



Miami-Dade County Board of County Commissioners

Office of the Commission Auditor

Legislative Analysis

Internal Management & Fiscal Responsibility
Committee

May 10, 2011

2:00 P.M.

Commission Chamber

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**Miami-Dade County Board of County Commissioners
Office of the Commission Auditor**

**Legislative Notes
Internal Management & Fiscal Responsibility Committee
Meeting Agenda**

May 10, 2011

Written legislative analyses for the below listed items are attached for your consideration:

Item Number(s)

3(A)
3(E)

Acknowledgements--Analyses prepared by:
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**MIAMI-DADE COUNTY
BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**



Legislative Notes

Agenda Item: 3(A)
File Number: 110913
**Committee(s)
of Reference:** Internal Management and Fiscal Responsibility Committee
Date of Analysis: May 5, 2011
District: 2

Summary

This resolution approves the *Northside Metrorail Station Transit Oriented Development Lease Agreement* (Lease Agreement), between Miami-Dade County (Landlord) and Carlisle Development Group, LLC. (Tenant), and consent to the assignment of the Lease Agreement from Carlisle Development Group, LLC to CDG Northside Holdings, LLC.

As both Federal transportation and Florida transportation funds were used for the purchase of the property by the County, *Miami-Dade Transit has requested the required approval of the Lease Agreement from both the Federal Transportation Administration and the Florida Department of Transportation both of which are required for the Lease Agreement to become effective.*

The Term of the lease will be for Fifty-five years, with two 15-year options to renew.

Background and Relevant Information

On January 15, 2008, the Department of Housing and Community Development (DHCD) advertised and issued the Miami-Dade General Obligation Bond Multi-Family Affordable Housing development Program RFP No. 249, for the development of County-owned properties located at the Northside Metrorail Station and Caribbean Boulevard.

However, in February 24, 2009, the Board of County Commissioners (BCC), through R-678-09: (1) rejected all proposals received in response to the Building Better Communities General Obligation Bonds (GOB) Project Number 249 Request for Proposals (RFP) for the Construction of Multi-Family Housing on Caribbean Boulevard and Northside Metrorail Station Sites; (2) waived competitive bid procedures; (3) waived bid protest procedures; and (4) *authorized the County Mayor or Mayor's designee to conduct competitive negotiations (including but not limited to scope of work, scheduling, unit mix, and pricing) between the responsible proposers to the Building Better Communities General Obligation Bonds (GOB) Project Number 249 Request for Proposals (RFP).*

On July 31, 2009, the DHCD, issued a Notice of Intent to Negotiate with the respondents to the original RFP No. 249 mentioned above. The negotiation committee, appointed by the County Manager, ultimately selected Carlisle as the developer of the Northside Metrorail Station Transit Oriented Development.

Funding Sources and Future Financing

Carlisle estimates that this project will cost approximately \$88 million. In order to raise additional funds, Carlisle (parent company) requires Low-Income Housing Tax Credits (LIHTC). However, in order to apply for the Tax Credit, the application must be from the separate corporate entity established to develop this

project, CDG Northside Holdings, LLC. *In June 2011, Carlisle is planning to submit two applications in the next LIHTC cycle to the Florida Housing Finance Corporation.*

Pursuant to the Manager's memo, the \$2.5 million Building Better Communities/General Obligation Bond funding will be awarded under a separate funding agreement.

According to GSA Staff, Carlisle will only use the GOB proceeds as "gap financing."

Low Income Housing Tax Credits

According to the U.S. Department of Housing and Urban Development's (HUD) website, the LIHTC is a resource for creating affordable housing in the United States. The LIHTC database, created by HUD and available to the public since 1997, contains information on numerous projects and housing units placed in service between 1987 and 2007.

- Created by the Tax Reform Act of 1986, the LIHTC program gives states and local LIHTC-allocating agencies the equivalent of nearly \$8 billion in annual budget authority to issue tax credits for the acquisition, rehabilitation, or new construction of rental housing targeted to lower-income households.

Parking Accommodations and Maintenance by the County

According to the Manager's memo, at completion, a total of 848 parking spaces will be available on the property, with 250 parking spaces reserved or otherwise dedicated for MDT daily riders, and 598 parking spaces for residents. With each phase of the project, the Carlisle will include a structured parking garage which will accommodate all of the required parking for the residential units as prescribed by the building code plus a minimum of sixty-two (62) additional spaces to be allocated to and for the County's exclusive use, primarily for daily Miami-Dade Transit (MDT) ridership, without cost to the County.

The County will be responsible for cost and expenses associated with maintenance of the parking spaces.

Carlisle Development Group, LLC

The Office of the Commission Auditor conducted a review of Carlisle's history with Miami-Dade County below.

This review included a company profile, list of principals, recent and previous contracts with Miami-Dade County, performance evaluations, change orders, settlement agreements, registered lobbyist, and history of violations. The review also includes the compliance history of contracts awarded to Carlisle, as well as Carlisle's current status with the Responsible Wages and Benefits Ordinance. The Department of Small Business Development (SBD) is responsible for monitoring compliance with the County's small business programs for construction services. SBD monitors the CSBE Program, the Responsible Wages and Benefits Ordinance, and conducts audits throughout the term of each contract. The Responsible Wages and Benefits requirements are included in all solicitation documents.

Previous Contracts with Miami-Dade County

The Office of Capital Improvement's Capital Improvement Information System (CIIS) does not list any contracts for Carlisle.

A cursory review of the legistar system shows the following legislation pertaining to Carlisle:

BCC Approval Date	Legislation Action
5/19/05	Carlisle Development Group, LLC and Carrfour Supportive Housing, Inc. were recommended for \$75,000 in Community Housing Development Organization funding linked to the Royalton Apartments, Ltd. The project entailed the development of eighty permanent support units and 20 affordable rentals units in the City of Miami. (See R-598-05)
12/14/07	The BCC, through 1312-07, authorized the reduction in the number of units for the Villa Patricia Phase I

	development from 160 to 125. BHG – 79th Street, LLC, a single asset Florida limited liability company, was created for the development of Villa Patricia Phase 1, on September 21, 2004. BHG – 79th Street, LLC is managed through MM 79, LLC, and its principal manager is Mr. Lloyd Boggio. MM 79, LLC's parent company is a joint venture between Carlisle Development Group, LLC (Carlisle Group) and Biscayne Housing Group, LLC.
4/07/09	The BCC, through 376-09, approved a Sublease Agreement between St. Agnes Housing Corporation and CDG Brownsville Holdings, LLC (an affiliate of Carlisle Development Group, LLC).
7/20/10	The BCC, through R-840-10, approved the selection of the developer for the Building Better Communities General Obligation Bond (GOB) Northside Metrorail Station (Northside) site and waive Sections 2-8.1 and 2-8.4 of the Miami-Dade County Code and Section 5.03 (D) of the Home Rule Charter pertaining to competitive. The final evaluation/rankings for the Northside Site are as follows: Carlisle Development Group, LLC (Carlisle Development Group) ; (tie) The Phoenix at Northside Station, Ltd (Pinnacle Housing Group) ; and (tie) Northside Green I, LLC (Biscayne Housing Group)
3/1/11	<p>The BCC, through R-138-11, approved the selection of Carlisle as the Developer for the Building Better Communities General Obligation Bond (BBC-GOB) Request for Qualifications No. 743, <i>N.W. 7th Avenue Transit Village Development Project. The Term of the lease will be for sixty-five years, plus two options to extend the term each for fifteen years.</i></p> <p>Carlisle estimated that this <i>N.W. 7th Avenue Transit Village Development Project</i> will cost approximately \$45 million.</p> <p>Carlisle committed to providing jobs to local residents during construction of this development and previously demonstrated its commitment to providing jobs to local residents during construction of the Brownsville Transit Village and Beacon developments without any mandate from the County. They agreed to continue their local jobs initiative throughout the construction of this development. Specifically, they have agreed to offer any available construction jobs to the local residents in the following order of priority :</p> <ol style="list-style-type: none"> 1) Miami-Dade County Liberty City Targeted Urban Area 2) Miami-Dade County Model City Neighborhood Revitalization Area or Miami-Dade County Little Haiti Targeted Urban Area. 3) Commission District 3 4) Miami-Dade County

Additional Information

- **Disadvantaged Business Enterprise (DBE) Obligation by Carlisle and Carlisle's Plan:** *According to Article 26 of the Lease Agreement, Carlisle agrees that DBE contractor's, have the opportunity to participate in the performance of the contracts and subcontracts for the design, construction, development, operation, or maintenance of the demised property. (See Article 26 of the Lease Agreement and Schedule 26.3 attached to the Manager's Memo)*
- **Term of the lease (55 years):** *The Lease Agreement contains affordable housing restrictions which require the units to remain affordable based on the terms and conditions of the tax credit financing, and for a minimum of a fifty (50) years. Due to the fact that the units will be ready for occupancy sometime after the commencement of the Lease Agreement, the Term of the County's Lease Agreement is for a minimum of fifty-five (55) years.*
- What happens if the FTA delays approving the lease arrangement? *According to GSA staff, the lease cannot commence until approvals are obtained and thus, if the approvals are not obtained in time for the Tenant's application for Low Income Housing Tax Credits they will have to wait until next year's cycle.*

The additional questions below were posed to staff; however, staff did not provide responses by time of the Office of the Commission Auditor's printing deadline.

- What is the estimated annual parking revenue for the County?
- What is the annual cost of maintaining the parking spaces? Is this cost budgeted by MDT?

**MIAMI-DADE COUNTY
BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**



Legislative Notes

Agenda Item: 3(E)

File Number: 110945

Committee(s) of Reference: Internal Management and Fiscal Responsibility

Date of Analysis: May 5, 2011

Type of Item: Competitive Contract Modification Package

Summary

This Competitive Contract Modification Package includes a total of seven (7) modifications to previously approved competitive contracts, requesting to allow additional spending authority and/or time.

Budgetary Impacts

In total, this Competitive Contract Modification Package is requesting **\$2.034 million** in additional allocations for Miami-Dade Transit (MDT), utilizing Charter County Transportation Surtax funds, which is a component of MDT Operating funds.

In addition, none of the items are requesting the use of federal funds. Currently there is a temporary suspension of federal grants to Miami-Dade Transit (MDT).

• **Contract Modifications:**

Item No.	Contract Title and Modification Reason	Existing Allocation	Modified / Extended Term	Increased Allocation	Record of Vendors' Performance
3.1	Electrical Mechanical Security Gates <u>Reason:</u> Additional spending authority to allow MDT to purchase security gate repair services for various locations.	\$291,000	No Change. Exp. 8/31/11	\$45,000	There are no compliance or performance issues reported for A1A Garage Doors Corp. (local).
3.2	Uniforms and	\$112,000	No Change.	\$263,000	There are no compliance or

	Accessories for M-D Transit (<u>Ratification</u>) <u>Reason:</u> Additional spending authority to allow MDT to continue to purchase items under this emergency contract. On May 3, 2011, the BCC, under Resolution No. 330-11, approved the replacement contract for the two emergency contracts. <i>**See below for background on this item.</i>		Exp. 6/30/11		performance issues reported for Monica Manufacturing, Inc. (local)
3.3	S Cam Brake Shoes with Bonded Lining and Re-lining for Miami-Dade Transit <u>Reason:</u> Additional time to allow MDT to continue to purchase and re-line brake shoes while a successor contract is developed.	\$725,000	9 months.	No Change.	There are no compliance or performance issues reported with American Brake and Clutch, Inc.
3.4	Floor Machine Parts and Repair Services (Pre-qualified Pool) <u>Reason:</u> Additional spending authority to allow MDT to purchase floor machine parts and repair services.	\$110,000	No Change.	\$74,000	There are no compliance or performance issues reported with the following firms: <ul style="list-style-type: none"> • Grunskis, LLC • Raymond Pourbaix Enterprises, Inc. (local) • Rex Chemical Corporation (local)
3.5	Vehicle Lifts and Related Garage Equipment	\$10,000	No Change.	\$28,000	There are no compliance or performance issues reported with Automotive

	<u>Reason:</u> Additional time to allow MDT to purchase vehicle lifts and related garage equipment.				Rsources Inc., and Stertil Koni USA, Inc.
3.6	Padlocks and Other Security Hardware (Pre-qualification) <u>Reason:</u> Additional time to allow MDT to purchase padlocks and security hardware.	\$878,000	No Change	\$35,000	There are no compliance or performance issues reported for the following 13 firms: <ul style="list-style-type: none"> • Craftmaster Hardware Co., Inc. • Bells Security Sales, Inc. • Interline Brands, Inc. • Independeent Hardware, Inc. • W W Grainger Inc. • Southern Lock & Supply Co. • American Plumbing Supply Co. (local) • Locks Co. (local) • Cerrajería Ales, Inc. (local) • Renderer, Inc. • Lockmaster USA, Inc. • Lockey Distributors, Inc. • Ronnies Jarware, Inc.
3.7	Track Hardware (Pre-qualification of Bidders) <u>Reason:</u> Additional spending authority to allow MDT to continue to purchase track hardware and ancillary items for maintenance of rail track.	\$1.873 million	No Change. Exp. Aug. 31, 20011	\$1.628 million	There are no compliance or performance issues reported for the following 10 firms: <ul style="list-style-type: none"> • Eastern Rail Corp. (local) • L B Foster Co. • Gantrex, Inc. • Trans Tech Corporation • Cembre Inc. • American Fasteners Corporation (local) • Progress Rail Services Corp. • A C R Progress Equipment Inc. • Durable Wood

					Products USA, Inc. (local) <ul style="list-style-type: none"> Affordable Metal, Inc. (local)
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Background for Item No. 3.2

On October 2, 2007, under Resolution No. 1093-07, the Board of County Commissioners awarded Contract No. 8302-4/12, Uniforms for Bus and Train Operators and Supervisors, to RDH Quest in the amount of \$387,243 (\$274,943 in MDT operating funds and \$112,300 in PTP funds) for the initial one-year term. However, in April 2010, this contract was terminated due to outstanding back orders for uniforms. A total of \$17,439.12 was released to RDH Quest.

On July 20, 2010, under Resolution No. 811-10, the County ratified an emergency contract awarded for purchase of uniforms for MDT to Monica Manufacturing, Corp. in the amount of \$112,000.

Additionally, On October 5, 2010, under Resolution No. 984-10, another emergency contract, was awarded to Monica Manufacturing Corp. for \$150,000 for the initial 6 months term with one, six-month OTR period for a cumulative value of \$300,000.

On Tuesday, May 3rd, the BCC approved Resolution No. 330-11, the contract for MDT uniforms. This contract replaced the two emergency contracts. Contract No. 9436-2/17: Uniforms and Accessories for Miami-Dade Transit, was awarded to Global Trading Inc., and IPA Corporation, in the amount of \$650,000 for the initial 2 years with 2, 2-year options-to-renew (OTR) periods, with a cumulative contract amount of \$1.95 million.

- **Question:** *Why does MDT need an additional allocation under the emergency contract? Why can't they access the new contract?*

Prepared by: Elizabeth N. Owens