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MEMORANDUM

TO: Chair, Vice Chair and Members of the CRA Board

FROM: Mona Feigenbaum Accounting Manager

DATE: June 09, 2015

SUBJECT: Real Estate Tax Values

OVERVIEW

The CRA's ad valorem property tax revenue is based on two components, the net assessed value (assessed value minus homestead exemptions) of property in the District (as of January 1st) and the millage rate established by the City. The CRA receives its funds based on the net assessed value amount that exceeds the 2001 base year value (TIF). The source of this funding comes from both the City and the County.

Over the past three years the TIF revenue for the CRA has increased by double digits. A significant drop occurred from Fiscal Year (FY) 2010 through FY2013. This was due to several factors including the amendment passed by Florida voters raising the homestead exemption from \$25,000 to \$50,000; an agreement by the City with Palm Beach Fire Rescue exempting the County MSTU from paying into the redevelopment fund and; the City (in response) significantly reducing the millage rate. Property values have risen over the past few years due to market stabilization and a value increase due, in part, to the \$23M grant that the CRA implemented placing foreclosed, abandoned and vacant property back on the tax roll. See Exhibit "A" for the revenue trend from FY 2007 through FY 2016.

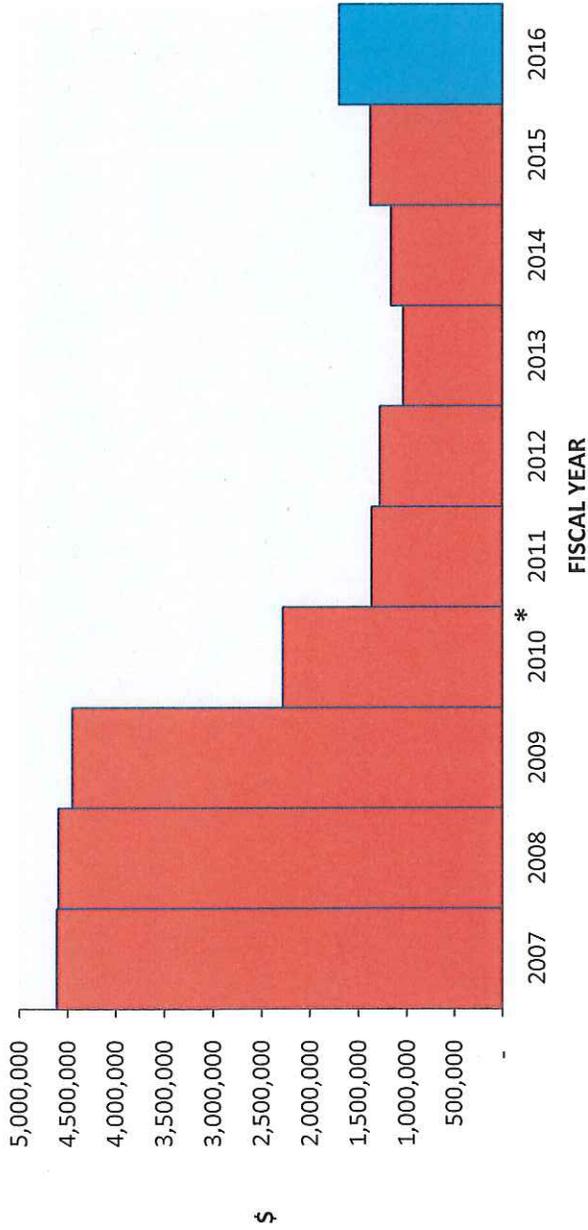
Other changes include:

- The number of residential properties with an assessed value of \$50K or below decreased 4% from 42% to 38%
- There is a slight decrease in the following:
 - Number of properties exempt from taxes
 - Number of properties with no tax value
- Numerous NSP2 homes were completed but did not make it onto the tax roll this year because their completion date occurred after the Jan. 1 deadline

Based on the estimated tax values received from the Palm Beach County Property Appraiser's Office, the CRA's ad valorem tax revenue for FY 2016 is projected to increase 22.82%. If the millage rate for both the City and County stays the same, TIF revenue will increase by \$315K. This includes \$148K in County funding and \$167K from the City.

Exhibit A

**TAX INCREMENT REVENUES
2007-2016**



* The City's contract with PB Fire Rescue, exempted the County MSTU from paying into the redevelopment fund and reduced the City millage

Fiscal Year	Revenue
2007	4,613,903
2008	4,597,363
2009	4,448,391
2010	2,274,367
2011	1,364,909
2012	1,279,248
2013	1,038,962
2014	1,163,828
2015	1,379,238
2016	1,698,561