

City of Florida City
Community Redevelopment Agency
Annual Report
Fiscal Year 2017-18

Prepared effective 09-30-2018

Introduction

The Florida City Community Redevelopment Agency (CRA) was created in 1996 and completed its 23rd full year of operation in FY 2017-18. The CRA continued to facilitate a number of private development projects in the Community Redevelopment Area (CR Area) in the current year. The CRA also continued the on-going series of neighborhood streetscapes. The streets in and around the Coral Bay Manor Subdivision in the CR Area are 100% complete. Phase 1, Phase 2, and Phase 3 of the streetscapes in the Northwestern part of the CR Area began in FY 2010-11 are also complete. Except for two blocks near the Snake Pit, all of the streets in the 80 block area bordered by NW 6th Ave, Redland Road, Lucy Street, and Davis Parkway are completed. Construction is complete on the SW 1st Street Streetscape. The CRA began streetscapes on NW 1st Street, and NW 2nd Street in FY 2017-18. Streetscapes will begin on the NW 7th to 9th Avenue corridors south of NW 2nd Street in 2018-19, and design has begun for four streetscape projects in the area encompassed by the Busway, Lucy Street, NW 6th Avenue, and Davis Parkway.

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

For FY 2017-18, the CRA Budget was \$5,178.937 in expenses and revenue. The details of the FY 2017-18 budget are reflected under the column titled “FY 17-18 Budget Projected” on Exhibit A. This report will address the primary operating aspects of the CRA, revenue growth and significant projects for FY 2017-18, as well as the proposed budget and CRA plans for FY 2018-19.

I. Staffing and operating expenses

The CRA retained Richard Stauts, Executive Director, as its only employee in FY 2017-18. The City Finance Director, Chad Burkhalter, is the Treasurer of the CRA. Jennifer Evelyn, City Clerk, serves as the Board Secretary. Employee salary and fringes are divided into two categories, administrative and operating.

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

II. Administrative Procedures

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

The CRA Board meets on an as needed basis, but the meetings have averaged about one every other month during FY 2017-18. The Board typically meets immediately prior to a City Commission Meeting on either the second or fourth Tuesday of the month.

III. Community Redevelopment Plan Implementation

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

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

During FY 2018-19, the CRA will be presenting an update of the Community Redevelopment Plan to the City and County. The updated Plan will contain a proposed expansion to the Community Redevelopment Area that will encompass the area between the Busway, Davis Parkway, Redland Road, and NW 2nd Street. The Finding of Necessity was presented to the City Commission on September 11, 2018 and was subsequently forwarded to the County for its review. The updated Plan will also request an extension through 2055 to give adequate time to continue addressing the needs of the Northwest Neighborhood as well as the new area proposed to be added to the Community Redevelopment Area. This new area will be designated the “North Central Neighborhood.”

Development and Infrastructure Projects Funded During FY 2017-18

Commercial and Industrial Façade Program: The CRA adopted a Commercial and Industrial Building Façade Program in FY 2007-08 to assist building owners within the CR Area to upgrade the appearance of their buildings. The first area to be addressed was the industrial area around NW 12th Street and NW 3rd Avenue. The owners of the industrial buildings in this area have been anxious to rework the appearance of their structures. Several new industrial buildings have been constructed in the City outside the CR Area in the past several years and the owners of the older buildings in the CR Area are at a competitive disadvantage. The building owners near NW 12th Street realized that they must improve the appearance of their buildings, or the best tenants will seek quarters elsewhere. Combining the façade improvements with the streetscape improvements on NW 12th Street and NW 3rd Avenue has changed the face of the whole area. Of the sixteen industrial buildings in the industrial area, fourteen owners have upgraded the appearance of their buildings through the façade program in the past ten years. The façade rehabilitation project was originally budgeted for \$30,000 in FY 2017-18. No industrial buildings were addressed with CRA funds in FY 2017-18.

Pioneer Museum and Depot Building Improvements: The CRA budgeted \$10,000 for

building repairs and improvements at the Pioneer Museum. Because the historic Museum building is old and may need repairs from time to time, the CRA normally budgets \$10,000 every year.

Acquisition of Property in the Northwest Neighborhood: \$200,000 was originally budgeted for the acquisition of property and dilapidated structures in the Northwest Neighborhood. The budget was subsequently amended to \$210,000. Funds could also be used for acquisition of undeveloped parcels for the purpose of site assembly. During the year the CRA expended approximately \$50,000 for acquisition of parcels.

Demolish Houses and Relocate Tenants in Northwest Neighborhood: \$30,000 was budgeted to demolish dilapidated houses in the Northwest Neighborhood and to relocate the tenants from those houses. The budget was subsequently amended to \$10,000. No structures were demolished in FY 2017-18.

Commercial Building Improvement Grant Program: Many small businesses fail each year and many outgrow their current location. Both of these situations create vacancies in commercial and retail buildings for other business to inhabit. The problem many of these potential tenants have is the inability to fund the remodeling cost of the space they would prefer to occupy. To assist in filling some of these vacant spaces and the business' desire to inhabit those spaces,, the CRA developed this program in FY 2009-2010 to help potential tenants be able to afford to build out the shopping center and other commercial spaces and make them ready for occupancy. The CRA budgeted \$30,000 for this activity in FY 2017-18. Under this program, the CRA will pay for up to 50% of the cost with a maximum expenditure of \$10,000. The building owner is also required to contribute. The budget was amended to \$10,000. During FY 2017-18, one businesses was able to take advantage of the program.

SW Streetscape, Phase 1: This was a continuation of the on-going streetscape projects begun in 2010 and was the first to be done in the SW Neighborhood. The project bid out in January of 2016. The streetscape includes new street paving, sidewalks, curb and gutters, drainage, and landscaping. The project was finished in early 2018, and the cost for FY 2017-18 is projected to be \$315,000. The City participated in the project with CITT funds in the amount of \$729,645.

NW 1st Street and NW 2nd Street Streetscape, Phase 1: This is a continuation of the on-going streetscape projects begun in 2010. The project was bid out in September of 2017. The streetscape includes new street paving, sidewalks, curb and gutters, drainage, and landscaping on NW 1st and 2nd Streets between NW 3rd Avenue and NW 7th Avenue. The project will be finished in FY 2018-19, and the cost for FY 2018-19 is projected to be \$574,000.

Rebuilding Together-Miami: The CRA funded the repair of one structure in the CR Area in 2018-19. The amount expended was \$10,000.

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

The CRA coordinated the submission of a \$750,000 State of Florida Small Cities CDBG Neighborhood Revitalization grant application for parking for Loren Roberts Park and for an inter-connection with the Miami Dade County Water Department. The application ranked high enough to be fundable and a site visit is scheduled for October 11, 2018. If we are funded as expected, we will probably receive a contract after the first of the year. Though we will be most likely be able to bid out the project before the end of FY 2018-19, most of the grant funds will be expended in FY 2019-20.

The CRA is coordinating the culverting and coverage of the Palm Drive Canal east of US 1. Florida City is currently working with developers on both sides of East Palm Drive in order to bring commercial developments in the area. East Palm Drive is currently a four (4) lane roadway divided by an open canal. There is a concern about the traffic access and flow that is limited by the canal in the middle of East Palm Drive. Therefore, the City is proposing to culvert the existing canal from US 1 to NW 172nd Avenue in order to add additional lanes and provide better access to the area. The cost of the total project was expected to be approximately \$6,300,000. The City has procured EAC Consultants, Inc. for full engineering of the project. The City will be paying the engineering cost, though the CRA will be coordinating all the activities of the engineering firm. The permitting should be finished in December of 2018. The low bid came in at \$5,776,768. The City has entered into a Joint Participation Agreement with the County for funding in the amount of \$3,100,000. Local developers who are planning to construct commercial buildings adjacent to the improved roadway are contributing \$750,000 toward the construction cost. The City is paying the remainder. The roadway is within the CRA and the development along the south side of East Palm Drive will be within the Community Redevelopment Area. It is hoped construction will begin in late 2018.

The CRA is coordinating the Miami-Dade County, City of Homestead, and Florida City collaboration of the widening of East Lucy Street. The County has agreed to fund the cost of expanding East Lucy Street to three lanes with curb and gutter, drainage, landscaping and sidewalks between NW 167 Avenue and US 1. The City convinced the five property owners on the Florida City side of Lucy Street to donate 10 additional ten feet of right of way for the project. One of the commercial buildings had substantial on-site private infrastructure within the ten feet that the City requested that the property owner donate to the City for widening the street. As part of the donation agreement, the CRA paid to have the on-site infrastructure relocated. In FY 2015-16, the CRA contracted with American Pipeline to do the infrastructure relocation at a total cost of

approximately \$230,000. The relocation of infrastructure was done in 2016-17 and the County began construction on the roadway in October of 2017. Construction should be complete in late 2019.

During FY 2017-18, the CRA sold eleven of its infill lots for affordable housing and the City sold two infill parcels all within the CR Area. The infill builders are going to build multi-family housing on each lot.

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

The CRA coordinated a FY 2018-19 legislative appropriation request for part of the cost of constructing new hookups to 12 businesses along Krome Avenue. Though approved by the Legislature, it was vetoed by the Governor. This was the City's second attempt to obtain an appropriation for this project.

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

The CRA coordinated the selection, use, and eventual demobilization of the debris site and debris contractor, Looks Great Services, Inc., that were used to address the vegetation damage suffered in the City from Hurricane Irma in September of 2017. The demobilization was completed in February of 2018.

During FY 2017-18, the City decided to hire a realtor (ComReal, Inc.) to market the City-owned 14 acre Camper Site on Krome Avenue. The City has received two offers, both above the appraised value of \$6,705,000. The Camper Site is within the CR Area. The CRA is coordinating the offers with the realtor as the City representative. The negotiations are centering on the amount of

commercial space verses market rate rental housing to be developed on the site.

The CRA is coordinating the Miami-Dade County, City of Homestead, and Florida City collaboration of the widening of West Lucy Street. The County has agreed to fund the cost of expanding West Lucy Street to three lanes with curb and gutter, drainage, landscaping and sidewalks between Redland Road and US 1. The City has obtained verbal agreement with several property owners to donate needed right of way, but five other locations will have to be taken by eminent domain. The construction plans are nearly complete and it is hoped that construction will begin in late 2019 or early 2020.

The CRA owns 32 lots in the part of the CR Area known as the Snake Pit. This area is specifically referenced in Section IX(A)(3) in the Community Redevelopment Plan as an area in which the CRA should acquire and assemble properties. The CRA was approached by HD Home, LLC about buying these lots and HD Home, LLC made an offer of \$2,400,000 for the lots. The CRA advertised that it had an offer for these lots on August 17, 2018 in the South Dade News Leader. The CRA advertised that the offer would be open for 30 days as required by Chapter 163.380(3)(a), Florida Statutes. Just before the advertising period closed, the CRA received a second offer from the Housing Trust Group for \$2,500,000. There were no additional offers. The CRA is evaluating these offers and will make a recommendation to the CRA Board between the two offers before the end of FY 2017-18.

The CRA is coordinating the City's Hazard Mitigation Grant application for a drainage project between NW 7th Avenue, Redland Road, NW 2nd Street, and Palm Drive. The application was for \$899,000 and the CRA will be matching the grant with \$300,000 in CRA funds. This will provide flood relief in one of the lowest areas of the Community Redevelopment Area.

Plan Consistency

The significant number of development projects that were either completed, under construction or planned, attest to the "bottom line" success of CRA implementation over the past 23 years. The CRA has made excellent progress in implementing a number of the adopted CR Plan Goals during FY 2017-18 including:

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

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

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

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

Several Professional Groups have also located in the CRA. A mixed use project is proposed on North Krome Avenue. A retail/office complex will be built on the corner of Krome and Palm Drive. Other projects underway are a Publix Shopping Center, Waffle House Restaurant, a Choice Flag Hotel, a Sleep Inn Motel, a Hilton Flag Hotel, and a Miami-Dade Fire Rescue Facility. The City has also received offers on its fourteen acre Camper Site on Krome Avenue. The developers are proposing about 1 ten acres of commercial and four acres of market rate multi-family housing on the site.

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

commercial space.

5. Increase the overall attractiveness of the Area through strict code enforcement and special projects and programs such as streetscaping and facade improvements. The CRA has worked closely with the City Code Enforcement Department and the City Public Works Department to address the appearance of the CR Area. The CRA has also utilized the Miami-Dade County Unsafe Structure Board to demolish numerous unsafe and dilapidated structures within the CR Area.

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

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

IV. Tax Base Growth and Proposed Budget

The continuing goal of the CRA is the increase of the property values within the CR Area to the maximum extent possible and to improve the physical quality of life for the businesses and residents of the CR Area, consistent with the adopted Community Redevelopment Plan. The 2018 property tax base of the original CR Area has grown to its present value of \$235 million, an increase of 549% since the CRA's inception in 1995. In 2018, property tax values increased in this portion of the CR Area by \$23.6 million (or 11%) from 2017. The approved FY 2017-18 CRA Annual Budget (see Exhibit A) summarizes the planned financial program for the CRA in the coming year. Total funds available in FY 2018-19 are expected to be \$5,841,496. Of this amount, \$1,222,832 is the annual City increment revenue contribution and \$794,181 is the Miami-Dade County increment revenue contribution. The remainder constitutes \$3,404,483 in carryover funds from FY 2017-18 and projected interest and other income of \$420,000. The carryover funds are dedicated to capital projects over the next three years.

During FY 2009, the CRA, with County approval, added additional blighted parts of the City to the CR Area. The CR Plan was updated to outline the City and CRA plans for these four areas. The additional areas include the Northwest Neighborhood, a small residential area near the Florida City Busway Park and Ride facility, the state-owned Pineland conservation area on West Palm Drive, and an infrastructure deficient agricultural based property south of Palm Drive and west of Krome Avenue. It is not anticipated that these areas will contribute significantly if at all to increment revenue for a number of years. The values in the expansion area had fallen over 44% % during the

2009-2014 period. During 2015 through 2018, the property tax values have begun to rise as reflected by a 7% increase in 2015, a 17.1% increase for 2016 a 13.2% increase in 2017, and a 13% increase in 2018. During FY 2017-18, the CRA will continue investing increment revenue in the Northwest Neighborhood to address the blighted conditions there. This will also be the area where most of the Rebuilding Together and all of the CRA funded housing rehabilitation units will be located.

PROPOSED FY 2017-18 Expenses

Administrative Expenses

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

60% of Executive Director	\$89,906
Employee Fringes (32.5% of Salary)	\$27,197

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

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

2. Indirect Cost Allocation (\$141,202)

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

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

The CRA will be advertising public notices for Requests for Qualifications and for Invitations to Bid for infrastructure and other projects, and publishing other legal notices as required. The CRA is

also paying for amending the City's Comprehensive Plan to implement land use changes proposed in the new CR Plan adopted on 2009. This amendment would not be necessary but for the proposed land use changes in the new CR Plan. The City will also seek an amendment to its CR Plan and this action would require advertising expenditures.

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

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

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

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

6. Other Administrative Expenses (\$1,000)

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.

7. County Administrative Charge (\$11,913)

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	\$59,964
Employee Fringes (32.5% of salary)	\$18,139

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

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

2. Contractual Services (\$714,000)

This line item provides funding for architectural, engineering, and survey professionals for infrastructure and building projects. It also pays for professional services for the changes that are driven by the new CR Plan to the Future Land Use Map. Other costs are for realtor services and required appraisals for the acquisition of foreclosed and abandoned properties. A grant writer may be secured by contract to assist the CRA in obtaining grants. The CRA is also doing an update to the Community Redevelopment Plan and has hired a consultant who began this process for the CRA in FY 2017-18. Also, the CRA is paying for the engineering for a four-part streetscape construction project in the Northwest Neighborhood.

3. Membership and dues (\$3,300)

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 (\$50,000)

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. The CRA will also be paying for the legal cost of an eminent domain action in the CR Area this year

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 (\$850,000)

This CRA will spend \$850,000 for acquisition of dilapidated housing and vacant lots in the “Snake Pit” area and the Northwest Neighborhood, and to pay for demolition of any dilapidated structures. It is not known which parcels will be acquired or demolished. What is acquired will be a function of what comes on the market, what properties complete the foreclosure process and are available, whether a desired property is for sale at a price the CRA is willing to pay, and in many cases, the finalization of probate issues so that an heir can pass a clean title. Properties are also acquired at Tax Deed sales and from the County List of Lands. The properties will be held until the real estate market in the neighborhood improves and the lots will eventually be developed for affordable or market rate housing. The CRA has developed acquisition plans for six sections of the CR Area. The acquisition also includes the high cost of eminent domain on three parcels.

7. Infrastructure Improvements (\$2,224,000)

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

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

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

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

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

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

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

11. Building Construction & Improvements (\$0)

This line item will pay for the cost of any needed repairs or improvements for the Florida Pioneer Museum Building and the repairs that may be needed for the interior of the Depot Building. The Museum building is over 100 years old and unexpected repair expense seems to happen every year. To have funds available, the CRA usually budgets \$10,000 each year to cover that potential need. If funds are needed for this activity during the year, the cost will be taken from contingency.

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

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

13. Acquisition of Tax Certificates (\$10,000)

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

14. Other Operating Expenses (\$1,500)

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

15. Reserve/Contingency (\$1,165,875)

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

V. Future Development Projects and Other Agency Initiatives

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

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

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

This process has worked well for the CRA. During the period from FY's 2003 through 2018, the CRA expended nearly \$2,000,000 in increment revenue to create public infrastructure on US 1, Krome Avenue, East Lucy Street, and Palm Drive as a direct incentive to businesses to locate there. Further, there is still a significant amount of vacant land ready for development that is now served by this same public infrastructure. This investment in public infrastructure will continue to pay great dividends to both the City and County long after the life of the CRA has ended.

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

structures, and assemble future building sites. These actions will address slum and blighting conditions in the CR Area as well as provide for future affordable housing. The CRA is also currently negotiating with several developers for use of CRA owned properties.

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

VI. FY 2018-19 Public Improvements and Assistance to Private Developments

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

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

Florida Pioneer Museum Building Improvements: The Florida Pioneer Museum building is owned by the City and the facility is operated by a non-profit that owns and displays the museum collection. The facility is a jewel that has drawn students and travelers in the past to the heart of the Community Redevelopment Area. The building is over 100 years old and is designated as a historic structure. It is one of the few original Florida East Coast Railroad Buildings that survive. Some of the lap board siding is deteriorating and should be replaced this year. If this is determined to be necessary, the cost will be taken from contingency.

FEC Railroad Depot Building: The Florida East Coast Railroad Depot Building is a faithful reconstruction of the original Florida East Coast Railroad Depot building that served Florida City and Homestead in the early 1900's. It sits immediately behind the Florida Pioneer Museum Building on Krome Avenue. The original depot was destroyed by Hurricane Andrew in 1992 and was reconstructed in 1995. If the building needs major repairs during the year, the cost will be taken from contingency.

NW 1st Street and NW 2nd Street Streetscapes: This is a continuation of the on-going streetscape phases begun in 2010 and the first to be done in the neighborhood between Palm Drive and Davis Parkway. The streetscape will include new street paving, sidewalks, curb and gutters, drainage, parallel parking, and landscaping. The design was completed in and construction began in FY 2017-18. The project was bid out, the bids were opened in September of 2017, and the low bid is \$1,601,563. The project was budgeted for \$1,200,000 in FY 2018-19.

West Lucy Street Commercial Parking: The County will be widening and improving West Lucy Street and the businesses on Lucy Street between NW 5th Ave and NW 5th Court will lose the head-in parking that is now available to them within the existing Lucy Street right of way. To minimize financial damage to these businesses, the CRA is designing a small parking lot on adjacent property to serve these businesses. The land will have to be cleared by demolishing a quad-plex on the site. The anticipated construction cost is \$324,000 in FL 2018-19.

West Lucy Street Expansion: The CRA is coordinating the Miami-Dade County, City of Homestead, and Florida City collaboration of the widening of West Lucy Street. The County has agreed to fund the cost of expanding West Lucy Street to three lanes with curb and gutter, drainage, landscaping and sidewalks between Redland Road and US 1. The City has obtained agreement with several property owners to donate needed right of way, but five other locations will have to be taken by eminent domain. The CRA cost on eminent domain is expected to be \$500,000. The construction plans are nearly complete and it is hoped that construction will begin in late 2019 or early 2020.

NW 7th Avenue, 8th Avenue and 9th Avenue Drainage Project: The area bounded by Redland Road, NW 7th Avenue, Palm Drive and NW 2nd Street is one of the lowest areas in the City. The City applied for a Hazard Mitigation Grant in the amount of \$899,036 to address the drainage issue and to upgrade the infrastructure in the area while the construction is being done. The CRA will coordinate the grant administration and construction and will contribute \$300,000 for the costs that are more related to streetscape than drainage. The project will include new street paving, sidewalks, curb and gutters, drainage, parallel parking, and landscaping.

Other CRA Activities:

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

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

The CRA is the lead City department for a FY 2017-18 State of Florida DEP Wastewater revolving loan to upgrade lift stations and replace some sewer lines within the CRA. The City loan application will be for \$7,985,189 and is due in December, 2018 after the engineering has been completed.

The CRA is also the lead City department for the construction of a culverting system to allow covering part of the Palm Drive Canal. Though the CRA is not contributing to the cost of construction, the canal is in the CR Area. By covering the Palm Drive Canal, Palm Drive can be expanded to the center to provide room for construction of additional traffic lanes. Numerous businesses and property owners want to open commercial and retail establishments in the area, but are limited because of the traffic congestion on East Palm Drive. Projects in the planning stage would over the next ten years bring about \$150,000,000 in new property tax value and create over 500 new jobs. Proposed construction will include a Publix Supermarket with 9 outparcels, two hotels, an urgent care clinic, a bowling alley, a fronton, a restaurant, and an entertainment complex. In addition, approximately 500 new housing units are proposed on the north side of Palm Drive. With the southbound extension of SW 172nd Avenue and the west bound extension on SW 352nd Street to a point of intersection with US 1, additional properties will be accessible for development. Culverting and covering the canal between US 1 and SW 172nd Avenue has been bid out and the low bid was \$5,766,788. The County MPO is contributing \$3,100,000 to assist with construction funding.

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

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

In 2018, the City requested \$400,000 in the form of a Legislative appropriation to pay for part of the cost of the drainage and streetscape project near the intersections of Palm Drive, NW 9th Avenue, and NW 8th Court. This part of the CR Area floods during a major rain event and the CRA is planning a drainage and streetscape project to address flooding and improve the appearance of the area. The total project is estimated to cost \$1,198,715. The appropriation was approved by the Legislature, but vetoed by the Governor. The City plans to apply for the funding again in 2019.

The CRA is also working on an amendment to the existing Community Redevelopment Plan, and work on the amendment began in FY 2017-18. The proposal should be ready to present to the County in FY 2018-19. The last CR Plan amendment was done in 2009.

During FY 2017-18, the City decided to hire a realtor (ComReal, Inc.) to market the City-owned 14 acre Camper Site on Krome Avenue. The City has received two offers, both above the appraised value of \$6,705,000. The Camper Site is within the CR Area. Once an offer is accepted, the CRA will coordinate the contracting and implementation processes for the complicated conveyance.

As part of the widening of West Lucy Street, the City must undertake eminent domain on three parcels that are impacted by the widening project. In its acquisition budget, the CRA has set aside \$650,000 to pay for the cost of the eminent domain actions. After the portion of the taken properties that is needed for right of way has been dedicated, the City will transfer ownership of the parcels to the CRA.

VII. FY 2017-18 Housing Programs

Acquire Property in the CR Areas: \$150,000 is budgeted for the acquisition of dilapidated structures in the Northwest Neighborhood. Funds could also be used for acquisition of

undeveloped scattered parcels for the purpose of site assembly. The Northwest Neighborhood contains some housing units that are unfit for rehabilitation and just should be demolished. The properties will be held until the real estate market improves and they will eventually be developed for affordable or market rate housing. The CRA has completed acquisition plans for the six sections of the CR Area.

Demolish Houses in the CR Area: \$50,000 is budgeted to demolish housing structures in the Northwest Neighborhood that are acquired by the CRA, to demolish under an agreement with a property owner, or that are to be demolished by the CRA based on orders from the County Unsafe Structures Board. There are several housing units in probate, under foreclosure or that have been abandoned which the CRA is planning to acquire for demolition and reuse for affordable housing. The properties will be held until the real estate market improves and they will eventually be developed for affordable or market rate housing. The CRA will also be demolishing a dilapidated structure on Lucy Street and the land will be repurposed for commercial parking.

The CRA has sold ten infill lots to builders who will be building single family and multifamily affordable housing units on those lots. An additional thirteen lots are under contract. The CRA will continue to push for the development of affordable housing on infill lots during FY 2018-19. It is anticipated that the CRA will close on the sale of approximately ten additional infill lots in FY 2018-19.

The CRA will be coordinating one housing rehabilitation and repair program in FY 2018-19. The CRA has begun preparation for another Rebuilding Together-Miami housing rehabilitation program to be begun in 2018-19 and completed in the following year. The CRA has budgeted \$100,000 to pay for part of the materials cost.

The CRA is also working with a developer for the property assemblage known as the Snake Pit. The CRA has spent the last seven years accumulating thirty-two properties in the Snake Pit and there are only four remaining to be purchased. It is anticipated that one hundred and 10 affordable housing units will be constructed at this location.

VIII. Enhanced Public Safety Program

Community Policing Program: The CRA plans to continue implementation of the special public safety program. This program enhances Florida City Police patrols, over and above normal service levels, for CR Area only. The projected cost of this program is \$300,000 for FY 2017-18. This innovative community policing program has been very effective in providing greatly increased police visibility and interaction with CR Area businesses and residents. Business owners in the area

have repeatedly expressed the desire that the program continue and even be strengthened in the future. The CRA Board believes this is one of its most important and necessary programs because it creates a good public safety environment in which quality redevelopment may occur. It also allows our Police department to provide enhanced presence at night to prevent theft in areas where the CRA is paying for infrastructure projects.

IX. Summary

Overall, the CRA has grown at a very healthy rate since 1995, even with the property tax value shrinkage between 2009 and 2014. The CRA has been a very productive catalyst thus far in overall City redevelopment. An effective partnership with Miami-Dade County has greatly assisted the CRA in its mission. This growth stagnation or shrinkage trend seems to have run its course since the value of property within the original CRA and the 2009 expansion area actually increased over the past several years. The CRA remains confident that it can accomplish all the planned activities in FY 2018-19 consistent with the CR Plan.