

Memorandum



Date: MAR 02 2010

To: Honorable Dennis C. Moss and
Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: *Building Better Communities* General Obligation Bond Program Quarterly* Progress Report - Fourth Quarter FY 2009 (August 1 – September 30, 2009)

The following report provides an update on the *Building Better Communities* General Obligation Bond Program (GOB) for the period from August 1 through September 30, 2009. During this time span, we continued with ongoing bond projects now underway at 444 sites throughout Miami-Dade. Below are highlights of the program during this period (See Attachment 1). Current economic conditions, consequent impacts to the tax roll and the Board's decision regarding the debt service millage have significantly impacted the County's ability to sell bonds. Based on this, staff is in the process of evaluating the effect that reduced bonding capacity will have on the program. This process is expected to be completed in the near future.

CUMULATIVE OVERALL PROGRAM OVERVIEW

- **Design and Construction** – More than \$208 million in design and construction contracts have been approved for advertising or awarded.
- **Municipalities** – More than \$134 million in municipal agreements have been fully executed.
- **Property Acquisitions** – Approximately \$69 million in County property acquisitions have been completed including 2,671 acres of Environmentally Endangered Lands.
- **Not-for-Profits** – Approximately \$55 million in not-for-profit grant agreements have been executed or are in various stages of the contracting process.

A total of 444 individual project sites (County departments, municipal and not-for-profit projects) were in various stages of development, with 403 (91%) of these sites proceeding on-schedule. As of this reporting period, the entire \$147 million from the first tranche of the current bond sale (Series 2008B – approximately \$350 million total) has been spent. Further, \$24.6 million of the second tranche (approximately \$202 million) has also been spent bringing the overall total spent from the Series 2008B bond sale to \$171.6 million.

COUNTY PROJECTS

County projects are continuing to progress through various stages of development including design, construction and property acquisition (See Attachment 2). During this period, 352 individual County department project sites were in various stages of development with 316 (90%) of these sites proceeding on schedule.

***This report reflects only two months of the fourth quarter (August and September) due to a reporting variance the previous quarter in which results for the second and third quarters and the first month of the fourth quarter (July) were combined in a single report.**

MUNICIPAL PARTICIPATION

There were no municipal agreements executed this period. The total value of municipal agreements fully executed to date is more than \$134 million.

NOT-FOR-PROFIT PARTICIPATION (INCLUDING CULTURAL AFFAIRS PROJECTS)

No grant agreements were executed this reporting period. The total value of grant agreements executed to date with not-for-profit organizations is \$24.8 million. This \$24.8 million does not include agreements executed as part of the Not-for-Profit Organization Capital Grant Fund (NFP Fund) discussed below.

NOT-FOR-PROFIT COMMUNITY ORGANIZATION CAPITAL GRANT FUND

No agreements were executed this period related to the 37 grant allocations (awarded by the Board in July 2007) that are part of the \$30 million grant fund. To date, 28 NFP Fund agreements have been executed with a total value of \$21 million. The remaining nine agreements, worth approximately \$9 million, are in various stages of completion. OCI is working with stakeholders for these projects to complete the funding process that includes receipt of stakeholder information, internal staff due-diligence review and final approval procedures. As of the end of this reporting period, seven NFP Fund projects have been completed. They are the Center for Excellence in Early Education, Intergenerational Recreational Community Center, Community Public Radio Station Building, Sunrise Community Adult Training Center, Jewish Museum, Daily Bread Food Bank and Pierre Community Center.

SURPLUS FUNDS (NET INTEREST INCOME AND UNALLOCATED PROCEEDS) AND OTHER SOURCES OF FUNDS

Implementing Order (IO) No. 3-47 established the process for the allocation of surplus funds from the BBC-GOB and was approved by the Board on March 17, 2009. This IO requires that the following three items be reported to the Board on a quarterly basis:

1. CASH FLOW REVISIONS (SERIES 2008B and B-1 Bond Sales)

IO No. 3-47 defines a cash flow revision as an amendment to a project's original expenditure timetable approved by the Board for funding from a particular bond sale provided such change does not increase the total allocation approved by the voters for a specific project. This period, OCI administratively approved approximately \$8.6 million in cash flow revisions from the first tranche (\$147 million) of the Series 2008B bond sale (approximately \$350 million total) for 27 project sites (See Attachment 3). To date, a total of \$53.4 million in cash flow revisions funded from the Series 2008B bond sale have been approved for 64 project sites.

FUNDING ACCELERATIONS

IO No. 3-47 defines acceleration as the addition of a new project to the list of projects approved by the Board for funding from a specific bond sale. This period, there were no accelerations processed for Board approval under IO No. 3-47. To date, a total of \$21 million in accelerations have been processed for Board approval under IO No. 3-47. See Attachment 4.

2. GOB NET INTEREST INCOME AVAILABLE

IO #3-47 defines net interest income as interest earnings on unspent bond proceeds that accrue from the time bonds are sold to the time the bond proceeds are spent, less administrative expenses and any arbitrage liability set-asides. At the time covered in this report, the net BBC-GOB interest available per bond sale was as follows:

- Series 2005A - There are no interest proceeds remaining from this bond series. An agenda item for the allocation of a total of \$5 million in interest from Series 2005A to

fund budget shortfalls (an allowable use of interest under the IO) for the Northside Police Station (Project No. 322) and the Regional Head Start Facility (Project No. 300) was approved by the Board in July 2009.

- Series B (Seaport Tunnel) - \$2.5 million
- Series 2008B and B-1 - \$1.3 million

SIGNIFICANT MODIFICATIONS

There were no significant modifications to BBC-GOB projects approved by the Board this period.

PUBLIC OUTREACH EFFORTS

Public outreach efforts during this period were primarily related to keeping stakeholders informed during the County's FY 2009-10 budget process. OCI communicated with stakeholders representing 36 municipalities and 34 nonprofit groups regarding the status of funding for their GOB projects in view of bonding capacity limitations over the next year(s). An editorial article authored by CAC Chair Robin Reiter was published in the Herald during this period along with articles in *Miami Today* discussing the progress of the bond program and the need to establish priorities as economic conditions impact available resources. OCI Director Johnny Martinez was a guest on Spanish language WQBA to discuss related issues. Once policy decisions are made, OCI staff will work with the GOB Citizens' Advisory Committee (CAC) in developing a community outreach initiative to inform residents on the impact of the current economic conditions on the implementation of the bond program.

CITIZENS ADVISORY COMMITTEE

At the CAC's September 21, 2009 meeting I discussed the FY 09-10 budget process and the related review of capital projects necessitated by budget constraints. I told the CAC that the County needed to take extreme caution when establishing priorities to ensure that it only expands and/or builds new facilities that it can afford to operate. Other significant items discussed at this meeting included the revised GOB-funded public housing project, the Hialeah Multi-purpose facility and the GOB Second and Third Quarters Progress Report. A project progress subcommittee meeting was held on July 21, 2009. The project progress subcommittee reviews projects that are progressing slower than anticipated and seeks input from stakeholders on causes and remedies. The Housing Subcommittee, which did not convene during this reporting period, reviews the status of projects that are allocated GOB funding for affordable and public housing projects. The CAC also discussed the importance of reviewing the proposed delayed projects list so that they could provide input prior to the County finalizing decisions based on available dollars. They were told the list would be available within a few weeks and that their input would be appreciated before any final actions were taken.

SERIES 2008B BOND SALE

Financial markets necessitated that the County sell its 2008/2009 series of bonds in groups (called tranches) rather than a single sale, as was done with the initial 2005 bond sale. The first tranche (\$147.1 million) of the \$350 million Series 2008B bond sale was sold on December 11, 2008. The second tranche (\$201.7 million) was sold on March 12, 2009 thereby completing the series. These bonds will fund GOB projects over the next year with the largest number (81%) slated for ongoing work funded in the initial 2005 bond sale.

CONCLUSION

The period covered in this report reflects a productive period for implementation of the bond program with improvement projects, both large and small, moving forward in neighborhoods throughout Miami-Dade. At the close of this reporting period, the total amount spent from the current Series 2008B bond

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sale is approximately \$172 million with the County poised to continue spending funds from the second tranche.

If you have any questions about this report, please contact Johnny Martinez, Director, Office of Capital Improvements, at 305-375-2736, or me directly.

c: Honorable Carlos Alvarez, Mayor
Robert A. Cuevas, Jr., County Attorney
Ysela Llorca, Assistant County Manager
Johnny Martinez, Director, Office of Capital Improvements
County Executive Office Senior Staff
Department Directors
Charles Anderson, Commission Auditor

BUILDING BETTER COMMUNITIES GENERAL OBLIGATION BOND SUMMARY OF GOB PROGRESS Breakdown of GOB Activity					
GOB SERIES 2005A EXPENDITURES AS OF 9/30/09 (AS PER FAMIS) = \$271.3 million (incl. Series 2005A interest) GOB SERIES 2008B EXPENDITURES AS OF 9/30/09 (AS PER FAMIS) = \$171.6 million TOTAL GOB EXPENDITURES AS OF 9/30/09 (AS PER FAMIS) = \$443 million					
<u>County Departments</u>					
Type of Contract	Contracts in Progress or Completed (As of 10/13/09)	Contract Amounts (As of 10/13/09)	Contracts in Progress or Completed (As of 8/24/09)	Contract Amounts (As of 8/24/09)	
Approved for Advertising - Design Contracts	10	\$22.8 million	10	\$22.8 million	
Awarded - Design Contracts	59	\$54.8 million	59	\$54.8 million	
Equitable Distribution Program (EDP) Agreements	32	\$2.4 million	32	\$2.4 million	
Pre-existing Design Consultant Agreements or In-house Resources	139	\$66.2 million	130	\$53.5 million	
County Design Contracts/In-House Resources - Subtotal	240	\$146.3 million	231	\$133.6 million	
Approved for Advertising - Construction Contracts	2	\$2.9 million	2	\$2.9 million	
Awarded - Construction Contracts	19	\$26.5 million	19	\$26.5 million	
Approved for Advertising - Miscellaneous Construction Contracts (MCC)	0	\$0.0 million	0	\$0.0 million	
Awarded - Miscellaneous Construction Contracts (MCC)	171	\$32.4 million	171	\$32.4 million	
County Construction Contracts - Subtotal	192	\$61.8 million	192	\$61.8 million	
Design and Construction Contracts - TOTAL	432	\$208.1 million	423	\$195.4 million	
Property Acquisitions	220	\$68.6 million	220	\$68.4 million	
County Departments GOB Activity Sub-Total	652	\$276.7 million	643	\$263.8 million	
<u>Municipalities</u>					
Interlocal Agreements Fully Executed	135	\$134.4 million	135	\$134.4 million	
Interlocal Agreements in Progress	2	\$1.0 million	2	\$1.0 million	
Municipalities GOB Activity Sub-Total	137	\$135.4 million	137	\$135.4 million	
<u>Not-for-Profits</u>					
Not-for-Profit Agency Agreements Fully Executed	10	\$24.8 million	10	\$24.8 million	
Not-for-Profit Agency Agreements In-Progress	0	\$0.0 million	0	\$0.0 million	
Not-for-Profit Community-Based Organization Grant Fund (NFP Fund) - Grant Agreements Executed	28	\$21.0 million	28	\$21.0 million	
Not-for-Profit Community-Based Organization Grant Fund (NFP Fund) - Grant Agreements In-Progress	9	\$9.0 million	9	\$9.0 million	
Others (Historic Preservation Fund, Economic Development Fund)	0	\$0.0 million	0	\$0.0 million	
Not-for-Profit GOB Activity Sub-Total	47	\$54.8 million	47	\$54.8 million	
TOTAL GOB ACTIVITY		\$466.9 MILLION		\$454.0 MILLION	

ATTACHMENT 2

BBC-GOB COUNTY DEPARTMENT ACTIVITY - (8/01/09-9/30/09)

DESIGN			CONSTRUCTION			
DESIGNS COMPLETED	DESIGN-BUILD AWARDS	DESIGN AWARDS	DESIGN STARTED	CONSTRUCTION COMPLETED	CONSTRUCTION AWARDED	CONSTRUCTION STARTED
Naranja Park Improvements	None this period.	None this period.	Miami Art Museum (MAM)	Colonial Drive Park Phase 1C Sewer Connection	Local Drainage Improvements @ various locations County wide.	Midway Pump Station Drainage Improvements
Local Drainage Improvements @ various locations County-wide			MDPD Headquarters - Homeland Security - Building Enhancements	Westwind Lakes Park Signage & Landscaping		Deerwood Park Improvements
				Chapman Field Park Ballfield Lighting		International Gardens Park Rain Shelter
				Bridge Repairs for Bridge #874443 on SW 147 Ave. & SW 216 St. (Sonovoid Bridge Improvement Program)		Windemere Wooded Drainage Improvements
				ADA Bus Shelter Compliance for platforms in Commission Districts 1, 2, 3, 4, 6 and 13.		UMSA Ramps & Connectors @ S.W. 144th Ave between SW 280 St and SW 296 St.
				Ramps and Connectors @ SW 136 St. - SW 148 St. & SW 97 Ave. to SW 104 Ave.		
				UMSA Sidewalk Improvements - Commission District 10		

PROPERTY ACQUISITIONS

This period approximately 38 acres of environmentally endangered land were acquired. To date 2671 acres have been acquired as part of the Environmentally Endangered Lands (EEL) Program.

**ATTACHMENT 3
4TH QUARTER CASH FLOW REVISIONS (AUGUST 1 - SEPTEMBER 30, 2009)**

GOB PROJ #	GOB SITE #	STAKEHOLDER	COMM. DIST. #	EXPEDITED AMOUNT
19	70744	PRD Ives Estates	1	\$58,000
20	70738	PRD Marina Phase II	4	\$153,000
25	73378	PRD Crandon Park	7	\$527,000
25	73449	PRD Crandon Park	7	\$34,000
306	75408	PRD Colonial Drive Park	9	\$20,000
118	75598	PRD Intl Gardens	10	\$14,785
41	70760	PRD Tamiami Park	11	\$135,000
153	70799	HIALEAH Infrastructure	13	\$500,000
153	71314	HIALEAH Infrastructure	13	\$625,000
153	71315	HIALEAH Infrastructure	12	\$200,000
48	75408	PRD MetroZoo	9	\$190,700
25	70136	PRD Crandon Park	7	\$18,000
25	72379	PRD Crandon Park	7	\$25,000
249	73388	OCED Preserv. Affordable Housing D3	3	\$105,000
139.2	73428	PWD ADA Ives Dairy I-95 & NW 12 AVE	4	\$100,343
139.2	73370	PWD ADA NW 37 AVE & NW 52 AVE	1	\$132,250
139.2	VAR	PWD ADA Various Sites	VAR	\$1,538,400
153	71315	HIALEAH Infrastructure D12	12	\$570,000
153	71314	HIALEAH Infrastructure D6	6	\$400,000
279	70535	REDLAND FARM LIFE SCHOOL	8	\$284,986
88	70651	MUNI CORAL GABLES Salvadore Park	6	\$389,072
149	70528	BAY HARBOR ISLANDS	4	\$180,000
149	70528	BAY HARBOR ISLANDS Community Enhancement Projects	4	\$180,000
44	70154	PRD Trail Glades Range	12	\$1,432,854
101	70045	PRD South Dade Park	8	\$140,000
47	70431	PRD Miami MetroZoo	9	\$402,448
314	72548	PRD Gwen Cherry Football Bleachers	2	\$200,000
TOTAL 4TH QUARTER AUG 1 - SEPT 30, 2009				\$8,555,838

**ATTACHMENT 4
4TH QUARTER ACCELERATIONS PROCESSED**

GOB PROJ #	GOB SITE #	STAKEHOLDER	COMM. DIST. #	EXPEDITED AMOUNT
130	70358	PWD Bear Cut Fishg Catwalk Demolition (ACCELERATION APPROVED BY BCC ON 5-19-09)	7	\$40,000
208	70504	PHT Emergency Dept (ACCELERATION APPROVED BY BCC ON 6-2-09)	3	\$20,261,349
143	70408	MDT Mpath (ACCELERATION APPROVED BY BCC ON 5 19-09)	VAR	\$700,000
TOTAL AS OF END OF 4TH QUARTER				\$21,001,349

NOTE: There were no accelerations processed in the 4th Quarter.