



RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY

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MEMORANDUM

TO: Honorable Chair and Members, CRA Board of Commissioners
City of Riviera Beach, Florida

FROM:  Tony T. Brown
Executive Director, CRA

DATE: May 23, 2016

SUBJECT: Request to Create a Public-Public Partnership between the City of Riviera Beach and the Riviera Beach CRA for Program Sponsorships over a Three (3) Year Period - Q&A Document

The Agency requests the Board of Commissioners to approve an Interlocal Agreement between the CRA and The City of Riviera Beach for Program Initiatives. The multi-year funding commitment allows the Agency to continue program initiatives started before the onset of its Marina Village responsibilities.

What are the Marina Village responsibilities and why do you need City funding?

- The Agency assumed responsibilities for the Marina upland operations in 2014. Between now and FY 2018, we expect to lose over \$4 million operating the Marina enterprise. The City's funding allows us to maintain Program initiatives pending the attraction of private leases.

RBCRA Enterprise Operations - Summary			
	2016	2017	2018
SOURCES			
Marina Operations			
Marina Event Center			
Total MEC Sources (Subsidy)	(134,055)	(15,956)	(18,094)
Upland Marina Operations			
Net Ground Lease Revenues (Loss)	(1,339,668)	(1,360,218)	(1,315,437)
Total Marina Revenues (Loss)	(1,473,723)	(1,376,174)	(1,333,531)

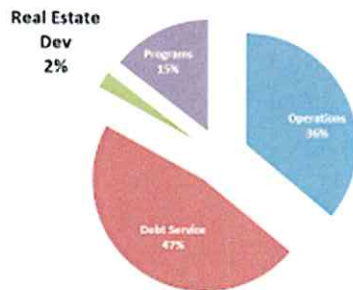
CITY INTER-LOCAL PAYMENTS					
FY 2016 - FY 2018					
CITY PAYMENTS	BUDGET (12-MONTH TOTAL)	FY 2016 REVISED	FY 2017 PROJECTED	FY 2018 PROJECTED	
CITY-CRA PROGRAM SPONSORSHIPS					
Clean & Safe	\$ 360,711	\$ 500,000	\$ 550,000	\$ 550,000	
Loan Fund	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	
Neighborhood Services	\$ 150,000	\$ 141,607	\$ 150,000	\$ 150,000	
Special Events	\$ 250,000	\$ 100,000	\$ 100,000	\$ 100,000	
Other					
Total Program Sponsorships	\$ 1,260,711	\$ 1,241,607	\$ 1,300,000	\$ 1,300,000	

What's the impact to the CRA budget if funding is denied?

- By law, we are required to present and manage to a balanced budget. If funding is denied, we will need to present a Budget Amendment. The FY 2016 Budget was sent under separate cover and is attached as background to this memo.

Total Expenses (pp. 9-11)

Total Uses: FY 2016 (\$8,294,680)



- Reflects restructuring of debt owed to City:
 - Zero percent interest for Ocean Mall; repayment begins after Wachovia debt repaid (2022)
- Total Operations expense reduced by 1.3% over prior year's plan
 - Personnel expenses account for 53% of Operations at \$2.9 million (p.9); increase of 4.6% with two unfilled FTEs
 - Professional Services (Exhibit B) account for 21% of Operations Expense

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City Council directed the City Manager to provide up to \$3 million in funding to the CRA. Is this a request for more money?

No. This amount falls in line with the City's current budget approval and reflect the amounts agreed to. The City offered to fund a variety of expenses as opposed to reversing the Marina Upland Lease which was used by the City to borrow \$22 million for roads & infrastructure. The Program Sponsorship Interlocal is the last item that requires CRA Board approval. As City Council, you are scheduled to review and approve the Marina Operations Facility and Event Center June 1st.

CITY INTER-LOCAL PAYMENTS				
FY 2016 - FY 2018				
CITY PAYMENTS	BUDGET (12-MONTH TOTAL)	FY 2016 REVISED	FY 2017 PROJECTED	FY 2018 PROJECTED
PUBLIC IMPROVEMENT REIMBURSEMENT	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
MARINA ENTERPRISE				
Marina Ops Facility Lease	\$ 44,819	\$ 44,819	\$ 46,164	\$ 47,548
Marina Ops Facility CAM	\$ 24,820	\$ 12,410	\$ 25,565	\$ 26,332
Promenade/Dock CAM	\$ 124,396	\$ 62,198	\$ 128,128	\$ 131,972
Bicentennial Park CAM	\$ 369,025	\$ 184,513	\$ 380,096	\$ 391,499
Event Center CAM - City	\$ 189,584	\$ 94,792	\$ 195,272	\$ 201,130
Total City CAM - Assigned	\$ 752,644	\$ 398,732	\$ 775,223	\$ 798,480
Event Center CAM - Private	\$ 73,572	\$ 36,786	\$ 75,779	\$ 78,053
Uplands CAM - Private	\$ 229,750	\$ 114,875	\$ 236,643	\$ 243,742
Total Private Sector CAM	\$ 303,322	\$ 151,661	\$ 312,422	\$ 321,794
Amount Paid by Private Sector	\$ -	\$ -	\$ -	\$ 151,449
Amount Paid by City	\$ 303,322	\$ 151,661	\$ 312,422	\$ 170,345
Total City CAM - Assigned & Subsidized	\$ 1,055,966	\$ 550,393	\$ 1,087,645	\$ 968,825
MARINA CONSTRUCTION				
Marina Operations Move (Storage Tank)	\$ 183,323	\$ 237,000	\$ -	\$ -
Avenue C Change Order		\$ 471,000	\$ -	\$ -
Total Marina Construction Contingency	\$ 183,323	\$ 708,000	\$ -	\$ -
CITY-CRA PROGRAM SPONSORSHIPS				
Clean & Safe	\$ 360,711	\$ 500,000	\$ 550,000	\$ 550,000
Loan Fund	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Neighborhood Services	\$ 150,000	\$ 141,607	\$ 150,000	\$ 150,000
Special Events	\$ 250,000	\$ 100,000	\$ 100,000	\$ 100,000
Other				
Total Program Sponsorships	\$ 1,260,711	\$ 1,241,607	\$ 1,300,000	\$ 1,300,000
TOTAL CITY PAYMENTS	\$ 3,000,000	\$ 3,000,000	\$ 2,887,645	\$ 2,768,825
Variance to Base Year Threshold (\$3MM)	\$ -	\$ -	\$ (112,355)	\$ (118,820)
			-3.75%	-4.11%

Justify expenditures for the Clean & Safe Program; and advise what would happen if funding is denied or cut.

Riviera Beach Ambassador Program: \$500,000

If funding is cut, we would eliminate the program and/or reduce personnel. Eleven (11) Ambassadors (FTE) account for 46% of total CRA employees (24); and represent 32% of personnel expenses (salaries & benefits).

- The Agency's FY 2016 Budget for the Ambassador Program is \$730,697. The City's funding covers sixty-eight percent (68%) of the Program's costs in FY 2016.
- The Ambassadors of the Clean and Safe Team are making a visible difference in Riviera Beach, working in the neighborhoods, along major thoroughfares and at the Ocean Mall and Marina District.
- In FY 2015, the Agency's Clean & Safe Program was recognized by the Florida Chapter of the American Planning Association with an "Award of Excellence for Best Practices."



CLEAN & SAFE
2016 FY Service Metrics:
October 1, 2016 through April 30, 2016

- Over 15,019 passengers carried on the Marina Shuttle
- Over 13,650 pounds of trash collected
- 2,683 Requests for Information
- 2,087 Business Contacts
- Handled 71 Incidents
- Handed out 2683 Brochures
- Responded to 258 Requests for Service
- Pressures washed over 104 Blocks in the CRA, mostly the Flat Bridge and all of Riviera Beach Heights
- Distributed 257 SmartWater Kits in Riviera Beach Heights

Justify expenditures for the Riviera Beach Small Business Loan Program; and advise what would happen if funding is denied or cut.

Riviera Beach Small Business Program: \$500,000

If funding is cut, it would eliminate a major funding source to finance tenant improvements for the 2-Story Restaurant in the Event Center. The inability to complete the restaurant space and provide tenant improvements would impact \$2.6 million of potential subtenant lease income over an 8 year period. The Riviera Beach Small Business Loan Fund agreement is attached as background to this memo.

- The loans are targeted to establish businesses and tenants at Marina village, the Ocean Mall, and along the Broadway and Blue Heron Corridors.
- The Agency pledged an investment of \$2,500,000 over 5 years, with the additional possibility of match funds to create a \$5 million Small Business Loan Fund (“Loan Fund”) to be administered by Neighborhood Lending Partners, Inc. (“NLP”). The City’s funding will cover the Agency’s match for FY 2016 – 2018.
- The FY 2016 funding will be used to finance tenant improvements for the tenant operating in the 2-story restaurant space.

Why NLP?

Neighborhood Lending Partners, Inc. (“NLP”) is a 22-year old lending consortium comprised of over 30 banks. NLP is a non-profit 501(c)3 serving the state of Florida through three affiliates in North Florida, South Florida and West Florida. NLP has been a certified CDFI since 1996. Total assets amounted to over \$26.8 million; and the organization has made over \$450 million in loans in 28 Florida counties.

Local CDFIs:

In 2012, the Agency asked two local CDFIs (Paragon and Center for Enterprise Opportunity (CEO) if they were seeking federal match funds for their loan programs and, if so, if they would create a loan fund for Riviera Beach. Both responded with requests for operating support to provide technical assistance to Riviera Beach Businesses. The Agency has a history of financial support to both organizations.

- **Paragon Florida** provided technical assistance for the Small Business Loan Fund. They have processed 69 inquiries (74% Riviera Beach businesses).
- **CEO** has been supported with commitment letters (\$500,000) for match funds in 2011; and in 2010 the Agency paid for a consultant to help them complete an application to the Dept. of Treasury (CDFI Fund) for Technical Assistance money.

Justify expenditures for the RBCDC Property Acquisition Fund; and advise what would happen if funding is denied or cut.

Riviera Beach CDC Property Acquisition Fund: \$141, 607

The CDC would lack funds to acquire property outside of the CRA boundaries. Further, the Board should advise if the CRA should eliminate its Neighborhood Services function: two employees that account for \$217,000 in salaries and benefits.

- The Agency is requesting up to \$141,607 to allow the Riviera Beach CDC to buy properties outside the boundaries of the CRA to effectuate improvements in the City's low income neighborhoods.
- Created by the Riviera Beach CRA in 2012, the goal of the RBCDC is to improve and redevelop neighborhoods in the city of Riviera Beach.
- The CRA is positioning the RBCDC to become one of Palm Beach County's premier non-profit developers.
- The Agency will administer the Property Acquisition Fund through a Management Agreement with the RBCDC.
- Secured \$1.5 million in grants and loans to build five homes – currently under construction



Justify expenditures for the Special Events Fund; and advise what would happen if funding is denied or cut.

Marina and Beach Park Special Events Fund: \$100,000

The budget for cultural programming would be reduced and affect plans for the CRA to generate foot traffic for waterside and upland vendors/tenants.

- There is an increasing recognition of the importance of the urban experience to attract visitors, and Riviera Beach is in an excellent position to capitalize on this opportunity.
- Cultural programming will be key to leverage Riviera Beach's network of facilities and attractions and the Agency will use up to \$100,000 from the City to present cultural events at the Marina and Beach Park. The city's funding will be matched by the CRA to create a \$200,000 Special Events Fund
- The Agency will recommend that the national promotional firm AEG Live is hired to provide programming.
- AEG Live responded to a competitive RFP process and provides entertainment for Sunfest.

