

Memorandum



Date:

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

From: George M. Burgess
County Manager

Subject: *Building Better Communities* General Obligation Bond (BBC-GOB) Program Quarterly Status Report – Second Quarter FY-09 (January 1 – March 31, 2009)

The following report provides an update on the *Building Better Communities*-General Obligation Bond Program (BBC-GOB). This quarter, we continued to make significant strides in implementing the BBC-GOB program. This program continues to be a success story for the County and we are pleased with the continued support and progress. Below is an update on the major components of the BBC-GOB program to date (See Attachment 1):

OVERALL PROGRAM OVERVIEW

- **Design and Construction** – More than \$179 million in design and construction contracts have been approved for advertising or awarded.
- **Municipalities** – More than \$128 million in municipal agreements have been fully executed.
- **Property Acquisitions** – More than \$67 million in County property acquisitions have been completed including nearly 2600 acres of Environmentally Endangered Lands (EEL).
- **Not-for-Profits** – Approximately \$55 million in not-for-profit grant agreements have been executed or are in the process of being executed.

Currently, approximately 492 individual project sites (including County departments, municipalities and not-for-profits) are in various stages of development, with 440 (90%) of these sites proceeding on-schedule. As of the close of this reporting period, approximately \$87.6 million has been spent of the first tranche of \$146 million from the current bond sale (Series 2008B - \$350 million total).

COUNTY PROJECTS

This quarter, numerous County projects proceeded through various stages of development including design, construction and property acquisition (See Attachment 2). Currently, 393 individual County department project sites are in various stages of development, with 345 (88%) of these sites proceeding on schedule. The CAC is developing a community outreach initiative that will help residents understand the future progress of the GOB Program and the relative effects of the current economic conditions on the long-term progress of the program.

MUNICIPAL PARTICIPATION

Three municipal agreements for \$2.6 million were executed this quarter with the Cities of Miami, Sweetwater and Miami Shores. These agreements bring the total value of municipal agreements fully executed to date to over \$128 million.

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

One grant agreement with a total value of \$8.4 million was executed this quarter with the Miami Art Museum (MAM) bringing the total value of grant agreements executed with not-for-profit organizations

to \$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

Of the 37 grants totaling \$30 million from the Not-for-Profit Community Organization Capital Grant Fund (NFP Fund) that were awarded by the Board in July 2007, two agreements with a total value of \$2.1 million were executed this quarter with Gold Coast Railroad Museum Inc. and Camillus House. The total number of NFP Fund agreements executed as of the end of this quarter is 27 with a total value of \$20.5 million. The remaining 10 agreements worth approximately \$9.5 million are in the process of being executed. OCI staff conducted one site visit this quarter, as part of the due diligence process, at Bay Oaks Home for the Aging. As of the end of this reporting period, seven NFP Fund projects have been completed.

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

Resolution R-67-08 calling for the development of a procedure for the allocation of surplus funds was approved by the Board on January 10, 2008. As a follow-up, staff finalized the Implementing Order (IO) for the allocation of BBC-GOB surplus funds and presented the IO in draft form to the BBC-GOB Citizens' Advisory Committee (CAC) on May 1, 2008 and the Governmental Operations and Environment Committee (GOE) on July 8, 2008. The IO was amended by the GOE committee. A substitute item clarifying the definition of "acceleration" was presented at the November 10, 2008 GOE. The IO (#3-47), which established the process for the allocation of surplus funds from the BBC-GOB Program, was approved by the Board on March 17, 2009. The IO requires that the following three items be reported to the Board on a quarterly basis:

1. CASH FLOW REVISIONS - PROJECTS EXPEDITED (SERIES 2008B Bond Sale)

IO #3-47 defines a cash flow revision as a revision to the cash flow of a project approved by the Board for funding from a particular bond sale provided such cash flow revision does not increase the total allocation approved by the voters for that project. This quarter, OCI administratively approved cash flow revisions expediting approximately \$16.3 million from the first tranche (\$146 million) of the Series 2008B bond sale (\$350 million total) to expedite 17 sites (See Attachment 3).

To date, \$21.47 million in cash flow revisions have been approved for the expediting of 57 project sites.

2. FUNDING ACCELERATIONS

IO #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 quarter, no accelerations were processed for Board approval under IO #3-47.

3. 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. The current net GOB interest available per bond sale is as follows:

- Series 2005A - \$8.7 million. 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 (GOB Project No. 322) and the Regional Head

Start Facility (GOB Project No. 300) will be presented to the Board in June 2009. The \$8.7 million is inclusive of the \$5 million.

- Series B (Tunnel) - \$1.89 million
- Series 2008B - \$159,333

ECONOMIC STIMULUS PLAN (ESP)

Approximately 17 percent of the projects in the ESP are BBC-GOB-funded projects. On July 17, 2008, the Board approved the ESP Ordinance and project list. The purpose of this initiative is to stimulate the local construction industry during the current economic slowdown. The ESP involves the expedited processing of more than \$625 million in engineering and construction projects County-wide. ESP-participating departments include Aviation, DERM, Fire-Rescue, General Services Administration, Homeless Trust, Office of Community and Economic Development (OCED), Parks, Police, Public Works, Seaport, Transit and Water and Sewer. As of March 31, 2009, approximately \$340 million in ESP projects have been expedited of which approximately \$25 million were for BBC-GOB-funded projects.

“SIGNIFICANT MODIFICATIONS” TO BBC-GOB PROGRAM

The following “significant modifications” to projects in the BBC-GOB Program were approved by the CAC and the Board this quarter, after a public hearing, including:

- Unincorporated Municipal Service Area - Local Park Improvements (GOB Project 123): This item revised the street address for this project from the specific location at NW 194 St and NW 82 Avenue to “Various”. This modification was made to permit the expenditure of BBC-GOB Program funds allocated to Project 123 in various parks throughout Commission District 13 and to be consistent with the project’s original description, as approved by the voters, which indicated “park improvements to existing local parks to include renovation and upgrades”. This item was approved by the Board on January 22, 2009.
- Redland Fruit & Spice Park (GOB Project 30): This item revised the project’s description to include land acquisition. 5.5 acres of additional land were acquired at a cost of \$1.15 million bringing the total acreage for this park to 36.5 acres. This item was approved by the Board on January 22, 2009.
- Trail Glades Range (GOB Project 44): This item revised the project’s description to include land acquisition. 20 acres of additional land were acquired at a cost of \$1.39 million bringing the total acreage for this park to 699 acres. This item was approved by the Board on January 22, 2009.

PUBLIC OUTREACH EFFORTS

The 2008 BBC-GOB Annual Report, highlighting both completed BBC-GOB-funded projects and those now underway, was distributed in February 2009 along with OCI’s quarterly online newsletter that is distributed to more than 1,000 stakeholders. Public outreach efforts this period included presentations to a number of business and civic groups including the American Water Works Association and the North Dade Chamber of Commerce. This is an on-going commitment of the CAC as they continue to update the public on issues and opportunities of the GOB, countywide.

CITIZENS’ ADVISORY COMMITTEE (CAC)

Three CAC meetings were held this quarter on January 8, February 4 and February 26, 2009. Significant items discussed at these meetings included the second grant agreement for the Miami Art Museum (MAM), the status of GOB housing projects, the Marlins Stadium parking garages, the Port of Miami Tunnel, the Gold Coast Railroad Museum grant agreement and potential uses for interest earnings. The featured stakeholders at these full CAC meetings included MAM, Cultural Affairs, Miami-Dade Housing and the Office of Community and Economic Development (OCED). Project Progress

Subcommittee meetings were held on February 22 and March 25, 2009. The Project Progress Subcommittee reviews projects that are progressing slower than anticipated and seeks input from stakeholders on causes. The Housing Subcommittee, which was not convened during this reporting period, reviews the status of projects that are allocated BBC-GOB funding for affordable and public housing projects. The CAC continued to discuss the lag in the implementation of the very important affordable and workforce housing programs at both their full committee and subcommittee meetings. Staff continues to work with the CAC, Housing and OCED on moving these programs forward.

NEXT BBC-GOB BOND SALE (SERIES 2008B)

The first tranche (\$146 million) of the \$350 million Series 2008B bond sale was sold on December 11, 2008. 81% of the projects covered by the initial BBC-GOB bond sale (Series 2005A) are also being funded in Series 2008B.

CONCLUSION

This quarter, we have continued to make significant strides in implementing the BBC-GOB program. At the close of this reporting period, the total amount spent of the first tranche of \$146 million from Series 2008B is approximately \$87.6 million.

C: Honorable Carlos Alvarez, Mayor
Denis Morales, Mayor's Chief of Staff
Assistant County Managers/Special Assistants
Department Directors

BUILDING BETTER COMMUNITIES GENERAL OBLIGATION BOND SUMMARY OF GOB PROGRESS Breakdown of GOB Activity					
GOB SERIES 2005A EXPENDITURES AS OF 4/29/09 (AS PER FAMIS) = \$271.3 million (incl. Series 2005A Interest) GOB SERIES 2008B EXPENDITURES AS OF 4/29/09 (AS PER FAMIS) = \$87.6 million TOTAL GOB EXPENDITURES AS OF 4/29/09 (AS PER FAMIS) = \$358.9 million					
County Departments					
Type of Contract	Contracts in Progress or Completed (As of 4/29/09)	Contract Amounts (As of 4/29/09)	Contracts in Progress or Completed (As of 12/31/08)	Contract Amounts (As of 12/31/08)	
Approved for Advertising - Design Contracts	13	\$24.0 million	11	\$22.8 million	
Awarded - Design Contracts	59	\$36.5 million	56	\$34.4 million	
Equitable Distribution Program (EDP) Agreements	32	\$2.4 million	32	\$2.4 million	
Pre-existing Design Consultant Agreements or In-house Resources	130	\$53.5 million	126	\$48.4 million	
County Design Contracts/In-House Resources - Subtotal	234	\$116.4 million	225	\$108.0 million	
Approved for Advertising - Construction Contracts	3	\$5.1 million	12	\$19.8 million	
Awarded - Construction Contracts	19	\$25.3 million	12	\$16.5 million	
Approved for Advertising - Miscellaneous Construction Contracts (MCC)	0	\$0.0 million	0	\$0.0 million	
Awarded - Miscellaneous Construction Contracts (MCC)	172	\$32.6 million	172	\$32.3 million	
County Construction Contracts - Subtotal	194	\$63.0 million	196	\$68.6 million	
Design and Construction Contracts - TOTAL	428	\$179.4 million	421	\$176.6 million	
Property Acquisitions	210	\$67.1 million	203	\$62.2 million	
County Departments GOB Activity Sub-Total	638	\$246.5 million	624	\$238.8 million	
Municipalities					
Interlocal Agreements Fully Executed	128	\$128.1 million	124	\$125.1 million	
Interlocal Agreements in Progress	8	\$7.5 million	6	\$4.5 million	
Municipalities GOB Activity Sub-Total	136	\$135.6 million	130	\$129.6 million	
Not-for-Profits					
Not-for-Profit Agency Agreements Fully Executed	10	\$24.8 million	9	\$16.4 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	27	\$20.5 million	25	\$18.4 million	
Not-for-Profit Community-Based Organization Grant Fund (NFP Fund) - Grant Agreements In-Progress	10	\$9.5 million	12	\$11.6 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	46	\$46.4 million	
TOTAL GOB ACTIVITY		\$436.9 MILLION		\$414.8 MILLION	

