

FY 2023 Budget Status CRA Fund

Charlotte County Commission
September 21, 2022
(Updated for March 21, 2023 Joint Meeting)



Punta Gorda

PG CRA 101

- Established in 1989 as a mechanism to carry out the goals and objectives of the Downtown Redevelopment Plan and Eastside & Downtown Planning Study
- Focused redevelopment efforts on projects to rebuild public spaces
- Efforts were concentrated on several expansive projects which stressed the importance of maintaining public waterfront, alleviating parking issues and helped to re-establish the critical mass of structures and economic activity within the downtown area & adjacent neighborhoods.



PG CRA 101

Projects completed in the CRA Fund:

- Streetscape, Wayfinding, and various other infrastructure projects
- Laishley Park and Marina
- Contribution to Charlotte County Event Center
- Herald Court Centre parking structure



CRA Extension

July 2012, the CRA Board and City Council, in partnership with Charlotte County, recognized that the declining taxable values could not support the repayment schedule of existing debt on the projects

- The 3 governing bodies approved the extension of the life of the CRA until December 31, 2030 so that City could refinance the outstanding debt to better match the reduced TIF revenues
- TIF revenue received would only go towards the refinanced debt and if debt was paid off at an earlier time then the CRA would sunset at that point.



CRA Extension

Changes to debt service

- FY 2018 – Tax Cut & Jobs Act, reduced the corporate tax rate to 21% (from 35%); resulted in increased interest cost over the remaining life of the loan by \$454,000
- FY 2020 – Refinanced note at lower interest rate with all same terms and conditions; resulted in interest savings over the remaining life of the loan of \$615,0000
- 9/30/22 TIF reserve balance for debt service is \$3,564,919



CRA Fund

Debt Service Division

Accounting Structure

Tax Increment Financing to Repay Debt on Improvements

- County and City Ad Valorem revenue generated above the taxable base of \$80.6 M in CRA district remains with district – known as TIF revenue
- District was extended until December 2030 and debt restructured to match revenues with debt service
- Excess funds are accumulated in a reserve that is to be used to cover annual debt payments, if there is a shortfall, or to retire debt early



CRA Fund

Debt Service Division

Assumptions

Revenues

- FY 2023 – 7/11/2022 certified value – 10.8% increase in taxable value of CRA District
- Millage rate for County estimates remained the same 6.3007
- Millage rate for City estimates remained the same 3.9500
- FY 2024-2027 – Estimated 2% increases in revenue

Expenditures

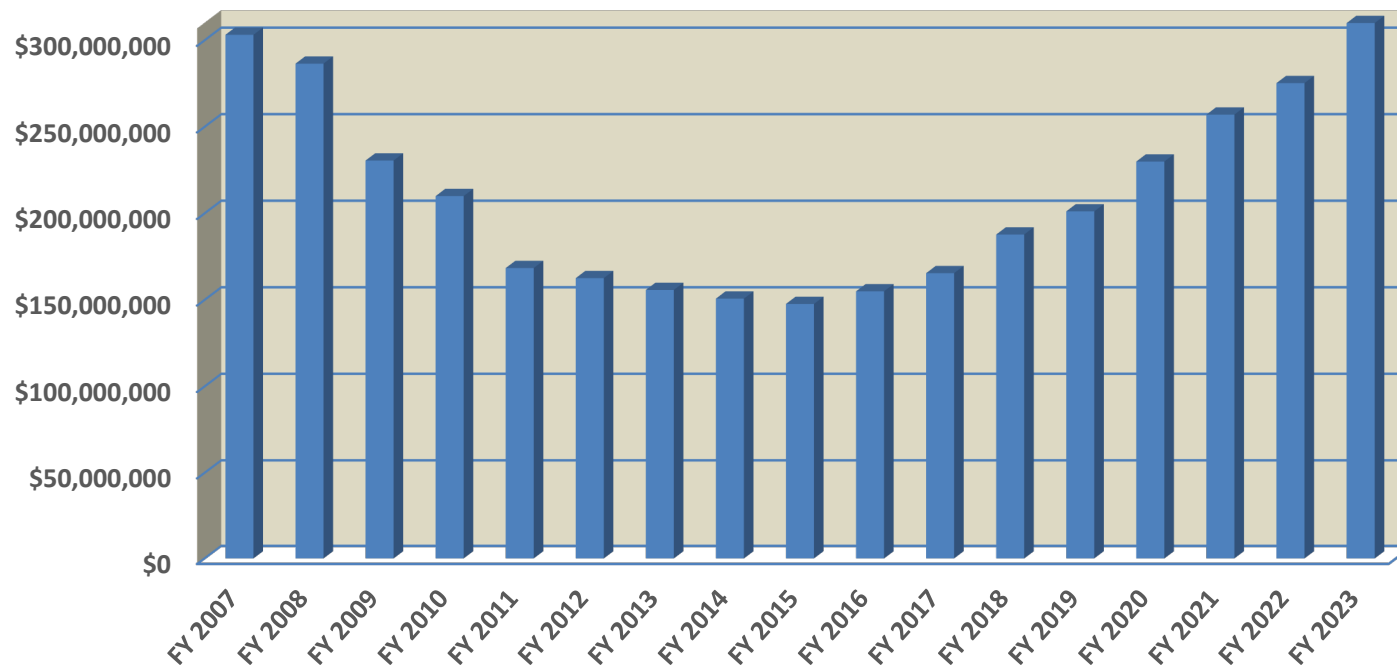
- Debt service per schedule –
 - Refinanced note (FY 2020) resulted in interest savings over the remaining life of the loan of \$615,000



CRA Fund

History of Taxable Value Increment

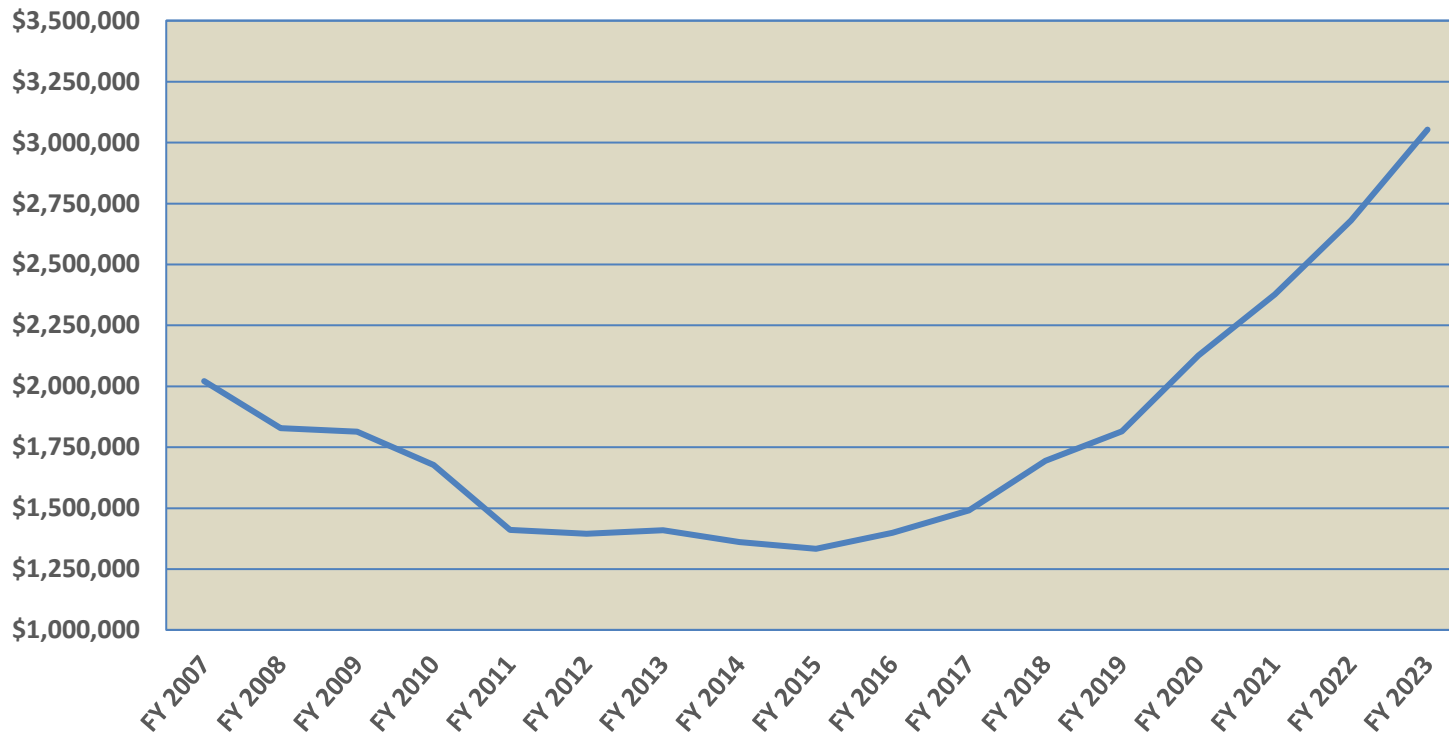
Taxable Value Increment (net of \$80.6 M base)



CRA Fund

History of TIF Revenue

Tax Incremental Finance Revenue (TIF)



CRA Fund

Balance of Current Debt Schedule and Update regarding final millage rate

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
07/01/2020		38,193.02	38,193.02	
09/30/2020				38,193.02
01/01/2021	1,295,000	109,122.90	1,404,122.90	
07/01/2021		97,597.40	97,597.40	
09/30/2021				1,501,720.30
01/01/2022	1,361,000	97,597.40	1,458,597.40	
07/01/2022		85,484.50	85,484.50	
09/30/2022				1,544,081.90
01/01/2023	1,426,000	85,484.50	1,511,484.50	
07/01/2023		72,793.10	72,793.10	
09/30/2023				1,584,277.60
01/01/2024	1,494,000	72,793.10	1,566,793.10	
07/01/2024		59,496.50	59,496.50	
09/30/2024				1,626,289.60
01/01/2025	1,561,000	59,496.50	1,620,496.50	
07/01/2025		45,603.60	45,603.60	
09/30/2025				1,666,100.10
01/01/2026	1,632,000	45,603.60	1,677,603.60	
07/01/2026		31,078.80	31,078.80	
09/30/2026				1,708,682.40
01/01/2027	1,707,000	31,078.80	1,738,078.80	
07/01/2027		15,886.50	15,886.50	
09/30/2027				1,753,965.30
01/01/2028	1,785,000	15,886.50	1,800,886.50	
09/30/2028				1,800,886.50
	12,261,000	963,196.72	13,224,196.72	13,224,196.72

- If millage rates remain the same with a similar increase in CRA taxable values for FY 2024, debt could be fully paid in FY 2024, allowing sunset of district
- If changes in millage rates or decreases in CRA taxable values, debt may still be fully paid in FY 2025

CRA Fund

Debt Service Division

Proforma

	Budget FY 2023	Proforma FY 2024	Proforma FY 2025	Proforma FY 2026	Proforma FY 2027
Charlotte Co. Tax Increment	\$ 1,876,700	\$ 1,914,235	\$ 1,952,520	\$ 1,991,570	\$ 2,031,400
Punta Gorda Tax Increment	1,176,535	1,200,065	1,224,065	1,248,545	1,273,515
TOTAL REVENUES	\$ 3,053,235	\$ 3,114,300	\$ 3,176,585	\$ 3,240,115	\$ 3,304,915
DEBT SERVICE PAYMENTS	\$ 1,584,280	\$ 1,626,290	\$ 1,666,100	\$ 1,708,680	\$ 1,753,965
Beg. TIF Reserve for Debt Svc	\$ 3,564,919	\$ 5,033,874	\$ 6,521,884	\$ 8,032,369	\$ 9,563,804
End. TIF Reserve for Debt Svc	\$ 5,033,874	\$ 6,521,884	\$ 8,032,369	\$ 9,563,804	\$ 11,114,754



CRA Fund

Debt Service Division

Proforma

(Updated for October valuation and County adopted millage rate)

	Actual FY 2023	Proforma FY 2024	Proforma FY 2025	Proforma FY 2026	Proforma FY 2027
Charlotte Co. Tax Increment	\$ 1,844,119	\$ 1,881,000	\$ 1,918,620	\$ 1,956,995	\$ 1,996,135
Punta Gorda Tax Increment	1,180,844	1,204,460	1,228,550	1,253,120	1,278,180
TOTAL REVENUES	\$ 3,024,963	\$ 3,085,460	\$ 3,147,170	\$ 3,210,115	\$ 3,274,315
DEBT SERVICE PAYMENTS	\$ 1,584,278	\$ 1,626,290	\$ 1,666,100	\$ 1,708,680	\$ 1,753,965
Beg. TIF Reserve for Debt Svc	\$ 3,564,919	\$ 5,005,604	\$ 6,464,774	\$ 7,945,844	\$ 9,447,279
End. TIF Reserve for Debt Svc	\$ 5,005,604	\$ 6,464,774	\$ 7,945,844	\$ 9,447,279	\$ 10,967,629



CRA Fund

Herald Court Operations Division Accounting Structure

Herald Court Centre Operations and Maintenance

- Operations and maintenance of parking structure
- Maintenance of public facilities and tenant common areas
- Revenue sources: leases and common area maintenance fees



CRA Fund

Herald Court Operations Division

Assumptions

- Revenues – Assumes City use of FGCU units FY 2022-2024 and one unit vacancy FY 2025-2027
- Operating expenditures - FY 2023 per requests; FY 2024-2027 3% est. increase in operating expenditures except insurance est. increase of 5%; FY 2023 includes \$200,000 toward required sealant to prevent water intrusion into units
- Estimated schedule of annual maintenance for garage funded by CRA reserves through FY 2027 - Average of \$91,700



CRA Fund

Herald Court Operations Division

Proforma

	Budget FY 2023	Proforma FY 2024	Proforma FY 2025	Proforma FY 2026	Proforma FY 2027
TOTAL REVENUES	\$ 255,190	\$ 260,895	\$ 282,755	\$ 289,875	\$ 296,825
TOTAL EXPENDITURES	\$ 394,540	\$ 201,405	\$ 208,520	\$ 215,905	\$ 223,560
Beg. Reserves Taxes, R&R, and Operat	\$ 334,666	\$ 195,316	\$ 254,806	\$ 329,041	\$ 403,011
End. Reserves Taxes, R&R, and Operat	\$ 195,316	\$ 254,806	\$ 329,041	\$ 403,011	\$ 476,276



CRA Fund

Operations Division

Accounting Structure

CRA Operations and Maintenance of Improvements

- Operations and maintenance of improvements provided by the CRA District
- Capital renewal or replacements related to existing CRA improvements
- Revenue sources: CRA land leases, Trabue Woods loan repayment, interest income



CRA Fund

Operations Division – FY 2021/2022 Projects Renewal & Replacement of Infrastructure

- \$275,000 for Fountain/Playground renewal and replacement
 - Added to other funding sources for project total of \$1,145,325
- \$179,950 funding for replacement wayfinding signage
 - Project nearing completion



CRA Fund

Operations Division - Assumptions for Renewal & Replacement of Infrastructure

- \$60,000 annually for fountain maintenance; may be reduced in FY 2023 if fountain maintenance can be completed by City staff
- No funding for Laishley Park and Marina facilities at this time
- Schedule for maintenance for Herald Court Centre facilities, including sealant to prevent water intrusion into units in FY 2023. Average \$91,700 per year
- Can sustain operations at this level through FY 2027



CRA Fund

Operations Division

Proforma

	Proposed FY 2023	Proforma FY 2024	Proforma FY 2025	Proforma FY 2026	Proforma FY 2027
TOTAL REVENUES	\$ 136,075	\$ 140,150	\$ 144,235	\$ 148,335	\$ 140,575
TOTAL EXPENDITURES	\$ 326,500	\$ 111,000	\$ 94,000	\$ 112,000	\$ 94,000
Beg. Operating Reserve	\$ 253,887	\$ 63,462	\$ 92,612	\$ 142,847	\$ 179,182
End. Operating Reserve	\$ 63,462	\$ 92,612	\$ 142,847	\$ 179,182	\$ 225,757

