

Memorandum



Date: February 11, 2008

RCA

To: Honorable Chairman Bruno A. Barreiro and
Members, Board of County Commissioners

Agenda Item No. 7(E)

From: George Burgess
County Manager

A handwritten signature in black ink, appearing to read "George Burgess", written over the printed name of the County Manager.

Subject: Additional Information Regarding the Museum of Science and the Miami Art
Museum

This memorandum provides additional background information and responses to the issues raised in Commissioner Souto's memorandum of January 18, 2008 regarding the memorandum of understanding (MOU) between the Museum of Science (MSM), the Miami Art Museum (MAM), the Historical Association of Southern Florida (HASF), the City of Miami, the Miami Sports and Exhibition Authority (MSEA) and Miami-Dade County and the Building Better Communities (BBC) General Obligation Bond grant agreements for the MSM and the MAM. The MOU delineates the business terms for the development of the museums within Bicentennial Park while the grant agreements provide the initial BBC grant allocations authorized for each museum. Advancement of the museum project is not contingent upon the approval of the Global Agreement, although elements of the agreement would enhance the overall improvement to the Bicentennial Park site. Furthermore, the City of Miami has approved a master plan for Bicentennial Park independent of the Global Agreement.

The requirement of property control is included in the BBC Administrative Rules, a document approved by the Board of County Commissioners. The voters of Miami-Dade County did not approve this property control provision or the Administrative Rules. The Administrative Rules were developed by staff as guidelines for BBC projects and continue to be reviewed for possible revisions as we gain more experience with implementing BBC projects. The recommendation to waive site control is being made only for the first BBC grant agreements for each of the museums in order to sustain momentum on the design phase of these projects. Site control must be resolved before any additional BBC funds are released. These initial BBC grant allocations for each museum cover very limited amounts of their total grant funds: \$235,000 for the MAM (less than a quarter of one percent of MAM's total BBC funding of \$100 million); and \$3.3 million for the MSM (less than 2% of the MSM's total BBC funding of \$175 million).

The City of Miami's significant formal actions indicate that the sites for each museum are secure. For instance, the City Commission has approved grant funds for the development of the museums and has approved the master plan for Bicentennial Park, delineating four-acre sites per museum. Additionally, maps and architectural drawings have been developed and provided to the County, identifying the boundaries of each museum site. These documents are included in Exhibit C of the MOU agenda item which consists of the MOU, the Museum Site Plan and the Museum Park Design Development Documents (the detailed architectural drawings on file with the County Clerk of the Board).

The decision to utilize the MSEA as the leaseholder for the museum sites was made by the City of Miami in concurrence with both museums. It is our understanding that the City has utilized MSEA as an agency for site management of City-owned property in other agreements with non-profit organizations (e.g., for the City property on Watson Island upon which the Miami Children's Museum was built).

There were several key factors that resulted in the recommendation for both museums to own their buildings. Board leadership from the MSM and the MAM have confirmed that the success of its commitment to raise substantial private funding for their new buildings (\$120 million in private funds from the MAM and \$112 million from the MSM) is reliant on being able to assure to the private contributors that each of the museums are the developers, operators and owners of their facilities. Each of these buildings will be paid for by a combination of public and private funds. From the County's perspective, the museums' responsibility for developing their own projects and owning their buildings emphasizes the museums' sole obligation for all capital costs in excess of the County's BBC grant funding support. Almost all of the funding for non-profit organizations that is included in the BBC program is being granted for projects that the County will not own. For example, the Cuban Museum and the Black Archives (for the Lyric Theater) will own their completed BBC grant-funded projects.

There are many different ownership models for museums in cities across the United States. In some places, museum buildings are owned by their non-profit organizations. Some prominent examples include the Walker Art Center in Minneapolis, the Museum of Modern Art in New York City and the Art Institute of Chicago. Years ago when our community's non-profit organizations were younger and their track records not yet as established, Miami-Dade County assumed a greater and more direct role in owning and operating cultural facilities. For example, the Cultural Center across the street from the Stephen P. Clark Government Center was built for a new non-profit museum, the Center for the Fine Arts, now called the Miami Art Museum (MAM). Similarly, the Miami Science Museum (MSM) was provided space by Miami-Dade County at its current site in 1960 when it was a new-found, fledgling organization. Now, almost a quarter of a century later for the MAM and almost half of a century for the MSM, these institutions are accredited with well-established track records for programmatic excellence and administrative effectiveness. The MAM, the MSM and the HASF have keen personnel and board authority to manage their projects and own their facilities.

In response to the request for data related to the proposed expansion areas of Omni and Southeast Overtown/Parkwest Community Redevelopment Areas, the global agreement approved by the County and City stipulates that the City and the Community Redevelopment Areas (CRAs) agree to generate the Finding of Necessity (FON) to substantiate the expansion of the boundaries of the CRAs. The FON as defined by Florida State Statute 163.355 requires that a finding of conditions in the area meet the criteria of slum or blight (as defined in Florida State Statute 163.340 (7) and (8)). All the factors listed in the State Statute 163.340 do not need to exist to determine that an area is slum or blighted. While slum or blighted conditions need to exist within a CRA, those conditions do not need to prevail in the area. In many occasions, CRAs are designed to include areas where slum or blight are non-existent and only serve as a financial catalyst towards the revitalization of the greater area. As mentioned in my memorandum accompanying the global agreement, upon receipt of the FON (and Redevelopment Plan Amendment), County staff will review, comment, prepare, and accept the FON (and Redevelopment Plan Amendment) for Board consideration.

Attached please find all folio numbers for properties within the proposed expansion areas for the Omni and Southeast Overtown/Parkwest Community Redevelopment Areas including the market, assessed and taxable values from 1997 through 2007. The values for 2008 will not be available

until the Property Appraiser finalizes the preliminary tax roll in July 2008. Staff is still researching and compiling the census-related, public health and economic data requested and will provide the information as soon as it is analyzed by our newly hired Chief Economist. It is important to note that all the data requested will be analyzed as part of the FON study.

Finally, it is important to note that the MSM and the MAM projects have been prominently featured in two voter referendums that were overwhelmingly approved by the voting citizens of Miami-Dade County: 1.) the referendum in the City of Miami that approved the Homeland Defense General Obligation Bonds on November 13, 2001; and 2.) the county-wide referendum that approved the two museums for inclusion in the Building Better Communities General Obligation Bond program on November 2, 2004. The museum project will not only benefit Miami-Dade County residents, it will attract tourists from all over the world as these museums will offer first- class entertainment in world class buildings.

Attachment



Assistant County Manager

**SUMMARY OF PROPERTY VALUES IN THE PROPOSED CRA
EXPANSION AREAS BY YEAR**

<u>EXPANDED CRA AREA</u>	<u>YEAR</u>	<u>MARKET VALUE</u>	<u>ASSESSED VALUE</u>	<u>TAXABLE VALUE</u>
BICENTENNIAL PARK (A3)	2007	41,610,527	41,610,527	0
BICENTENNIAL PARK (A3)	2006	41,575,714	41,575,714	0
BICENTENNIAL PARK (A3)	2005	33,170,931	33,170,931	0
BICENTENNIAL PARK (A3)	2004	33,042,453	33,042,453	0
BICENTENNIAL PARK (A3)	2003	32,987,320	32,987,320	0
BICENTENNIAL PARK (A3)	2002	32,802,707	32,802,707	0
BICENTENNIAL PARK (A3)	2001	32,753,157	32,753,157	0
BICENTENNIAL PARK (A3)	2000	34,257,759	34,257,759	0
BICENTENNIAL PARK (A3)	1999	34,221,038	34,221,038	0
BICENTENNIAL PARK (A3)	1998	33,604,741	33,604,741	0
BICENTENNIAL PARK (A3)	1997	33,544,049	33,544,049	0
OVERTOWN NORTH (B1)	2007	72,310,407	67,332,128	29,824,735
OVERTOWN NORTH (B1)	2006	62,416,213	58,122,112	25,252,311
OVERTOWN NORTH (B1)	2005	37,749,765	35,837,222	13,915,368
OVERTOWN NORTH (B1)	2004	23,473,879	22,591,282	7,983,910
OVERTOWN NORTH (B1)	2003	18,934,433	18,465,611	6,075,903
OVERTOWN NORTH (B1)	2002	17,231,575	17,042,412	4,923,884
OVERTOWN NORTH (B1)	2001	21,584,764	21,460,430	4,671,271
OVERTOWN NORTH (B1)	2000	20,701,229	20,629,315	4,290,928
OVERTOWN NORTH (B1)	1999	20,587,706	20,495,539	4,616,772
OVERTOWN NORTH (B1)	1998	20,316,909	20,267,945	4,450,756
OVERTOWN NORTH (B1)	1997	19,768,380	19,739,851	4,400,227
OVERTOWN WEST (A-B-C)	2007	86,937,799	81,629,976	38,617,015
OVERTOWN WEST (A-B-C)	2006	82,418,866	78,436,928	36,744,785
OVERTOWN WEST (A-B-C)	2005	43,371,274	41,435,184	21,031,472
OVERTOWN WEST (A-B-C)	2004	38,357,352	36,266,595	17,797,454
OVERTOWN WEST (A-B-C)	2003	31,453,582	30,453,142	12,970,385
OVERTOWN WEST (A-B-C)	2002	24,981,822	24,215,213	9,684,318
OVERTOWN WEST (A-B-C)	2001	23,921,798	23,298,326	9,058,538
OVERTOWN WEST (A-B-C)	2000	22,380,089	21,705,646	8,672,315
OVERTOWN WEST (A-B-C)	1999	22,070,926	21,288,850	8,597,330
OVERTOWN WEST (A-B-C)	1998	21,480,068	20,649,810	8,167,764
OVERTOWN WEST (A-B-C)	1997	18,502,688	18,054,259	7,647,377
WATSON ISLAND (A4)	2007	27,521,897	27,521,897	18,413,732
WATSON ISLAND (A4)	2006	32,270,355	32,270,355	23,674,647
WATSON ISLAND (A4)	2005	30,607,163	30,607,163	22,674,702
WATSON ISLAND (A4)	2004	32,676,470	32,676,470	25,174,980
WATSON ISLAND (A4)	2003	19,272,123	19,272,123	17,057,736
WATSON ISLAND (A4)	2002	19,272,123	19,272,123	17,057,736
WATSON ISLAND (A4)	2001	5,060,557	5,060,557	389,376
WATSON ISLAND (A4)	2000	5,256,098	5,256,098	398,210
WATSON ISLAND (A4)	1999	5,256,098	5,256,098	398,210
WATSON ISLAND (A4)	1998	5,256,098	5,256,098	398,210
WATSON ISLAND (A4)	1997	6,302,868	6,302,868	750,002