

#### IV. FINANCIAL FEASIBILITY

A significant benefit of any Community Redevelopment Agency (CRA) is the ability to manage future incremental ad valorem tax revenues within the CRA Area from both County and City sources. Following the first year of the CRA (base year), 95% of ad valorem taxes collected annually on the incremental growth in property values since the base year are returned to the CRA by eligible authorities including, but not limited to, Indian River County and the City of Sebastian for use in implementing the approved Community Redevelopment Master Plan. This increment, which has been collected since 2000, will be supplemented in 2004 to include the Sebastian Boulevard Triangle Area.

Tax Increment Financing (TIF) revenues can be combined with other funding sources such as grants to help finance initial projects prioritized by the Redevelopment Plan. After three to four years of positive tax base growth -- which the City has already experienced -- the incremental tax revenues of the CRA Area should also be "bondable". This enables the Agency to receive a large up-front infusion of funds to implement public and public/private projects designed to "grow" the tax base and repay the bonds with future tax revenues.

This section will use past TIF revenues and annual property value growth trends to provide estimated projections of incremental tax base growth in the Sebastian CRA and resulting tax revenues that may be received by the Agency. Other potential revenue sources will also be discussed to complete the ten-year CRA revenue picture.

Fulfilling the vision of the Sebastian Community Redevelopment Plan is contingent upon the ability to obtain funds to finance the public improvements and revitalization program. A combination of potential funding mechanisms has been identified to realize the vision of the plan.

*Redevelopment Trust Fund:* Subsequent to the approval of the original Redevelopment Plan, the Sebastian City Council established and approved the fund by ordinance in order to allocate future tax increments to the fund. This fund will be supplemented in 2004 by the addition of the Sebastian Boulevard Triangle Area to the CRA.

**A. Tax Increment Revenues**

The tables below show the annual taxable and assessed value for the Sebastian CRA Area over the past five years, as well as for the Sebastian Boulevard Triangle Area.

**Sebastian CRA -- Tax Increment Financing Revenue Projections  
Taxable Value Growth, 1998-2003**

Year	Indian River Co. Taxable Value	Annual % Growth	City of Sebastian Taxable Value	Annual % Growth	Existing CRA Area Taxable Value** ***	Annual % Growth	
1998	\$6,420,215,433	--	\$441,507,089	--	not available	--	
1999	\$6,995,096,857	8.95%	\$484,360,012	9.71%	not available	--	
2000	\$7,440,896,735	6.37%	\$507,026,049	4.68%	\$45,834,920	--	
2001	\$8,541,205,140	14.79%	\$584,427,432	15.27%	\$58,263,740	27.12%	
2002	\$9,500,891,213	11.24%	\$623,616,811	6.71%	\$58,844,190	1.00%	
2003*	\$10,705,869,127	12.68%	\$700,797,392	12.38%	\$66,174,320	12.46%	
<b>Growth, 1998-2003</b>		<b>40.03%</b>	<b>Growth, 1998-2003</b>		<b>37.00%</b>	<b>Growth, 2000-2003</b>	<b>44.38%</b>

Source: Indian River County, City of Sebastian, 2003.

Note: Proposed CRA taxable value not available for 2001. CRA area growth percentage based on 1996-2000.

\* Estimated.

\*\* Sebastian Boulevard CRA Expansion Area not included in total.

\*\*\* CRA base year (1994) taxable value = \$34,959,870.

**Sebastian Boulevard CRA Expansion Area  
Taxable Value Growth, 1998-2003**

Year	Indian River Co. Taxable Value	Annual % Growth
2000	\$4,978,630	--
2001	\$5,433,040	9.13%
2002	\$5,929,680	9.14%
2003*	\$6,463,351	9.00%
<b>Growth, 2000-2003</b>		<b>29.82%</b>

Source: Indian River County, City of Sebastian, 2003.

\* Projected (data not available as of September 15, 2003).

As indicated in the tables above, the CRA grew more than 27% between 2000 and 2001. This is likely due to new development within the CRA. Taxable value grew only 1% the following year before leveling off at 12.5% growth rate. Growth within the Sebastian Boulevard Triangle Area has been more predictable, with a 9% annual growth rate between 2000 and 2003 (estimated).

In order to project future tax increment revenues that may be available to the CRA Area, an overall tax base growth rate will be assumed based primarily on historical growth. A conservative growth rate of 10% is assumed for the existing CRA, which was originally adopted in 1995. A growth rate of 9% is maintained for the Sebastian Boulevard Triangle Area, maintaining the annual growth rate over the past several years.

The table below presents the projected annual incremental growth in CRA Area tax base as well as estimated City and County revenues available to the CRA Area through year 2013. The projected increment value is actual for years 2000 through 2002, estimated for 2003, and projected for years 2004 through 2013, including the Sebastian Boulevard Triangle Area beginning in 2004.

### Sebastian CRA Revenue Projections

Year	Projected Increment Value**	County Tax Revenues***	City Tax Revenues****	Total Tax Revenues
2000	\$10,875,050	\$42,373	\$51,656	\$94,029
2001	\$23,303,870	\$89,664	\$101,625	\$191,289
2002	\$23,884,320	\$87,877	\$104,157	\$192,033
2003	\$31,214,450	\$114,846	\$136,122	\$250,968
2004*	\$38,413,583.59	\$141,333	\$167,517	\$308,850
2005	\$46,326,813.52	\$170,448	\$202,026	\$372,474
2006	\$55,025,025.90	\$202,451	\$239,958	\$442,409
2007	\$64,586,148.32	\$237,629	\$281,652	\$519,281
2008	\$75,095,849.78	\$276,297	\$327,484	\$603,781
2009	\$86,648,310.19	\$318,801	\$377,863	\$696,664
2010	\$99,347,066.44	\$365,523	\$433,241	\$798,764
2011	\$113,305,942.60	\$416,881	\$494,114	\$910,995
2012	\$128,650,072.65	\$473,336	\$561,028	\$1,034,364
2013	\$145,517,024.93	\$535,394	\$634,582	\$1,169,977

Source: Indian River County, City of Sebastian, Iler Planning Group, 2003.

Note: 2000-2003 data are actual/estimated taxable values and revenues.

- \* Assumes CRA boundaries amended to include Sebastian Boulevard Expansion Area and 2003 millage rates
- \*\* 1994 CRA Base Year taxable value = \$34.96 million. Incremental taxable values shown based on taxable value of 9% for Sebastian Boulevard Expansion Area, and 10% for remaining CRA.
- \*\*\* Revenues reduced by 5%. Estimates based on County millage of 3.8729.
- \*\*\*\* Revenues reduced by 5%. Estimates based on City millage of 4.5904.

## B. Capital Improvements Program

Estimated capital improvements costs for CRA projects are depicted in the following table. It should be noted that the cost figures are for long-range planning and may vary considerably based on specific project details at time of construction.

Sebastian CRA – Capital Improvements Implementation Timeframe / Cost Estimates				
Improvement	Priority	Timeframe	Cost Estimate*	Comments
<b>Park District Improvements</b>				
<i>Streetscape Improvements:</i>				
Curb and Gutter Installation	High	5 years	\$169,000	
Stormwater System	--	--	\$901,000	
Pedestrian and Roadway Lighting	--	--	\$687,000	
Street Trees	--	--	\$380,000	
Street Furniture	--	--	\$228,000	
Reconfig. Boat Parking	--	--	\$231,000	
New Sidestreet Parking	--	--	\$554,000	
Specialty Paving at Intersections	--	--	\$304,000	
Sidewalk	--	--	\$389,000	
Buried Utilities	--	--	\$1,599,000	\$1 million per mile
Pocket Parks	--	--	\$69,000	6 @ \$10000 EA
Earthwork & Sodding	--	--	\$334,000	
<i>Upgrades and Renovations to Park:</i>				
Participatory Fountain	High	3 years	\$575,000	
Restroom	--	--	\$230,000	
Pavilions	--	--	\$35,000	
Pedestrian Connection to Sebastian Square	--	--	\$115,000	
Installation of New Parking	--	--	\$125,000	
<b>Sebastian Boulevard Mixed-Use District</b>				
<i>Gateway Treatment:</i>				
Architectural Features and/or Flags	High	3 years	\$460,000	2 @ \$200,000 EA
Signature Landscaping	--	--	Included	
Specialty Lighting	--	--	Included	
Fountain at Conceptual New Lake	--	--	\$17,000	
Modification of Existing Lake to Create Park	Medium	10 years	\$633,000	
<i>Sebastian Boulevard Streetscape:</i>				
Double Rows of large Shade Trees	High	7 years	\$358,000	
10-Foot Wide Pedestrian/Bikeway	--	--	\$323,000	
Pedestrian and Roadway Lighting	--	--	\$1,052,000	
Earthwork & Sodding	--	--	\$323,000	
Street Furniture	--	--	\$217,000	
Specialty Paving at Key Intersections	--	--	\$212,000	
Traffic Roundabout Connecting Triangle to South Wimbrow	Medium	10+ years	\$161,000	
<b>US-1 Commercial District</b>				
<i>US-1 Streetscape:</i>				
Large Specimen Medjool Date Palms	Medium	8 years	\$506,000	\$5000 per Date Palm
Decorative Lighting in Median	--	--	\$207,000	
Washington Palms along Roadside	--	--	\$421,000	
Pedestrian-Scale Lighting along Roadside	--	--	\$959,000	
Buried Utilities	--	--	\$2,415,000	\$1 million per mile
Gateway Features	High	3 years	\$480,000	2 @ \$200,000 EA
Development of Stormwater Park (Feasibility Study)	High	2 years	\$115,000	
Infill Commercial Development (Feasibility/Design Study)	Medium	10+ years	\$58,000	
(continued)				

Sebastian CRA – Capital Improvements Implementation Timeframe / Cost Estimates (cont'd. from previous page)				
Improvement	Priority	Timeframe	Cost Estimate*	Comments
<b>Riverfront District</b>				
Curb and Gutter Installation	High	7 years	\$208,000	
Stormwater System	High	7 years	\$684,000	
Pedestrian and Roadway Lighting	High	7 years	\$790,000	
Street Trees	High	7 years	\$521,000	
Street Furniture	High	7 years	\$312,000	
Installation of New Parking	High	7 years	\$886,000	
Sidewalk	High	7 years	\$483,000	
Buried Utilities	High	7 years	\$1,967,000	\$1 million per mile
Pocket Parks	High	7 years	\$69,000	6 @ \$10,000 EA
Picnic Tables	High	7 years	\$7,000	6 @ \$1,000 EA
Covered Seating Areas	High	7 years	\$35,000	2 @ \$15,000 EA
Wildlife Observation Area(s)	High	7 years	\$23,000	
Pedestrian Kiosks	High	7 years	\$9,000	5 @ \$1,500 EA
<b>TOTAL:</b>			<b>\$21,586,000</b>	
<p>*15% contingency added to all cost estimates. 20% additional has been added to storm system improvements, and 5% additional has been added to roadway improvements.</p> <p>Note: The information contained herein is approximate. This table will be amended during regular Redevelopment Plan updates to reflect current needs, and is intended to introduce initial projects for a 30-year plan.</p>				

Tax Increment Financing (TIF) revenues for the CRA are projected to be approximately \$6.9 million over the next ten years. The projects included herein are generally feasible, assuming bonding, public-private partnerships, grants, and other funding sources available to the CRA are utilized in addition to Tax Increment Financing funds.

Please note that the capital improvements cost estimates provided above are for a ten-year time period, and are only initial projects for consideration. Generation of additional projects through regular Plan updates will ensure success of the CRA through its 30-year period.

### C. Project Financing

**CRA Tax Increment Revenues:** The CRA will continue to accumulate the tax increment generated within the district, which may be used to secure bonds for public improvements or be expended directly on CRA projects. The tax increment is that portion of tax revenue that has increased from the year the CRA was established and the year the bonds are issued. All improvements funded through bonds must be located within the CRA Area district.

**State of Florida:** The State of Florida has various funding sources for improvements in the CRA Area, including:

- Historic preservation matching grants are available for building restoration and educational projects (e.g. walking/driving tours, brochures). These funds may help increase tourism in the area, create community awareness of the National Register of Historic Places District, and provide a mechanism by which to restore designated historic structures to their original appearance.
- The Secretary of State maintains a grant program for local parks and recreation improvements, which may be utilized in the CRA Area for improvements to the park areas and greenway connections.
- Urban and community forestry grants for special landscape improvements, which may include improvements within the CRA Area.
- Florida Inland Navigation District provides funds for waterway improvements. These funds may be used in the CRA Area to create and expand marina facilities, to create additional recreational opportunities focusing on the river, and to create or improve docking facilities.

*City of Sebastian:* City funding sources include:

- Community Development Block Grant funds, which may be utilized for infrastructure improvements.
- Special assessments may be utilized to fund improvements through taxes levied on benefiting properties in the CRA Area.
- General fund reserves may be used on a loan basis to initially fund the CRA.
- City water and sewer funds may be allocated for water and sewer improvements in the CRA Area.
- City bond issues can be utilized for capital improvements in the CRA Area, including streetscaping, parking, and related improvements.
- Gas tax funds may be used for transportation improvements.

*Non-Profit Corporation:* The establishment of a tax-exempt organization may provide funds for district improvements, such as buy-a-brick or adopt-a-tree programs for streetscape improvements.