

**BOCA RATON
COMMUNITY REDEVELOPMENT AGENCY
ANNUAL REPORT**

Under Florida Statute Chapter 163.356(3)(c)



**DOWNTOWN
BOCA**

**FISCAL YEAR ENDED
September 30, 2015**

**201 WEST PALMETTO PARK ROAD
BOCA RATON, FLORIDA 33432-3730**

(561) 367 – 7070

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March 31, 2016

Boca Raton Community Redevelopment Agency
Palm Beach County Board of Commissioners
Greater Boca Raton Beach and Park District Board of Commissioners
Citizens of the City of Boca Raton and Palm Beach County, Florida

Ladies and Gentlemen:

We are pleased to submit the Annual Report of the Boca Raton Community Redevelopment Agency (BRCRA) for the fiscal year ended September 30, 2015. State law requires that every community redevelopment agency annually file a report of activities for the preceding fiscal year. In addition to meeting this legal requirement, the report provides additional information concerning the benefits afforded by the Agency to other jurisdictions and citizenry in general and allows the reader to gain an understanding of the BRCRA's operations and financial activities.

Respectfully yours,

Leif J. Ahnell, C.P.A., C.G.F.O.
Executive Director

Linda C. Davidson, C.P.A., C.G.F.O.
Financial Services Director, City of Boca Raton

C: George S. Brown, Deputy City Manager
Ruby Childers, AICP, Downtown Manager
Stephen Timberlake, Special Projects Manager
Sharon McGuire, OMB Director

LIST OF PRINCIPAL OFFICIALS

Chairman	Scott Singer
Vice-Chairman	Jeremy Rodgers
Board Commissioner	Susan Haynie
Board Commissioner	Michael Mullaugh
Board Commissioner	Robert S. Weinroth
Executive Director/City Manager	Leif J. Ahnell
Deputy City Manager	George S. Brown
Assistant City Manager	Michael Woika
City Attorney	Diana Grub Frieser
City Clerk	Susan S. Saxton
Financial Services Director	Linda C. Davidson
Downtown Manager	Ruby L. Childers
Special Projects Manager	Stephen Timberlake

Introduction

The Boca Raton Community Redevelopment Agency (BRCRA) was created in 1980 by the City of Boca Raton City Council under Chapter 163, Part III, of the Florida Statutes. The BRCRA is responsible for promoting economic redevelopment in the designated 344-acre Community Redevelopment Area (Exhibit 1 on page 2) in downtown Boca Raton (the “Redevelopment Area” or “Downtown”).

The BRCRA Board of Commissioners was originally comprised of five (5) members appointed by the City Council. This was later increased to seven (7) members in 1984. In February 1991, an initiative referendum replaced the appointed seven (7) members of the BRCRA Board of Commissioners with the five (5) City Council members. The City Council members currently serve as the BRCRA Board of Commissioners and the BRCRA is a dependent special district of the City of Boca Raton.

Under State Statutes and City Ordinances, the BRCRA has substantial powers and authority within the Redevelopment Area. These include the power to make and execute contracts, to acquire and dispose of property, to approve development plans, to implement a program of voluntary or compulsory rehabilitation of buildings, to mortgage its property, to borrow and invest money, and to apply for and accept grants and contributions.

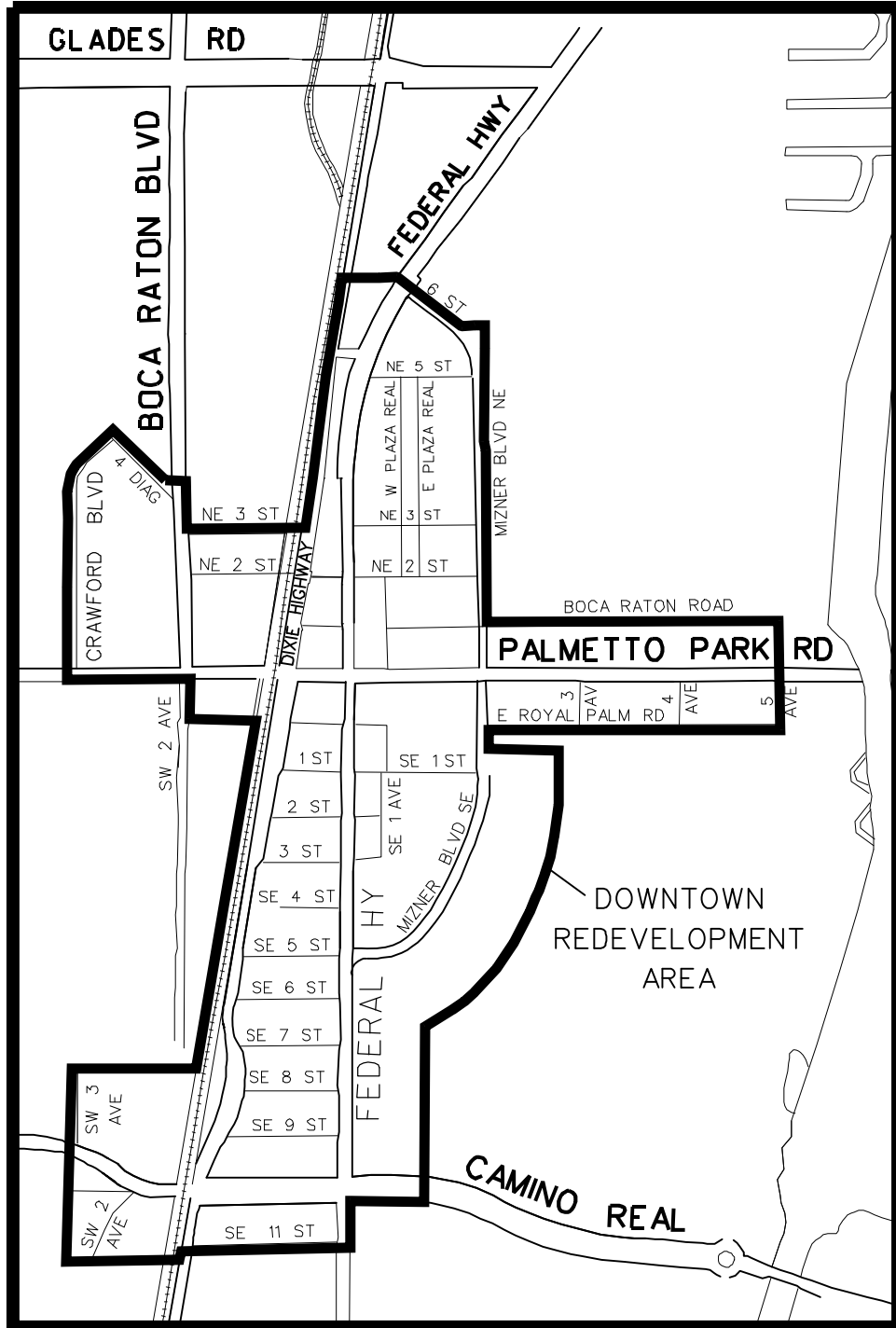
The primary funding source available to the BRCRA is Tax Increment Revenue. Tax Increment Revenue is the increase in ad valorem (property) tax attributed to increases in the assessed value over a “base year” for various jurisdictions in the Redevelopment Area. In the case of the BRCRA, the jurisdictions remitting tax increment are the City of Boca Raton, Palm Beach County and the Greater Boca Raton Beach and Park District.

Tax increment revenues provide a unique financial tool for funding redevelopment activities. Redevelopment activities in turn increase the tax increment through the development of new projects in the Redevelopment Area. Without the redevelopment activities of the BRCRA little, if any, of the tax increment would exist.

In 2015, the BRCRA received 43.7% (\$7.2 million) of the increase in ad valorem revenues over the “base year” in the redevelopment area. An estimated \$7.9 million in ad valorem revenues, attributable to the activities of the BRCRA, continue to go to the original jurisdictions. The largest portion, \$5.9 million, was distributed to the Palm Beach County School District.

Exhibit 1

BOCA RATON COMMUNITY REDEVELOPMENT AREA



History of the BRCRA

After establishing the BRCRA in 1980, the City in 1982 established the Redevelopment Trust Fund and the “base year” for tax increment revenues as well as adopted the 1982 Community Redevelopment Plan. The 1982 plan set up land use controls, transportation and parking concepts and sign guidelines to aid in the achievement of specific redevelopment objectives. The 1982 Plan was largely dependent on private initiatives for the redevelopment of the area. The 1982 Plan produced little redevelopment activity with the exception of Sanborn Square Park and a few beautification improvements. The only major redevelopment project proposed during this time period, the Barbar Project, was defeated by the voters at a referendum in 1984.

The BRCRA reexamined its approach to redevelopment and in 1986 undertook a public initiative to stimulate additional redevelopment in the Downtown by seeking approval of a Downtown Development of Regional Impact (“DDR”) for the entire Redevelopment Area. This process resulted in a new approach to downtown redevelopment based upon:

- developing Mizner Park to give people a reason to go Downtown;
- solving the infrastructure problems in Downtown; and
- eliminating the impediments to redevelopment through the approval process.

The DDR application was completed in January 1988 and a Development Order (Resolution No. 88-28) was approved by the City Council on March 15, 1988. The Development Order allows the construction of approximately 5,000,000 square feet of additional office equivalent development in the Downtown. The City and the BRCRA approved the Visions 90 Capital Improvements Program, a \$45 million dollar capital facilities plan to provide the infrastructure improvements to support this level of Downtown development and to mitigate impacts on the general public.

The Development Order was particularly significant as a result of the Florida Growth Management Act of 1985 as amended (“Growth Management Act”) which imposed considerable restraints on large-scale growth and development. The Development Order approval received by the BRCRA allows large developments in the Downtown to operate under the BRCRA’s Development Order, thereby allowing developers to bypass the expensive and time-consuming Development of Regional Impact (DRI) process.

Pursuant to the Development Order, the Visions 90 Downtown Capital Improvements Program provides a comprehensive set of water, sewer, roads, drainage, and beautification improvements in the Downtown. These improvements provide the Downtown with efficient access to the regional road networks; upgraded water, sewer and drainage facilities; and transform the Downtown streets into attractive tree-lined ways with distinctive sidewalks, street lights, traffic signals and outdoor furniture.

The Visions 90 Downtown Capital Improvements Program is being funded and built by the cooperative efforts of the Florida Department of Transportation, Palm Beach County, City of Boca Raton and special assessments on benefited Downtown Properties paid by downtown property owners. Major completed projects include Federal Highway, Palmetto Park Road, Mizner Boulevard and numerous side streets.

In 1989 the BRCRA, with the assistance of the City of Boca Raton, undertook a major redevelopment project, Mizner Park. The Mizner Park Project involved the issuance of \$68 million dollars in Bonds and the acquisition of the Boca Mall site (30 acres), demolition of the mall and construction of a mixed use “urban village” incorporating public park facilities, mixed-use

development and cultural facilities. Mizner Park opened in January of 1991, giving people a renewed reason to go Downtown.

In September 1992, the City Council amended the Development Order (Ordinance No. 4035) to eliminate costly infrastructure improvements that were determined, based upon a detailed analysis, to be unnecessary to support the continued development of the Downtown. This amendment was subsequently approved by referendum on May 4, 1993.

In January 1995, the Downtown Plan was amended to enable the extension of Plaza Real in Mizner Park to Northeast 2nd Street and to update it to more current standards. Under Chapter 163, Part III, Florida Statutes, the BRCRA and Tax Increment Revenue will continue to exist for 30 years from the latest amendment date or until January 2025.

In September 2000, the BRCRA adopted the Rules of the BRCRA pursuant to the Development Order (Rules). These Rules clarified and documented BRCRA procedures and expanded notice requirements encouraging public input.

In 2006, the Development Order was amended to enable the approval of the Via Mizner Project on the northeast corner of Camino Real and Federal Highway. This amendment was determined to be non-substantial under Section 380.06 (19) Florida Statute.

In August 2007, the City received the Master Plan Update from Urban Design Associates of Pittsburgh, Pennsylvania. The fundamental finding of the Master Plan Update was that the Downtown was a series of successful but separate contained destinations. While these separate destinations (including Mizner Park, Sanborn Square, Plaza Real South, Royal Palm Place, and Camino Real West of Federal Highway) may have pedestrian-scaled environments within them, they are not connected to each other to form a cohesive, pedestrian oriented Downtown. In order to overcome this separateness and create the cohesive, pedestrian oriented Downtown desired by most residents and stakeholders, the Master Plan Update developed a new overall framework for future development.

In February 2008, the City Council adopted the Master Plan Update as the framework for successfully realizing the vision of Downtown Boca Raton and designated the Downtown Boca Raton Advisory Committee as the Steering Committee responsible for providing recommendations on the implementation. Implementation of this framework required additional studies, modifications to both the Downtown Plan and Development Order, and continuing input from both stakeholders in the area and the general public. The resulting implemented regulations will likely guide redevelopment in the Downtown over the next 20 years.

In September 2008, the Development Order was amended updating several transportation conditions in the Development Order. These updates eliminated unnecessary and obsolete traffic improvements and studies from the Development Order. This amendment was determined to be non-substantial under Section 380.06 (19) FLORIDA STATUTE

In November 2008, the Development Order was amended by adding Downtown Quality Development Regulations (DQDR) based on the Downtown Master Plan Update and subsequent work on the Interim Design Guidelines (IDG) and a detailed Pattern Book. The purpose of DQDR is to improve the design of Downtown Development projects resulting in improved articulation of buildings, streets, and public spaces in the Downtown. To achieve this purpose, the DQDR provides for additional building height on a portion of the building footprint, based upon several factors including:

- creation of a continuous, interconnected network of congenial, pedestrian-oriented streets and public spaces throughout the Downtown,

- improved building articulation and building design,
- a reduction in height in other portions of the building or site, and
- no increase in development on the site beyond that which would be approvable on the site prior to this amendment.

In February 2012, the BRCRA passed a resolution to convey to the City of Boca Raton, the Amphitheater at Mizner Park. The City previously purchased the amphitheater in 2011. Upon the authorization of the conveyance, the City now owns both the land and facility and is responsible for programming, maintenance and upkeep.

In September 2012, the BRCRA reviewed and accepted a Notice of Proposed Change (NOPC) to modify a transportation condition and improvement. The amendment to the development order authorized the improvement to the intersection of Palmetto Park Road and Mizner Boulevard by the elimination of turn lanes along Palmetto Park Road

In May 2013, the Development Order was amended by modifying the reporting requirements. Pursuant to Section 380.06, Florida Statutes, the Development of Regional Impact report was changed from annual to biennial. The modification to the Development Order was necessary to comply with the current Florida Statute.

In January 2015, the Development Order was amended by reducing the minimum parcel size requirement from 2.0 to 1.20 acres for certain applications for Downtown Quality Projects. This amendment was determined to be non-substantial under Section 380.06 (19) Florida Statute

In February 2015, the Development Order was amended by modifying a transportation related condition and improvement regarding the removal of the requirements for geometric improvements at the intersection of Camino Real and South Dixie Highway. This amendment was determined to be non-substantial under Section 380.06 (19) Florida Statute.

The Development Order, as amended, and the Rules of the BRCRA are the controlling land use regulations and procedures in Downtown Boca Raton. The BRCRA's approach to redevelopment based on the Development Order, Mizner Park and Visions 90 Downtown Capital Improvements Program has been highly successful in creating redevelopment activity in the Downtown.

In the six years prior to the Development Order, 75,000 square feet of new development was approved and built in the Redevelopment Area. Since approval of the Development Order in March 1988, the BRCRA has approved development applications providing for over 3.5 million square feet of office equivalent development, including Mizner Park. Of this 3.5 million square feet of approved office equivalent development, construction of approximately 2.7 million square feet of office equivalent development has been completed.

2015 BRCRA Activities

The BRCRA has not undertaken a project involving tax increment revenues and financing since the Mizner Park Project. Currently, the BRCRA has an operating fund, a special revenue fund and a debt service fund. The operating fund provides for the day-to-day operation of BRCRA and is currently not funded by any tax increment. The Funds related to the Mizner Park Bonds track and collect the tax increment revenues, Mizner Park lease revenues, payments from the City of Boca Raton, and make the necessary bond payments.

The day-to-day operation of the BRCRA includes the operation of the BRCRA office, administration of the Development Order and the Mizner Park Leases, plan review services and the BRCRA's day-to-day dealings with the public, developers, the City and other governmental agencies. All of this work is performed for the BRCRA by City staff under an interlocal agreement for services between the BRCRA and the City.

2015 was consistent in terms of development with four (4) approvals of IDA's (Individual Development Approval) and 391,995 square feet of building permits and 265,212 square feet of Certificates of Occupancy issued in the Downtown. In addition, during this period, Agency activities were significantly involved in day-to-day operations of existing programs, Downtown special events, and planning activities, in cooperation with the City. Achievements of the BRCRA in 2015 include:

- Continued efforts of the City Downtown Parking Team to monitor public parking inventory and recommend enforcement enhancements and solutions and other related short-term options. The team also began efforts towards long-term Downtown Parking strategies including possible site locations and an RFP for a public parking garage(s). Ongoing evaluation of parking strategies will continue throughout the year.
- Monitored thresholds in the Downtown Development Order regarding infrastructure thresholds issues as they relate to the Transportation element.
- Continued work with the Business Improvement District (BID) Steering Committee to research and analyze a BID as an alternative funding option for Downtown marketing, events and programming, trolley/shuttle system, underground utilities and parking options.
- Coordinated with Mizner Park on preparation of a complete updated parking utilization study and options for resolving parking shortages while they have reached maximum capacities.
- Hired a full time Downtown Marketing Coordinator responsible for all marketing and public relations and outreach to downtown businesses.
- Held two Downtown Marketing Forums, including marketing updates and small business opportunities.
- Completed an RFQ for design and production of new branded street banner program. Over 200 banners were produced anticipated for installation summer 2016.
- Continued enhancements to Downtown Boca website for a fresh and updated look and user-friendly page.
- Held the 5th annual "Meet Me On The Promenade" in Fall 2015 as a branded series of 3 signature downtown events (Brazilian Beat, ArtRagious and CarFest) with sponsorships and community partnerships with tens of thousands of visitors and event goers for the series.
- Continued implementation of initiatives from the Strategic Branding and Marketing Plan branding Downtown Boca as a destination and obtained input from the Downtown Advisory Committee.
- Coordinated with City staff for Amphitheater and City sponsored events, and General Growth Properties for Mizner Park events to ensure consistency of Downtown Boca branding.
- Continued to work with and support the Downtown Advisory Committee on downtown initiatives.
- Assisted the City's Municipal Services Department with a grant from South Florida Regional Transit Authority (SFRTA) to conduct a feasibility study for downtown transit

options; the completion of the study is anticipated in Summer 2016. Results of the study will benefit the efforts of the BID Steering Committee with regard to funding options and the Downtown Parking team with public facility options.

- Consistent with Florida Statute 163, completed the 2nd Biennial Report on the Downtown Development of Regional Impact (previously 23 annual reports were completed).
- Completed the 13th Annual Report to Downtown property owners.
- Completed the 12th Annual Review of the Mizner Park Net Operating Income.
- Completed the Annual Report of the CRA under Chapter 163.356(3)(c) F.S
- Processed two Notice of Proposed Change (NOPC) for the amendment to the DDRI related to Downtown Quality Projects and Transportation improvements both found to be non-substantial deviations amendments per 380.06 Florida Statutes.
- Continued the Agency's practice of meeting with, and receiving input from, all groups in the community concerning the Downtown.

Tax Increment

The Tax Increment is determined annually and is the amount equal to 95 percent of the difference between: (a) the amount of ad valorem taxes levied each year by each taxing authority contributing to the tax increment, exclusive of any debt service millage, on taxable real property contained within the Redevelopment Area; and (b) the amount of ad valorem taxes which would have been produced by the rate at which the tax is levied each year by the taxing authority, exclusive of any debt service millage, upon the total of the assessed value of the taxable real property in the community redevelopment area as shown on the assessment roll used by each taxing authority prior to August 10, 1982, the effective date of the Ordinance creating the Redevelopment Trust Fund. Palm Beach County, the City of Boca Raton and the Greater Boca Raton Beach and Park District currently make Tax Increment payments into the BRCRA's Redevelopment Trust Fund.

The City's operating millage rates have increased from \$3.099 per \$1,000 in 1984 to \$3.4216 per \$1,000 in 2015. The millage for Palm Beach County has increased from \$3.827 per \$1,000 in 1984 to \$4.7815 per \$1,000 in 2015. The Greater Boca Raton Beach and Park District millage rates have been increased from \$0.865 per \$1,000 in 1984 to \$0.9676 per \$1,000 in 2015. The millage rates from 1984 through 2015 are set forth in Exhibit 2 on Page 10.

The taxable value of real property in the redevelopment area has risen dramatically from 1984 through 2015. In 1984 the taxable value of the redevelopment area was \$115.4 million. Comparatively, in 2015 the taxable value of the redevelopment area was \$898 million. Taxable values in the redevelopment area for the fiscal years 1984 through 2015 are set forth in Exhibit 3 on Page 11.

Based upon the above millage rates and the dramatic increase in taxable values the tax increment has gone up significantly during the same period. In 1984 the tax increment was approximately \$328,000. In 2015 the tax increment was \$7.2 million. The tax increment for the redevelopment area for the fiscal years 1984 through 2015 are set forth in Exhibit 4, page 11.

Future Tax Increment increases remain unsure over the next few years because of various factors. These factors include:

- For the second year in a row taxable values rose year over year. Despite the increase, the current valuation is still almost \$172M under the high reached in 2008.
- Approval of the constitutional amendment which provided homesteaded properties with both an increase in the homestead exemption and portability related to Save Our Homes.
- Continuing consideration of various proposals by the Florida Legislature for additional property tax relief such as tax rate cuts, limits on property tax increases and proposals which may affect the future collection of tax increment.
- Construction continues on a number of large residential high rises in downtown. These projects will have a positive impact on the taxable values in the Redevelopment area once they are completed in the coming years.

The ultimate impact of these factors is likely to keep future tax increment amounts increasing by a small percentage annually over the next few years.

Mizner Park Bonds

The Mizner Park Bonds are secured by a pledge of tax increment revenues, lease revenues from Mizner Park and deficiency payments received by the BRCRA pursuant to an interlocal agreement with the City. In the event that the tax increment revenues and the future lease revenues are insufficient to pay the required obligations under the Mizner Park Bonds, the City is required to pay the BRCRA, from Public Service Taxes, an amount equal to any deficit in the amounts required to be on deposit in the sinking fund established under the bond resolution.

As of September 30, 2015 the previous 10 years of Pledged revenue coverage for the Mizner Park Bonds are as follows:

<u>Fiscal Year</u>	<u>Lease Revenue</u>	<u>Tax Increment Revenue</u>	<u>City Contribution</u>	<u>Collections</u>	<u>Debt Service</u>		<u>Coverage by Net Revenue Available for Debt Service</u>
					<u>Principal (1)</u>	<u>Interest</u>	
2006	\$ 1,180,000	\$ 6,146,820		\$ 7,326,820	\$ 4,375,000	\$ 2,002,655	1.15
2007	1,180,000	6,771,200		7,951,200	4,730,000	1,820,555	1.21
2008	1,208,198	6,308,900		7,517,098	4,925,000	1,624,993	1.15
2009	1,300,511	6,750,600		8,051,111	5,130,000	1,416,300	1.23
2010	1,188,119	6,658,892		7,847,011	5,340,000	1,193,760	1.20
2011 ⁽²⁾	1,236,280	8,948,102		10,184,382	5,575,000	956,997	1.56
2012	1,300,374	6,484,150		7,784,524	5,815,000	704,206	1.19
2013	1,240,859	6,574,894		7,815,753	6,075,000	433,644	1.20
2014	1,489,383	6,729,850		8,219,233	6,355,000	146,959	1.26
2015	1,561,772	7,183,269		8,745,041	2,987,363	3,668,737	1.31

(1) In October, 1998, the Boca Raton Community Redevelopment Agency Tax Increment Revenue Refunding Bonds, Series 1998 (Mizner Park Project) was used to refinance the CRA's Tax Increment Revenue Bond, Series 1992.

(2) In 2011 unused Tax Increment was released from escrow to begin repayment to City's General Fund.

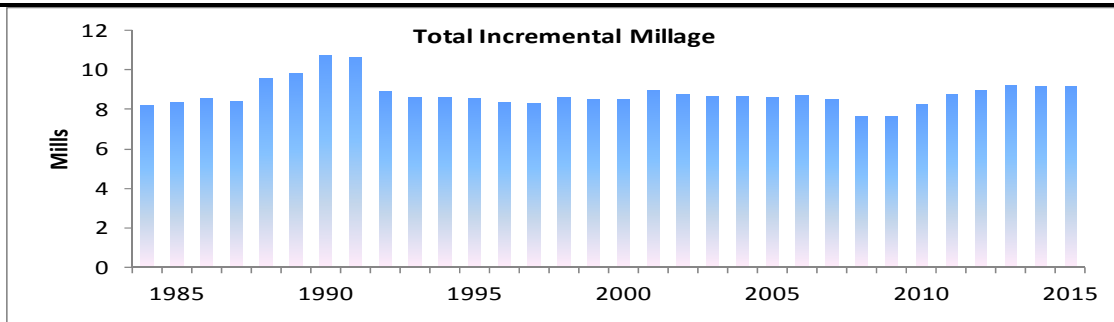
As of September 30, 2015 the outstanding Mizner Park Bond debt service requirements are as follows:

Mizner Park Tax Increment Bonds			
Fiscal Year Ending	Principal¹	Interest	Total
2016	\$2,815,486	\$3,804,514	\$6,620,000
2017	2,670,706	3,949,294	6,620,000
2018	2,542,014	4,077,986	6,620,000
2019	<u>2,449,599</u>	<u>4,170,501</u>	<u>\$6,620,100</u>
Total	\$10,477,805	\$16,002,295	\$26,480,100

¹The total amount outstanding is \$20,210,339 made up of the principal amount \$10,477,805 plus \$10,732,534 of accreted interest on Capital Appreciation Bonds.

Exhibit 2
BOCA RATON COMMUNITY REDEVELOPMENT AGENCY
OPERATING MILLAGE RATES IN REDEVELOPMENT AREA

Year	City of Boca Raton	Palm Beach County	Greater Beach & Park District	PBC Health Care District	Children's Services Council	Total	Percentage Change
1984 ¹	3.0990	3.8270	0.8650	0.3800		8.1710	
1985	3.1480	3.8350	0.8650	0.5350		8.3830	2.6%
1986	2.9330	4.1950	0.8650	0.5350		8.5280	1.7%
1987	2.7350	4.3430	0.8650	0.4990		8.4420	-1.0%
1988	2.9460	4.4440	1.0900	0.9900	0.0920	9.5620	13.3%
1989	3.1220	4.7500	1.0710	0.6800	0.1540	9.7770	2.2%
1990	3.5180	4.6520	1.0710	1.2500	0.1930	10.6840	9.3%
1991 ²	3.5420	4.6000	1.0550	1.2500	0.2240	10.6710	-0.1%
1992 ³	3.3580	4.3310	1.0000		0.2220	8.9110	-16.5%
1993	3.3580	4.3180	0.9160			8.5920	-3.6%
1994	3.3390	4.3280	0.9150			8.5820	-0.1%
1995	3.3460	4.2930	0.9100			8.5490	-0.4%
1996	3.2480	4.2180	0.8870			8.3530	-2.3%
1997	3.1850	4.2360	0.8740			8.2950	-0.7%
1998	3.1270	4.6000	0.8590			8.5860	3.5%
1999	3.0280	4.6000	0.8350			8.4630	-1.4%
2000	3.0000	4.6000	0.9000			8.5000	0.4%
2001	3.1500	4.6000	1.2000			8.9500	5.3%
2002	3.1500	4.5500	1.1000			8.8000	-1.7%
2003	3.1500	4.5000	1.0360			8.6860	-1.3%
2004	3.1500	4.5000	1.0360			8.6860	0.0%
2005	3.1500	4.5000	0.9700			8.6200	-0.8%
2006	3.3600	4.4500	0.9310			8.7410	1.4%
2007	3.3000	4.2800	0.8939			8.4739	-3.1%
2008	3.0200	3.7811	0.8527			7.6538	-9.7%
2009	3.0200	3.7811	0.8140			7.6151	-0.5%
2010	3.0200	4.3440	0.9015			8.2655	8.5%
2011	3.0200	4.7500	0.9889			8.7589	6.0%
2012	3.1500	4.7815	1.0086			8.9401	2.1%
2013	3.4100	4.7815	0.9986			9.1901	2.8%
2014	3.4216	4.7815	0.9676			9.1707	-0.2%
2015	3.4216	4.7815	0.9676			9.1707	0.0%



- (1) First year in which the Tax Increment was collected.
- (2) After FY 1991, Tax Increment millage rates do not include any millage from the PBC Health Care District.
- (3) After FY 1992, Tax Increment millage rates do not include any millage from the Children's Services.

Source: BRCRA Records.

Exhibit 3
BOCA RATON COMMUNITY REDEVELOPMENT AGENCY
DOWNTOWN ASSESSED (TAXABLE) VALUES
(Millions of dollars)

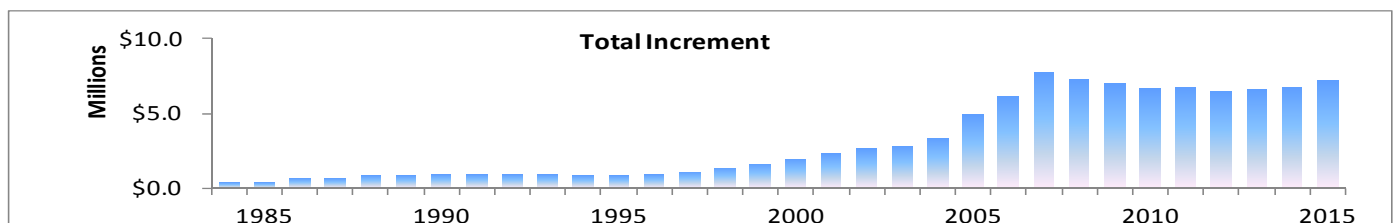
Fiscal Year Ending September 30	Taxable Value	Frozen Base	Incremental Value	% Chg in Vlaue
1984	\$115.40	73.76	\$41.60	
1985	120.30	73.76	46.50	11.8%
1986	154.90	73.76	81.10	74.4%
1987	155.90	73.76	82.10	1.2%
1988	161.00	73.76	87.20	6.2%
1989	163.70	73.76	89.90	3.1%
1990	162.80	73.76	89.00	-1.0%
1991	160.70	73.76	86.90	-2.4%
1992	179.00	73.76	105.20	21.1%
1993	177.40	73.76	103.60	-1.5%
1994	176.40	73.76	102.60	-1.0%
1995	173.90	73.76	100.10	-2.4%
1996	186.20	73.76	112.40	12.3%
1997	209.60	73.76	135.80	20.8%
1998	231.90	73.76	158.10	16.4%
1999	267.80	73.76	194.00	22.7%
2000	316.90	73.76	243.10	25.3%
2001	346.20	73.76	272.40	12.1%
2002	391.00	73.76	317.20	16.4%
2003	409.10	73.76	335.30	5.7%
2004	476.10	73.76	402.30	20.0%
2005	673.40	73.76	599.60	49.0%
2006	813.90	73.76	740.10	23.4%
2007	1,034.00	73.76	960.20	29.7%
2008	1,069.50	73.76	989.70	3.1%
2009	1,044.60	73.76	970.80	-1.9%
2010	921.80	73.76	848.00	-12.6%
2011	888.80	73.76	815.04	-3.9%
2012	837.25	73.76	763.49	-6.3%
2013	826.85	73.76	753.09	-1.4%
2014	846.23	73.76	772.47	2.6%
2015	898.27	73.76	824.51	6.7%

Source: BRCRA Records

Exhibit 4

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY TAX INCREMENT

Fiscal Year Ending September 30	Taxable Value	Frozen Base	Incremental Value	% Chg in Vlaue
1984	\$115.40	73.76	\$41.60	
1985	120.30	73.76	46.50	11.8%
1986	154.90	73.76	81.10	74.4%
1987	155.90	73.76	82.10	1.2%
1988	161.00	73.76	87.20	6.2%
1989	163.70	73.76	89.90	3.1%
1990	162.80	73.76	89.00	-1.0%
1991	160.70	73.76	86.90	-2.4%
1992	179.00	73.76	105.20	21.1%
1993	177.40	73.76	103.60	-1.5%
1994	176.40	73.76	102.60	-1.0%
1995	173.90	73.76	100.10	-2.4%
1996	186.20	73.76	112.40	12.3%
1997	209.60	73.76	135.80	20.8%
1998	231.90	73.76	158.10	16.4%
1999	267.80	73.76	194.00	22.7%
2000	316.90	73.76	243.10	25.3%
2001	346.20	73.76	272.40	12.1%
2002	391.00	73.76	317.20	16.4%
2003	409.10	73.76	335.30	5.7%
2004	476.10	73.76	402.30	20.0%
2005	673.40	73.76	599.60	49.0%
2006	813.90	73.76	740.10	23.4%
2007	1,034.00	73.76	960.20	29.7%
2008	1,069.50	73.76	989.70	3.1%
2009	1,044.60	73.76	970.80	-1.9%
2010	921.80	73.76	848.00	-12.6%
2011	888.80	73.76	815.04	-3.9%
2012	837.25	73.76	763.49	-6.3%
2013	826.85	73.76	753.09	-1.4%
2014	846.23	73.76	772.47	2.6%
2015	898.27	73.76	824.51	6.7%



- (1) First year in which the Tax Increment was collected.
- (2) After FY 1991, Tax Increment receipts do not include any payments from the PBC Health Care District.
- (3) After FY 1992, Tax Increment receipts do not include any payments from the Health Care District or the Children's Service Council.
- (4) Tax Increment is reflected in the financial statements as follows:
 2007 \$6,308,900 in revenue and \$959,046 placed in escrow pursuant to F.S. 163.387(7)(c)
 2008 \$6,308,900 in revenue and \$934,589 placed in escrow pursuant to F.S. 163.387(7)(c)
 2009 \$6,750,600 in revenue and \$272,523 placed in escrow pursuant to F.S. 163.387(7)(c)
 2011 \$6,781,844 in revenue and \$2,166,158 recognized in revenue from prior years escrows

Source: BRCRA Records

During the 1991 Legislative Session, the Florida State Legislature passed legislation exempting the Palm Beach County Health Care District (District) from tax increment payments to the BRCRA. Subsequently, this legislation became law and has resulted in the loss of approximately \$8.7 million in tax increment since 1991, and will continue to adversely affect the BRCRA in future years. At closing on the original financing, approximately 17.5% of all future tax increment revenues were expected from the District.

In the 1992 Legislative Session, the Florida State Legislature passed legislation exempting the Palm Beach County Children's Services Council from tax increment payments to the BRCRA in Fiscal Year 1993. This has resulted in the loss of approximately \$4.8 million in tax increment revenue since 1993. At closing, approximately 2.3% of all future tax increment revenues were expected from the Children's Services Council.

The percentage of the total tax increment paid by the 10 largest taxpayers has fallen from 58.5% in 1998 to 48.9% in 2014. Exhibit 5 below details the 10 largest taxpayers in the redevelopment area based upon the January 1, 2014 taxable values of their taxable property.

Exhibit 5
BOCA RATON COMMUNITY REDEVELOPMENT AGENCY
TOP 10 TAXPAYERS

<u>Taxpayer</u>	<u>Property</u>	<u>Taxable Values</u>	Approximate Amount of Tax Increment ¹	Approximate Percentage of Tax Increment
1 James H. & Marta Batmasian	Shopping Ctr/Real Estate	\$113,642,243	\$903,768	13.43%
2 General Growth Partners	Mizner Park Comm. Bldgs.	111,000,000	882,755	13.12%
3 El Ad on the Green/Camino Real LLC	Residential Development	80,000,225	636,222	9.45%
4 GLL BVK Properties LP	Office Buildings	19,940,000	158,578	2.36%
5 150 East Palmetto LLC	Office Building	19,725,003	156,868	2.33%
6 Archstone Palmetto Park LLC	Residential Development	19,000,000	151,102	2.25%
7 Palmetto Park at Federal LLC	Office Bldgs/Real	16,423,861	130,615	1.94%
8 Boca Raton Florida Investment LP	Office Buildings	15,000,000	119,291	1.77%
9 Camino Investments Holdings LTD	Office Buildings	10,500,000	83,504	1.24%
10 Via Mizner Associates	Office Bldgs/Real	<u>8,528,539</u>	<u>67,825</u>	1.01%
Total:		\$413,759,871	\$3,290,528	48.90%

(1) The approximate amount of tax increment is calculated as the taxes paid by the property owner to jurisdictions contributing to the tax increment multiplied by the share of taxes paid by the contributing jurisdiction to the BRCRA.

Source: Tax Collector, Palm Beach County, 2014 tax roll

A portion of the Mizner Park property is leased to a private developer who has constructed commercial and residential facilities. The lease is a ground lease with contingency rent increases based upon net operating income over the life of the lease. The lease has a term of 99 years and requires minimum fixed future rentals of \$1,180,000 in 2016, 2017 and 2018, increasing to \$1,442,500 in 2019 and 2020, and \$122,693,364 in total thereafter, plus contingent rentals. Contingent rentals are the difference between the minimum fixed amount and 15% of the tenant's net operating income as defined in each lease agreement. In fiscal year 2015 rental income amounted to \$1,561,772 including \$381,772 in contingent rentals.

The ability of the tenant to pay the BRCRA the lease revenues is dependent upon their ability to sublease the commercial facilities constructed thereon and such other guarantees contracted by the BRCRA. The BRCRA has an unsubordinated claim on the buildings constructed under the leases prior to the mortgage holder. All portions of the project have been constructed.

Management monitors the collection of pledged revenues to comply with the bond resolution. Tax increment and lease revenue payments of contingent rentals from the developer began in 2001 and are available for debt service. Management cannot presently make a reliable estimate of future contingent rentals. If lease rental and tax increment revenues are not sufficient for debt service, the City's pledge of the Public Service Tax would be required to be used for the repayment of the debt service.

Tax increment revenues and lease payments have not been sufficient to make all necessary debt service payments and the City has made deficiency payments in the following years and amounts:

<u>Year</u>	<u>Amount</u>
1997	\$ 231,200
1998	659,400
1999	-
2000	692,100
2001	993,100
2002	998,100
2003	1,356,600
2004	1,837,900
2005	<u>961,100</u>
Total	<u>\$7,729,500</u>

Management believes that there is a low risk of future deficiencies in tax increment and lease revenues that will require the use of the City's Public Service Tax revenues. However, if any combination of changes in property values, millage rates, Lease Revenues or statutory changes decrease pledged revenues by more than 17%, then additional deficiency payments may become necessary.

Funds Advanced by the City of Boca Raton

The City of Boca Raton has advanced substantial funds to the BRCRA based upon interlocal agreements in order to cover a number of unforeseen events which have occurred with respect to the redevelopment program. Among these events were:

- Florida State Legislative action reducing the tax increment through the exclusion of the Palm Beach County Health Care District in 1991;
- Florida State Legislative action reducing the tax increment through the exclusion of the Children's Services Council in 1992;

- The significant reduction in taxable values in the redevelopment area brought about by the recession of the early 1990's and the savings and loan crisis; and
- Higher than expected Mizner Park Operating expenses.

As a result of these events in the past, there have not been sufficient revenues from the tax increment and Mizner Park leases to pay all of the Mizner Park debt service, maintain Mizner Park and the BRCRA operation. To address these issues, BRCRA and the City have entered into two (2) interlocal agreements. Under the first of these interlocal agreements, the City funds the debt service deficiency from Public Service Taxes. Under the second agreement, the City provides the resources necessary to continue the BRCRA operation through a combination of operating transfers to the BRCRA, the provision of services (accounting, legal, engineering, etc.) and maintenance of Mizner Park. As of September 30, 2015 the estimated outstanding amount of these transfers, deficiency payments and services was:

Transfers for BRCRA Operations	\$712,200
Services Provided	8,788,605
Mizner Park Maintenance	12,444,445
Interest related to the above	5,457,279
Mizner Park Bond deficiency payments and debt service transfers	7,729,500
Total Repayments	(12,000,000)
Total	<u><u>\$23,132,029</u></u>

Under the terms of the interlocal agreements the BRCRA must repay the above amounts when future revenues become available. For FY 2010 through FY 2015 the CRA repaid the City \$12.0 million in total for Mizner Park deficiency payments and debt service transfers. This includes a payment of \$2.0 million in 2015. An additional \$3.0 million is budgeted for repayment in FY 2015-16.

Challenges Facing the BRCRA

While the BRCRA's approach to redevelopment based on the Development Order, Mizner Park and the Visions 90 Downtown Capital Improvements Program have been highly successful in creating an environment in Downtown which has led to substantial redevelopment and dramatic increases in taxable values and tax increment, the BRCRA area continues to have major challenges.

Among these challenges are:

- Traffic throughout South Florida is a growing problem. The BRCRA, with multiple regional thoroughfares passing through the area, is similarly being impacted. Increased traffic is not only affecting the Downtown, but also the surrounding neighborhoods;
- Improving the design of Downtown buildings;
- Continued implementation of branding and marketing strategies Downtown with limited funding;
- Coordinating and funding of downtown events;
- Introducing mass transit and alternative transportation modes in the Downtown; and
- Repaying the Mizner Park debt and moneys advanced from the City of Boca Raton.

Achieving these goals will require the continued cooperation and support of all interested parties and jurisdictions and will benefit not only the Downtown and the City of Boca Raton but the entire County.

Schedule of Deposits and Withdrawals

Pursuant to Florida Statute 163.387, listed below is a summary of the sources and amounts of deposits to, and the purpose and amounts of withdrawals from, the Boca Raton Community Redevelopment Agency Funds (BRCRA) for the fiscal year ended September 30, 2015

Since the issuance of the Mizner Park Bonds in 1989 tax increment revenues have only been used to repay debt service related to those bonds. All other BRCRA activities have been funded from other sources.

	<u>Deposits</u>	<u>Withdrawals</u>
Source of deposits:		
Tax increment revenues	\$ 7,183,269	
Lease revenues	1,561,772	
Investment income	48,052	
Other	2,285,452	
Purpose of withdrawals:		
Debt service – principal		\$ 2,987,363
Debt service – interest		3,668,737
Salaries and benefits		426,424
Professional services		170,157
Advertising		1,798
Reimbursement for services		2,000,000
Other contractual services		959
IT Technology		12,400
Insurance premiums		9,394
Supplies		15,534
Dues and subscriptions		1,439
Miscellaneous		77,217
	<u>\$ 11,078,545</u>	<u>\$ 9,371,421</u>

Financial Statements

Within the context of financial reporting, the BRCRA is considered a blended component unit of the City of Boca Raton (City) and is therefore included in the City's annual financial audit. The financial statements included herein are unaudited statements of the BRCRA. Audited statements are included in the City of Boca Raton's Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended September 30, 2015 and may be obtained in the Financial Services Department located at 201 West Palmetto Park Road, Boca Raton, Florida or online at <http://www.ci.boca-raton.fl.us/city/fin/pdf/cafr14.pdf>.

The BRCRA's Financial Statements are made up of three funds:

Boca Raton Community Redevelopment Agency Operating Fund - The Operating Fund provides for the Agency's day-to-day operations through the use of City staff from the Development Services and Financial Services Departments. This includes the Agency office, all general administration, plan review services and the BRCRA's day-to-day dealings with the public, developers, the City and other governmental agencies.

Boca Raton Community Redevelopment Agency Mizner Park Special Revenue Fund - The Mizner Park Revenue Fund is provided for and controlled by the bond covenants on the refinanced Mizner Park Bonds. All tax increment revenues and Mizner Park lease revenues are placed in this fund as they are received by the BRCRA. Moneys from this fund are then transferred as needed, based upon the bond covenants, to the Boca Raton Community Redevelopment Agency Debt Service Fund. If there are moneys left over after making all of the required transfers to the Debt Service Fund during the bond year, those monies may be used for any other lawful purpose.

Boca Raton Community Redevelopment Agency Debt Service Fund - The Debt Service Fund is provided for and controlled by the bond covenants on the refinanced Mizner Park Bonds. This Fund receives the transfers from the Mizner Park Revenue Fund and holds the moneys until they are used for debt service on the next bond payment date. In the event that the transfer from the Mizner Park Revenue Fund is insufficient to meet bond covenants, then the City of Boca Raton must make a payment into the Mizner Park Debt Service Fund. Moneys in this fund pay principal and interest on the Mizner Park Bond Issue and related administrative fees.

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015
(Unaudited)

	<u># 410</u> <u>CRA</u> <u>Operating</u>	<u># 412</u> <u>Mizner Park</u> <u>Revenue Fund</u>	<u># 413</u> <u>Mizner</u> <u>Debt Service</u>	<u># 415</u> <u>Mizner Park</u> <u>Lease Fund</u>	<u>Total</u> <u>CRA Mizner Rev</u> <u>Funds</u>
ASSETS					
Cash and cash equivalents	\$ 1,086,923	\$ 1,121,021	\$ 3,574,978		\$ 5,782,922
Investments	1,632,259	451,662	283,622		2,367,543
Receivables, net:					
Accounts receivable		13,023,846			13,023,846
Lease revenues				\$ 13,023,846	13,023,846
Interest	1,995	795	1,245		4,035
Total assets	<u>2,721,177</u>	<u>14,597,324</u>	<u>3,859,845</u>	<u>13,023,846</u>	<u>34,202,192</u>
Deferred Outflows:					
Total assets and deferred outflows	<u>\$ 2,721,177</u>	<u>\$ 14,597,324</u>	<u>\$ 3,859,845</u>	<u>\$ 13,023,846</u>	<u>\$ 34,202,192</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION					
Liabilities:					
Accounts payable and accrued liabilities	\$ 45,019				\$ 45,019
Performance bonds and escrow funds	52,880				52,880
Total liabilities	<u>97,899</u>				<u>97,899</u>
Deferred Inflows:					
Unavailable revenue		\$ 13,023,846		\$ 13,023,846	26,047,692
Total deferred inflows		<u>13,023,846</u>		<u>13,023,846</u>	<u>26,047,692</u>
Fund balances:					
Restricted for:					
Debt service			\$ 3,859,845		3,859,845
Downtown	2,620,211	1,573,478			4,193,689
Parking	3,067				3,067
Total net position	<u>2,623,278</u>	<u>1,573,478</u>	<u>3,859,845</u>		<u>8,056,601</u>
Total liabilities, deferred inflows and net position	<u>\$ 2,721,177</u>	<u>\$ 14,597,324</u>	<u>\$ 3,859,845</u>	<u>\$ 13,023,846</u>	<u>\$ 34,202,192</u>

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015
(Unaudited)

	<u>Community Redevelopment Agency Operating Fund</u>	<u>Community Redevelopment Agency Mizner Park Special Revenue Fund</u>	<u>Community Redevelopment Agency Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes		\$ 7,183,269		\$ 7,183,269
Charges for services	\$ 2,285,452	1,561,772		3,847,224
Investment earnings (loss)	17,101	15,999	\$ 14,952	48,052
Total revenues	<u>2,302,553</u>	<u>8,761,040</u>	<u>14,952</u>	<u>11,078,545</u>
EXPENDITURES				
Current:				
Community development	715,321	2,000,000		2,715,321
Debt service:				
Principal			2,987,363	2,987,363
Interest			3,668,737	3,668,737
Total expenditures	<u>715,321</u>	<u>2,000,000</u>	<u>6,656,100</u>	<u>9,371,421</u>
Excess (deficiency) of revenues over expenditures	<u>1,587,232</u>	<u>6,761,040</u>	<u>(6,641,148)</u>	<u>1,707,124</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		100,000	6,601,100	6,701,100
Transfers out	(100,000)	(6,601,100)		(6,701,100)
Net change in net position	1,487,232	259,940	(40,048)	1,707,124
Net position - beginning	<u>1,136,046</u>	<u>1,313,538</u>	<u>3,899,893</u>	<u>6,349,477</u>
Net position - ending	<u>\$ 2,623,278</u>	<u>\$ 1,573,478</u>	<u>\$ 3,859,845</u>	<u>\$ 8,056,601</u>

**COMMUNITY REDEVELOPMENT AGENCY OPERATING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015
(Unaudited)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Charges for services	\$ 1,651,100	\$ 1,651,100	\$ 2,285,452	\$ 634,352
Investment earnings (loss)	10,000	10,000	17,101	7,101
Miscellaneous				
Total revenues	<u>1,661,100</u>	<u>1,661,100</u>	<u>2,302,553</u>	<u>641,453</u>
EXPENDITURES				
Community development	<u>1,315,700</u>	<u>1,469,000</u>	715,321	(753,679)
Total expenditures	<u>1,315,700</u>	<u>1,469,000</u>	<u>715,321</u>	<u>(753,679)</u>
Excess (deficiency) of revenues over expenditures	<u>345,400</u>	<u>192,100</u>	<u>1,587,232</u>	<u>1,395,132</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	
Net change in net position	\$ <u>245,400</u>	\$ <u>92,100</u>	1,487,232	\$ <u>1,395,132</u>
Net position - beginning			<u>1,136,046</u>	
Net position - ending			\$ <u>2,623,278</u>	

CITY OF BOCA RATON, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY- MIZNER PARK REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015
(Unaudited)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Taxes	\$ 7,193,300	\$ 7,193,300	\$ 7,183,269	\$ (10,031)
Charges for services	1,180,000	1,180,000	1,561,772	381,772
Investment earnings (loss)	<u>20,000</u>	<u>20,000</u>	15,999	<u>(4,001)</u>
Total revenues	<u>8,393,300</u>	<u>8,393,300</u>	<u>8,761,040</u>	<u>367,740</u>
EXPENDITURES				
Community development	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	
Total expenditures	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	
Excess (deficiency) of revenues over expenditures	<u>6,393,300</u>	<u>6,393,300</u>	<u>6,761,040</u>	<u>367,740</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	100,000	
Transfers out	<u>(6,601,100)</u>	<u>(6,601,100)</u>	<u>(6,601,100)</u>	
Total other financing sources (uses)	<u>(6,501,100)</u>	<u>(6,501,100)</u>	<u>(6,501,100)</u>	
Net change in net position	<u>\$ (107,800)</u>	<u>\$ (107,800)</u>	<u>259,940</u>	<u>\$ 367,740</u>
Net position - beginning			<u>1,313,538</u>	
Net position - ending			<u>\$ 1,573,478</u>	

**COMMUNITY REDEVELOPMENT AGENCY DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015
(Unaudited)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Investment earnings (loss)	\$ 15,000	\$ 15,000	\$ 14,952	\$ (48)
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>14,952</u>	<u>(48)</u>
EXPENDITURES				
Debt service:				
Principal	2,987,400	2,987,400	2,987,363	37
Interest	3,672,600	3,672,600	3,668,737	3,863
Total expenditures	<u>6,660,000</u>	<u>6,660,000</u>	<u>6,656,100</u>	<u>3,900</u>
Excess (deficiency) of revenues over expenditures	<u>(6,645,000)</u>	<u>(6,645,000)</u>	<u>(6,641,148)</u>	<u>3,852</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>6,601,100</u>	<u>6,601,100</u>	<u>6,601,100</u>	
Total other financing sources (uses)	<u>6,601,100</u>	<u>6,601,100</u>	<u>6,601,100</u>	
Net change in net position	\$ <u>(43,900)</u>	\$ <u>(43,900)</u>	(40,048)	\$ <u>3,852</u>
Net position - beginning			<u>3,899,893</u>	
Net position - ending			\$ <u>3,859,845</u>	