



**BOARD OF COUNTY COMMISSIONERS  
OFFICE OF THE COMMISSION AUDITOR**

**M E M O R A N D U M**

**TO:** Honorable Rebeca Sosa, Chairwoman  
and Members, Board of County Commissioners

**FROM:** Charles Anderson  
Commission Auditor

A handwritten signature in black ink, appearing to read "Charles Anderson", is written over the printed name.

**DATE:** May 30, 2014

**SUBJECT: Review of Fiscal Year 2013-14 Budget for Community  
Redevelopment Agency**

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Attached is OCA's review for the June 3, 2014 BCC agenda of Fiscal Year 2013-14 budget for the following:

- Agenda Item 8G1 – Miami Beach City Center Community Redevelopment Agency

We reviewed applicable Florida State Statutes, Miami-Dade Ordinances and Resolutions.

Special thanks to the County Attorney's Office and the Office of Management and Budget for their cooperation and input throughout the review. As always, if you have any questions or concerns, feel free to contact me at (305) 375-2524.

Attachments

c: Honorable Carlos Gimenez, Mayor  
R. A. Cuevas, County Attorney  
Edward Marquez, Deputy Mayor, Office of the Mayor  
Jennifer Moon, Director, Office of Management & Budget  
Christopher Agrippa, Division Chief, Clerk of the Board

**CITY OF MIAMI BEACH CITY CENTER COMMUNITY REDEVELOPMENT AGENCY (CRA) BUDGET  
FY 2013-14**

Expenditure Description(*)	Budget (\$) FY13-14	Reference to CRA Plan, Interlocal Cooperation Agreement, Miami-Dade County Resolutions and/or Florida Statute (**)	Source
<b>Administrative Expenses</b>			
<b>Management Fee:</b>  To pay for direct and indirect staff support for the Redevelopment Agency (RDA).	1,198,000	Expense allowable under Florida Statute Section 163.387(6) "Moneys in the redevelopment trust fund may be expended from time to time for undertakings of a community redevelopment agency as described in the community redevelopment plan for the following purposes, including, but not limited to: (a) Administrative and overhead expenses necessary or incidental to the implementation of a community redevelopment plan adopted by the agency."	Florida Statute Section 163.387(6)(a)
<b>Contractual and/or Professional Services:</b>  For planning and consulting work related to the Convention Center expansion master plan.	650,000	Expense allowable under Florida Statute Section 163.370(2) "Every county and municipality shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this part, including the following powers in addition to others herein granted: (e) Within the community redevelopment area: (6) To enter into any contracts necessary to effectuate the purposes of this part."	Florida Statute Section 163.370(2)(e)(6)
<b>Postage, Printing &amp; Deliveries</b>	3,000	Expense allowable under Florida Statute Section 163.387(6) "Moneys in the redevelopment trust fund may be expended from time to time for undertakings of a community redevelopment agency as described in the community redevelopment plan for the following purposes, including, but not limited to: (a) Administrative and overhead expenses necessary or incidental to the implementation of a community redevelopment plan adopted by the agency."  Expense allowable under Florida Statute Section 163.370(2) "Every county and municipality shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this part, including the following powers in addition to others herein granted: (l) To appropriate such funds and make such expenditures as are necessary to carry out the purposes of this part; ... notwithstanding any provision or rule of law to the contrary, respecting action to be taken by such county or municipality pursuant to any of the powers granted by this part."	Florida Statute Section 163.387(6)(a)  Florida Statute Section 163.370(2)(l)
<b>Advertising and Notices</b>	50,000	Expense allowable under Florida Statute Section 163.387(6) "Moneys in the redevelopment trust fund may be expended from time to time for undertakings of a community redevelopment agency as described in the community redevelopment plan for the following purposes, including, but	Florida Statute Section 163.387(6)(a)

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		not limited to: (a) Administrative and overhead expenses necessary or incidental to the implementation of a community redevelopment plan adopted by the agency."	
<b>Travel, Training &amp; Memberships</b>	3,000	<p>Expense allowable under Florida Statute Section 163.387(6) "Moneys in the redevelopment trust fund may be expended from time to time for undertakings of a community redevelopment agency as described in the community redevelopment plan for the following purposes, including, but not limited to: (a) Administrative and overhead expenses necessary or incidental to the implementation of a community redevelopment plan adopted by the agency."</p> <p>Expense allowable under Florida Statute Section 163.370(2) "Every county and municipality shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this part, including the following powers in addition to others herein granted: (l) To appropriate such funds and make such expenditures as are necessary to carry out the purposes of this part; ... notwithstanding any provision or rule of law to the contrary, respecting action to be taken by such county or municipality pursuant to any of the powers granted by this part."</p>	<p>Florida Statute Section 163.387(6)(a)</p> <p>Florida Statute Section 163.370(2)(l)</p>
<b>Office Rental Equipment, Furnishing and Supplies</b>	4,000	<p>Expense allowable under Florida Statute Section 163.387(6) "Moneys in the redevelopment trust fund may be expended from time to time for undertakings of a community redevelopment agency as described in the community redevelopment plan for the following purposes, including, but not limited to: (a) Administrative and overhead expenses necessary or incidental to the implementation of a community redevelopment plan adopted by the agency."</p> <p>Expense allowable under Florida Statute Section 163.370(2) "Every county and municipality shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this part, including the following powers in addition to others herein granted: (l) To appropriate such funds and make such expenditures as are necessary to carry out the purposes of this part; ... notwithstanding any provision or rule of law to the contrary, respecting action to be taken by such county or municipality pursuant to any of the powers granted by this part."</p>	<p>Florida Statute Section 163.387(6)(a)</p> <p>Florida Statute Section 163.370(2)(l)</p>

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<b>Other Administrative Expenses</b>	53,000	Expense allowable under Florida Statute Section 163.387(6) "Moneys in the redevelopment trust fund may be expended from time to time for undertakings of a community redevelopment agency as described in the community redevelopment plan for the following purposes, including, but not limited to: (a) Administrative and overhead expenses necessary or incidental to the implementation of a community redevelopment plan adopted by the agency."	Florida Statute Section 163.387(6)(a)
<b>Sub-Total Administrative Expenses</b>	1,961,000	The Interlocal states: "No more than 20% of the funds contemplated to be expended under the Plan shall be used for total administrative expenses allowable under Section 163.387 (6) (a), Florida Statutes, including indirect and overhead expenses which may not exceed 6% of such funds contemplated to be spent under the Plan."	Interlocal HW p. 21 Article I.B.
<b>City Administrative Charge</b>	283,000	Expense allowable under Florida Statute Section 163.387(6) "Moneys in the redevelopment trust fund may be expended from time to time for undertakings of a community redevelopment agency as described in the community redevelopment plan for the following purposes, including, but not limited to: (a) Administrative and overhead expenses necessary or incidental to the implementation of a community redevelopment plan adopted by the agency."  "Administrative expenditures for the Agency's operations including the City Administrative Charge for general oversight (\$283,000)."	Florida Statute Section 163.387(6)(a)  Mayor's Memorandum June 3, 2014 p. 2
<b>Administrative Expenses and City Administrative Charge</b>	<b>2,244,000</b>	"Administrative expenditures for the Agency's operations including the City Administrative Charge for general oversight (\$283,000), total \$2,244,000 and represents approximately five percent of total budgeted expenditures, excluding the 1.5 percent County Administrative Charge (\$239,000), which is less than the 20 percent allowed in the Interlocal Agreement."	Mayor's Memorandum June 3, 2014 p. 2
<b>County Administrative Charge:</b>  1.5% fee based on the County's Tax Increment contribution.	<b>239,000</b>	Expense allowable under Florida Statute Section 163.387(6) "Moneys in the redevelopment trust fund may be expended from time to time for undertakings of a community redevelopment agency as described in the community redevelopment plan for the following purposes, including, but not limited to: (a) Administrative and overhead expenses necessary or	Florida Statute Section 163.387(6)(a)

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		<p>incidental to the implementation of a community redevelopment plan adopted by the agency."</p> <p>"It was recommended in the FY 2003-04 Proposed Budget that the Board approve the establishment and implementation of an administrative reimbursement charge of 1.5 percent of the County's tax increment payments to be charged to all CRAs."</p>	<p>County Manager's Memorandum September 3, 2003 p.10</p>
<b>Total Administrative Expenses &amp; County Administrative Charge</b>	<b>2,483,000</b>		
<b>Operating Expenses</b>			
<p><b>Transfer to Capital Projects:</b></p> <ul style="list-style-type: none"> <li>• \$12,242,000 Collins Parking Garage</li> <li>• \$4,797,000 Bass Museum Interior Space Expansion and Capital Contribution</li> <li>• \$2,390,000 Agency's Capital Fund Balance Shortfall</li> <li>• \$500,000 Lincoln Road Master Plan Study</li> <li>• \$350,000 City Center Legal Fees</li> <li>• \$326,000 Various sidewalk and street improvements in the Commercial District</li> <li>• \$69,000 Euclid Avenue Improvements at Lincoln Road</li> </ul>	18,443,000	<p>The Interlocal states: "The City shall be responsible for coordination and implementation of the design and construction of public improvements necessary to support the redevelopment of the Project, and such other projects and activities as are contemplated by the Plan."</p> <p>Per CRA Plan, Summary of Proposed Activities: "The primary types of redevelopment activities to be considered in the area will include: 1. Development and installation of public facilities such as the upgrading of streets, construction of public parking facilities, landscaping, graphics, lighting, street furniture, park improvements, and other improvements of public areas."</p> <p>Expense allowable under Florida Statute Section 163.370(2) "Every county and municipality shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this part, including the following powers in addition to others herein granted: (d) To provide, or to arrange or contract for, the furnishing or repair by any person or agency, public or private, of services, privileges, works, streets, roads, public utilities, or other facilities for or in connection with a community redevelopment; to install, construct, and reconstruct streets, utilities, parks, playgrounds, and other public improvements."</p>	<p>Interlocal HW p. 22 Article II.B.</p> <p>CRA Plan p. 5 Summary of Proposed Activities</p> <p>Florida Statute Section 163.370(2)(d)</p>

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<ul style="list-style-type: none"> <li>• (\$2,231,000) Capital Project Fund credit</li> </ul>		<p>“The Capital Project Fund credit of \$2,231,000 is a result of projects that were underspent and closed out.”</p>	<p>Mayor’s Memorandum June 3, 2014 p. 3, and CRA’s FY 2013/14 Operating Budget and Status Report Attachment A</p>
<p><b>Transfer to Pennsylvania Ave. Shops &amp; Garage</b> (to offset operational costs)</p>	<p>305,000</p>	<p>Expense allowable under Florida Statute Section 163.370(2) “Every county and municipality shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this part, including the following powers in addition to others herein granted: (e) Within the community redevelopment area: (6) To enter into any contracts necessary to effectuate the purposes of this part.”</p> <p>Expense allowable under Florida Statute Section 163.370(2) “Every county and municipality shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this part, including the following powers in addition to others herein granted: (l) To appropriate such funds and make such expenditures as are necessary to carry out the purposes of this part; ... notwithstanding any provision or rule of law to the contrary, respecting action to be taken by such county or municipality pursuant to any of the powers granted by this part.”</p>	<p>Florida Statute Section 163.370(2)(e)(6)</p> <p>Florida Statute Section 163.370(2)(l)</p>
<p><b>Debt Service Payments:</b></p> <ul style="list-style-type: none"> <li>• \$8,550,000 Series 2005 Bonds and the combined debt service on the Parity bonds</li> <li>• \$825,000 Sunshine State loan for the reconstruction and renovation of Lincoln Road</li> <li>• \$547,000 loans for the Bass Museum Project</li> </ul>	<p>9,922,000</p>	<p>The Interlocal states: “The City may sell bonds and execute notes and other forms of indebtedness, as well as collateral documents, to finance the Project; however, County approval as to amount, duration and purpose of such bonds, notes or other indebtedness, including advances pledging or obligating tax increment revenues, must be obtained prior to issuance of any such bond, note or other form of indebtedness including advances pledging or obligating tax increment revenues.”</p> <p>Expense allowable under Florida Statute Section 163.387(6) “Moneys in the redevelopment trust fund may be expended from time to time for undertakings of a community redevelopment agency as described in the community redevelopment plan for the following purposes, including, but</p>	<p>Interlocal HW p. 26 Article III.C (5)</p> <p>Florida Statute Section 163.387(6)(e)</p>

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		not limited to: (e) The repayment of principal and interest or any redemption premium for loans, advances, bonds, bond anticipation notes, and any other form of indebtedness."	
<p><b>Community Policing:</b></p> <p>For ten police officers, two sergeants, two public safety aides, a crime analyst and a part-time lieutenant exclusively within the Agency area.</p>	4,195,000	<p>Expense allowable under Florida Statute Section 163.387(6) "Moneys in the redevelopment trust fund may be expended from time to time for undertakings of a community redevelopment agency as described in the community redevelopment plan for the following purposes, including, but not limited to: (h) The development of community policing innovations."</p> <p>Expense allowable under Florida Statute Section 163.370(2) "Every county and municipality shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this part, including the following powers in addition to others herein granted: (o) To develop and implement community policing innovations."</p>	<p>Florida Statute Section 163.387(6)(h)</p> <p>Florida Statute Section 163.370(2)(o)</p>
<p><b>Capital Projects Maintenance:</b></p> <p>For maintenance of capital projects constructed with Tax Increment Financing funds:</p> <ul style="list-style-type: none"> <li>• Lincoln Road</li> <li>• Beachwalk Project</li> <li>• Collins Park Facilities</li> </ul>	5,095,000	<p>The Interlocal states: "The City shall be responsible for coordination and implementation of the design and construction of public improvements necessary to support the redevelopment of the Project, and such other projects and activities as are contemplated by the Plan."</p> <p>Per CRA Plan, Summary of Proposed Activities: "The primary types of redevelopment activities to be considered in the area will include: 1. Development and installation of public facilities such as the upgrading of streets, construction of public parking facilities, landscaping, graphics, lighting, street furniture, park improvements, and other improvements of public areas."</p> <p>Expense allowable under Florida Statute Section 163.370(2): "Every county and municipality shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this part, including the following powers in addition to others herein granted: (d) To provide, or to arrange or contract for, furnishing or repair by any person or agency, public or private, of services, privileges, works, streets, roads, public utilities, or other facilities for or in connection with a community redevelopment; to install, construct, and reconstruct streets, utilities, parks, playgrounds, and other public improvements."</p>	<p>Interlocal HW p. 22 Article II.B.</p> <p>CRA Plan p. 5 Summary of Proposed Activities</p> <p>Florida Statute Section 163.370(2)(d)</p>

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<b>Remittance to the Children’s Trust</b>	1,831,000	Resolution approving terms and execution of Interlocal agreement between Miami-Dade County, City of Miami Beach, Miami Beach Redevelopment Agency, and the Children’s Trust for purpose of establishing method of distribution of tax increment revenues derived from Children’s Trust one half mill ad valorem tax levy against real property located within jurisdiction of Miami Beach Redevelopment Agency.  “While the City, the CRA and the County all wish to assist the Trust and to effectuate the will of the electorate, the provisions of the Agreement provide a mechanism by which the Trust first remits its statutorily required revenue payment to the CRA, and then the CRA, after having made its annual debt service payment to bond holders, will remit back only to the Trust (instead of a pro-rata distribution to the Trust, the City and the County), on the last day of its fiscal year, all of the Trust tax revenues that are not needed for debt service relating to the outstanding Bonds.”	Miami-Dade County Resolution R-973-04  County Manager’s Memorandum dated July 27, 2004 p.2
<b>Operating Expenses</b>	<b>39,791,000</b>		
<b>Reserve/Contingency</b>	<b>\$384,000</b>	“Reserve line item expenditures include those items that, pursuant to the existing Bond Covenants, may only be expended once the annual debt service obligations have been met.”	CRA’s FY 2013/14 Operating Budget and Status Report p. 5
<b>Repayment Prior-Year End Fund Balance</b>	<b>\$342,000</b>	“The Agency’s FY 2012-13 expenditures created an initial unaudited fund balance deficit of \$341,237. Therefore, it is accounted for in FY 2013-14 (\$342,000). The Agency is in the process of auditing the current fiscal year and believes there will be no deficit.”	Mayor’s Memorandum June 3, 2014 p. 3
<b>TOTAL CRA EXPENSES</b>	<b>43,000,000</b>		

(\*) Source – Agenda item consisting of the Mayor’s Memorandum and the CRA’s FY13-14 Operating Budget and Status Report

(\*\*) On January 26, 1993, the Board approved the establishment of the Agency when it declared the Area to be slum and blighted pursuant to Resolution R-14-93. The Board approved the Agency’s Community Redevelopment Plan (Plan) and its funding when it enacted Resolution R-317-93 and Ordinance 93-28, respectively. On March 30, 1993, an Interlocal Agreement was approved between the County, the City, and the Agency; the Plan was also approved by the Board on this date. As a result of this agreement, the Agency is required to submit an annual budget for the County’s approval.

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FY 2013-14**

Note:

Resolution R-973-04 - Interlocal agreement between Miami-Dade County, City of Miami Beach, Miami Beach Redevelopment Agency, and the Children's Trust.

The County will continue to make annual payments to the Agency, based on each respective year's growth of ad valorem revenues over the base year, through 2023, when the Agency will sunset.