City Commission/CRA Board Joint Workshop
Item #3: CRA Participation Options for TIF Allocations
August 27, 2015
• **Beach District (293 acres)**
  - Created in 1997
  - Expires in 2027
  - Sherman St – South property line of Westin Diplomat / Intracoastal Waterway to the Atlantic Ocean
  - Baseline Assessed Value in 1997 ~ $545,881,010
TAX INCREMENT FINANCING

• Tax Increment Financing (TIF) is a unique tool available to cities and counties for redevelopment activities.

• TIF is determined by the dollar value of all real property within the boundaries of the Community Redevelopment Area as of a fixed date or “base year”.

• Taxing authorities, who contribute to the tax increment, continue to receive property tax revenues based on the base year value.
  – These base value revenues are available for general government purposes.
TAX INCREMENT FINANCING

• The increase in real property value over the base year is referred to as “increment”.
• The millage rate of each taxing district is then applied to this increment, and revenues to the CRA are calculated and deposited into the Community Redevelopment Agency Trust Fund.
TAX INCREMENT FINANCING

• The CRA receives TIF funds from four (4) taxing authorities:
  • Broward County
  • City of Hollywood
  • Children’s Services Council
  • South Florida Hospital District
TAX INCREMENT FINANCING

Beach CRA Historic Taxable Assessments

- Diplomat Property on tax roll and Broadwalk construction commences
- Broadwalk construction completed
- Garfield parking garage and community center, and Charnow Park completed
- Undergrounding of overhead utilities and streetscape beautification - Phase 1 and Phase 2 completed
Historic Tax Increment Revenue
OPTION 1 - REDIRECTING OF TIF FUNDS (COUNTY TO CITY)
OPTION 1 – REDIRECTING OF TIF FUNDS

ASSUMPTIONS
• BCRA budget provides a slower schedule for capital projects.
• Available TIF funds would be refunded to the four taxing authorities proportionately.
• Inter-local agreement between Broward County, City of Hollywood and Beach CRA to redirect County refunded TIF revenues back to the City for city-wide capital improvement projects.
OPTION 1 – REDIRECTING OF TIF FUNDS

PROS
• Legally permissible.
• No negative impact on current bond coverage.
• Creates an opportunity for Broward County to establish an economic development initiative that would benefit areas outside of the Beach CRA district.

CONS
• Slower implementation of capital projects identified in Beach CRA redevelopment plan.
• Requires commitment and legislation from Broward County to redirect TIF revenues to city for city-wide projects.
• May create an environment of uncertainty for development community.
OPTION 1 – REDIRECTING OF TIF FUNDS

FY 2016 Projected TIF Revenues

- Hospital District: $300,000
- Children's Services Council: $988,686
- Broward County: $11,039,053
- City of Hollywood: $15,062,613
OPTION 1 – REDIRECTING OF TIF FUNDS

FY 2016 Projected Net TIF Revenues

- Hospital District
- Children's Svcs Council
- Broward County
- City of Hollywood

$0
$2,000,000
$4,000,000
$6,000,000
$8,000,000
$10,000,000
$12,000,000
$14,000,000
$16,000,000

- Reimbursements To City For Enhanced Services
- Net TIF Revenues Available For Implementation of Beach CRA Plan

BEACH CRA – OPTIONS FOR TIF ALLOCATIONS

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OPTION 1 – REDIRECTING OF TIF FUNDS

- Combined Net TIF Revenues (County, City, CSC, Hospital District): $22,876,646
- Total Funding Proposed in FY2016 for BCRA Plan Implementation: $17,910,758
- TIF Revenues Available for Refunding: $4,965,887
The $2 million to be made available to Broward County could potentially be redirected to the City for use on city-wide capital projects.
OPTION 2 - REFUNDING OF TIF FUNDS
OPTION 2 – REFUNDING OF TIF FUNDS

ASSUMPTIONS

• BCRA budget provides a slower schedule for capital projects.
• Available TIF funds would be refunded to the four taxing authorities proportionately.
• Taxing authorities would retain refunded monies.
OPTION 2 – REFUNDING OF TIF FUNDS

**PROS**

- Legally permissible.
- No legislative action required by Broward County.

**CONS**

- Slower implementation of capital projects identified in Beach CRA redevelopment plan.
- May create an environment of uncertainty for development community.
OPTION 2 – REFUNDING OF TIF FUNDS

Combined Net TIF Revenues (County, City, CSC, Hospital District) = $22,876,646
Total Funding Proposed in FY2016 for BCRA Plan Implementation = $17,910,758
TIF Revenues Available for Refunding = $4,965,887
OPTION 2 – REFUNDING OF TIF FUNDS

REDISTRIBUTION OF TIF

$2,730,829

$179,292

$54,403

$2,001,363

Broward County

City of Hollywood

Children's Services Counsel

South Broward Hospital District

All four taxing authorities retain the refunded monies.
OPTION 3 - REDUCTION IN TIF REVENUES
OPTION 3 – REDUCTION IN TIF REVENUES

ASSUMPTIONS

• Reduce TIF contributions by the four taxing authorities to the Beach CRA from 95% to 78%

• Florida Statutes Section 163.387(1)(a) allows the percentage of the TIF allocation to be between 50 percent and 90 percent.
OPTION 3 – REDUCTION IN TIF REVENUES

PROS
• Legally permissible.
• No county legislative action required.
• Allows both City and Beach CRA to benefit from future growth in property values.

CONS
• Would result in reduced bond coverage and could negatively impact bond ratings.
• Slower implementation of capital projects identified in Beach CRA redevelopment plan.
• May create an environment of uncertainty for development community.
Note: The TIF contribution from the Broward Hospital District is capped at $300,000 which is less than 78%. As such, no further adjustments to the Hospital District’s TIF contribution is anticipated.
OPTION 4 – REFUND TIF GENERATED BY DIPLOMAT PROPERTY TO FOUR TAXING DISTRICTS
ASSUMPTIONS

• Track value of Diplomat Property and allocate corresponding TIF revenue for redistribution

• Current value of $258 million would result in $3.3 million in property tax revenues available to the four taxing authorities

• Potential inter-local agreement between Broward County, City of Hollywood and Beach CRA to redirect County refunded TIF revenues back to the City for city-wide capital improvement projects.
OPTION 4 – OMIT DIPLOMAT PROPERTY

PROS

• Could create an opportunity for Broward County to establish an economic development initiative that would benefit areas outside of Beach CRA district.

CONS

• More complex with regard to implementation.
OPTION 4 – OMIT DIPLOMAT PROPERTY

TIF Distribution from Diplomat Property
($3.3 million total)

- City of Hollywood: $1,828,536
- Broward County: $1,340,093
- Broward Hospital District: $45,739
- Children's Services Counsel: $119,858

$3.3 million total

GRAPHIC 27 BEACH CRA – OPTIONS FOR TIF ALLOCATIONS
OPTION 5 – ABOLISH THE BEACH CRA
OPTION 5 – ABOLISH THE BEACH CRA

CRA Taxable Assessments

- $0
- $500,000,000
- $1,000,000,000
- $1,500,000,000
- $2,000,000,000
- $2,500,000,000
- $3,000,000,000
- $3,500,000,000
- $4,000,000,000
- $4,500,000,000
- $5,000,000,000

FY97 FY99 FY01 FY03 FY05 FY07 FY09 FY11 FY13 FY15 FY17 FY19 FY21 FY23 FY25 FY27

CRA Taxable Assessments
## OPTION 5 - ABOLISH THE BEACH CRA

<table>
<thead>
<tr>
<th>BEACH CRA FUTURE CAPITAL PROJECTS</th>
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<tbody>
<tr>
<td>Parking Garage</td>
<td>$7,000,000</td>
</tr>
<tr>
<td>Offsite Employee Parking</td>
<td>$6,000,000</td>
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<tr>
<td>Undergrounding Utilities Phase III</td>
<td>$19,000,000</td>
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<tr>
<td>Undergrounding Utilities Phase IV</td>
<td>$27,000,000</td>
</tr>
<tr>
<td>Hollywood Beach Resort Redevelopment Incentive</td>
<td>$18,000,000</td>
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<tr>
<td>Hollywood Blvd Bridge Reconfiguration</td>
<td>$10,000,000</td>
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<tr>
<td>Multi Modal Hub</td>
<td>$2,200,000</td>
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<tr>
<td>A1A Traffic Calming/Undergrounding of Transmission Lines</td>
<td>$14,000,000</td>
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<tr>
<td>Potential Loss of FPL Rebate (If Project Delayed)</td>
<td>$3,000,000</td>
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<tr>
<td>Street Flooding/Drainage</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Linear Dog Park &amp; Public Art Walkway - South of Hollywood Blvd</td>
<td>$2,600,000</td>
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<tr>
<td>Broadwalk Wash &amp; Reseal</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Side-street Wash &amp; Reseal</td>
<td>$1,500,000</td>
</tr>
<tr>
<td><strong>TOTAL COST FOR FUTURE PROJECTS</strong></td>
<td><strong>$116,300,000</strong></td>
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OPTION 5- ABOLISH THE BEACH CRA

Tax Increment from City of Hollywood ($15m)

- Beach Maintenance Operating Costs
- Administrative Staff Wages & Benefits (80%)
- Debt Service
- Enhanced Services to Beach CRA
- Actual TIF Revenues Available for Beach Projects
OPTION 5 – ABOLISH THE BEACH CRA

Erosion and Storm Surge
OPTION 5 – ABOLISH THE BEACH CRA

Broadwalk - BEFORE
OPTION 5 – ABOLISH THE BEACH CRA

Broadwalk - AFTER
OPTION 5 – ABOLISH THE BEACH CRA

Garfield Street - BEFORE
OPTION 5 – ABOLISH THE BEACH CRA

Garfield Street - AFTER
OPTION 5 – ABOLISH THE BEACH CRA

Charnow Park - BEFORE
OPTION 5 – ABOLISH THE BEACH CRA

Charnow Park - AFTER
OPTION 5 – ABOLISH THE BEACH CRA

A1A – CURRENT CONDITIONS
OPTION 5 – ABOLISH THE BEACH CRA

A1A – CURRENT CONDITIONS
OPTION 5 – ABOLISH THE BEACH CRA

A1A – PROPOSED
OPTION 5 – ABOLISH THE BEACH CRA

North

- Water-Taxi Stop
- Sharrow Bike Lanes
- Public/Private Parking
- Future Bus Stop
- B-Cycle
- Relocate Mast Arm

Transit Hub
OPTION 5 – ABOLISH THE BEACH CRA

Johnson Street Intersection prior to Margaritaville
OPTION 5 – ABOLISH THE BEACH CRA

Oklahoma Street – CURRENT CONDITIONS
OPTION 5 – ABOLISH THE BEACH CRA

McKinley Street – CURRENT CONDITIONS
OPTION 5 – ABOLISH THE BEACH CRA

Georgia Street – CURRENT CONDITIONS
OPTION 5 – ABOLISH THE BEACH CRA
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BEACH CRA – OPTIONS FOR TIF ALLOCATIONS
OPTION 5- ABOLISH THE BEACH CRA

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Q & A