Memorandum

MIAMI-DADE COUNTY

Date: June 7, 2005

Agenda Item No. 5(GG)

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Approving the Midtown Miami Community Redevelopment Agency Community Redevelopment Plan and Interlocal Agreement

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RECOMMENDATION

It is recommended that the Board of County Commissioners (the "Board") approve and adopt the attached Midtown Miami Community Redevelopment Agency (the "Agency") Community Redevelopment Plan (the "Plan"), and Interlocal Agreement (the "Agreement") between the City of Miami (the "City"), Miami-Dade County (the "County") and the Midtown Miami Community Redevelopment Agency (the "Agency"), collectively (the "Parties").

BACKGROUND

In 1969, the Florida Legislature enacted the Community Redevelopment Act of 1969 as it is contained in Part III of Chapter 163, Florida Statutes, as amended (the "Act"). The Act authorizes counties and municipalities in the State of Florida to create community redevelopment agencies, to prepare redevelopment plans for certain defined areas within their boundaries designated as community redevelopment areas and to delegate redevelopment powers to the agency at the discretion of the County and City, after a finding has been made, determining that slum or blight exists within a defined area.

On March 1, 2005, the Board adopted Resolution No. R 213-05 finding the Midtown Miami Community Redevelopment Area to be a slum and blighted area, and delegating to the City the power to create a Redevelopment Agency with the sole power to prepare a Redevelopment Plan. The City Commission, pursuant to Resolution No. R-05-0194, adopted on March 24, 2005 accepted a delegation of powers from the Board, found a need for and created the Agency, declared the members of the City Commission to be the members of the Agency, granted the Agency the power to exercise all powers permitted by the Act which were delegated by the Board to the Agency and directed the initiation, preparation and adoption of a community redevelopment plan by the Agency.

The Midtown Miami Community Redevelopment Agency, pursuant to Resolution R-05-002, adopted April 14, 2005, approved the Midtown Miami Community Redevelopment Plan (the "Plan"), Exhibit "A". On April 14, 2005 the City Commission, pursuant to Resolution No. R-05-0241, approved and adopted the Redevelopment Plan. Prior to submission to the Commission, the Agency, pursuant to the requirements of Section 163.360, Florida Statutes, had on March 18, 2005 submitted the Redevelopment Plan, to the City's Planning and Advisory Board, which received and accepted the Plan.

In order to implement the Plan, the City has requested that the Board approve the Plan and that certain redevelopment powers, as provided for by the Act, be delegated to the City by the Board. Said delegations to be granted by this Board are formalized through the interlocal agreement between the Parties, Exhibit "B" attached.

The Midtown Miami Community Redevelopment Area comprises a 56-acre site and is located in the Wynwood/Buena Vista neighborhood, within close proximity of Little Haiti, Overtown, Allapattah, the Design District and the Biscayne Boulevard corridor. The project is a mixed-use development. The primary development components, to be constructed in six incremental phases include a retail shopping center, apartments, an office building, a hotel and eight condominium towers, for an aggregate construction value of $1.2 billion. The developer, Biscayne Development Partners LLC, anticipates that the initial development in the first phase will approximate $340 million. Completion of the entire project is projected to be in 2011.

The Redevelopment Plan has established its primary redevelopment goal, which is limited to payment of the debt service on Bonds issued by the Midtown Miami Community Development District, (the 'District") and any administrative costs incurred in the creation and functioning of the Agency.

On April 27, 2004 the BCC approved Resolution R-496-04, authorizing an interlocal agreement between the County, the City and the District. The agreement provided for Economic Development Payments ("EIP") to further the development of the proposed redevelopment area by securing financial contributions to the District from the City and the County to defray the cost of parking infrastructure and a public plaza. The interlocal agreement stated that the City and the County desire to establish a community redevelopment agency (CRA) and trust fund, prior to June 30, 2005, in order to use such agency's tax increment financing revenues to replace the obligation of the two parties' EIP payments. This agreement will be amended, as provided for in the original agreement, to include the Agency as a party. This will extinguish future obligations of the County and City to make EIP payments, once the Agency's Plan and its funding mechanism (Trust Fund ordinance) are established and will make the tax increment revenues the source for payments of the District Bonds.

Summaries of the overall redevelopment goals of the Agency are as follows:

- Encourage an integrated system of pedestrian and vehicular circulation, landscaping, greenscaped areas including plazas, and streetscape improvements

- Encourage the private sector to create both professional and service jobs to residents
- Leveraging the maximum amount of non-tax increment financing resources possible to assist in redevelopment, and
- Partner with public and private sector entities towards the achievement of its redevelopment goals and to gain maximum leveraging of assets and cooperation.

FINANCIAL IMPACT

The financial impact analysis is based on the assumption that the Midtown Miami Developments will have been completed by the year 2011 and that the taxable value of such development will be approximately $ 1.1 billion. The County's net costs are limited by the Interlocal with the City, the CRA and the District to 40% of the debt service requirements of the $73,580,000 Series 2004A Midtown Miami CDD Bonds (the "Bond") already issued. The 40% ratio is determined by the ratio of the millage rates of the City and the County. Debt service payments continue to the year 2037 and will total $177 million. The annual amounts will level off to $5.4 million after an initial capitalized interest period through 2007. The payment of Tax Increment Revenues required by the CRA must be the maximum (95%) percentage allowable per the Fl Statutes, Chapter 163 in order to cover the first few years of debt service payments. All tax increment (TIF) revenues not required for the debt service of the Bond, or for administrative costs as limited at 1% of TIF revenues in our proposed interlocal agreement, will be refunded to the County and City on a pro-rata basis.

The initial period of the Bond, up to November 1, 2007, will not require any payment by the Agency, due to the capitalized interest structure of the Bond. The first, fiscal year 2007-08 payment, of $ 1.8 million initially required from the County and to be made by the Agency from the County's tax increment revenues, is based on the anticipated tax roll addition of $340 million by mid 2006 and our current 5.935 millage rate. Commencing in 2008, the County's share of the debt service on the Bonds will level out at $2.1 million through the year 2037. It is anticipated that by the fiscal year 2008-09 the annual refunds of excess TIF contributions by both the County and the City will commence, as the TIF revenues generated by the additional build-out of the development will exceed the amounts needed for debt service. By the year 2011, the estimated County TIF revenues the project generates will be approximately $4.9 million, whereas the debt service requirement from this County portion of revenues remains at $2.1 million. The excess of $2.8 million would be refunded to the County. Based on a annual growth rate of 3% in the property values, by the year 2034, an excess TIF revenue of $11.1 million would be refunded to the County.

The incentive contribution of TIF revenues to repay the Bond by the Agency is performance based, in that at least 90% of the development components envisioned for Phase I, including the retail mall, the integrated parking and plaza and the first condominium tower must have been certified for occupancy before any payment to the District will be made. Similarly, 90% of the Phase II development components,

comprising a hotel, apartments, office and a second condominium must have received certificates for occupancy before the second, higher level of debt service payment will be made.

In the event that insufficient performance measures by the developers would not trigger the full debt service repayment by the Agency, the obligation to make debt service payments rest with the District, which would need to asses property owners or otherwise satisfy demands from its bondholders.

The County's Tax Increment Financing and Coordinating Committee has reviewed the Agency's redevelopment plan and recommends approval of the project.

Tony E. Crapp, Sr.
Assistant County Manager

MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez and Members, Board of County Commissioners

DATE: June 7, 2005

FROM: Robert A. Ginsburg
County Attorney

SUBJECT: Agenda Item No. 5(GG)

Please note any items checked.

_____ **"4-Day Rule" ("3-Day Rule" for committees) applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Bid waiver requiring County Manager's written recommendation**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **Housekeeping item (no policy decision required)**

_____ **No committee review**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 5(GG)
06-07-05

RESOLUTION_____

RESOLUTION APPROVING COMMUNITY REDEVELOPMENT PLAN REGARDING CERTAIN GEOGRAPHIC AREA DESCRIBED GENERALLY AS BOUNDED BY NE 36TH STREET ON THE NORTH, NE 2ND AVENUE ON THE EAST, NE 29TH STREET ON THE SOUTH AND NORTH MIAMI AVENUE ON THE WEST, SUCH GEOGRAPHIC AREA BEING MORE PARTICULARLY DESCRIBED IN EXHIBIT "A"; AND APPROVING INTERLOCAL AGREEMENT BETWEEN MIAMI-DADE COUNTY (THE "COUNTY"), THE CITY OF MIAMI (THE "CITY") AND THE MIDTOWN MIAMI COMMUNITY REDEVELOPMENT AGENCY (THE "AGENCY")

WHEREAS, the Legislature of the State of Florida enacted the Community Redevelopment Act of 1969 during its 1969 Legislative Session, which enactment is presently codified in the Florida Statutes as Part III of Chapter 163, Sections 163.330 through 163.450 (the "Act"); and

WHEREAS, all powers arising through the Act are conferred upon counties with home rule charters, which counties in turn are authorized to delegate the exercise of such powers within the boundaries of a municipality to the governing body of such municipality; and

WHEREAS, such authorization for counties to delegate such powers to municipalities is contained in Section 163.410, Florida Statutes, which states: In any county which has adopted a home rule charter, the powers conferred by this part shall be exercised exclusively by the governing body of such county. However, the governing body of any such county which has adopted a home rule charter may, in its discretion, by resolution delegate the exercise of the powers conferred upon the county by this part within the boundaries of a municipality to the governing body of such a municipality. Such a delegation to a municipality shall confer only such powers upon a municipality as shall be specifically enumerated in the delegating resolution. Any power not specifically delegated shall be reserved exclusively to the governing body of the county. This section does not

affect any community redevelopment agency created by a municipality prior to the adoption of a county home rule charter, and

WHEREAS, this Board desires to accomplish the purposes outlined in the memorandum from the County Manager, a copy of which is attached to this Resolution and incorporated herein, for the reasons delineated therein,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, THAT:

Section 1. The foregoing recitations are deemed true and correct and hereby incorporated as a part of this Resolution.

Section 2. This Board hereby accepts the delivery of the Plan delivered to it by the City Council. This Board hereby finds and determines that:

(a) The rehabilitation, conservation or redevelopment or a combination thereof of the Redevelopment Area is necessary in the interest of the public health, safety, morals and welfare of the residents of the City and in the interest of implementing the Act by rehabilitating and revitalizing the area economically and socially, thereby inhibiting the spread of disease and crime, and inter alia improving the tax base, promoting sound growth, and providing improved housing conditions.
(b) A feasible method exists for the location of families who will be displaced from the Redevelopment Area in decent, safe and sanitary dwelling accommodations within their means and without undue hardship to such families.
(c) The Plan conforms to the comprehensive plan of the City and the County as a whole (as determined by the City).
(d) The Plan gives due consideration to the provision of adequate park and recreational areas and facilities that may be desirable for neighborhood improvement, with special consideration for the health, safety and welfare of children residing in the general vicinity of the site covered by the Plan.
(e) The Plan will afford maximum opportunity, consistent with the sound needs of the County and the City as a whole, for the rehabilitation or redevelopment of the Redevelopment Area by private enterprise.

Section 3. This Board hereby further finds and determines that: (a) the Plan conforms to the comprehensive plan of the City; (b) the Plan is sufficiently complete to indicate such land acquisition, demolition and removal of structures, redevelopment, improvements and rehabilitation as may be proposed to be carried out in the Redevelopment Area, zoning and planning changes, if any, land uses, maximum densities and building requirements; (c) the Plan provides for the development of affordable housing in the area; (d) the Plan conforms with the Act; and (e) the Plan is necessary in the interest of the public health, safety, morals and welfare of the residents of the City and will effectuate the purposes of the Act by revitalizing the Redevelopment Area economically and socially, thereby increasing the tax base, promoting sound growth, improving housing conditions and eliminating the conditions

which the Florida Legislature in the Act found constituted a menace which was injurious to the public health, safety, welfare and morals of the residents.

Section 4. This Board, after having conducted a public hearing on the matter for the purpose of giving all interested persons an opportunity to express their views, notice of which public hearing was published on _____ in The Miami Herald, a true copy of which notice is attached hereto as Exhibit "C" and made a part hereof, and having made the findings expressed above, hereby approves and adopts the Plan for the Redevelopment Area in accordance with the Act. The Plan is hereby designated as the official redevelopment plan for the Redevelopment Area and it is the purpose and intent of the board and the City Council that the Plan, as same may be supplemented and amended by the City Council and approved by this Board, be implemented in the Redevelopment Area.

Section 5. The Board approves the terms of and authorizes the County Manager to execute the Interlocal Agreement between the County, City, and Agency in substantially the form attached to this resolution as Exhibit "B", subject to the review of the County Attorney.

Section 6. If any section, subsection, sentence, clause or provision of this Resolution is held invalid, the remainder of this Resolution shall not be affected by such invalidity.

Section 7. This resolution shall become effective ten (10) days after the date of enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

The foregoing resolution was offered by Commissioner , who moved its adoption. The motion was seconded by Commissioner and upon being put to a vote, the vote was as follows:

Joe A. Martinez, Chairman
Dennis C. Moss, Vice-Chairman

Bruno A. Barreiro	Dr. Barbara Carey-Shuler
Jose "Pepe" Diaz	Carlos A. Gimenez
Sally A. Heyman	Barbara J. Jordan
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 7th day of June, 2005. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as
To form and legal sufficiency._____

By:_____
Deputy Clerk

Shannon D. Summerset

MEMORANDUM

(Revised)

TO: Hon. Chairperson Barbara Carey-Shuler, Ed.D. and Members, Board of County Commissioners

DATE: April 27, 2004

FROM: Robert A. Ginsburg
County Attorney

SUBJECT: Agenda Item No. Not On 7(K)(1)(C)

Please note any items checked.

✓ **"4-Day Rule" ("3-Day Rule" for committees) applicable if raised**

____ **6 weeks required between first reading and public hearing**

____ **4 weeks notification to municipal officials required prior to public hearing**

____ **Decreases revenues or increases expenditures without balancing budget**

____ **Budget required**

____ **Statement of fiscal impact required**

____ **Bid waiver requiring County Manager's written recommendation**

____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

____ **Housekeeping item (no policy decision required)**

____ **No committee review**

Approved _____ Mayor
Veto _____
Override _____

Not On
Agenda Item No. 7(K)(1)(C)
4-27-04

RESOLUTION NO. R-496-04

RESOLUTION APPROVING FORM OF INTERLOCAL AGREEMENT AMONG THE CITY OF MIAMI, MIAMI-DADE COUNTY AND MIDTOWN MIAMI COMMUNITY DEVELOPMENT DISTRICT FOR THE MIDTOWN MIAMI PROJECT; AND AUTHORIZING COUNTY MANAGER TO EXECUTE AND DELIVER INTERLOCAL AGREEMENT

WHEREAS, this Board previously created the Midtown Miami Community Development District, a local unit of special purpose government (the "District") established pursuant to Section 1.01(A)(21) of the County's Home Rule Charter and Chapter 190, Florida Statutes, as amended, (the "Act), pursuant to Ordinance No. 03-271 enacted by the Board on December 16, 2003; and

WHEREAS, the District has requested, among other things, for economic assistance from the County and The City of Miami (the "City") with respect to certain infrastructure improvements that constitute a public purpose with respect to the Midtown Miami Project previously endorsed by this Board; and

WHEREAS, it is in the best interest of the County and the City to provide assistance since the Midtown Miami Project is expected to stimulate economic development and growth within the City and the County benefiting their citizens and to generate significant revenues for the City and the County, including without limitation, increased ad valorem tax revenue, sales tax revenue, gas tax revenue, tourist or convention development tax revenue and other fees and charges related to the Development; and

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WHEREAS, Section 163, Part 1, Florida Statutes (the "Act") provides a means by which the City, the County and the District may exercise their respective powers, privileges, and authority which they may have separately, but which pursuant to this Agreement and the Act they may exercise collectively; and

WHEREAS, Section 163.01(5)(f) of the Act provides that an interlocal agreement may contain a method or formula for equitably providing for and allocating and financing capital and operating costs for capital projects and for the payment of debt service, including establishment of reserves on bonds, on the basis of the amount of benefits received or conferred by each participating government; and

WHEREAS, the County, City and District wish to enter into an interlocal agreement (the "Interlocal Agreement") to set forth the financial responsibilities of each with respect to the design, acquisition and construction of certain roadways (within and outside the boundaries of the District), water and sewer facilities, a stormwater management system, streetscape and landscape, and parking garages as more fully described in the Interlocal Agreement (the "Infrastructure") in connection with the Midtown Miami Project; and

WHEREAS, without financial assistance from the County and the City with respect to the Infrastructure, the Midtown Miami Project cannot be built; and

WHEREAS, the District intends to finance a portion of the costs of the Infrastructure from the proceeds of one or more series of bonds as set forth in more detail in the Interlocal Agreement and in the County Manager's Memorandum which accompanied this Resolution; and

WHEREAS, this Board by this reference incorporates the County Manager's Memorandum in this Resolution; and

WHEREAS, the District is authorized to levy special assessments against the property in the District to pay debt service on the Bonds (the "Special Assessments"); and

WHEREAS, in order to equitably apportion the burden of the costs of the Midtown Project, the County and City desire to make annual payments to the District either in the form of economic incentive payments to be derived from non-ad valorem revenues of each or from tax increment revenues as more fully described in the Interlocal Agreement and the County Manager's Memorandum; and

WHEREAS, the acquisition, construction, equipping and financing of the Project constitutes a public purpose in accordance with Section 166.021, Florida Statutes, and Section 125.045, Florida Statutes, and is in the best interest of all of the parties and their respective residents and citizens; and

WHEREAS, the Board wishes to approve the form of the Interlocal Agreement and to authorize the County Manager to execute and deliver it,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. The preceding recitals are incorporated in this Resolution by this reference.

Section 2. The Board approves the Interlocal Agreement among the City of Miami, the County and the District in substantially the form set forth in Exhibit "A" to this Resolution.

Section 3. The County Manager is authorized to finalize the Interlocal Agreement after consultation with the Office of the County Attorney and to execute and deliver it on behalf of the County with such delivery constituting final approval by this Board.

Section 4. Since time is of the essence with respect to the timing of a bond validation by the District and the need to commence construction, the provisions of Resolution No. 377-04 pertaining to the effective date of County contracts is waived with respect to the Interlocal Agreement.

The foregoing resolution was offered by Commissioner , who moved its adoption. The motion was seconded by Commissioner and upon being put to a vote, the vote was as follows:

Dr. Barbara Carey-Shuler, Chairperson
Katy Sorenson, Vice-Chairperson

Bruno A. Barreiro	Jose "Pepe" Diaz
Betty T. Ferguson	Sally A. Heyman
Joe A. Martinez	Jimmy L. Morales
Dennis C. Moss	Dorrin D. Rolle
Natacha Seijas	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 27th day of April, 2004. This Resolution and contract, if not vetoed, shall become effective in accordance with Resolution No. R-377-04.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By:_____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Gerald T. Heffernan

MEMORANDUM

Not On
Agenda Item No. 7(K)(1)(C)

TO:	Honorable Chairperson Barbara Carey-Shuler, Ed.D. and Members Board of County Commissioners	**DATE:**	April 27, 2004
FROM:	George M. Burgess County Manager	**SUBJECT:**	Approval of Interlocal Agreement among The City of Miami, Miami-Dade County and Midtown Miami Community Development District for the Midtown Miami Project

RECOMMENDATION

It is recommended that the Board of County Commissioners adopt the attached resolution that approves the form, execution and delivery of an Interlocal Agreement among the City of Miami ("City"), Miami-Dade County ("County") and Midtown Miami Community Development District ("CDD") (collectively, the "Parties") for the Midtown Miami project previously approved by this Board for Section 108 funding. The Interlocal Agreement sets forth the understanding between the Parties with respect to the financial contributions by the City and the County to the District to be used to pay debt service on District bonds issued to fund the costs of certain public infrastructure improvements. The County and City will make Economic Incentive Payments and/or Tax Increment payments to the District in an amount that will not exceed the debt service on the bonds. The aggregate principal amount of the District bonds is estimated to be $76,620,000.

BACKGROUND

The "Midtown Miami" project entails the three (3) often-utilized elements of economic development; residential, office, and commercial. The 56-acre site is located in the Wynwood/Buena Vista neighborhood and is in close proximity to Little Haiti, Overtown, Allapattah, Design District, and the Biscayne Boulevard corridor. It is anticipated that the initial development in the first phase will be $340 million. The development is a mixed-use project being developed by Biscayne Development Partners LLC ("Biscayne"). The primary development components to be constructed in six incremental phases include a retail shopping center, apartment buildings, an office building, a hotel, and eight condominium towers for an aggregate construction value of over $1.2 billion (see supplemental information attachment 2) . Biscayne expects to sell a portion of the land to Developers Diversified Realty Corporation ("DDR") or an affiliate, which is expected to develop the retail shopping center called "Shops at Midtown." The Board of County Commissioners (the "Board") endorsed the project when it approved Ordinance No. 04-42 which authorized the County Manager to apply for a US HUD Section 108 Loan Guarantee in the amount of $20.6 million to fund a portion of the infrastructure improvements.

FINANCING PLAN

The total construction cost of the infrastructure is estimated to be $77,535,000. The infrastructure consists of roadways, water and sewer improvements, drainage and irrigation, streetscape and landscape and public plazas. Included in the infrastructure development is a public parking garage with an estimated cost of $45 million. The Section 108 Loan Guarantee will finance up to $20.6 million of the construction costs. In the event the Section 108 Loan is not secured, the District will issue bonds to fund the $20.6 million. The Section 108 Loan will be secured by special assessments to be assessed to the property owners in the District ("Special Assessments"). A portion of the construction costs shall also be funded from public grants such as EDA ($2 million), FDOT ($2.5 million), South Florida Regional Planning Council loan ($800,000), and County loan (BEDI) funds ($400,000).

The remaining construction costs, estimated to be $51,204,000, will be funded from bond proceeds. The CDD will issue bonds in an aggregate principal amount estimated to be $76,620,000 ("Bonds"). In addition to the construction costs, the principal amount of the Bonds includes three years of capitalized interest, a debt service reserve fund, underwriter's discount and costs of issuance. The Bonds will be structured so there are no principal payments in the first three years and interest will be paid from capitalized interest of approximately $17,000,000. Total debt service on the Bonds is estimated to be $169,000,000 over approximately 30 years. The actual principal amount of the Bonds will be determined after they are priced and sold. Although the Bonds will be secured by Special Assessments on parity with the Section 108 Loan, the District intends to pay the debt service on the Bonds from payments received from the City and the County, which are described in more detail in the section on the Interlocal Agreement below. The County and the City are not responsible for any other costs or expenses of any kind with respect to the CDD project or the Bonds other than debt service on the Bonds issued in an aggregate principal not to exceed $76,620,000. The CDD will assess all parcels on the site the full amount necessary to cover the debt service on Section 108 loan and for any deficiencies between the debt service on the Bonds and the payments received from the City and the County. Special Assessments will be determined based on a number of factors including size, location, and use. Once value is determined for each parcel, an assessment will be assessed against the parcel equivalent to its benefit.

INTERLOCAL AGREEMENT

The County, the City and the CDD will execute an Interlocal Agreement in substantially the form attached as Exhibit "A" to the resolution. Its purpose is to set forth the obligations of the CDD to provide financing for the Project and the conditions under which the County and City shall make payments to the CDD ("Economic Incentive Payments ") including the method in which the amounts shall be calculated and the sources from which the County and City may make such payments.

The County and City shall make Economic Incentive Payments to the District annually based on completed development components (see exhibit to interlocal) in an amount that does not exceed the debt service on the Bonds for that year, provided the obligation to make Economic Incentive

Payments is not extinguished as described below. The City's share is approximately 60% of debt service on the Bonds ("City Share") and the County's share is approximately 40% of the debt service on the Bonds ("County Share"). The actual amount due in any year shall be determined in accordance with the Schedule attached to the Interlocal Agreement. In the event that the completed development units do not generate sufficient revenues from the County's Share and the City's Share, the CDD will be responsible for the deficiency. The City and County have covenanted in the Interlocal Agreement to budget and appropriate from non ad valorem revenues sufficient funds to meet their obligations to make Economic Incentive Payments.

The Interlocal also provides that under certain circumstances the obligation to pay the City's Share and the County's Share shall be extinguished and replaced by payments of tax increment revenues from a community redevelopment agency (a "CRA") established by the County with respect to the CDD. In the event that a community redevelopment district is established by June 30, 2005, the obligation to make Economic Incentive Payments shall be extinguished if the CRA becomes a party to the Interlocal Agreement and the tax increment revenues to be deposited in the Redevelopment Trust Fund are set at a level equal to the amount necessary to pay the debt service on the Bonds. Once established, the CRA will only be required to pay tax increment revenues to the District in an amount sufficient to meet debt service on the Bonds. Any tax increment revenues not needed to meet the debt service on the Bonds in any year shall be refunded to the City and the County on a pro-rata basis. The CRA will be established either by the County or the City upon such terms and conditions that are approved by subsequent action of the Board.

In the event a community redevelopment district is not established by June 30, 2005, the obligation of the County and City to make Economic Incentive Payments shall be extinguished if (i) the County and the City are current on all Economic Incentive Payments due under this Agreement; (ii) the Interlocal Agreement is amended to add the CRA as a party; (iii) the County and City agree that the percentage of tax increment revenues to be contributed to the Redevelopment Trust Fund by the County and the City in each calendar year be the lesser of (a) 95% (the maximum percentage authorized by Section 163.387 of the Redevelopment Act), or (b) a percentage less than the maximum percentage but sufficient to enable the CRA to pay to the District in each calendar year Tax Increment Revenues equal to the debt service on the Bonds in each such year for the remaining term of the Bonds; and (iv) the Financial Advisor selected by the Parties certifies in writing to the District and the Trustee for the Bonds that funds on deposit in the Redevelopment Trust Fund in the current calendar year are equal to the Maximum Annual Debt Service (level debt service) on the Bonds. If prior to the release of the Economic Incentive Payment, the amount of Tax Increment Revenues contributed to the District in any year is less than the debt service on the Bonds for that year, the County's Share and the City's Share of the Economic Incentive Payments together shall equal the difference between the debt service on the Bonds for that year and the Tax Increment Revenues received by the District in that year, provided, such Economic Incentive Payments shall only be related to those Completed Development Components that were completed prior to the establishment of the CRA.

The City of Miami Commission must also approve the ILA. A draft of the City Resolution is attached (Attachment 1).

FISCAL IMPACT ANALYSIS

Over the 30-year term of the CDD bond, the maximum debt service in any calendar year is projected at $6,000,000, of which the County's 40% share is approximately $2,400,000. The County's share of the first year's (2008) payment is estimated at $1,284,000. Incremental revenues to the County from ad valorem taxes on the development components are projected to increase from the first year (2008) estimate of $2,165,000 to over $14,000,000 million in year 2037, while the County's share of debt service will remain at approximately $2,400,000 per year. The approximate percentage of incremental ad valorem tax revenues that the debt service, or maximum incentive payment, or future Tax Increment Financing payment represents over the life of the Bond is 24%. This assumes that development components of the project are constructed according to the established schedule. In the event that the development components are delayed, or not constructed at all, the County's economic incentive payments, which would otherwise equal the County's share of the debt service, would be reduced, and any shortfall to repay the debt will be assessed to the property owners. After the CRA is formed, any development components not completed on schedule, or any decline in taxable value of completed development components may result in the reduced CRA incremental revenues and in the event that these revenues are insufficient to repay the debt, the property owners would be assessed for any shortfalls. The County is protected in the event that components are not constructed and in a possible scenario of sharp property value and ad valorem tax revenue declines, in that County payments cannot exceed County revenues from this project.

Terry E. Cropp Sr.
Assistant County Manager

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT (the "Agreement"), is made this _____ day of, 2005, by and among Miami-Dade County, Florida, a political subdivision of the State of Florida (the "County"), the City of Miami, Florida, a municipal corporation under the laws of the State of Florida (the "City"), and the Midtown Community Redevelopment Agency, a public agency and body corporate created pursuant to Section 163.356, Florida Statutes (the "Agency").

WHEREAS, the Board of County Commissioners of Miami-Dade County, Florida (the "Board") adopted Resolution R-213-05, which, among other things, declared that a slum or blighted area existed in a geographic area (the "Redevelopment Area"), described generally as bounded by NE 36th Street on the North, NE 2nd Avenue on the East, NE 29th Street on the South and North Miami Avenue on the West, such geographic area being more particularly described in Exhibit "A", determined that it was necessary to redevelop such Redevelopment Area in accordance with the provisions of Part III of Chapter 163, Florida Statutes (the "Act"), and delegated to the City Commission of the City of Miami, Florida (the "City Commission") the authority to exercise certain redevelopment powers conferred by the Board within the Redevelopment Area in accordance with the Act to enable the City Commission to declare the need-for, create and delegate powers to a community redevelopment agency and to initiate, prepare and adopt a plan of redevelopment for final approval by the Board; and

WHEREAS, the City Commission, pursuant to Resolution R-05-0194, adopted on March 24, 2005, accepted the delegation of powers from the Board, found a need for and created the Agency, declared the members of the City Commission to be the members of the Agency, granted the Agency the power to exercise all powers permitted by the Act which were delegated by the Board and directed the initiation, preparation and adoption of a community redevelopment plan by the Agency; and

WHEREAS, the Midtown Community Redevelopment Agency, pursuant to Resolution R-05-002, adopted April 14, 2005, approved the Midtown Miami Community Redevelopment Plan (the "Plan"), Exhibit "A"; and

WHEREAS, the City Commission, pursuant to Resolution R-05-0241, adopted April 14, 2005 approved the Plan; and

WHEREAS, pursuant to Resolution R-_____, the Board has approved the Plan to enable the Agency to undertake redevelopment of the Redevelopment Area; and

WHEREAS, pursuant to Ordinance No. _____, the Board has approved the creation of a community redevelopment trust fund known as the Midtown Community Redevelopment Trust Fund (the "Fund") which provides for the calculation and appropriation of tax increment funds; and

WHEREAS, the boundaries identified for the Redevelopment Area are within the corporate limits of the City; and

WHEREAS, the City and the Agency played the major role in the preparation of the Plan; and

WHEREAS, the County, the City, and the Agency desire to delineate their areas of responsibility with respect to the redevelopment of the Redevelopment Area; and

WHEREAS, the County, the City, and the Midtown Miami Community Development District (the "CDD") have entered into an Interlocal Agreement (attached as Exhibit 1 of the Plan) related to the development of the Redevelopment Area; and

WHEREAS, the County, the City, and the CDD have agreed that the successful implementation of the Plan required the issuance of bonds (the "Bonds") in the approximate amount of $73,580,000; and

WHEREAS, the Bonds have been issued and will have to be repaid; and

WHEREAS, the Agency desires to pay debt service on the Bonds from monies on deposit in the Fund,

WITNESSETH, that for and in consideration of the mutual covenants and agreements contained herein, the County, the City, and the Agency agree as follows:

I. Delegation of Powers

A. The Board hereby delegates to the City Commission, acting either directly or through the Agency, the sole right and responsibility to exercise only the following specifically delineated redevelopment powers:

(1) The power to make and execute contracts and other instruments necessary, or convenient, to the exercise of its powers, pursuant to the Act.

(2) The power to disseminate slum clearance and community redevelopment information.

(3) The power to undertake and carry out community redevelopment and related activities within the Redevelopment Area pursuant to the Plan.

(4) The power to invest any community redevelopment funds held in reserves or sinking funds or any such funds not required for immediate disbursement in property or securities in which savings banks may legally invest funds subject to their control.

(5) The power to apply for and accept advances, loans, grants, contributions, and any other form of financial assistance from the Federal Government or the state, county, or other public body or from any sources, public or private, for the purposes of the Act, and to enter into and carry out contracts or agreements in connection therewith; and

to include in any contract for financial assistance with the Federal Government for or with respect to community redevelopment and related activities such conditions imposed pursuant to federal laws as the County and/or the City deems reasonable and appropriate which are not inconsistent with the purposes of the Act.

(6) The power to appropriate such funds and make such expenditures solely to fulfill the obligation to pay debt service on the Bonds pursuant to the interlocal agreement with the CDD, which is attached as Exhibit 1 of the Plan, including payments to a debt service reserve for such Bonds, if necessary, and to pay administrative expenses subject to the limitations provided in Section II.B. below.

(7) Within its area of operation, the power to organize, coordinate, and direct the administration of the delegated provisions of the Act in order that the objective of remedying slum and blighted areas and preventing the causes thereof within the City may be most effectively promoted and achieved. The power to exercise all, or any part or combination of, powers herein granted or to elect to have such powers exercised by the Agency.

B. All powers not specifically listed in this Section I(A) are reserved to the Board, including, but not limited to the_power to issue bonds pledging tax increment revenues, the power to use eminent domain to acquire properties, the power to implement community policing programs, and the power to change the composition of the CRA Board.

II. Implementation of the Plan

A. The Redevelopment powers listed in Section I herein may be exercised only with respect to the Redevelopment Area and only with respect to the Plan as adopted by the Agency and the City Commission and approved by the Board, together with any supplements or amendments to the Plan, provided that any amendments and supplements to the Plan must also be approved by the Board. The City, the Agency, and the County hereby expressly agree that the Plan contemplates that the life of the Agency shall be only for so long as the Bonds are outstanding, but in no event longer than 30 years.

B. No more than one percent (1%) of the annual budgeted expenditures of the Agency shall be used for administrative expenses allowable under Section 163.387(6)(a) and (b) Florida Statutes.

III. City/County Coordination

A. The County Manager shall designate a Redevelopment Area Coordinator (the "Redevelopment Area Coordinator"). The Redevelopment Area Coordinator shall serve as the County's liaison to the City and the Agency for the Redevelopment Area. The Redevelopment Area Coordinator shall carry out the day-to-day County responsibilities for the Redevelopment Area and shall be the designated person to receive all data and reports pertaining to the Plan.

B. The City, either directly or through the Agency, shall be responsible for implementing and conforming to the Plan. The City's responsibilities with respect to implementation of the plan (acting either directly or through the Agency), shall include all activities contemplated by the Plan. The City, either directly or through the Agency, shall deliver copies of all accepted proposals for the Redevelopment Area to the Redevelopment Area Coordinator. All Agency projects and proposals must be identified and budgeted for in the annual plan and budget, which remains subject to County approval. Justification as to how each new project and proposal conforms with the goals and elements contained in the plan shall be provided to County staff upon request.

C. The Redevelopment Area Coordinator shall submit all proposals related to amendments to the Plan and proposals for indebtedness and bond financing to the County Manager's Tax increment Financing and Coordinating Committee (the "TIFC Committee"), which Committee shall review and make recommendations to the County Manager on modifications and amendments to the Plan and all proposals for indebtedness and bond financing for the Redevelopment Area. The Redevelopment Area Coordinator shall review all proposals prior to review by the TIFC Committee and the Board.

D. An annual budget and a separate report of activities for the preceding year shall be submitted to the County not later than forty (45) days prior to the beginning of each County fiscal year in a format approved by the County. The annual budget for the Agency shall be adopted by the Agency and approved by the City prior to review and approval by the Board. With the exception of the debt service payment on existing bond obligations financed by tax increment revenues, no funds on deposit in the Fund may be expended by the City Commission or the Agency, as the case may be, until the annual budget has been approved by the Board.

E. Once the Board approves and adopts any amendments and modifications to the Plan, such amendments and modifications shall become a part of the Plan and the powers delegated to the City Commission pursuant to this Agreement, shall be exercisable either directly or through the Agency, with respect to such amendments and modifications.

IV. Other Redevelopment Area Activity

A. The City, either directly or through the Agency, shall cause an annual report of activities for the preceding fiscal year, which report shall include a complete financial statement setting forth its assets, liabilities, income and operating expenses as of the end of such fiscal year to be filed with the County on, or before March 31 of each year. Also, the agency, shall cause an independent audit by a Certified Public Accounting firm to be performed on an annual basis, a copy of which is to be forwarded to the Board by the first of March of the following year. The preceding requirements must conform, or be compliant with, Sections 163.356 (3)(c) and 163.387 (8), Florida Statutes, and any reporting request subsequently made by the Controller General of the State of Florida.

B. All redevelopment activities conducted with respect to the Redevelopment Area shall be in conformance with the Plan as the same may be amended.

Any amendments to the Plan shall be made as required by Section 163.361, Florida Statutes, and must have prior approval of the Board before the City, either directly or through the Agency, may implement the change contemplated by the amendments. Once approved, however, the City, either directly or through the Agency, may implement the amendments thereto.

V. Project Financing

A. The City, either directly or through the Agency, shall maintain the Fund as required by applicable law. Both the City and the County shall deposit annually into the Fund an amount equal to 95% of the increment from ad valorem taxes collected within the Redevelopment Area calculated in accordance with Section 163.387 (1)(b), Florida Statutes, and as provided by Ordinance No. _____enacted by the Board on _____, this agreement, and any other provisions of applicable law.

B. The City, either directly or through the Agency, shall develop and promulgate rules, regulations and criteria whereby the Fund may be promptly and effectively administered, including the establishment and the maintenance of books and records and adoption of procedures whereby the City shall, either directly or through the Agency, expeditiously and without undue delay, utilize such funds solely to fulfill the obligation to pay debt service on the Bonds pursuant to the Interlocal Agreement with the CDD, including payments to a debt service reserve for such Bonds, if necessary, and to pay administrative expenses subject to the limitations provided in Section II.B. above.

C. The City, either directly or through the Agency, shall select financial and legal consultants as necessary to assist in the preparation of the tax increment financing plans.

D. The City, either directly, or through the Agency pledges the tax increment revenues actually received by the Agency to the repayment of the debt service on the Bonds. The City and the County's obligation to annually appropriate to the Fund shall cease when the Agency's obligation for payment of the Bond debt and interest thereon has expired, or when 30 years has elapsed from the date of enactment of Ordinance No. _____creating and provided for the appropriation to the Fund, whichever is earlier. In no year shall the City or County's obligation to the Fund exceed the amount of that year's tax increment as determined pursuant to Ordinance No_____. On the last day of each fiscal year of the Agency, any money which remains in the Fund after payment of expenses for such year shall be returned to each taxing authority which paid the increment in the proportion that the amount of the payment of such taxing authority bears to the total amount paid into the Fund by all taxing authorities within the Redevelopment Area for that year as provided in Section 163.387(6), Florida Statutes.

E. The City, the County, and the Agency voluntarily exempt The Children's Trust and the County Fire and Rescue District and from any contribution to the Community Redevelopment Trust Fund.

F. County approval of the Agency's annual budget is required prior to any expenditure by the Agency of any funds contributed by either the City or the County to the Fund, with the exception of the debt service payments on the Bonds and deposits to a debt service reserve for the Bonds, if necessary, to which the Agency has pledged its tax increment revenues.

VI. [NOT USED]

VII. Project Management, Administration and Coordination

A. The City, the Agency, and the County shall cooperate on any reasonable request of the other with respect to implementing any plan of action related to the Plan. The Agency shall provide the City and the Redevelopment Area Coordinator with advance notice of all public meetings held by the Agency. The Agency shall prepare reports of its activities upon request of the City or County.

B. The Agency shall consult regularly with the Redevelopment Area Coordinator in order to keep the County reasonably informed throughout the life of the Agency. The Agency, shall be required to have an outside independent audit on an annual basis. The scope of the audit shall include compliance with the terms of this Agreement. The right of the auditor to investigate, monitor, inspect, copy, review, verify and check operations and records of the City, the Agency, and the County shall include, but not be limited to, all employees, consultants, agents or authorized contractors and subcontractors, as well as, all administrative and operational facilities used by the City, the Agency and the County in connection with all matters arising under this Agreement. Records include, but are not limited to, construction, financial, correspondence, instructions, memoranda, bids and contract documents, as well as all other records pertaining to the planning, development and construction of projects pursuant to this Agreement. Any rights that the County or City may have under this provision shall not be the basis for any liability to accrue to the County or City from any party to this agreement or from third parties.

VIII. Assurances Regarding Affirmative Action

As part of this Agreement the City, the Agency, and the County, as the case may be, shall follow applicable federal, State and County laws and regulations concerning affirmative action and race/ethnic/gender conscious concerns all in accordance with applicable law.

IX. Amendments

This Agreement may be amended only by a written agreement signed by the City, the Agency, and the County.

X. General Indemnification and other

A. The Agency shall indemnify and hold harmless the County and its officers, employees, agents and instrumentalities from any and all liability, losses or damages, including attorneys' fees and costs of defense, which the County or its officers, employees, agents or instrumentalities may incur as a result of claims, demands, suits, causes of actions or proceedings of any kind or nature arising out of, relating to or resulting from the performance of this Agreement by the Agency or its employees, agents, servants, partners principals or subcontractors. The Agency shall pay all claims and losses in connection therewith and shall investigate and defend all claims, suits or actions of any kind or nature in the name of the County, where applicable, including appellate proceedings, and shall pay all costs, judgments, and attorney's fees which may be issued thereon. **Provided, however, this indemnification shall only be to the extent and within the limitations of Section 768.28 Fla Stat., subject to the provisions of that Statute whereby the Agency shall not he held liable to pay a personal injury or property damage claim or judgment by any one person which exceeds the sum of $100,000, or any claim or judgment or portions thereof, which, when totaled with all other claims or judgment pay by the Agency arising out of the same incident or occurrence, exceed the sum of $200,000 from any and all personal injury or property damage claims, liabilities, losses or causes of action which may arise as a result of the negligence of the Agency.**

B. Third Party Beneficiaries. None of the parties intend to directly or substantially benefit any third party by this Agreement. Therefore, the parties agree that there are no third party beneficiaries to this Agreement and that no third party shall be entitled to assert a claim against either of them based upon this Agreement.

C. All parties have substantially contributed to the drafting and negotiation of this Agreement and this Agreement shall not, solely as a matter of judicial construction, be construed more severely against one of the parties than any other. The parties hereto acknowledge that they have thoroughly read this Agreement, including all exhibits and attachments hereto, and have sought and received whatever competent advice and counsel was necessary for them to form a full and complete understanding of all rights and obligations herein.

D. Jurisdiction: This Agreement shall be interpreted and construed in accordance with and governed by the laws of the State of Florida. Venue for litigation concerning this Agreement shall be in Miami-Dade County, Florida.

E. Severance: Should any clause or provision of this Agreement be determined to be illegal, invalid or unenforceable under any present or future law by final judgment of a court of competent jurisdiction, the remainder of this Agreement will not be affected thereby. It is the intention of the parties that if any such provision is held to be illegal, invalid or unenforceable, there will be added in lieu thereof a legal, valid and enforceable provision that is as similar as possible in terms to the illegal, invalid or unenforceable provision, which is agreed to by all parties.

F. Waiver: No express or implied consent or waiver by a party to or of any breach or default by the other party in the performance by such other party of its obligations under this Agreement will be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligations of such other party hereunder. Failure by a party to complain of any act or failure to act of the other party or to declare the other party in default, irrespective of how long such failure continues will not constitute a waiver by such party of it rights hereunder.

The giving of consent by a party in any one instance will not limit or waive the necessity to obtain such party's consent in any future instance.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their names by their duly authorized officers and the corporate seals to be affixed hereto, all as of the day and year first above written.

WITNESS our hands and seals on this ___ day of June, 2005.

CITY OF MIAMI, FLORIDA, a municipal corporation of the State of Florida

By:_____
Joe Arriola, City Manager

ATTEST:

By:_____
Priscilla A. Thompson, City Clerk

APPROVED AS TO FORM AND CORRECTNESS:

_____
Jorge L. Fernandez, City Attorney

MIAMI-DADE COUNTY, FLORIDA, a political subdivision of the State of Florida

By:_____
George Burgess, County Manager

By:_____
Deputy Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

_____
Assistant County Attorney

MIDTOWN COMMUNITY REDEVELOPMENT AGENCY, a public agency and body corporate created pursuant to Section 163.356, Florida Statutes

By:_____
Johnny L. Winton, Chairman

ATTEST:

By:_____
Priscilla A. Thompson, Clerk of the Board