



Legislation Text

File #: ID 2019-416, **Version:** 1

TO: Chair and Members of the Board

FROM: Jeffrey Oris, Executive Director

DATE: August 20, 2019

FY 2019-2020 CRA BUDGET

BACKGROUND:

At the last MCRA meeting, the Board requested more detail on the proposed FY 2020 MCRA Budget. The following narrative is presented to provide some of the requested detail though it is not intended to be a full explanation of the draft proposed MCRA FY 2020 budget but instead is designed to give some detail as to major allocations contained within the current draft.

The hiring of a new Executive Director will result in recommendation for some re-prioritization and possible elimination of projects/programs and inclusion of new projects into the budget based on the redevelopment program outlined in the Community Redevelopment Plan. However, the Executive Director has not had sufficient time to assess the current conditions, needs, and effectiveness of projects and programs and thus, will most likely not be suggesting any major adjustments to the draft budget prior to the need for its adoption.

The following is additional detail on revenues and appropriations contained in the proposed budget for discussion purposes (Please note this item is for discussion only, a final budget for the Board's approval will be presented in September):

ESTIMATED REVENUES:

Based on information provided by the Broward County Property Appraiser, the CRA estimates total Increment Revenues of the CRA to be \$7,588,542.

REQUESTED APPROPRIATIONS

The CRA has proposed a budget based on continuing past activities of the CRA and new activities which the Board has indicated a desire to undertake.

Operating Expenses:

City Offsets: This number encompasses the cost of all personnel undertaking activity on behalf of the CRA. It also includes the cost to the City for support to the CRA. Such support includes the costs associated with cutting checks, handling bids for CRA projects, agenda preparation and distribution costs, staffing of events, provision and maintenance of CRA office space, etc. Costs other than direct cost of salaries covered by the CRA are outlined in the FY 2018 update of the City of Margate Cost Allocation Study (a copy of which is an attachment to the agenda item). The Cost Allocation Study gives specific costs for various support activities to the CRA.

Professional Services- Legal: Includes the cost of the CRA's legal counsel including potential costs due to on-going City Center litigation.

Redevelopment Plan Update: There is need to update the Community Redevelopment Plan to better plan a vision for the CRA and more closely guide future expenditures. The current plan is believed to be insufficient for current and future needs

Grants & Aid:

Property Improvement Grants: The item is the funding of all of the CRA's property improvement and business incentive grants. It is anticipated that this item will be the subject of further discussion as the grant programs are evaluated and reviewed for efficacy and the potential of new, targeted grants is investigated in the near future but after the start of FY 2020.

Transfers & Contingency

Transfer to CRA Sinking Fund: These are funds allocated to make payments on the CRA's outstanding debt.

Transfer to CRA Capital Projects: Funds remaining after regular projects/programs and operating expenses are allocated. These funds will be used to undertake major capital projects contained within the CRA's Community Redevelopment Plan. It should be noted that the amount available is limited due to the use of funds for other expenses. The new Executive Director anticipates working with the CRA Board to evaluate ongoing operating expenses and identify potential savings in these expenses that can then be transferred to and utilized for beneficial capital projects.

CAPITAL IMPROVEMENT FUND

This fund encompasses appropriations to capital projects of the CRA. Of particular note here is the \$3,021,250 allocated for capital projects related to the City Center project. This includes funds for the following projects (these line items are highlighted in yellow on the proposed budget document attached to this agenda item):

Stormwater Improvements
Waterfront Promenade/Boat Launch
Community Center
Amphitheater
Parking Garage
Public Plazas/Amenities/Fountains
State Road 7 Greenways
Enhanced Bike/Pedestrian Crossings
Streetscape and Signalization

The CRA's legal counsel has recommended that these funds remain unspent so as to not jeopardize on-going litigation related to the project. Staff is currently working with the CRA Attorney to determine if any of these funds can be released to fund other capital projects without such concern. It is hoped that there will be some resolution to this matter prior to the adoption of the Final Proposed FY 2020 MCRA Budget in September.

Project sheets for the above projects as well as the other capital projects proposed for funding, are also provided in the backup materials to this item.

PLEASE NOTE: The Capital Project Sheets for all projects HAVE NOT been updated and do not contain current funding information. They have been provided so the Board has the project location and description only. The sheet will be updated prior to final consideration of the budget in September.

LOAN PROCEEDS FUND

Parking Garage: This item is also one that the CRA Attorney recommends remains so as to not influence the on-going City Center lawsuit. Like the capital project items, the Attorney is investigating whether this money can be freed up for use in other projects.

RECOMMENDATION:

The Board is encouraged to discuss the proposed levels of funding for items and the capital projects to be funded.

FISCAL IMPACT:

This item is presented for discussion only.

CONTACT PERSON: Jeffrey Oris, Executive Director