DATE: **July 6, 2026**
TO: **City Manager Moore**
FROM: **DDA Chairman, Jim Knight & Laura Simon, Executive Director, Delray Beach DDA**
CC: **DDA Board of Directors, Mayor and City Commissioners**
RE: **FY26/27 LEVY OF AD VALOREM TAX OF THE DELRAY BEACH DDA DISTRICT**

Background
Pursuant to the Delray Beach Downtown Development Authority (DDA) Charter and Florida House Bill 299, the DDA Board of Directors is required to annually establish the ad valorem millage rate for the Downtown Development District.

Section 8 of the DDA Statute authorizes the DDA Board to levy an annual ad valorem tax on all taxable property within the Downtown Development District to fund the Authority's operations, programs, services, and economic development initiatives. The Charter limits the levy to a maximum of **1.000 mill** and requires the tentative millage rate to be established prior to July 1 each year. Once established, the tentative rate may not be increased during the budget process, although it may be reduced prior to final adoption.

At its regular meeting on **June 8, 2026**, the DDA Board of Directors voted to establish the **Fiscal Year 2026/2027 tentative millage rate at 1.000 mill**, the maximum rate authorized under the DDA Charter. The Palm Beach County Property Appraiser's preliminary taxable value estimates indicate continued growth within the Downtown Development District.

	FY 2025/2026	**FY 2026/2027**
Total Taxable Value	$2,141,481,108	$2,274,424,126
Estimated Net New Construction	$94,024,324	$25,650,929

The estimated taxable value represents an increase of approximately **6.2%** over the prior fiscal year, demonstrating the continued strength, investment, and economic vitality occurring throughout Downtown Delray Beach.

At the maximum authorized rate of **1.000 mill**, the projected ad valorem revenue for Fiscal Year 2026/2027 is approximately: **$2,274,424**

These revenues fund the DDA's mission to stimulate, enhance, and sustain the economic vitality of Downtown Delray Beach through marketing and promotion, business development and retention, economic vitality initiatives, district beautification, public realm improvements, visitor services, special events, and other programs that support the downtown business community and quality of life.

Budget Development Process
Following establishment of the tentative millage rate, the DDA Board and staff are developing the Fiscal Year 2026/2027 Operating Budget and Annual Plan of Work. Throughout the summer, the DDA will engage stakeholders to identify priorities that support the continued success and long-term vitality of Downtown Delray Beach.

The DDA Board will review and refine the proposed budget through public meetings prior to final adoption in September 2026.

Recommendation

The Downtown Development Authority respectfully requests that the City Commission **accept the DDA Board's adopted tentative millage rate of 1.000 mill for Fiscal Year 2026/2027** as approved by the DDA Board of Directors on June 8, 2026, for inclusion in the City's annual budget and Truth in Millage (TRIM) process.

Final adoption of the DDA millage rate and Fiscal Year 2026/2027 Operating Budget will occur following the required public hearings in September 2026.