



WIMODA

WIENER MUSEUM OF DECORATIVE ARTS

MIXED-USE CULTURAL ARTS CAMPUS

Lake Worth Beach
CRA Presentation
October 8, 2024

WMODA ECONOMIC IMPACT

Four key areas the proposed WMODA Mixed-Use Cultural Arts Campus will provide positive economic impacts:



1
Short-term construction employment and expenditure



2
Long-term residential and museum employment and visitor expenditure



3
Incremental Ad Valorem Tax Revenue



4
Positive Impacts on Surrounding Property Values

WMODA ECONOMIC IMPACT

Impact During Construction Period

The anticipated construction period of the proposed WMODA Mixed-Use Cultural Arts Campus project will generate the following:

522 JOBS
created over 2-years
(direct, indirect, induced)

\$53,000
annual wage per FTE

\$56 MILLION
in total output (GDP)

\$27 MILLION
labor income added
to economy



Impact Upon Stabilized Operations

- A large portion of the museum's **estimated 50,000 annual visitors** will come from beyond Lake Worth Beach, and their potential expenditures will have significant impacts on surrounding business and properties.
- It is anticipated that **\$12+ million** will be generated from the expenditure on goods and services in the City.
- The on-site employment, building operations, Museum Operation, guest spending, and spending of on-site residents will generate approximately **21 full-time jobs, \$2.2 million in annual salaries and wages, and \$5.1 million in annual business revenue** that will flow through the Downtown Business area.
- The addition of the K Street Garage will increase positive traffic flow to the Downtown and is anticipated to have a significant financial impact to the existing businesses and support the leasing of vacant storefronts.

Impact on Surrounding Properties

Based upon an illustrative assessment of impacts on surrounding properties, the proposed development will potentially enhance property taxable values within a 1/3 mile radius by an estimated \$6 million per annum which translates into roughly **\$40,000 additional ad valorem tax revenue annually.**





PUBLIC SPACES

Museum, Arts Alley and Community Workshop space which directly benefits the Public.

ECONOMIC DEVELOPMENT

WMODA will increase daytime and nighttime activation supporting small downtown businesses and will generate over \$54 Million in increased resident and visitor spending in the downtown over 10 years.

PARKING

The WMODA development will improve parking in the downtown with the construction of an underground parking lot to support its residents and a public parking garage on K Street in partnership with the City and the CRA.

Community Benefit Elements



ART AND CULTURE ACCESS

WMODA will have a dedicated community arts space which will offer classes for children and seniors, as well as events that will bring additional investment and people downtown.

TOURISM

As one of the only museums in the country dedicated to the fired arts, WMODA offers immeasurable arts and culture destination opportunities.

Partnerships with the existing arts community and the new Gulfstream Hotel will create opportunities to increase visitor spending that will support local businesses.

Community Benefit Elements



AFFORDABLE HOUSING

The WMODA Development includes 8 Artist Lofts that will provide both housing and artist workspace at 80-120% of AMI.

HISTORIC PRESERVATION

WMODA will relocate four contributing structures to nearby lots with no cost to the City. The WMODA development meets the City's desire to honor the scale and the historic character of the downtown with its streamlined art deco architecture.

Community Benefit Elements

WMODA Contribution to Cultural Arts Campus	CRA Contribution To WMODA Cultural Arts Campus	City Contribution to WMODA Cultural Arts Campus
Complete a \$60M dollar, mixed-use tax paying development in the downtown area	Land at \$0 (value \$3.3M)	Reuse former building at 17 South M for Leisure Services office on K St.
Build and fund a 33,000sf quality art museum dedicated to the fired arts	Up to \$2M in Infrastructure incentive – paid over 4 years	City Water Infrastructure Contribution to Area - values at \$200-250K
Design and creation of a 2-block arts alley worth over \$1.5M. Maintenance of L-M alley in perpetuity	Up to \$1.4M for Affordable housing units	City Electric Utility is contributing up to \$650K to underground all the Utilities around garage and project and adding decorative light poles on both blocks of the Alley
Creation of a subterranean garage to lower height of the overall project - \$8M		Contribute \$340K from CRA to L-K alley construction City Maintains alleyway from L- K
Create 8 affordable, live/work units and 102 units in the downtown to support local business and create jobs		
Relocate 4 historic structures to other lots in the downtown - \$500K		
Contribute all design services for alleyway and for historic home site		
Construction and maintenance of a Community Art Space worth \$600K+		
Create an arts destination along with the Playhouse, Benzaiten and Cultural Council		
<p style="text-align: center;">WMODA</p> <p style="text-align: center;">\$63M</p>	<p style="text-align: center;">CRA</p> <p style="text-align: center;">\$6.7M</p>	<p style="text-align: center;">City</p> <p style="text-align: center;">\$1.2M</p>

Tax Increment Projection

TIRAP Calculation @ 6% Increase in Assessed Value											
	Stabilizing	Performing	Performing	Performing	Performing	Performing	Performing	Performing	Performing	Performing	
ASSESSMENT YEAR	2027	2028	2030	2031	2032						
TAXES PAID YEAR	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	
PERIOD	1	2	3	4	5	6	7	8	9	10	
TIRAP Calculations											
Tax Increment Value	\$ 15,000,000	\$ 51,000,000	\$ 54,060,000	\$ 57,303,600	\$ 60,741,816	\$ 64,386,325	\$ 68,249,504	\$ 72,344,475	\$ 76,685,143	\$ 81,286,252	
Eligible Tax Increment											
Tax Increment Value	\$ 15,000,000	\$ 51,000,000	\$ 54,060,000	\$ 57,303,600	\$ 60,741,816	\$ 64,386,325	\$ 68,249,504	\$ 72,344,475	\$ 76,685,143	\$ 81,286,252	
City and County Millage Rate	9.9945	9.9945	9.9945	9.9945	9.9945	9.9945	9.9945	9.9945	9.9945	9.9945	
Eligible Tax Increment	\$149,918	\$509,720	\$540,303	\$572,721	\$607,084	\$643,509	\$682,120	\$723,047	\$766,430	\$812,415	
% Attributable to Project	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	
Increment Revenues Attributed to Project	\$142,422	\$484,234	\$513,288	\$544,085	\$576,730	\$611,334	\$648,014	\$686,895	\$728,108	\$771,795	\$5,706,902
Total Tax Paid	22.2742	\$334,113	\$1,135,984	\$1,204,143	\$1,276,392	\$1,352,975	\$1,434,154	\$1,520,203	\$1,611,415	\$1,708,100	\$1,810,586
Assesses Value-Performing*	\$46M										
Assessed Value Incr	6.00%										
Years 1-5	\$ 2,260,757										
Years 6-10	\$ 3,446,145										
Total \$	5,706,902										

➤ Within 10 years, at a 6% increase in assessed values, the CRA investment will be paid back through the TIF revenue generated by the project.

➤ Over the past 10 years values increased on an average of 10.2%



Highlights



Definition



Right-Size Subsidy



Buydown Calculator



Premium



Buydown Amount - \$1.4M

Buydown Scenarios

Lake Worth Beach CRA Buydown Commitment

\$1,400,000 (Limited Due To Other Commitments)

Discount Rate as of September 17th

3.82%

Affordability Period

15

Total Number of 1BR Live/Work Units

3

Total Number of 2BR Live/Work Units

5

Rent Level Options:

80% AMI

120% AMI

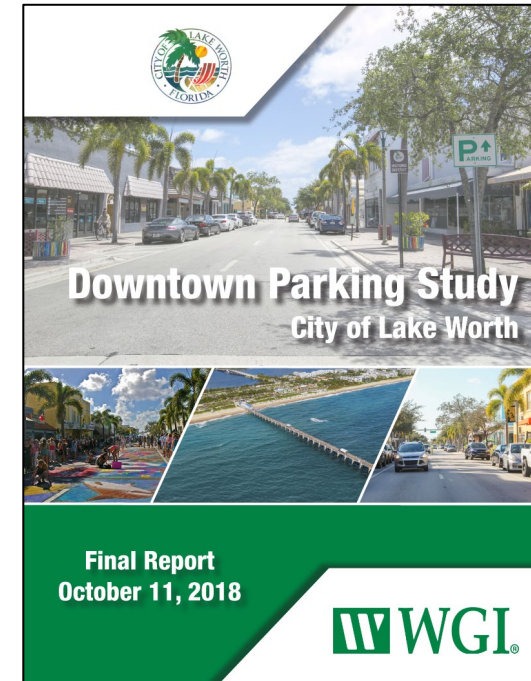
80%		120%		Total		Buydown
1 BR	2 BR	1 BR	2 BR	1BR	2BR	\$ Amount
1	4	2	1	3	5	\$1,456,165
2	3	1	2	3	5	\$1,432,574
3	2	0	3	3	5	\$1,408,982
0	4	3	1	3	5	\$1,338,500
1	3	2	2	3	5	\$1,314,909

Background on Downtown Parking Program

For several years City leaders and staff have been investigating options for how to best manage downtown parking...

2018 Downtown Parking Study:

- Consultant performed inventory of available parking in Downtown Core
 - 462 On-Street Parking Spots
 - 205 Off-Street Parking Spots (Surface lots)
- Performed in person surveys of availability at specific times Saturday night and Thursday afternoon.
 - At capacity from 6-8pm on a Saturday night
- Recommended adding 150 more downtown spots to accommodate peak and prevent “spill over” to neighboring areas.



DOWNTOWN AREA	Date	Weekday	Period	On-Street Parking			Off-Street Public Parking		
				Inventory	Occupancy	Occupancy %	Inventory	Occupancy	Occupancy %
	1/20/2018	Saturday	4PM - 6PM	462	429	92.86%	205	195	95.12%
	1/20/2018	Saturday	6PM - 8PM	462	461	99.78%	205	209	101.95%
	1/25/2018	Thursday	10AM-12PM	462	333	72.08%	205	101	49.27%
	1/25/2018	Thursday	12PM-2PM	462	292	63.20%	205	111	54.15%

Background on Downtown Parking Program

For several years City leaders and staff have been investigating options for how to best manage downtown parking...

- 2024 Downtown Parking Update:**
- Analyzed License Plate Scanner data from Jan-May 2024
 - Showed 80-85% occupancy from 12pm to 6pm
 - Projected that if current available building space is fully utilized:
 - No parking will be available from 12pm-6pm on weekends
 - Parking at 90% occupancy on weekday evenings

Current Parking Adequacy with building occupancies at 95%

Off-Street Parking Adequacy - w/ 95% Building Occupancies		Spaces
Current Parking Demand (70% building occupancies)		385
Additional Demand (building occupancies to 95%)		96
Current Parking Demand (95% building occupancies)		482
15% Excess Demand (Optimal vacancy)		144
Total Current Demand (95% building occupancies)		626
Current Supply		385
Parking Adequacy - Current		-241

Future Parking Demand by Area (without fees)

	Weekday				Weekend			
	6-12 A	12-3 P	3-6 P	6-10 P	6-12 A	12-3 P	3-6 P	6-10 P
Full City	73%	77%	76%	84%	38%	89%	95%	79%
Downtown	70%	79%	75%	89%	38%	92%	97%	80%
Downtown Core	77%	86%	82%	90%	38%	100%	105%	84%

Summary of Downtown Parking Studies

Both studies recommended a Paid Parking Program

Manage Parking with Zones that have Rules and Rates

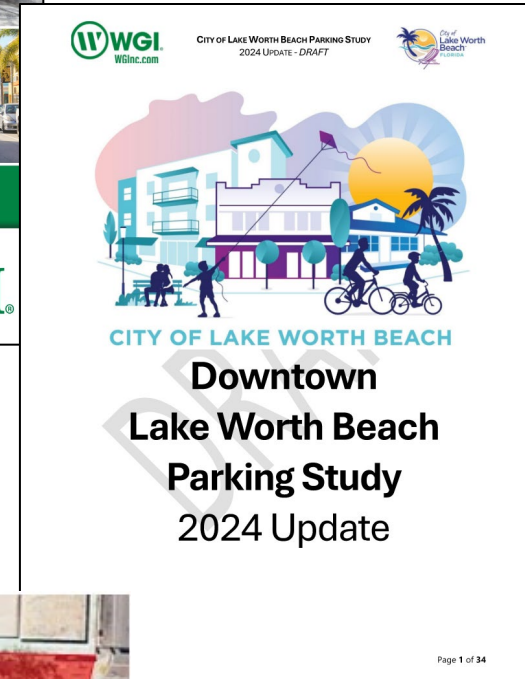
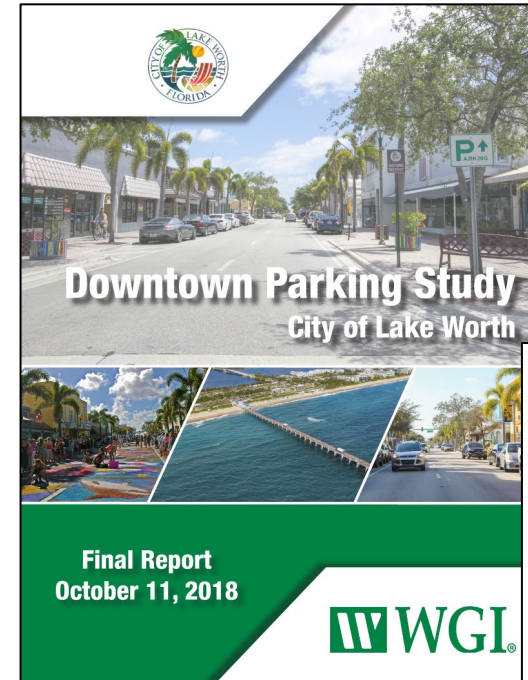
- Create Availability of Curbside Spaces
 - Increased turnover along Lake and Lucerne
- Improve Efficiency for Use of Spaces
 - Designated locations for resident & employee decals

Encourage Alternative Modes of Transportation

- Incentivizes walking, biking, and transit

Generate Revenue to Improve Parking & Downtown Amenities

- Construct a City-owned parking garage (K Street)
 - Additional 185 parking spots proposed
 - Conversion of existing surface lots into new development
- Additional downtown improvements



Parking Zones - Example

Summary of Downtown Parking Studies

Take-aways from 2018 and 2024 Studies

- Existing parking availability is near capacity during peak hours but sufficient
- When all existing downtown spaces are leased and operating, the parking demand will exceed the supply
- A paid parking plan allows the City to better manage existing parking and prepare for future demand.

Relevance of the City's Parking Studies to the WMODA Project

- City has been working on how to manage Downtown Parking for years
- WMODA is a unique opportunity to help achieve the City's parking objectives
- By leveraging the WMODA project, the City will be able to own a parking garage on K Street within 5 years of construction netting ~185 new parking spots.

CITY GARAGE

Total Garage Funding - \$8.5M*

FUNDING SOURCES

Down Payment - \$5M

- \$1M WMODA
- \$1.5M CRA. This will be from TIF Funds. The CRA will budget and pay out \$500K this coming fiscal year (FY25) and \$1M in FY26.
- \$2.5M City

Balance of Payment - \$3.5M

- \$2.5M in payments over 5 years of CRA Dollars (TIF)
- \$1+M in payments over 5 years of City Dollars

% of Total Cost for City Owned Garage

CRA – 47% of total cost

City – 41% of total cost

WMODA – 12%** of total cost

WMODA will hold the note for the CRA, not to exceed 5 years.

The City will see considerable savings by not having to secure a 20-year revenue note.

* Based on WGI Study procured by City of Lake Worth Beach **WMODA – paying for design & building of garage

FINANCING COMPARISON

20 Year City Revenue Note @ 6%

WMODA Financing
5 Year Revenue Note @ 4%

K Street Garage	Scenario 1	Scenario 2
Revenue earmarked for garage	City Debt Financing for Garage@ 6% over 20 years	project managed and financed by CRA and City , WMODA execute note for CRA -5 years @ 4%
WMODA Parking Garage Contribution	\$ 1,000,000.00	\$ 1,000,000.00
CRA Parking Garage Contribution	\$ 1,500,000.00	\$ 1,500,000.00
City Parking Garage Contribution	\$ 2,500,000.00	\$ 2,500,000.00
Upfront Revenue for Garage	\$ 5,000,000.00	\$ 5,000,000.00
Less Estimated GMP	\$ 8,500,000.00	\$ 8,500,000.00
Debt amount	\$ 3,500,000.00	\$ 3,500,000.00
*Estimated annual debt service	\$ 309,315.00	\$ 762,036.00
<i>CRA pays per year FY 26,27, 28</i>	0	\$ 762,036.00
<i>City pays per year FY 26,27, 28</i>	\$ 309,315.00	\$ -
<i>City Pays FY 29</i>	\$ 309,315.00	\$ 762,036.00
<i>City pays FY 30</i>	\$ 309,315.00	\$ 825,538.00
<i>City pays FY 31-FY 46</i>	\$ 309,315.00	\$ -

FINANCING COMPARISON

20 Year City
Revenue Note @ 6 %

WMODA Financing
5 Year Revenue Note @4%

Comparison of Total Cost (capital and debt service)	Scenario 1	Scenario 2
CRA	\$ 1,500,000.00	\$ 3,786,119.00
City	\$ 8,686,306.00	\$ 4,087,574.00
WMODA	\$ 1,000,000.00	\$ 1,000,000.00
TOTAL	\$ 11,186,306.00	\$ 8,873,693.00
Comparison of Debt Service Expense	Scenario 1	Scenario 2
CRA	\$ -	\$ 3,051,155.00
City	\$ 6,186,306.00	\$ 825,538.00
TOTAL	\$ 6,186,306.00	\$ 3,876,693.00
	City/CRA Cost Savings	\$ 2,309,613.00
	<i>Developer Outlay</i>	\$ 3,126,306.00

City realizes a savings of over \$2.3 Million dollars, by utilizing the WMODA 5-Year Note



Contributing Structures Plan

- 17 S. “M” St and its garage will be moved from its current location to 1st Avenue South and “K” Street (buildings 3 & 4)
- 24 South “L” will be moved to an existing CRA owned lot on 126 South “J,” also in the historic district (Building 2)
- 26 South “L” will be moved to the northwest corner of 1st Avenue South and “K” Street

All 4 buildings will be moved and paid for by WMODA/ United

17 South M and the garage structure will be rehabilitated and used for Leisure Services/Parking Staff

24 and 26 South “L” will be renovated by the CRA and our housing partners and will be used as affordable rentals for households making less than 80% or less of Area Median Income

The renovated buildings will produce up to 8 affordable units in the downtown

The City's Entitlement Process

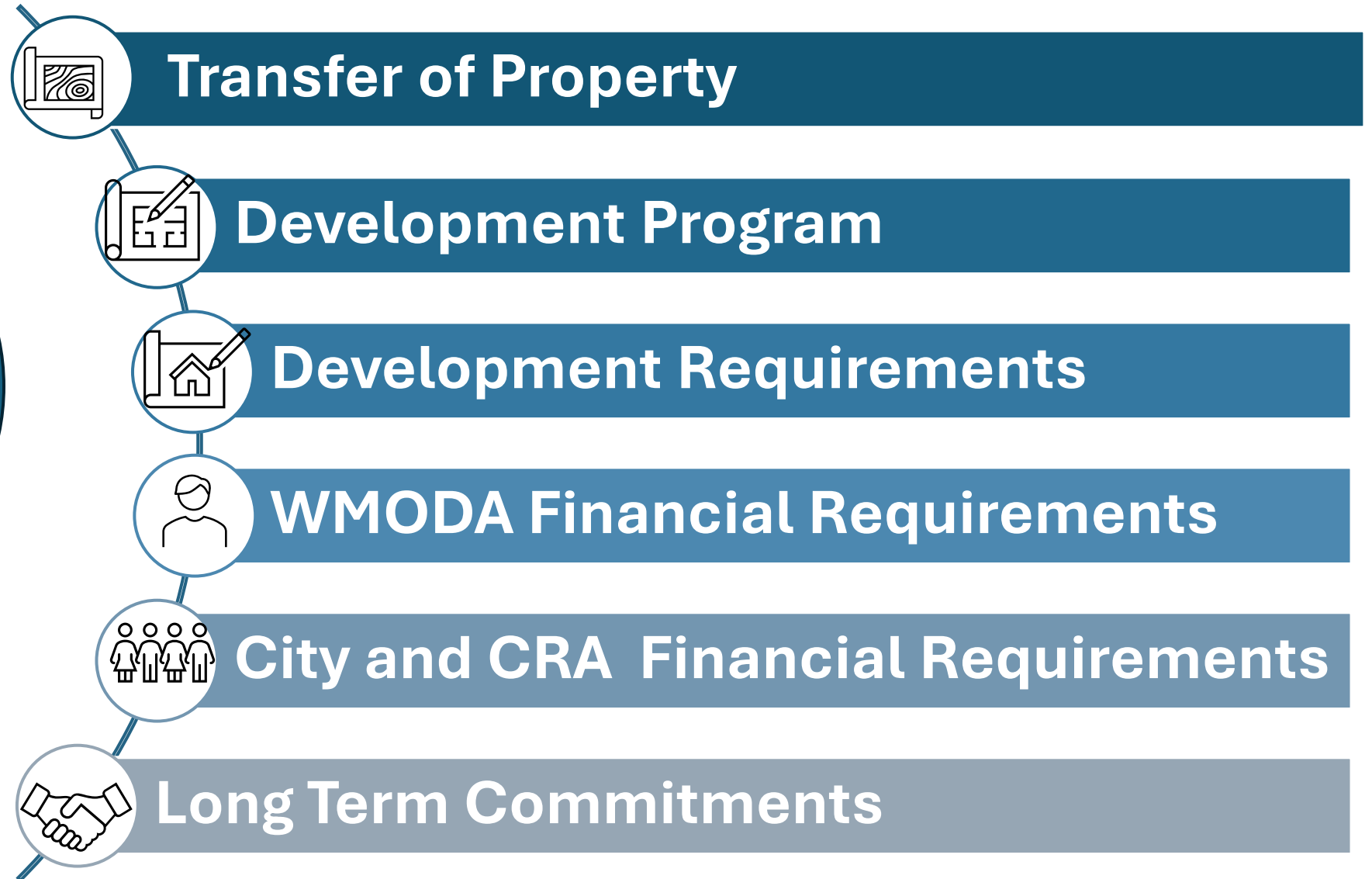
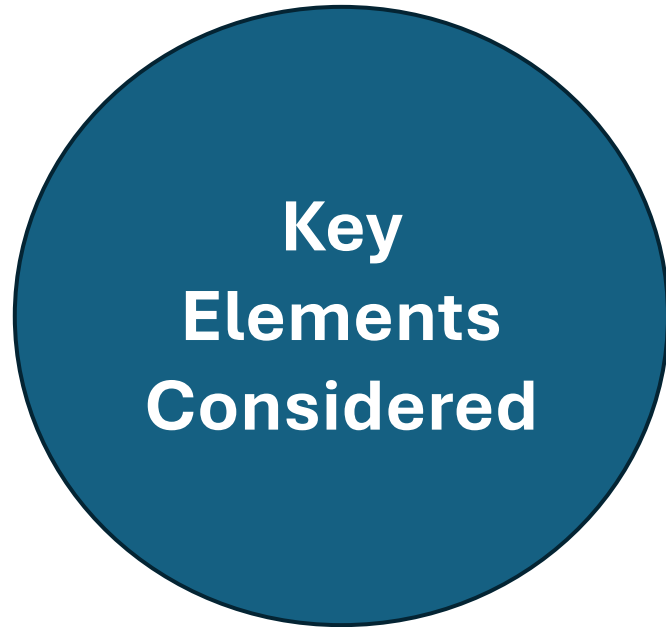


The City's Entitlement Process

Required Design Review Criteria



Development Deal Structure



Development Deal Structure

Purchase and Sale Agreement



Development Agreement



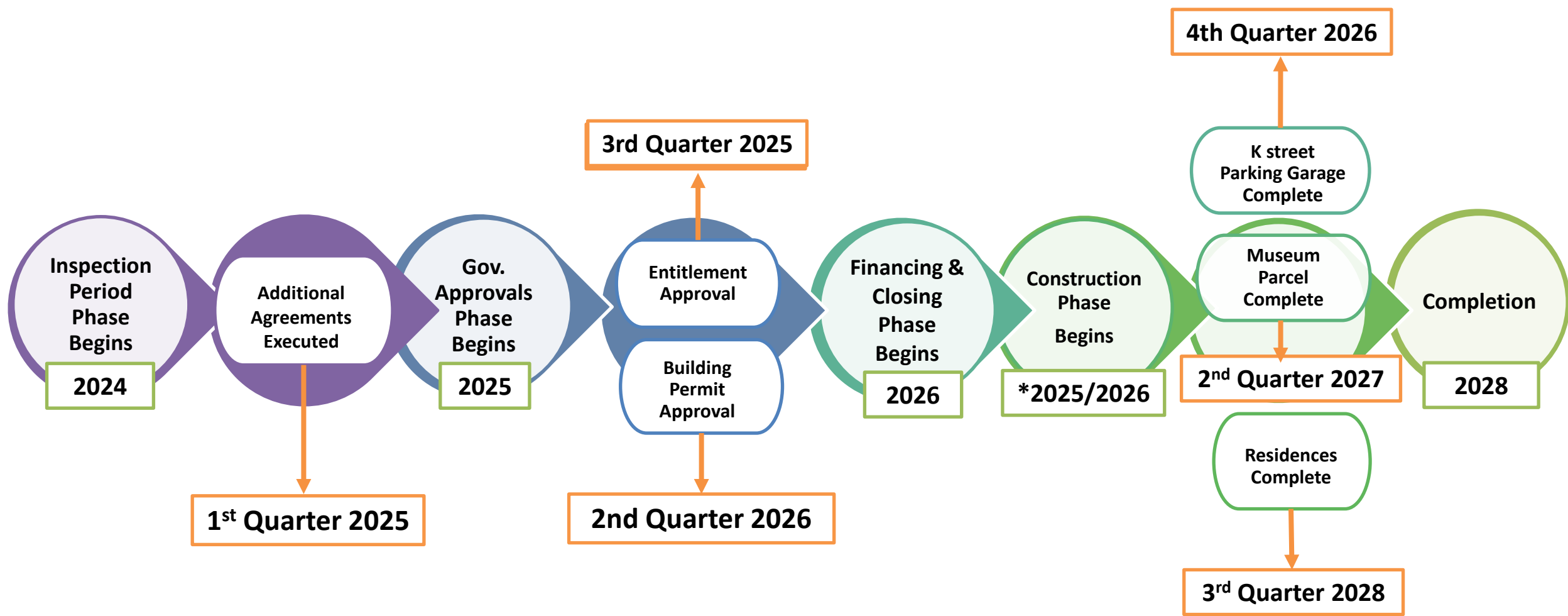
K Street Garage Construction Agreement

Contributing Structure Relocation Agreement

Long Term Parking Agreement

*Long Term Maintenance Agreement – Art Alley

Critical Path for the Development



* Note : Construction for the K Street Garage begins before the WMODA project starts its construction activity on L & M

Next Steps

October 15, 2024 –City Commission Meeting (1st Hearing)

- Public Private Partnership Process – Unsolicited Proposal Acceptance
- Development Agreement Considered

October 29, 2024 –City Commission Meeting (2nd Hearing)

- Public Private Process- Finding of Public Benefit Considered



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