



MEMORANDUM

ED&HS

AGENDA ITEM NO. 3 (C)

TO: Honorable Chairperson and Members
Board of County Commissioners

DATE: May 14, 2003

FROM: Steve Silver
County Manager

SUBJECT: Ordinance Granting Enterprise
Zone Ad Valorem Tax Exemption
Under Ordinance 96-74 for Miami
Intermodal Center

RECOMMENDATION

It is recommended that pursuant to the provisions of Section 196.1995, Florida Statutes, and Miami-Dade County Ordinance 96-74, that the Board approve an ordinance granting Enterprise Zone Ad Valorem Tax Exemption to the following project:

Miami Intermodal Center

BACKGROUND

On April 19, 1988, the Board enacted Ordinance No. 88-27, which authorized Enterprise Zone Ad Valorem Tax Exemption for new or expanding projects which invest in these zones. On May 21, 1996, the aforementioned ordinance was revised and enacted as Ordinance No. 96-74.

The above-named project has filed an application for Enterprise Zone Ad Valorem Tax Exemption for improvements made to its real properties and for tangible personal property to be acquired for a new operation. The Property Appraiser will review the application and inspect the property to arrive at determinations of the appropriate exemption.

The Miami Intermodal Center (MIC) is a Florida Department of Transportation (FDOT) project in the planning stages at the urging of the Miami-Dade Aviation Department (MDAD) as a strategy to relieve congestion at the Miami International Airport (MIA).

The MIC facility is to be located in area which encompasses LeJeune Road to the west, N.W. 25th Street to the north, N.W. 37th Avenue to the east, and N.W. 21st Street to the south. The project will also involve roadway improvements extending along LeJeune Road corridor between N.W. 25th Street and State Road 836.

Under Ordinance No. 96-74, the Board may commit to grant an exemption based on the presentation of a substantive proposal indicating a serious intent to build a new project or expand one within the Enterprise Zone, provided, however, that the improvement and the addition of personal property is completed after the adoption of the tax abatement ordinance and provided the project is completed as indicated in substantially the same form and extent as presented to the County.

The FDOT has presented a proposal to Miami-Dade County for the development of the MIC, a project of great magnitude totaling almost 2.9 million square feet with a value of \$1.3 billion, which will serve as a regional transportation hub and extension of MIA ground transportation network.

The primary components of the MIC include transportation and intermodal functions, on-site joint development uses, rental car facilities and parking as follows:

- 1) MIC Core Facilities, including intermodal transportation functions, curbside access, ticketing and baggage facilities, concourse area and support functions of approximately 1,022,413 square feet;
- 2) MIA related facilities, including ticketing and baggage facilities, concourse area and office space of approximately 467,355 square feet;
- 3) MIC on-site joint development, including office, retail and hotel facilities of approximately 1,400,000 square feet;
- 4) MIC Consolidated Rental Car Facilities of approximately 10,000 spaces (approximately 4,000,000 square feet);
- 5) MIC related parking facilities of approximately 3,000 spaces;
- 6) MIA landside related parking facilities of approximately 3,000 spaces;
- 7) Parking facilities for on-site mixed used joint development of approximately 1,400 spaces; and
- 8) MIA employee and long-term parking facilities of approximately 3,000 spaces.

The MIC Program is anticipated to consist of approximately 2,889,768 square feet, with approximately 20,400 parking spaces.

The MIC has also multiple transportation components providing the following functions:

- 1) Provide a regional transportation center for the existing bus (Metrobus), heavy rail (Metrorail), commuter rail (Tri-Rail), Amtrak and Greyhound services;
- 2) Link those systems with the region's existing and planned High Occupancy Vehicle (HOV) system, planned fixed guideway system (East-West Multi-Modal Corridor and Airport/Seaport Connector) and the existing and planned aviation facilities at MIA;

- 3) Improve public transportation service and access to the MIA area employment activity center for the transportation disadvantaged and encourage the use of transit as an alternative to the single occupant automobile.
- 4) Provide a new highway which will link S.R. 836 and S.R. 112 (Interconnector) and provide access to the MIC and MIA; the Miami-Dade Expressway Authority Five Year Plan includes all required phases of the Interconnector, which will be financed as part of a system of new toll highways.
- 5) Provide an automated people mover link from the MIC facility to MIA (MIC/MIA Connector);
- 6) Accommodate a potential future high speed rail connection;
- 7) Improve LeJeune Road South, between S.R. 836 and the MIA/MIC Interchange;
- 8) Construct the S.R. 836/N.W. 37th Avenue Interchange (first phase of the Interconnector); and
- 9) Improve N.W. 25th Street, N.W. 26th Street, N.W. 37th Avenue and N.W. 39th Avenue.

The MIC is to be located within the north-central section of the Enterprise Zone, increasing the opportunity for residents located within the Zone and surrounding areas to find full-time employment. To be eligible for this exemption, a project must create a minimum of five (5) new full time jobs. If 20% of the employment force of the project are residents of the Enterprise Zone, the tax exemption will be 100% of the assessed value of all improvements to real property and tangible personal property. If the employment from the Enterprise Zone drops to less than 20%, the exemption will be reduced to 50% of the assessed value for improvements and tangible personal property. Once the Board has granted approval, Miami-Dade's Office of Community and Economic Development (OCED) will monitor the job creation.

Detailed information regarding the business is provided below. The tax exemption will be based on the countywide millage and municipal service area millage rates for the applicable assessment year.

MIAMI INTERMODAL CENTER (MIC)

Mailing Address: Florida Department of Transportation
District Six
1000 N.W. 111th Avenue
Miami, FL 33172

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Property Location: The MIC project will impact the area with the boundaries of LeJeune Road to the west, N.W. 25th Street to the north, N.W. 37th Avenue to the east, and N.W. 21st Street to the south. In addition, the MIC area roadway improvements extend along the LeJeune Road corridor between N.W. 25th Street and S.R. 836.

Product: Public transportation improvements.

Contact Person: Nick Serianni, Consultant to FDOT; 850.224.7777.

Employment: 76,000 construction jobs and 22,000 permanent jobs at full build-out. Enterprise Zone jobs not determined but will be significant.

Basis for Application: Real estate acquisition and public transportation improvements.

New Investment: \$1.3 billion for first phase program.

Exemption Eligibility: Real property and improvements.

Estimated County Tax Exemption: To be determined.

Period: Five (5) years.

ECONOMIC IMPACT ANALYSIS

The Economic Impact Analysis Chart below summarizes the impact of the ordinance. If the full exemption is granted, the impact on the County budget would be to reduce revenues by undetermined amount for the applicable assessment year. The portion, which applies to improvements to real property, which remains to be determined by the Property Appraiser's Office, stays relatively constant for the duration of the exemption period. The portion, which applies to tangible personal property, also to be determined by the Property Appraiser's Office, declines annually as the property is depreciated.

ECONOMIC IMPACT ANALYSIS CHART

Company	Exemption	Term	Projected Total Jobs	Projected E.Z. Jobs	Projected New Jobs	Total New Investment
Miami Intermodal Center	TBD	5 yrs.	22,000	TBD	22,000	Approximately \$1.3 billion
TOTAL	TBD	5 yrs.	22,000	TBD	22,000	Approximately \$1.3 billion



MEMORANDUM

(Revised)

TO: Honorable Chairperson and Members
Board of County Commissioners

DATE: May 6, 2003

FROM: Robert A. Ginsburg
County Attorney

SUBJECT: Not On
Agenda Item No. 13(F)

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 _____

ORDINANCE NO. _____

ORDINANCE GRANTING ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTIONS TO MIAMI INTERMODAL CENTER (MIC) A NEW BUSINESS TO BE LOCATED IN AN ENTERPRISE ZONE; PROVIDING SCOPE AN TERMS OF EXEMPTIONS; PROVIDING SEVERABILITY AND EFFECTIVE DATE

WHEREAS, this Board recognizes the need to stimulate economic development in certain areas of Miami-Dade County which are economically depressed, where housing and structural conditions are blighted and deteriorated, and where unemployment and poverty are prevalent, said areas being designated "Enterprise Zones" as defined in Section 196.012 and Chapter 290, Florida Statutes; and

WHEREAS, pursuant to Article VII, Section 3 of the Florida Constitution, the State has enacted Section 196.1995, Florida Statutes, providing a local government option for Ad Valorem tax exemption to new businesses and expansions of existing businesses in such Enterprise Zone; and

WHEREAS, this Board authorized Economic Development Ad Valorem Tax Exemptions to new businesses and expansions of existing businesses located in the Enterprise Zone through Ordinance No. 96-75, enacted on May 21, 1996; and

WHEREAS, this Board desires to encourage economic growth and development and alleviate the conditions of unemployment, economic disinvestments and poverty by creating new

construction, new jobs and an enhanced business climate particularly for the creation of low to moderate income employment opportunities; and

WHEREAS, Miami Intermodal Center (MIC) (the "Business"), a company engaged in transportation and business services, with plans to construct its CORE facilities in an area with parameters of LeJeune Road to the West, NW 25th Street to the North, NW 37th Avenue to the East and NW 21st Street to the South, located within Enterprise Zone No. 1301 (the "Site"), has made application for ad valorem tax exemptions as the Business is responsible for payment of the property taxes; and

WHEREAS, the Business has made an application for ad valorem tax exemption by presenting a substantive proposal indicating a serious intent to build a new business within the Enterprise Zone; and

WHEREAS, the Board may grant ad valorem tax exemptions based on a substantive proposal provided that improvements to real property are made or the tangible personal property is added or increased on or after the day the ordinance granting the exemptions is adopted and provided the Business completes the indicated improvements in substantially the form and extent as presented to the Board; and

WHEREAS, the MIC has committed to this Board that it will maintain a work force of at least five (5) employees; and

WHEREAS, this Board finds that ad valorem tax exemption is appropriate and consistent with the public purpose to eliminate the serious and distressing economic conditions of the designated "Enterprise Zone" in Miami-Dade County,

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

Section 1. Legislative Intent and Findings of Public Purpose. The above recitations of legislative intent and findings of public purpose are fully incorporated herein as part of this ordinance.

Section 2. Eligibility Requirements. This Board finds the Business is a "new business" as defined in Section 196.012(15)(b), Florida Statutes (1995), and as defined in Miami-Dade County Ordinance No. 96-75 and after careful consideration of certain factors including those enumerated in Section 29-84(d) of the Miami-Dade County Code finds and determines the Business is eligible for ad valorem tax exemption.

Section 3. Granting the Exemption. This Board hereby grants ad valorem tax exemptions pursuant to Ordinance No. 96-74, enacted on May 21, 1996, to the Business for its operation at the Site. The exemption shall be on 50% of the eligible assessed value of the improvement to real property and the eligible tangible personal property acquired and owned by the Business located at the Site or if the Business employs at least 20% of its permanent full-time employees from within an Enterprise Zone, 100% of the eligible assessed value of the improvements to real property and the eligible tangible personal property acquired and owned by the Business located at the Site.

Section 4. Revenue Implications. The estimated revenue loss to the County attributable to the exemption of the business named in the ordinance will be determined based on the assessment by the Property Appraiser of Miami-Dade County.

Section 5. Duration and Expiration of the Tax Exemption. The duration of the economic development ad valorem tax exemptions granted to the Business is five (5) years from the first year the Business is on the tax rolls at the Site. The tax exemptions granted in this ordinance shall expire five (5) years thereafter. Notwithstanding the foregoing, the Business must apply for a renewal of the exemption.

Section 6. Scope of Exemptions. The property tax exemption authorized through this ordinance shall be 50% of the assessed value of all eligible improvement to real property made by or for the use of the Business and all tangible personal property of the Business, or 100% of the assessed value of all eligible improvements to real property made by or for the use of the Business and all tangible personal property of the Business, if 20% of the Business' permanent full-time employees are residents of the Enterprise Zone. The exemption shall apply only to Miami-Dade County countywide operating millage and shall not apply to taxes levied for payment of bonds or to taxes authorized by a vote of the electors pursuant to Section 9(b) or Section 12, Article VII of the State Constitution. The exemption shall not be prolonged or extended by granting exemption from additional taxes or by virtue of any reorganization or sale of the business receiving the exemption.

Section 7. Penalties. Non-compliance during the life of the tax exemptions unless expressly waived by the Board, with any of the eligibility requirements of Section 29-87 of the Miami-Dade County Code will nullify the tax exemption benefits granted through this ordinance and the Business shall be required to make payments of taxes exempted in addition to interest accrued from the date of non-compliance.

Section 8. Fee. The Business named in the ordinance will pay a \$50 application fee and a fee of 10% of the first year tax exemption to cover administrative expenses of Miami-Dade County in processing the application for tax exemption. The fee is non-refundable even if Miami-Dade County rescinds the tax exemptions due to non-compliance with eligibility requirements.

Section 9. Renewal Provisions. Economic Development Ad Valorem Tax Exemptions granted through this ordinance can be renewed each year for the duration of the terms of the exemption as indicated in Section 5 of this ordinance; however, the Business must re-apply to maintain the exemption on or before March 1 of each year for which the renewal is sought. Failure to file a renewal application with the County Property Appraiser by March 1 of any year shall constitute a waiver of the exemption for that year.

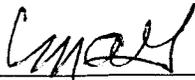
Section 10. Severability. If any section, subsection, sentence, clause or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected by such invalidity.

Section 11. Effective Date. This ordinance 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.

Section 12. Sunset. This ordinance shall stand repealed five (5) years after the first year that the Business is on the tax rolls at the Site.

PASSED AND ADOPTED

Approved by County Attorney as
To form and legal sufficiency.



Prepared by:



Shannon D. Summerset