revenues are a unique tool available to cities and counties for redevelopment activities and are used to leverage public funds to promote private sector activity in the targeted redevelopment area. The taxable value of all real property in the redevelopment area is determined as of a fixed date², also known as the “base-year” value. Contributing taxing authorities continue to receive ad valorem tax revenues (a.k.a. property tax revenues) based on the base-year value. Revenues generated from the base-year value are available for general government purposes. However, ad valorem revenues from increases in real property value, referred to as “Tax Increment,” are deposited into the Community Redevelopment Agency Trust Fund and dedicated to the redevelopment area.

¹ The acreage information identified herein for the CRA is based on Geographic Information Systems mapping technology.

² F.S. § 163.387 defines the base-year value as the value associated with the most recent assessment tax-roll used in connection with the taxation of property within the redevelopment area by each applicable Taxing Authority prior to the effective date of the Ordinance providing for the funding of the redevelopment trust fund.

WEST PALM BEACH CRA

Fund Types

The Funds of the CRA are as follows:

Redevelopment Trust Funds (used to account for operations and transfers to Capital Project/Debt Service Funds):

- *City Center Community Redevelopment Area Redevelopment Trust Fund* (a.k.a. “Community Redevelopment Agency Fund” and “CCCRA Operating Fund”); and
- *Northwood/Pleasant City Community Redevelopment Area Redevelopment Trust Fund* (a.k.a. “Northwood/Pleasant City CRA Fund” and “NPCCRA Operating Fund”).

Capital Project Funds (used to account for capital projects):

- *NPCCRA Series 2005A Construction Fund*: used to account for projects funded through issuance of the TIR Bonds, Series 2005A; and
- *NPCCRA Series 2005B Construction Fund*: used to account for projects funded through issuance of the TIR Bonds, Series 2005B.

Debt Service Fund:

- *NPCCRA Debt Service Reserve Fund*: used to account for the debt service reserve requirement of the TIR Bonds, Series 2005A.



WEST PALM BEACH

Community Redevelopment Agency

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WEST PALM BEACH CRA

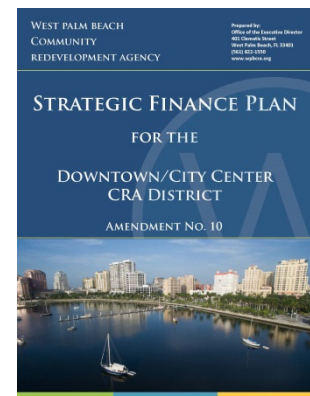
Current Update

In 2004, the CRA determined that a more aggressive approach was needed to effectively address the blighted conditions within the Redevelopment Areas. Staff responded through creation of a five-year strategic redevelopment program (i.e. hereinafter referred to as the “Finance Plan”) that incorporated existing planning reports/studies, feedback from community forums/charrettes, etc., with the end result being the identification and prioritization of redevelopment projects that enable the CRA to effectively and efficiently combat blight and address affordable housing availability.

The Finance Plan has increased private sector investment as the development community, residents, lenders and other stakeholders recognize that a solid financial commitment has been made by our elected officials.

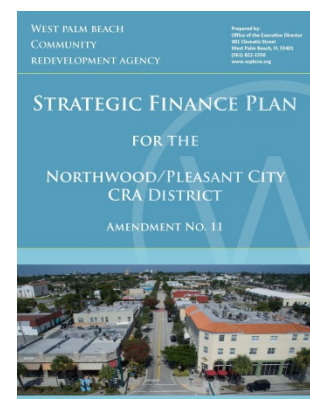
- Finance Plan for the CCCRA

The CRA Board adopted Resolution no. 05-65 on November 7, 2005, which provided for approval of the Finance Plan for the CCCRA. The Finance Plan is amended annually with the most recent amendment via approval of Resolution No. 15-42 on September 15, 2015³. The Finance Plan forecasts investment totaling \$77 million (excluding operations/debt service) within CCCRA boundaries over the next five (5) years.



- Finance Plan for the NPCCRA

The CRA Board adopted Resolution no. 05-23 on April 11, 2005, which provided for approval of the Finance Plan for the NPCCRA. The Finance Plan is amended annually with the most recent amendment via approval of Resolution No. 15-41 on September 15, 2015⁴. The Finance Plan forecasts investment totaling \$5 million (excluding operations/debt service) within NPCCRA boundaries over the next five (5) years.



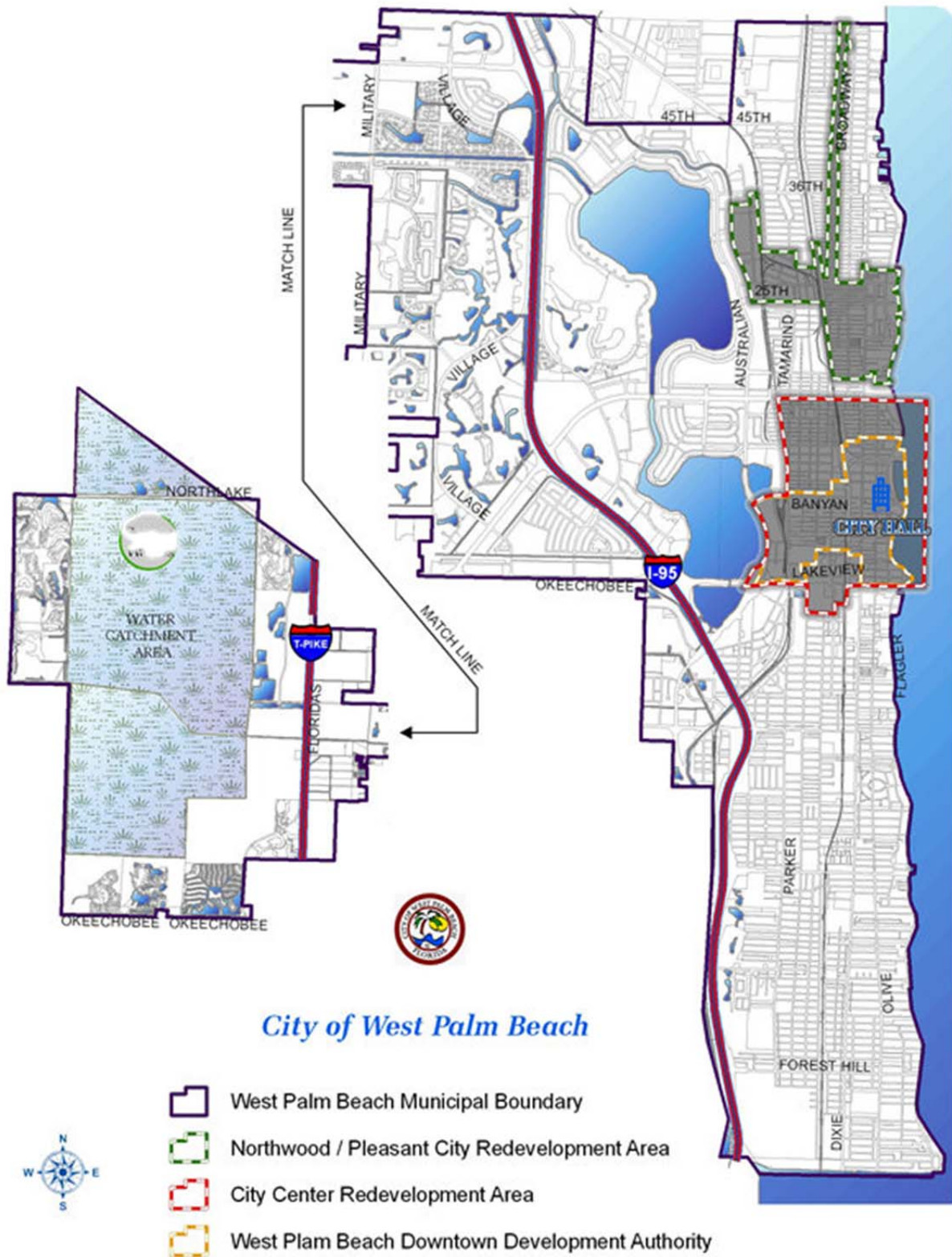
This Annual Report includes a report/narrative of activities (redevelopment projects, initiatives, etc.) under each Redevelopment Area section as well as financial statements for each Trust Fund.

³ The Strategic Finance Plan for the CCCRA can be obtained electronically at www.wpbcr.org.

⁴ The Strategic Finance Plan for the CCCRA can be obtained electronically at www.wpbcr.org.

WEST PALM BEACH CRA

Boundary Map



CITY CENTER REDEVELOPMENT AREA

City Center Redevelopment Area

Background

Through adoption of Resolution No. 97-84 on August 27, 1984, the West Palm Beach City Commission (“City Commission”) declared the City Center Community Redevelopment Area (“CCCRA”) blighted and indicated that there is a corresponding need for a community redevelopment agency. Accordingly, the City Commission through adoption of Ordinance No. 1805-84 on September 10, 1984, created the West Palm Beach Community Redevelopment Agency (“CRA”) to carry out the purposes set forth in the Redevelopment Act. The City Commission created the City Center Community Redevelopment Area Trust Fund (“CCCRA Trust Fund”) through adoption of Ordinance No. 1809-84 on September 10, 1984, and approved the City Center Community Redevelopment Area Redevelopment Plan (“CCCRA Redevelopment Plan”) through adoption of Resolution No. 184-85 on December 23, 1985.

The original CCCRA comprised an area of approximately 909-acres⁵ and was bounded by Palm Beach Lakes Boulevard to the north, Okeechobee Boulevard to the south, the Intracoastal Waterway to the east and the CSX Railroad tracks and Australian Avenue to the west.

During the late 1980s, a substantial portion of the project area that now comprises the CityPlace Development was assembled by the Downtown/Uptown Venture (“D/U Venture”). Specifically, the D/U Venture assembled approximately 77-acres on both sides of Okeechobee Boulevard (i.e. properties were located both inside and outside the original boundaries of the CCCRA) in order to develop a large-scale mixed-use project. The D/U Venture never fulfilled its development goals due to poor market conditions and limited financial capacity. Many of the properties assembled by the D/U Venture ultimately went into foreclosure proceedings and presented the City with a major challenge in the form of vacant lots and blighted conditions. The City Commission, in an effort to further combat the blighted conditions, expanded the boundaries of the CCCRA to incorporate the entire 77-acre area mentioned above (“Expanded Area”).

Pursuant to the adoption of Resolution No. 196-95 on October 10, 1995, and Resolution No. 350-95 on November 20, 1995, the City Commission declared the Expanded Area blighted pursuant to the Redevelopment Act and approved the inclusion of said Area into the CCCRA bringing the total acreage to 940-acres⁶. On December 4, 1995, the City Commission

⁵ The acreage information identified herein for the CCCRA is based on Geographic Information Systems mapping technology.

⁶ The acreage information identified herein for the CCCRA is based on Geographic Information Systems mapping technology.

CITY CENTER REDEVELOPMENT AREA

approved the Amended and Restated Community Redevelopment Plan for the Expanded CCCRA through adoption of Resolution No. 329-95 and amended the CCCRA Trust Fund to include the Expanded Area through adoption of Ordinance No. 2893-95.

Tax-Base

The following table provides a 10-year summary of the historical assessment (taxable) values and increment values for the CCCRA as of January 1st of each year. While this report generally pertains to FY 2015 activity, the following section also includes FY 2016 property valuation data to highlight current trends. The Taxing Authorities that deposit Tax Increment into the CCCRA Trust Fund based upon the incremental value shown in the following table include the City and Palm Beach County.

TAXABLE PROPERTY VALUES (ENTIRE CRA BOUNDARY)						
TAX ROLL YEAR ⁷	FISCAL YEAR	A		B		=A-B
		TAXABLE VALUE ⁸	% CHANGE OVER PRIOR YEAR	BASE YEAR TAXABLE VALUE	INCREMENTAL TAXABLE VALUE	% CHANGE OVER PRIOR YEAR
2015	2016	2,191,637,208	11.3%	251,511,950	1,940,125,258	12.9%
2014	2015	1,969,866,074	5.9%	251,511,950	1,718,354,124	6.8%
2013	2014	1,860,942,669	1.7%	251,511,950	1,609,430,719	2.0%
2012	2013	1,829,612,152	0.6%	251,511,950	1,578,100,202	0.7%
2011	2012	1,818,539,815	(2.0%)	251,511,950	1,567,027,865	(2.3%)
2010	2011	1,856,193,364	(14.1%)	251,511,950	1,604,681,414	(16.0%)
2009	2010	2,161,160,564	(4.5%)	251,511,950	1,909,648,614	(5.0%)
2008	2009	2,262,212,175	0.1%	251,511,950	2,010,700,225	0.1%
2007	2008	2,260,928,135	9.3%	251,511,950	2,009,416,185	10.6%
2006	2007	2,067,885,602	37.1%	251,511,950	1,816,373,652	44.5%

⁷ Tax Roll Years 2014 and 2015 represent the Final Certification of Taxable Value (pre-value adjustment board) as provided by the Palm Beach County Property Appraiser's Office.

⁸ The Taxable Value figures included herein represent those values utilized by the City of West Palm Beach to calculate CCCRA tax increment revenue and are net of all applicable exemptions. Palm Beach County began utilizing a different Taxable Value with tax roll year 2012 that adjusts for the county-wide senior, historic and/or economic exemptions.

CITY CENTER REDEVELOPMENT AREA

The calculations for determining the Tax Increment due from the West Palm Beach Downtown Development Authority (“DDA”) require different Base Year values because the boundaries of the DDA lie within the boundaries of the CCCRA but do not encompass the entire area. The following table summarizes the historical assessment (taxable) values and increment values for those properties contained within DDA boundaries, and thereby within the CCCRA, as of January 1st of each year.

TAXABLE PROPERTY VALUES (DDA BOUNDARY)						
		A		B		=A-B
TAX ROLL YEAR ⁹	FISCAL YEAR	TAXABLE VALUE	% CHANGE OVER PRIOR YEAR	BASE YEAR TAXABLE VALUE	INCREMENTAL TAXABLE VALUE	% CHANGE OVER PRIOR YEAR
2015	2016	1,516,013,663	12.0%	191,563,585	1,324,450,078	13.9%
2014	2015	1,354,104,804	6.5%	191,563,585	1,162,541,219	7.6%
2013	2014	1,271,519,588	(6.7%)	191,563,585	1,079,956,003	(7.8%)
2012	2013	1,362,354,481	(1.8%)	191,563,585	1,170,790,896	(2.1%)
2011	2012	1,387,796,768	(3.6%)	191,563,585	1,196,233,183	(4.1%)
2010	2011	1,439,291,701	(14.2%)	191,563,585	1,247,728,116	(16.1%)
2009	2010	1,678,294,850	(11.3%)	191,563,585	1,486,731,265	(12.6%)
2008	2009	1,891,711,869	2.0%	191,563,585	1,700,148,284	2.2%
2007	2008	1,854,701,902	10.8%	191,563,585	1,663,138,317	12.2%
2006	2007	1,674,430,286	39.5%	191,563,585	1,482,866,701	47.0%

The following table provides a 5-year summary of historical new construction (taxable) values for the CCCRA. It should be noted that the following new construction values are included in the gross taxable values set forth in the tables above.

NEW CONSTRUCTION		
TAX ROLL YEAR	FISCAL YEAR	NEW CONSTRUCTION TAXABLE VALUE
2015	2016	12,314,153
2014	2015	28,317,960
2013	2014	6,898,894
2012	2013	9,562,092
2011	2012	6,858,071

⁹ Tax Roll Year 2015 represents the Final Certification of Taxable Value (pre-value adjustment board) as provided by the Palm Beach County Property Appraiser’s Office.

CITY CENTER REDEVELOPMENT AREA

Taxpayer Concentration

An important analysis to consider when discussing property values pertains to taxpayer concentration, or more specifically, the percentage of total tax increment generated from the CRA's principal taxpayers. Taxpayer concentration is a measure of revenue risk for the CRA. A low taxpayer concentration indicates a diverse base of taxpayers and a stronger ability to adapt to the loss of any one taxpayer.

PRINCIPAL TAXPAYERS			
TAXPAYER	PROPERTY USE	FY 2015 TAXABLE VALUE	% OF FY 2015 TAXABLE VALUE
PHILLIPS POINT II, LLC	OFFICE	132,924,094	6.7%
CITYPLACE TOWER EQUITY, LLC	OFFICE	116,418,124	5.9%
WPB CRA (LESSOR) – CITYPLACE/OTHER	MIXED-USE	109,500,913	5.6%
CREF ESPERANTE, LLC	OFFICE	60,392,388	3.1%
MELROSE CAMERFORD PARTNERS	OFFICE	36,111,050	1.8%
FLAGLER CENTER PROPERTIES	OFFICE	34,771,898	1.8%
COLONNADE CLEMATIS LLC	OFFICE	34,699,158	1.8%
GAEDEKE HOLDINGS, LTD	HOTEL	33,000,000	1.7%
ONE CLEARLAKE CENTRE, LLC	OFFICE	24,200,000	1.2%
PBM PROPERTIES, LLC	OFFICE	22,000,000	1.1%
	TOTAL	604,017,625	30.7%

The following table provides a segmentation of taxable values within the CCCRA by development for FY 2015.

PRINCIPAL DEVELOPMENTS			
TAXPAYER	PROPERTY USE	FY 2015 TAXABLE VALUE	% OF FY 2015 TAXABLE VALUE
2 CITY PLAZA CONDOMINIUM	MIXED-USE	181,000,996	9.2%
ONE WATERMARK PLACE CONDOMINIUM	RESIDENTIAL	129,676,365	6.6%
CITYPLACE SOUTH TOWER	MIXED-USE	114,218,900	5.8%
TRUMP PLAZA CONDOMINIUM	RESIDENTIAL	107,605,649	5.5%
1 CITY PLAZA CONDOMINIUM	RESIDENTIAL	83,422,883	4.2%
WATERVIEW TOWERS CONDOMINIUM	RESIDENTIAL	64,942,713	3.3%
CITY PALMS CONDOMINIUM	RESIDENTIAL	63,885,726	3.2%
THE EDGE CONDOMINIUM	RESIDENTIAL	47,361,847	2.4%
THE STRAND CONDOMINIUM	MIXED-USE	44,570,073	2.3%
ESPLANADE GRANDE CONDOMINIUM	RESIDENTIAL	42,112,079	2.1%
	TOTAL	878,797,231	44.6%

CITY CENTER REDEVELOPMENT AREA

Millage Rates

The table below provides a 10-year summary of the operating millage rates levied by each Taxing Authority that make payments to the CCCRA Trust Fund.

CONTRIBUTING TAXING AUTHORITY MILLAGE RATES						
TAX ROLL YEAR	FISCAL YEAR	A	B	C	=A+B+C	
		CITY OF WEST PALM BEACH	PALM BEACH COUNTY	DDA	TOTAL	
2015	2016	8.3465	4.7815	1.0000	14.1280	
2014	2015	8.3465	4.7815	1.0000	14.1280	
2013	2014	8.3465	4.7815	1.0000	14.1280	
2012	2013	8.3465	4.7815	1.0000	14.1280	
2011	2012	8.0739	4.7815	1.0000	13.8554	
2010	2011	8.0739	4.7500	1.0000	13.8239	
2009	2010	8.0739	4.3440	1.0000	13.4179	
2008	2009	7.5500	3.7811	1.0000	12.3311	
2007	2008	7.1916	3.7811	1.5000	12.4727	
2006	2007	7.8500	4.2800	1.7500	13.8800	



WEST PALM BEACH

Community Redevelopment Agency

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CITY CENTER REDEVELOPMENT AREA

Tax-Increment Revenues

The Redevelopment Act provides that upon creation of a CRA, a municipality shall establish, on behalf of the CRA, a Trust Fund. Taxing Authorities, as defined in the Redevelopment Act, which levy ad valorem taxes on real property subject to taxation located within the CRA, are required by January 1st of each year to deposit into the Trust Fund an amount equal to 95% of the difference between¹⁰:

- a) The amount of ad valorem taxes levied each year by that Taxing Authority on taxable real property contained within the geographical boundaries of the CRA, exclusive of any amount from any debt service millage; and
- b) The amount of ad valorem taxes which would have been produced by the millage rate upon which the tax is levied each year by the Taxing Authority on the assessed value of the taxable real property in the CRA as of January 1st of the base year¹¹, exclusive of any amount from any debt service millage.

The Taxing Authorities which are obligated to make annual deposits into the CCCRA Trust Fund include the City of West Palm Beach, Palm Beach County, and the West Palm Beach Downtown Development Authority (DDA).

The following table provides a 10-year summary of historical tax increment revenues for the CCCRA segmented by Taxing Authority.

TAX INCREMENT REVENUES						
		A	B	C	=A+B+C	
TAX ROLL YEAR	FISCAL YEAR	CITY OF WEST PALM BEACH	PALM BEACH COUNTY	DDA	TOTAL (ROUNDED)	% CHANGE OVER PRIOR YEAR
2015	2016	\$15,383,593	\$8,811,558	\$1,258,228	\$25,453,378	13.0%
2014	2015	13,625,131	7,792,666	1,104,414	22,522,211	6.8%
2013	2014	12,761,458	7,308,494	1,025,958	21,095,910	1.5%
2012	2013	12,513,033	7,166,430	1,112,251	20,791,714	2.6%
2011	2012	12,019,425	7,118,107	1,136,422	20,273,953	(2.2%)
2010	2011	12,308,235	7,241,125	1,185,342	20,734,702	(13.4%)
2009	2010	14,647,396	7,880,738	1,412,395	23,940,529	2.9%
2008	2009	14,421,747	7,222,526	1,615,141	23,259,414	3.3%
2007	2008	13,728,372	7,217,913	1,579,981	22,526,266	0.8%
2006	2007	13,545,607	7,385,375	1,408,723	22,339,705	42.2%

¹⁰ Calculations referenced herein use the current fiscal year's millage rate as established by the Taxing Authority.

¹¹ The aggregate assessed valuation of taxable real property in the original CCCRA as of January 1, 1984, used for determining the incremental assessed valuation in future years was \$250,397,610. The aggregate assessed valuation of taxable real property in the Expanded Area of the CCCRA as of January 1, 1995, used for determining the incremental assessed valuation in future years was \$1,114,340. Such valuations are referred to as "Base Year" values and total \$251,511,950.

CITY CENTER REDEVELOPMENT AREA

Financial Obligations

The following section provides a brief overview of the presently outstanding financial obligations of the CCCRA.

FINANCIAL OBLIGATIONS				
	TERM	PRINCIPAL BALANCE AT SEPT. 30, 2015	ESTIMATED EXPENSE FY 2016	
FINANCIAL OBLIGATION TO DEVELOPERS				
CITYPLACE COMMUNITY DEVELOPMENT DISTRICT (CDD)				
INCREMENT REVENUES DUE CDD				
80% OF TAX INCREMENT WITHIN CITYPLACE PROJECT	2026	N/A	\$ 3,944,010	
COVERAGE REVENUES				
20% OF TAX INCREMENT WITHIN CITYPLACE PROJECT		N/A	N/A	
\$2M OF TAX INCREMENT OUTSIDE CITYPLACE PROJECT		N/A	N/A	
1 & 101 NORTH CLEMATIS				
UP TO \$180,000 TAX INCREMENT WITHIN PROJECT	2025	N/A	180,000	
BONDS, NOTES, AND CITY ADVANCES				
TAX INCREMENT REVENUE (TIR) BONDS, SERIES 2006A	2036	\$26,365,000	3,228,390	
TIR REFUNDING BONDS, SERIES 2010A	2021	5,634,256	1,112,950	
TIR REFUNDING BONDS, SERIES 2010B	2016	740,430	760,787	
TIR REFUNDING BONDS, SERIES 2015	2031	44,060,000	2,079,603	
PB COUNTY CONVENTION CENTER PROMISSORY NOTE	2023	2,000,000	250,000	
WCI LAND ACQUISITION LOAN (CITY ADVANCE)	2022	3,840,000	2,207,800	
FINANCIAL OBLIGATION TO DDA				
DDA WORK PLAN	2014	N/A	2,712,353	
TOTAL		\$82,639,686	\$16,475,893	

Financial Obligations to Developers

The following section provides a narrative of the CCCRA's tax increment revenue pledge to the CityPlace Community Development District and financial obligation to 1 & 101 North Clematis.

- CityPlace Community Development District (Interlocal Agreement)

One of the nation's largest urban developments opened October 1, 2000: the award-winning mixed-use CityPlace project, with lofts, townhomes, garden-condominiums, a luxury 20-screen Muvico Theater, restaurants such as the Cheesecake Factory, and national & specialty retailers which share space in an architecturally distinct complex that is reminiscent of a European town center. CityPlace serves as a model for public/private cooperation.

CITY CENTER REDEVELOPMENT AREA

On December 8, 1998, the CityPlace Community Development District¹² (“CDD”) issued \$55.2 million in Capital Improvement Revenue Bonds, Series 1998 (the “CDD Bonds”). The CDD Bonds funded public capital improvements associated with the CityPlace project (e.g. parking garage, public landscaping, etc.), a Reserve Account and three (3) years of capitalized interest to fund debt service while said project was being developed. On April 20, 2012, the CDD issued the \$39,890,000 Special Assessment and Revenue Refunding Bonds, Series 2012, thereby currently refunding the outstanding Series 1998 Bonds in the amount of \$44,445,000.



The primary pledges for the CDD Bonds are special assessments on the retail tenants within the CDD and tax increment revenues generated within the CityPlace Project Area. The CRA has pledged CCCRA tax increment revenues to pay debt service on the CDD Bonds as provided in an Interlocal Agreement¹³ and further described below.

The CDD is required to levy special assessments on the retail tenants that, together with 80% of the tax increment revenues generated within the CityPlace Project Area, are sufficient to fund the debt service on the CDD Bonds. In addition to pledging 80% of the tax increment revenues generated within the CityPlace Project Area (due annually to the CDD on January 31st), the CRA also pledges the following Coverage Revenues:

- the remaining 20% of tax increment revenues generated within the CityPlace Project Area; and
- tax increment revenue totaling \$2.0 million generated outside the CityPlace Project Area (excluding tax increment obligated under the development agreement with Renaissance Partners discussed below).

¹² The CDD is a separate legal entity created under Chapter 190, Florida Statutes.

¹³ Interlocal Agreement dated as of October 9, 1998, as amended, among the City, the CRA, and the CDD.

CITY CENTER REDEVELOPMENT AREA

The Coverage Revenues are due to the CDD Bonds trustee annually on January 31st and are returned to the CRA and un-obligated annually on May 1st if sufficient funds exist¹⁴ to make the debt service payments on the CDD Bonds. Historically, all coverage revenues have been returned to the CRA annually on May 1st. In the event that there is a deficit and all or a portion of the CRA's Coverage Revenues are utilized to fund debt service on the CDD Bonds, the CDD is obligated to assess for the shortfall and repay the CRA.

The debt service on the CDD Bonds is approximately \$4.2 million annually (i.e. principal and interest) through maturity in 2026. This obligation terminates upon maturity in 2026.

- Renaissance Partners/1 & 101 North Clematis (Development Agreement)

One of the CRA's stated redevelopment initiatives within the CCCRA is the provision of public parking. Accordingly, the CRA entered into a Development Agreement¹⁵ with Renaissance Partners (i.e. Developer of the 1 & 101 North Clematis Development; hereafter referred to as the "Development") that obligates the Developer to make available 200-parking spaces for the general public on a first-come, first-served basis. In consideration for the Developer providing the public parking, the CRA has agreed to remit annually on or before January 31st up to \$180,000 of the tax increment revenues generated from the Development. The Agreement is in place through December 31, 2025, unless otherwise terminated.

Bonds, Notes, and City Advances

- Tax Increment Revenue Bonds, Series 2006A/2015 (Refunding Bonds)

In December 2006, the CRA issued approximately \$87.5 million¹⁶ in Tax Increment Revenue Bonds¹⁷ (the "TIR Bonds"), Series 2006A and Subordinate TIR Bonds, Taxable Series 2006B, for the purpose of financing redevelopment projects as set forth in the CCCRA Redevelopment Plan and Finance Plan.

Redevelopment projects funded through the TIR Bonds, Series 2006A/B, include the following: City Center Development (i.e. state-of-the-art library, adjacent cultural/retail/office space, and an onsite public parking garage) in an amount totaling \$47.4 million; Waterfront Park and City Commons project in an amount totaling \$15.5

¹⁴ Funding referenced herein is composed of special assessments on the retail tenants and the 80% of the tax increment revenues generated within the CityPlace Project Area.

¹⁵ Development Agreement between the CRA and Renaissance Partners dated March 9, 1998 and approved through Resolution No. 98-13. The Development Agreement has been subsequently assigned to the Lionstone Group.

¹⁶ Represents par value of the TIR Bonds; proceeds totaled \$87.5 million as the TIR Bonds were issued at a premium.

¹⁷ Authorizing Resolution No. 06-93 (CRA) and Resolution No. 501-06 (City) dated as of November 6, 2006.

CITY CENTER REDEVELOPMENT AREA

million; Clematis Street Parking Garage in an amount totaling \$23.5 million; and repayment of approximately \$1.5 million¹⁸ in outstanding Capital Improvement Revenue Notes, Series 2003.



City Center Development

The TIR Bonds, Series 2006A, were issued in an amount totaling \$77.2 million¹⁹ and at an all-in-true-interest-cost of 4.54% and carry a 30-year term (maturity in 2036). In 2015, the CRA issued approximately \$44.1 million in TIR Refunding Bonds, Series 2015, for the purposes of advance refunding a portion of the Series 2006A Bonds.

- Debt Service on the un-refunded portion of the TIR Bonds, Series 2006A, consists of a principal/interest payment in 2016 (\$3.2 million) and annual interest-only payments approximating \$1.1 million through 2031 with principal amortization commencing in 2032 through maturity in 2036 (annual debt service increasing to approximately \$5.4 million). As of September 30, 2015, the outstanding principal balance totaled \$26.4 million.
- Debt Service on the TIR Refunding Bonds, Series 2015, averages \$4.1 million annually through maturity in 2031. As of September 30, 2015, the outstanding principal balance totaled \$44.1 million.

¹⁸ Represents the allocation of land acquisition costs attributable to the adjacent cultural/retail/office. space of the City Center Development. Said costs were funded through the TIR Bonds, Series 2006B (taxable), to ensure flexibility in usage (i.e. public and private uses are permitted).

¹⁹ Represents par value of the TIR Bonds, Series 2006A; proceeds totaled \$79.4 million as the TIR Bonds, Series 2006A were issued at a premium.

CITY CENTER REDEVELOPMENT AREA

The TIR Bonds, Series 2006B, were issued in an amount totaling \$10.4 million at an all-in-true-interest-cost of 5.46%, carried a 7-year term, and matured in 2013.

- Tax Increment Revenue Refunding Bonds, Series 2010A/2010B

In May 2010, the CRA issued approximately \$15.6 million in Tax Increment Revenue Refunding Bonds (the “TIR Bonds”), Series 2010A/B for the purposes of refunding various obligations of the CRA.

The Series 2010A TIR Bonds were issued to refund the 2006 Capital Improvement Revenue Refunding SunTrust Note (\$9.8 million). The original proceeds were used to acquire the D&D Center Block (where City Center currently resides) and repay a City Advance for the acquisition of the FEC/Clematis Parking Lot. Debt Service on the TIR Bonds, Series 2010A, averages \$1.1 million annually through maturity in 2021. As of September 30, 2015, the outstanding principal balance totaled \$5.6 million.

The Series 2010B TIR Bonds were issued to refund the Series 1995 (\$2.9 million), 1996 (\$385,000), and 1997 (\$2.4 million) Sunshine State Government Financing Commission Loans. The original proceeds were used to acquire land for CityPlace (Series 1995 and 1996) and the Palm Beach County Convention Center (Series 1997). The CRA has entered into a Lease Agreement with the developer of CityPlace to pay the CRA lease payments equal to the pro-rata debt service associated with the Series 1995 and 1996 loans (i.e. 57.8% of the Series 2010B debt service is funded by the developer of CityPlace). The TIR Bonds, Series 2010B, mature in 2016. As of September 30, 2015, the outstanding principal balance totaled \$740,430.

- Palm Beach County Convention Center Promissory Note

The City is obligated via an Interlocal Agreement with Palm Beach County to make payments on a \$5.0 million promissory note which is used to partially offset the operating costs of the Palm Beach County Convention Center.

The CRA is obligated to the City via Interlocal Agreement²⁰ to pay to the City an amount equal to the debt service on the promissory note from available tax increment revenues within the CCCRA. As of September 30, 2015, the outstanding principal balance totaled \$2 million.

²⁰ Second Amended and Restated Interlocal Agreement (For CRA Payment of Debt Service on \$5,000,000 Promissory Note for the Convention Center and for Repayment of Other Convention Center and CityPlace Obligations, and to Provide for CityPlace/Convention Center Infrastructure Work) dated April 16, 2001, between the City and the CRA.

CITY CENTER REDEVELOPMENT AREA

- WCI Land Acquisition (City Advance)

In 2009, the City approved the advance of \$6 million to the CRA for the purposes of acquiring property located at 100 North Flagler Drive (formerly the Helen Wilkes Hotel).

Debt Service averages \$345,000 annually through maturity in 2022. As of September 30, 2015, the outstanding principal balance totaled \$3.8 million. For FY 2016, the CRA has scheduled a principal prepayment of \$1.8 million in addition to the base principal/interest requirement of \$457,800.

Financial Obligation to Downtown Development Authority (DDA)



The DDA Work Plan identifies four (4) areas of focus for strengthening the quality-of-life for residents and the competitive position for merchants in the downtown area. The focus areas include: (1) Enhance the Business

Environment; (2) Enhance the Physical Environment; (3) Market the Downtown to Investors, Visitors, and Tourists; and (4) Improve Residential Quality of Life.

The CRA is obligated via Interlocal Agreement with the DDA to provide funding for the Work Plan in an amount calculated as follows: (i) 95% of the revenue to be generated by the DDA on a full 2.00-mill levy based on certified values as provided by the Palm Beach County Property Appraiser's Office (the "PAO"); reduced by (ii) to the extent any of the DDA 2nd Mill is levied, the amount of the DDA 2nd Mill which is exempted; reduced by (iii) an amount equivalent to any DDA Assessments on properties within its boundaries; and further reduced by (iv) any monies previously allocated to fund programs or projects within the DDA Work Plan.

It should be noted that the DDA Work Plan funding obligation will vary in accordance with property values as provided annually by the PAO. The Interlocal Agreement shall continue through September 30, 2019, with the option to extend one additional 5-year term.

2015 Accomplishments

Downtown (DDA Work Plan)

The Downtown Development Authority (DDA) is an integrated partner with the City and CRA, working in close coordination to deliver the most impactful and value-based outcomes possible. The DDA's Mission is "to promote and enhance a safe, vibrant Downtown for our residents, businesses, and visitors through the strategic development of economic, social, and cultural opportunities."

CITY CENTER REDEVELOPMENT AREA

The CRA leverages DDA expertise to meet its redevelopment goals. Activity during fiscal year 2015 includes:

- **Enhance the Business Environment**

The DDA is focused on ensuring that the Downtown District is economically vibrant by capitalizing on its resources and assets, enhancing its amenities, and strengthening the business environment. One way the DDA strengthens the business environment is through the retention/attraction of businesses through its business development grant programs which include funding for leasehold improvements, façade enhancement, and business assistance. The DDA disbursed over \$67,500 in Business Development Grants during FY 2015, leveraging an even greater amount in private funding.

Sampling of 2015 Grand Openings



Camelot Yacht Club



Phenix Salon



Palm Beach Bagel



Sushi Yama

CITY CENTER REDEVELOPMENT AREA

- **Market the Downtown to Visitors, Investors, and Tourists**

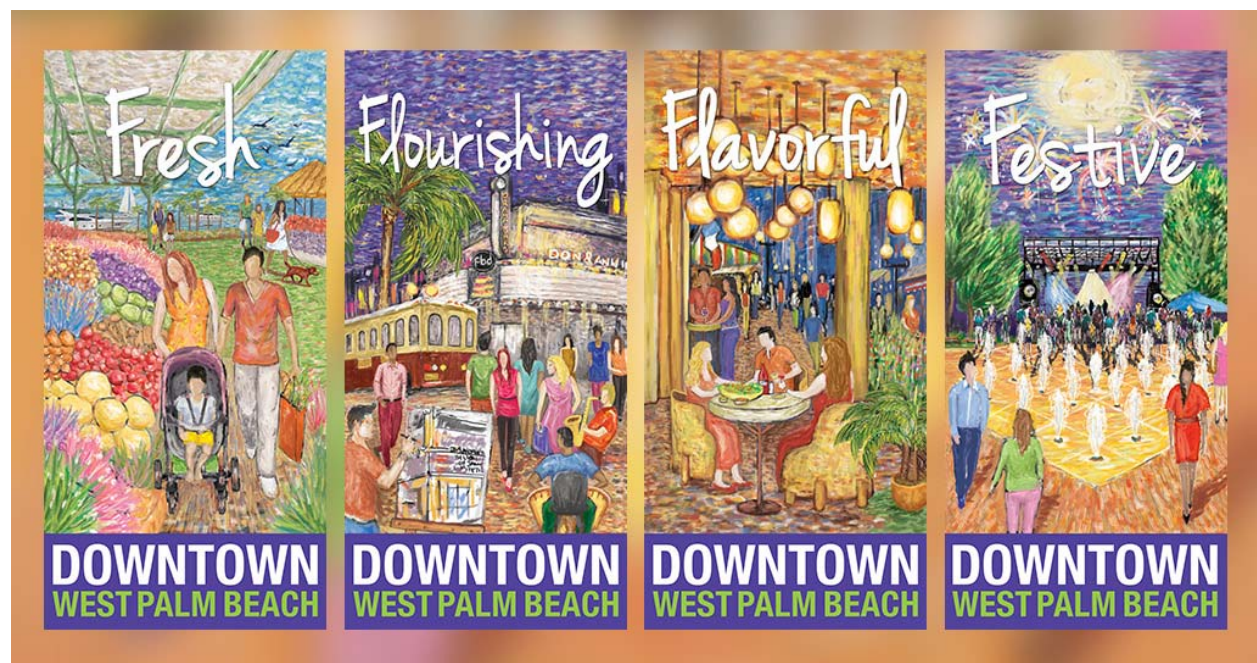
DDA works with a research firm to conduct a yearly market study of the Downtown District. This study includes both intercept surveys and phone surveys of representative sample populations in and around the Downtown area. The phone survey is administered within a 20-mile radius of Downtown. This is done with the goal of identifying both positive and negative perceptions of Downtown and serves as the basis of our comprehensive marketing strategy.

PR and Advertising Programs:

- Live The Palm Beaches
- Palm Beach Dramaworks
- PB Illustrated Magazine
- Art and Culture
- Palms West Monthly
- Florida Trend
- Relocating To Palm Beach County
- Entrepreneurs Guide



Discover the **Local** side of
Downtown West Palm Beach



CITY CENTER REDEVELOPMENT AREA

Events and promotions:

- Continuum WPB Arts

A pop-up gallery and performance space that highlights artists performing live works of art.



Continuum Street Painters



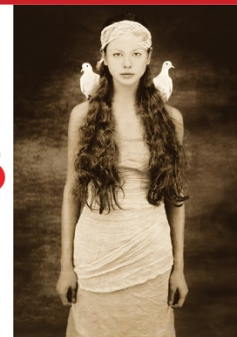
Body Painting (photo by Durga Garcia)

- FOTOfusion Event

The Palm Beach Photographic Centre's 20th Annual FOTOfusion welcomed world renowned photographers to Downtown West Palm Beach and as part of the five-day festival the DDA sponsored an outdoor event of short photographic movies featuring presentations by seven celebrated photographers: Bill Frakes, Deanne Fitzmaurice, Erika Larsen, Louie Palu, Scott Mc Kiernan, Grace Schaub, Vincent Versace, and Ross Whitaker and more.

FOTOfusion®

Palm Beach Photographic Centre



Joyce Tenneson



CITY CENTER REDEVELOPMENT AREA

- Florida Highwaymen Exhibition
Downtown art enthusiasts had the privilege in 2015 of viewing the celebrated works of Florida's legendary African-American landscape artists. The "Florida Highwaymen" were widely known for their wind-bent palm trees, serene sunsets, churning oceans and bright red Poinciana trees.



Florida Highwaymen (Artists) and sponsor Patrick Cousins

- 4th Annual Pairings Food & Wine Event



Downtown West Palm Beach residents and visitors had the chance to experience the finest flavors of Downtown West Palm Beach during its 4th annual "Pairings" event. This progressive tour had record-breaking business participation and featured a wide variety of delicious samplings from some of downtown's most desirable restaurants and retailers.

Guests enjoyed an extensive selection of light appetizers, entrées and desserts paired with specialty cocktails, wines, coffee, special offers, live entertainment, and art stations.



Pairings Food & Wine Event



CITY CENTER REDEVELOPMENT AREA

- SkyBike WPB

A fun, convenient, and healthy way to get around Downtown for locals and visitors alike. SkyBike WPB provides the most convenient option for running errands around town, sightseeing or just for fun! Users can check out and return bikes interchangeably from stations conveniently located throughout Downtown. SkyBike WPB was launched in 2015 and includes over 15 bicycle stations and more than 150 bikes throughout the Downtown area.



- **Award Winning Downtown**

- 2015 SUNsational Awards (FFEA – FL Festivals and Events Association)

- ✓ 1st – Outdoor Advertisement (FOTOfusion banners)
- ✓ 2nd – Television (Downtown WPB Always Original marketing campaign)
- ✓ 3rd – Educational Program (Small Business Week)
- ✓ 4th – Photo (Evernia Parking Garage Mural)



CITY CENTER REDEVELOPMENT AREA

- **Improve Residential Quality of Life**

Coordinated efforts to address quality of life issues:

- Clean and Safe: Downtown Clean Team, security cameras, safety ambassador program.
- Homelessness: work with Lord's Place and Vicker's House.
- Noise: extra duty police in areas experiencing problems, working directly with businesses to decrease impacts on residents.
- Entertainment District Impacts: alcohol ordinance, noise, coordination with EDU, security and code enforcement.

Cleaning and Power Washing Team



DDA's partnership with the Downtown Neighborhood Association (DNA)



enables a line of communication between the residential population and the DDA. The DNA is a non-partisan, not-for-profit organization that provides member-only events in support of local merchants, cultural and civic-minded initiatives, social engagement and much more.

Downtown Summit

- The DDA hosted its 2nd annual Downtown Summit in FY 2015 at the Lake Pavilion. This event provided updates to residents, business owners, civic and government leaders and other Downtown stakeholders on the status of significant development and new business projects as well as reviewing recent progress the district has made.



2015 Downtown Summit

CITY CENTER REDEVELOPMENT AREA

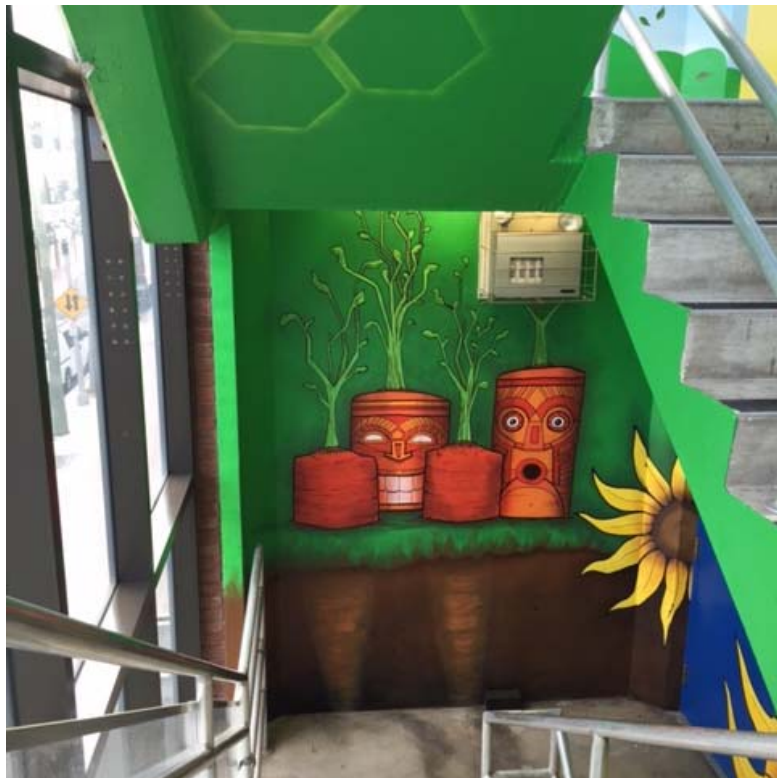
- **Enhance the Physical Environment**

Areas of focus:

- District lighting improvements
- Maintenance
- Sanitation improvements
- District-wide surveys/audits
- Trolley operations
- Safety

Since 2012, the DDA has created programs to ensure that the Downtown District is clean and attractive. With Downtown busier than ever, enhanced maintenance is of the highest importance. Appearance and perception play a critical role in getting and keeping new customers, maintaining a high quality of life for residents, and protecting property values. This includes pressure washing of sidewalks within the Clematis District, janitorial services throughout the Downtown, additional trash compactors for businesses, graffiti removal, landscaping enhancement, etc.

One major initiative during 2015 included the beautification of the Banyan Street parking garage by incorporating public art that everyone can enjoy. If you park at the Banyan Garage, take the stairs. At each landing, you'll pass through vividly painted murals by several local artists. Sunflowers, frogs, trees, kids playing and much more surround you as you descend. One of the best views is at night when the glass side of the stair tower glows with vibrant colors and images.



Stairwell Mural (Banyan Street Parking Garage)

CITY CENTER REDEVELOPMENT AREA

Parklets

The DDA and the City partnered to initiate a parklet pilot program in 2015 that highlighted the importance of integrating open space, parks, and gardens in urban areas throughout the community. Local artist duo LeJobart, comprised of husband and wife team Beju and Muriente, designed a modular deck system which they call “street balconies” for the pilot program’s use. This served as a test to better understand how a long-term program would best serve everyone. The always-popular parklets have attracted the attention of thousands of local visitors and patrons in the Clematis District during events such as PARK(ing) Day and Continuum. Parklets were stationed at Rocco’s Tacos, Le Rendez-vous and Field of Greens.



Parklets



CITY CENTER REDEVELOPMENT AREA

Crime Prevention:

- DDA staff and Security Consultants perform regular crime prevention surveys of the Downtown, documenting areas and issues that may contribute to crime or the perception that Downtown is unsafe. This includes both public and quasi-public areas such as parking lots, plazas, and back of house business locations.
- Street lighting is surveyed quarterly and outages are reported to City or FPL crews for repair.
- The DDA works with the Police Department to identify areas of lighting deficiency.



LED Street Lighting

The DDA's Security Ambassador Program has become a keystone of the revitalization of Downtown. Deploying over 500 man-hours per week, the program dovetails with the work of the Entertainment District Police Unit and serves as eyes and ears for law enforcement. The program has been instrumental in a precipitous decrease in crime in the Downtown area over the past 5 years. Moreover, the "human factor" of crime prevention that placing uniformed security officers in the public realm has a two-fold effect on perception. For the would-be criminal visible patrols are a proven deterrent for crime. For the resident, visitor, and business owner, the knowledge that security is patrolling the area gives an added sense of security and improves not only the perception of the district, but also the experience of stakeholders by giving them peace of mind.



Security Ambassador Program

- 7am to 1am (Thu-Sat)
- 7am to 11pm (Sun-Wed)
- District-wide coverage with flexible deployment
- Coordination with Police Department
- Radio dispatched and immediately responsive to resident/business requests
- Outstanding record of service
- Award-winning program
- Used as a model nationally for other downtowns/redevelopment areas

CITY CENTER REDEVELOPMENT AREA

Trolley

As set forth in the City's Sustainability Action Plan, we are all tasked with shifting our thinking and actions from wasteful consumption to thoughtful conservation of our resources while actively looking for and implementing innovative solutions. One solution recently implemented was the replacement/purchase of seven new trolleys that are smaller and powered by compressed natural gas (CNG). According to the U.S. Environmental Protection Agency, CNG powered vehicles offer reductions in:



- Carbon monoxide emissions of 90% to 97%;
- Carbon dioxide emissions of 25%; and
- Nitrogen oxide emissions of 35% to 60%.

The new trolleys, which were delivered and placed into operation during FY 2015, operate more efficiently in the downtown urban environment and reduce fuel expenses. Over a half a million people climb aboard our free Downtown trolley's each year. We see an increase in ridership every year and hit 583,616 for FY 2015.

Arts and Entertainment District



The West Palm Beach Arts and Entertainment (A&E) District launched in FY 2015 with a spectacular live performance produced and directed by Steven Caras, starring performers affiliated with six of the member organizations, called 'cultural partners.' The A&E District is a centralized collection of inspiring arts and entertainment venues; art and history museums; galleries;



libraries; performing arts companies; and art education institutions. Situated in the heart of South Florida's most progressive city, the District includes more than 20 distinct and distinguished cultural destinations that form a defining industry cluster. The A&E District enhances the appeal of West Palm Beach as a visitor destination, drawing attention to its status as a vibrant city illuminated by its beauty and range of creative expression. A free trolley dedicated to connecting partners made getting around the District easy and enjoyable.

CITY CENTER REDEVELOPMENT AREA

Historic Northwest

In 2015 the Historic Northwest neighborhood continued its transformation into the hub of cultural tourism in West Palm Beach.

- **Marketing**

Marketing efforts in the Historic Northwest were highlighted by two events, produced for the community to support local businesses and attract new customers to the District.

Heart & Soul FEST is a free event designed to bring people back to Tamarind so they can see the improvements taking place in the Historic Northwest District. This event features local music bands, soul food, and activities for the whole family (e.g. kids' zone, family obstacle course, line-dancing demonstrations, etc.).



The *BBQ, Brews & Blues* event brought more than 1,000 guests into the historic Northwest Neighborhood of West Palm Beach. This scrumptious celebration kicked off a 3-day weekend in WPB. Vendors offered delicious free tastings of traditional southern soul food like pulled pork and sweet potato pie and 10 different craft beers. Local blues band The Natty Bos put on a great performance opening up for Grammy Award-winning harmonica virtuoso, Sugar Blue. Kids enjoyed fun carnival-style games, interaction with the bands and a character artist. The event brought out guests to experience the traditions of this historic neighborhood and get reacquainted with this vibrant community



CITY CENTER REDEVELOPMENT AREA

- **Historic Sunset Lounge**

Redevelopment of the historic Sunset Lounge (built in 1923) and surrounding properties into a cultural destination of the Northwest began to become a reality in 2015. The CRA will restore the building to how it looked at the height of the lounge's popularity in 1940 when as many as 1,000 people would dance together to the biggest names in music.

The restored Sunset Lounge will be the centerpiece of a destination featuring a new City park and amphitheater, a

culinary component on 7th Street, and an educational support facility adjacent to the lounge and ballroom. The CRA has developed the project concept and received support from the CRA Board to move forward with development. Site acquisition was completed in 2016.



Historic Sunset Lounge



Proposed park opposite Historic Sunset Lounge (artistic rendering)

CITY CENTER REDEVELOPMENT AREA

- **Physical Improvements**

During 2015, the CRA invested in streetscape improvements and the promotion/implementation of incentives within the Historic Northwest to attract and retain businesses. Accomplishments included, but were not limited to, the following:

- The 7th Street Square Streetscape improvements are transforming Tamarind Avenue around 7th Street into a pedestrian-friendly area that features restaurants/sidewalk cafes. The CRA invested approximately \$700,000 in 2015 for this multi-phased project which includes beautification along Tamarind Avenue and is scheduled to be complete in 2017.



7th Street Square Streetscape

- In 2015, several façade improvements were completed by businesses, highlighted with the grand reopening of Queen of Sheeba Ethiopian restaurant. With the renovation, Queen of Sheeba has now become a local favorite and opens the door for other business success in the area.

Façade Improvement Program (716 N. Sapodilla Avenue)



Before



After

NORTHWOOD/PLEASANT CITY REDEVELOPMENT AREA

Northwood/Pleasant City Redevelopment Area

Background

Through adoption of Resolution No. 129-93 on June 28, 1993, the West Palm Beach City Commission (“City Commission”) declared a portion of the Northwood Area blighted and approved creation of the CRA’s second redevelopment area; the Northwood/Pleasant City Community Redevelopment Area (“NPCCRA”). Additionally, the City Commission created the Northwood/Pleasant City Community Redevelopment Area Trust Fund (“NPCCRA Trust Fund”) through adoption of Ordinance No. 2782-94 on October 24, 1994, and approved the Northwood/Pleasant City Community Redevelopment Area Redevelopment Plan (“NPCCRA Redevelopment Plan”) through adoption of Resolution No. 282-94 on October 11, 1994.

The original NPCCRA comprised all the existing commercial corridors such as Broadway Avenue and Dixie Highway and districts such as the Northwood Business District and the Electronics Way Industrial District within the Northwood and Pleasant City neighborhoods. The boundaries of the NPCCRA were established in Resolution No. 129-93 and amended by Resolution No. 467-01 in December 2001 to include the residential portion of the Pleasant City neighborhood bringing the total size of the NPCCRA to approximately 459-acres²¹. Additionally, the Redevelopment Plan and the NPCCRA Trust Fund were amended during December 2001 to reflect the NPCCRA’s expanded boundaries.

On September 13, 1993, the CRA approved creation of the Northwood/Pleasant City Community Redevelopment Advisory Board (“CRAAB”) to facilitate input from the community. The CRAAB is composed of an eleven-member board, appointed by the CRA, which represents the business, financial, professional, and residential sectors of the CRA.

²¹ The acreage information identified herein for the CCCRA is based on Geographic Information Systems mapping technology.

NORTHWOOD/PLEASANT CITY REDEVELOPMENT AREA

Tax-Base

The following table provides a 10-year summary of the historical assessment (taxable) values and increment values for the NPCCRA as of January 1st of each year. While this report generally pertains to FY 2015 activity, the following section also includes FY 2016 property valuation data to highlight current trends. The Taxing Authorities that deposit Tax Increment into the NPCCRA Trust Fund based upon the incremental value shown in the following table include the City and Palm Beach County.

TAXABLE PROPERTY VALUES						
TAX ROLL YEAR ²²	FISCAL YEAR	A		B		=A-B
		TAXABLE VALUE ²³	% CHANGE OVER PRIOR YEAR	BASE YEAR TAXABLE VALUE	INCREMENTAL TAXABLE VALUE	% CHANGE OVER PRIOR YEAR
2015	2016	311,740,198	8.7%	86,933,276	224,806,922	12.5%
2014	2015	286,768,468	3.7%	86,933,276	199,835,192	5.4%
2013	2014	276,492,817	1.1%	86,933,276	189,559,541	1.5%
2012	2013	273,599,846	(2.7%)	86,933,276	186,666,570	(3.9%)
2011	2012	281,117,897	(9.0%)	86,933,276	194,184,621	(12.5%)
2010	2011	308,967,242	(14.4%)	86,933,276	222,033,966	(18.9%)
2009	2010	360,879,313	(22.7%)	86,933,276	273,946,037	(27.9%)
2008	2009	466,647,209	(10.9%)	86,933,276	379,713,933	(13.1%)
2007	2008	523,829,387	1.4%	86,933,276	436,896,111	1.7%
2006	2007	516,499,165	67.7%	86,933,276	429,565,889	94.3%

The following table provides a 5-year summary of historical new construction (taxable) values for the NPCCRA. It should be noted that the following new construction values are included in the gross taxable values set forth in the tables above.

NEW CONSTRUCTION		
TAX ROLL YEAR	FISCAL YEAR	NEW CONSTRUCTION TAXABLE VALUE
2015	2016	240,800
2014	2015	562,500
2013	2014	1,282,124
2012	2013	835,198
2011	2012	324,171

²² Tax Roll Years 2014 and 2015 represent the Preliminary Certification of Taxable Value as provided by the Palm Beach County Property Appraiser’s Office.

²³ The Taxable Value figures included herein represent those values utilized by the City of West Palm Beach to calculate NPCCRA tax increment revenue and are net of all applicable exemptions. Palm Beach County began utilizing a different Taxable Value with tax roll year 2012 that adjusts for the county-wide senior, historic and/or economic exemptions.

NORTHWOOD/PLEASANT CITY REDEVELOPMENT AREA

Taxpayer Concentration

An important analysis to consider when discussing property values pertains to taxpayer concentration, or more specifically, the percentage of total tax increment generated from the CRA's principal taxpayers. Taxpayer concentration is a measure of revenue risk for the CRA. A low taxpayer concentration indicates a diverse base of taxpayers and a stronger ability to adapt to the loss of any one taxpayer.

PRINCIPAL TAXPAYERS			
TAXPAYER	PROPERTY USE	FY 2015 TAXABLE VALUE	% OF FY 2015 TAXABLE VALUE
1515 FLAGLER PROPERTY, LP	OFFICE	30,671,385	10.7%
U & ME TRANSFER INC	WAREHOUSE/DIST.	7,163,325	2.5%
MOUNTAIN WEST PALM REAL ESTATE, INC	WAREHOUSE/DIST.	5,445,000	1.9%
TOBIAS PARTNERS LP	OFFICE	4,138,373	1.4%
920 N STANLAY PARTNERS LLC	COMMERCIAL	3,950,040	1.4%
LA BOHEME PROPERTIES INC	MANUFACTURING	3,838,114	1.3%
BUSINESS DEVELOPMENT CENTER LLC	WAREHOUSE/DIST.	3,830,710	1.3%
CK 1919, LLC	OFFICE	2,982,899	1.0%
SIL FIR CORP	WAREHOUSE/DIST.	2,734,788	1.0%
SILV R W	MANUFACTURING	2,677,875	0.9%
	TOTAL	67,432,509	23.5%

The following table provides a segmentation of taxable values within the NPCCRA by development for FY 2015.

PRINCIPAL DEVELOPMENTS			
TAXPAYER	PROPERTY USE	FY 2015 TAXABLE VALUE	% OF FY 2015 TAXABLE VALUE
FLAGLER POINTE CONDOMINIUM	RESIDENTIAL	45,912,517	16.0%
THE SLADE CONDOMINIUM	RESIDENTIAL	34,886,056	12.2%
PORTOFINO CONDOMINIUM	RESIDENTIAL	12,338,095	4.3%
LA FONTANA CONDOMINIUM	RESIDENTIAL	9,696,632	3.4%
MAJESTIC TOWERS CONDOMINIUM	RESIDENTIAL	8,302,482	2.9%
VILLA LOFTS CONDOMINIUM	RESIDENTIAL	6,810,643	2.4%
DOWNTOWN BUSINESS PARK CONDOMINIUM	OFFICE	4,349,064	1.5%
TOY STORE CONDOMINIUM	OFFICE	1,733,504	0.6%
BUTLER MEDICAL CENTER	OFFICE	1,645,752	0.6%
VACANT CONDOMINIUM LAND	RESIDENTIAL	1,500,000	0.5%
	TOTAL	127,174,745	44.3%

NORTHWOOD/PLEASANT CITY REDEVELOPMENT AREA

Millage Rates

The table below provides a 10-year summary of the operating millage rates levied by each Taxing Authority that make payments to the NPCCRA Trust Fund.

CONTRIBUTING TAXING AUTHORITY MILLAGE RATES				
		A	B	=A+B
TAX ROLL YEAR	FISCAL YEAR	CITY OF WEST PALM BEACH	PALM BEACH COUNTY	TOTAL
2015	2016	8.3465	4.7815	13.1280
2014	2015	8.3465	4.7815	13.1280
2013	2014	8.3465	4.7815	13.1280
2012	2013	8.3465	4.7815	13.1280
2011	2012	8.0739	4.7815	12.8554
2010	2011	8.0739	4.7500	12.8239
2009	2010	8.0739	4.3440	12.4179
2008	2009	7.5500	3.7811	11.3311
2007	2008	7.1916	3.7811	10.9727
2006	2007	7.8500	4.2800	12.1300



NORTHWOOD/PLEASANT CITY REDEVELOPMENT AREA

Tax-Increment Revenues

The Redevelopment Act provides that upon creation of a CRA, a municipality shall establish, on behalf of the CRA, a Trust Fund. Taxing Authorities, as defined in the Redevelopment Act, which levy ad valorem taxes on real property subject to taxation located within the CRA, are required by January 1st of each year to deposit into the Trust Fund an amount equal to 95% of the difference between²⁴:

- c) The amount of ad valorem taxes levied each year by that Taxing Authority on taxable real property contained within the geographical boundaries of the CRA, exclusive of any amount from any debt service millage; and
- d) The amount of ad valorem taxes which would have been produced by the millage rate upon which the tax is levied each year by the Taxing Authority on the assessed value of the taxable real property in the CRA as of January 1st of the base year²⁵, exclusive of any amount from any debt service millage.

The Taxing Authorities which are obligated to make annual deposits into the NPCCRA Trust Fund include the City of West Palm Beach and Palm Beach County.

The following table provides a 10-year summary of historical tax increment revenues for the NPCCRA segmented by Taxing Authority.

TAX INCREMENT REVENUES						
		A		B	=A+B	
TAX ROLL YEAR	FISCAL YEAR	CITY OF WEST PALM BEACH	PALM BEACH COUNTY	TOTAL (ROUNDED)	%	% CHANGE OVER PRIOR YEAR
2015	2016	\$1,782,533	\$1,020,421	\$2,802,954	12.6%	
2014	2015	1,584,528	905,194	2,489,722	5.3%	
2013	2014	1,503,051	860,500	2,363,551	1.6%	
2012	2013	1,480,112	847,311	2,327,422	(1.9%)	
2011	2012	1,489,436	882,069	2,371,505	(12.3%)	
2010	2011	1,703,046	1,001,928	2,704,974	(16.3%)	
2009	2010	2,101,222	1,130,521	3,231,743	(20.9%)	
2008	2009	2,723,498	1,363,950	4,087,448	(10.2%)	
2007	2008	2,984,883	1,569,350	4,554,233	(8.0%)	
2006	2007	3,203,488	1,746,615	4,950,103	90.8%	

²⁴ Calculations referenced herein use the current fiscal year’s millage rate as established by the Taxing Authority.

²⁵ The aggregate assessed valuation of taxable real property in the original NPCCRA as of January 1, 1994, used for determining the incremental assessed valuation in future years was \$77,201,813. The aggregate assessed valuation of taxable real property in the Expanded Area of the NPCCRA as of January 1, 2001 which is used for determining the incremental assessed valuation in future years totaled \$9,731,463. Such valuations are referred to as “Base Year” values and total \$86,933,276.

NORTHWOOD/PLEASANT CITY REDEVELOPMENT AREA

Financial Obligations

The following section provides a brief overview of the presently outstanding financial obligations of the NPCCRA.

FINANCIAL OBLIGATIONS			
	TERM	PRINCIPAL BALANCE AT SEPT. 30, 2015	ESTIMATED EXPENSE FY 2016
BONDS, NOTES, AND CITY ADVANCES			
TAX INCREMENT REVENUE (TIR) BONDS, SERIES 2005B	2021	\$ 4,180,000	\$ 844,794
TIR REFUNDING BONDS, SERIES 2015	2035	18,870,000	842,444
TOTAL		\$23,050,000	\$ 1,687,238

Bonds, Notes, and City Advances

- Tax Increment Revenue Bonds, Series 2005/2015 (Refunding Bonds)

In December 2005, the CRA issued approximately \$24.8 million²⁶ in Tax Increment Revenue Bonds²⁷ (the “TIR Bonds”), Series 2005A and Subordinate TIR Bonds, Taxable Series 2005B, for the purpose of financing redevelopment projects as set forth in the Strategic Finance Plan for the NPCCRA.

The TIR Bonds, Series 2005A, were issued in an amount totaling \$17.5 million²⁸ at an all-in-true-interest-cost of 5.05% and carried a 30-year term (maturity in 2035). The issue amount included \$1.6 million representing a cash-funded debt service reserve. In 2015, the CRA issued approximately \$18.9 million in TIR Refunding Bonds, Series 2015, for the purposes of advance refunding the Series 2005A Bonds. Debt Service on the Series 2015 TIR Refunding Bonds averages approximately \$850,000 annually through 2021 and increases to \$1.6 million annually from 2022 through maturity in 2035. As of September 30, 2015, the outstanding principal balance totaled \$18.9 million.

The TIR Bonds, Series 2005B, were issued in an amount totaling \$7.3 million at an all-in-true-interest-cost of 5.78% and a 16-year term (maturity in 2021). Debt Service on the TIR Bonds, Series 2005B, consists of annual interest-only payments approximating \$415,000 through 2009 with principal amortization commencing in 2010 through maturity (annual debt service increasing to approximately \$850,000). As of September 30, 2015, the outstanding principal balance totaled \$4.2 million.

²⁶ Represents par value of the TIR Bonds; proceeds totaled \$25.0 million as the TIR Bonds were issued at a premium.

²⁷ Authorizing Resolution No. 05-82 (CRA) and Resolution No. 541-05 (City) dated as of December 5, 2005.

²⁸ Represents par value of the TIR Bonds, Series 2005A; proceeds totaled \$17.7 million as the TIR Bonds were issued at a premium.

NORTHWOOD/PLEASANT CITY REDEVELOPMENT AREA

2015 Accomplishments

North End Vision Plan

The CRA continues to implement the North End Vision Plan that was adopted in 2014. Land Development Regulations for the Currie Mixed Use District (CMUD) were amended and adopted in November 2014 and shortly after, a single developer purchased nearly 20-acres of vacant waterfront property and had attracted a major grocer to sign a letter of intent. The visioning plans created by the CRA were so appealing to the developer that they were used as a template to create a very similar master plan of the area, which includes the realignment and continuation of Northwood Road to Currie Park, a major grocer, and multiple mixed-use projects to activate the Currie Corridor and bring long desired development to the area. The CRA continues to support this project and hopes to see plans for the first phase of development in 2016.



Potential Development on the Anchor Site at Northwood Village

The improvement of the economy continued to positively impact the Northwood Pleasant City CRA and Land Development Regulations began for the Northwood Mixed Use District (NUMD) and Broadway Mixed Use District (BMUD) in 2015, which will serve to encourage strategic development and redevelopment of these areas.

Currie Park (rendering)



NORTHWOOD/PLEASANT CITY REDEVELOPMENT AREA

Marketing and Business Development

Funding for business development, marketing, special events, etc. within the NPCCRA is aimed at promoting redevelopment activity by increasing consumer traffic and supporting our local businesses and neighborhoods.

Achievements include:

- Ten (10) new businesses opened within the NPCCRA during FY 2015 including Dos Amigos, OM Yoga and Wellness, Wonderer Bracelets, The Design Company, ArtJazz Argentine Restaurant Re-Opening, Tigerlili Treasures, and more. The CRA assists with grand opening events, the official ribbon cutting, West Palm Beach TV coverage, press releases, and a robust social media presence.



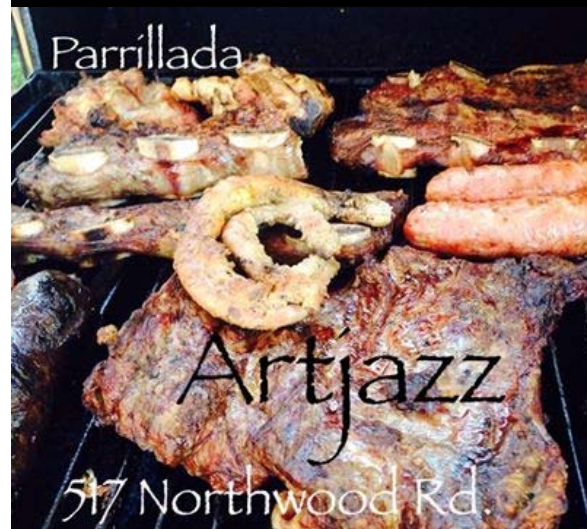
OM Yoga



ArtJazz Argentine Restaurant



Dos Amigos



NORTHWOOD/PLEASANT CITY REDEVELOPMENT AREA

- Positioned Northwood Village as a place of destination by holding a monthly *Art and Wine Promenade*, a strolling event that includes live music, art demonstrations, restaurant and wine tastings. This event also incorporated “art battles” in which local artists create masterpieces live on the street and battle it out for votes. This monthly event provides valuable exposure to merchants. It is estimated 1,000 visitors attend these events and discovered the variety of shops and restaurants in the area.



Art & Wine Promenade Event



Original Work from Art Battle Artist Mark Francis

NORTHWOOD/PLEASANT CITY REDEVELOPMENT AREA

- The *Northwood Mango and Music Fest* brought together more than 2,000 guests in an expansive tropical and multi-cultural event. This family-oriented festival offered something for everyone and was an opportunity for local residents, visitors and business to join together to celebrate the flavor and fun of the mango season here in South Florida. Highlights included a chef showcase, a community mango recipe contest, an assortment of mango infused food and beverages and amazing performances by local bands. The festival brought together our community and showcased the vibrant and eclectic businesses within Northwood Village.



Impulse Art by Daniel Pontet (Mango & Music Fest)

NORTHWOOD/PLEASANT CITY REDEVELOPMENT AREA

Physical Improvements

Incentive grants are available through the CRA to current businesses and property owners for the improvement of their buildings and enterprises in the NPCCRA. Many properties along the Broadway Corridor are currently completing renovations that will improve the aesthetics of the area and attract more consumers to those businesses.

Redevelopment in the Village in 2015 was particularly focused on 25th Street. Four building facades received face-lifts, two more renovations will be completed in 2016 and the demolition of a blighted building will allow for a future mixed use development scheduled to begin in 2016.

Façade Improvement Program (440 25th Street)



Before



After

Façade Improvement Program (18th Street)



Before



After

NORTHWOOD/PLEASANT CITY REDEVELOPMENT AREA

Landscaping throughout Northwood Village, including Lot 23 apartments has been upgraded presenting a fresher, more manicured face to visitors and residents. Improvements to the physical environment also include the completion of our four piece Mural Project and the public enjoyment of thirteen (13) large metal sculptures by renowned artist David Hayes placed throughout Northwood Village for all of fiscal year 2014-2015.



Mural Artist Eduardo Mendieta



Mural Artist Craig McInnis



John Hayes stands with a sculpture called Screen Sculpture No. 11 (1977) by his father David Hayes on display in Northwood Village

Pleasant City residential rehab continued as well with an 18 unit multifamily property, located directly across from Merry Place, received an interior and exterior renovation.

FINANCIAL STATEMENTS

Financial Statements

The CRA Annual Report for the fiscal year ending September 30, 2015, has been prepared in accordance with F.S.§163.356(3)(c) and 163.387(8).

- F.S.§163.356(3)(c)

This Annual Report has been prepared in accordance with F.S.§163.356(3)(c) including a report of activities for the preceding fiscal year, a financial statement setting forth its income/operating expenses, and a notice of publication in a newspaper of general circulation within our city that informs stakeholders of its availability.

- F.S.§163.387(8)

Within the context of Financial Reporting, the West Palm Beach Community Redevelopment Agency is considered a component unit of the City of West Palm Beach and is included in the City's Comprehensive Annual Financial Report ("CAFR"). Specifically, the CRA Redevelopment Trust Funds are reported as Major Funds within the CAFR.

The Financial Statements included herein are sourced from the City's CAFR for the fiscal year ending September 30, 2015. The CAFR is currently under its annual independent audit review and will be issued within State mandated timelines. Once issued, the CAFR can be obtained electronically from the City's website at:

<http://wpb.org/finance/accounting-division/>

FINANCIAL STATEMENTS

CITY OF WEST PALM BEACH, FLORIDA
REDEVELOPMENT TRUST FUNDS
BALANCE SHEET
SEPTEMBER 30, 2015
UNAUDITED

	City Center CRA Fund	Northwood/ Pleasant City CRA Fund
ASSETS		
Cash and cash equivalents	\$ 18,104,883	\$ 2,761,794
Receivables (net):		
Accounts	1,003,525	5,061
Interest	42,293	6,590
Notes	66,906	-
Liens and assessments	1,002	
Investment in direct financing lease	428,139	-
Land held for resale	6,000,000	-
Total assets	<u>\$ 25,646,748</u>	<u>\$ 2,773,445</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Vouchers payable and accrued liabilities	\$ 372,995	\$ 42,515
Trust deposits	38,435	-
Due to other funds	2,984,329	-
Due to other governments	19,089	-
Advances from other funds	1,805,000	-
Total liabilities	<u>5,219,848</u>	<u>42,515</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue	<u>550,242</u>	<u>5,061</u>
Fund balances:		
Restricted	<u>19,876,658</u>	<u>2,725,869</u>
Total fund balances	<u>19,876,658</u>	<u>2,725,869</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 25,646,748</u>	<u>\$ 2,773,445</u>

FINANCIAL STATEMENTS

CITY OF WEST PALM BEACH, FLORIDA

REDEVELOPMENT TRUST FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

UNAUDITED

	City Center CRA Fund	Northwood/ Pleasant City CRA Fund
REVENUES		
Taxes	\$ 13,863,111	\$ 1,586,281
Intergovernmental	8,897,136	905,194
Rents and royalties	3,412,287	-
Interest	100,608	19,472
Miscellaneous	26,515	34,815
Total revenues	<u>26,299,657</u>	<u>2,545,762</u>
EXPENDITURES		
Current:		
Economic environment	11,637,868	1,288,518
Capital outlay	613,000	-
Debt service:		
Principal retirement	3,447,653	595,000
Interest charges	4,042,074	846,754
Issuance costs and other	415,335	204,421
Total expenditures	<u>20,155,930</u>	<u>2,934,693</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,143,727</u>	<u>(388,931)</u>
OTHER FINANCING SOURCES (USES)		
Proceeds of refunding debt	49,326,419	18,482,558
Payment of refunding to bond escrow agent	(48,914,334)	(18,283,180)
Transfers out	(1,348,402)	-
Total other financing sources (use)	<u>(936,317)</u>	<u>199,378</u>
Net change in fund balances	5,207,410	(189,553)
Fund balances—beginning	<u>14,669,248</u>	<u>2,915,422</u>
Fund balances—ending	<u>\$ 19,876,658</u>	<u>\$ 2,725,869</u>

