

Memorandum



Date: March 23, 2009

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

From: George M. Burgess
County Manager

Subject: Supplemental Report for the March 23, 2009, Special Meeting of the Board
Relating to the Baseball Stadium Agreements

Supplement No. 1
Special Item No. 1

This report is being provided to summarize changes to the items included in this agenda kit since the distribution of the agenda kit for the Special Meeting that was scheduled for February 13, 2009. These changes are in addition to those enumerated in the cover pages of each individual Agreement. In no case was the County's position weakened, and in many cases it was notably strengthened. Following is a summary of the changes agreed to since the previous distribution of the agreements. Explanation of those changes is also noted in the appropriate sections of the Manager's Memorandum.

Special Item No. 1 – Manager's Memorandum

The Manager's Memorandum has been amended to correct scrivener's errors encountered since the February 13, 2009, version. It now includes an introductory paragraph explaining the recommendation to condition the approval of these agreements on the approval of the Hunt/Moss bid waiver by the City of Miami, as well as describing other substantive changes that have occurred over the past month. There is new language in the appropriate sections of the memo to reflect these changes. Other new language includes: language added to Pages 4 and 5 to explain the reasons for the July 1 termination date, language on Page 7 related to the reimbursable interim costs for each party if there is a termination prior to June 1, 2009, and language providing status updates related to the submittal date for design documents and the status of the pending approval by the State Department of Revenue for the Sales Tax Procurement Program.

Special Item No. 1 - Attachment I

The original Attachment 1 has been replaced with the new Supplement No. 2, which includes more possible scenarios for revenue performance over the next 40 years. The prior Attachment II (Delegations of Authority) is now Attachment I with this item and has only changed as it relates to correction of scrivener's errors since the previous version.

Special Item No. 1 - Resolution

The resolution has been amended to correct scrivener's errors discovered since the previous version and to include the necessary language to condition the approval of these agreements on the approval of the Hunt/Moss bid waiver by the City of Miami.

Special Item No. 1 – Attachment A (Construction Administration Agreement)

Changed Section 5.2(b) to include the following:

The changes to Section 5.2(b) include the following: a) Inclusion of a City designee on the The Review Committee, which sets recommended goals for the participation of Small Business Enterprises (SBE), Community Small Business Enterprises (CSBE) and the Community Workforce Program (CWP). The City's designee would only participate in the review of projects directly related to the ballpark project and related public infrastructure work; b) language requiring that CSBE's and SBE's that have an actual place of business in the County, including the County's Designated Target Areas (DTA) and City-designated Neighborhood Development Zones (NDZ) be given equal opportunity to compete for business

in the construction of the Baseball Stadium Project; c) language requiring the Stadium Developer and Construction Manager to employ a comprehensive outreach program to identify, recruit, educate and assist small and local businesses for the Baseball Stadium Project; d) language requiring that the Construction Management Agreement's prompt-payment language require the Construction Manager to pay all prime contractors within five (5) business days of its receipt of payment, and that each prime contractor pay its subcontractors and/or suppliers within five (5) business days, and that CSBE's and SBE's be paid within 48 hours, as required by County ordinance; e) language clarifying that the current CWP goal is 10 percent, and that, if revised, any modification will be established by The Review Committee in accordance with the same procedure used for establishing CSBE and SBE goals; f) language requiring the Stadium Developer to cause the Construction Manager to use diligent efforts to recruit workers from both and the County's DTA's and the City's NDZ's to satisfy the CWP goal, subject to the CWP Ordinance; and g) language creating the Construction Outreach Program, which is designed to increase small-business participation during the construction of the baseball stadium with a view to supporting the aspirational small-business and local hiring goals. Those goals aspire to have as many local workers and local firms as reasonably practical and aspire to have at least 50 percent of the workers residents of Miami-Dade County, 20 percent of which are residents of the City of Miami, and to aspire to have at least 35 percent of the firms hired as subcontractors on the project be firms located within Miami-Dade County.

Section 5.2(f) was added to the CAA to require the Stadium Developer to require the Construction Manager to include in each bid package provisions relating to criteria for utilization of apprentices and trainees from certified Apprenticeship Programs.

Section 11.1.1 was amended to clarify that, prior to July 1, 2009, neither the team, the City nor the County may exercise the Termination for Convenience once the County has executed a final bond purchase agreement and/or completed a competitive sale with respect to the County Bonds backed with Convention Development Tax (CDT) and Professional Sports Franchise Facility Tax (PST)/Tourist Development Tax (TDT).

Exhibit J, related to the Sales Tax Procurement Procedures, incorporated a change requested by the State Department of Revenue to clarify that the County would be directly invoiced by vendors to purchases made under the program.

Exhibit P was added to depict Miami-Dade County's Designated Target Areas and City of Miami's Neighborhood Development Zones.

Special Item No. 1 – Attachment B (Operating Agreement)

Section 6.3 related to Stadium Event Proceeds further improves the benefits to the County by increasing the number of opportunities whereby additional revenues would be generated for, and deposited to, the Capital Reserve Fund.

Section 7.1(a) adds language requiring the Operator or the Team to make an annual financial contribution through the Team Foundation in the amount of \$500,000. For each of the first 7½ years of the agreement, \$100,000 of this amount shall be paid to the Parks Foundation of Miami-Dade County, Inc. and \$25,000 to the City's Heart of Our Parks Fund for baseball-related youth and community-based programs.

Section 7.1(f) was added to the Operating Agreement to provide that the Team shall build or improve a total of 39 baseball fields in Miami-Dade County, including at least three (3) in each Miami-Dade County Commission district and at least two (2) within each City of Miami Commission District. The Team agrees to build or improve at least one baseball field each year of the Term.

Section 7.2 was amended to expand language related to the Team's small business outreach program to state that the Stadium Operator will participate in Major League Baseball Diverse Business Partners Program and jointly develop with the County and the City the Outreach Program. The Outreach Program will be designed to increase small-business and local resident participation during the operation of the baseball stadium, with a view to supporting aspirational goals of awarding 15 percent of contracts to small businesses located in the DTA's and NDZ's, and the aspirational goal of 25 percent of stadium workers residents of the DTA's and NDZ's, and the aspirational goal of at least 50 percent of stadium workers residents of Miami-Dade County, 20 percent of whom shall be City of Miami residents. The County Manager and City Manager will present the final terms of the Outreach Program to the Board and City Commission for approval.

Special Item No. 1 – Attachment C (City Parking Agreement)

Article II adds language relating to a cap on the \$94 million estimated cost of the Parking Facilities, further states that ad-valorem revenues will not be used to fund its construction, and, if the cost does exceed \$94 million the number of parking spaces will be reduced accordingly.

Section 4.8 also required the inclusion of similar language on the ability to reduce the number of spaces.

Section 4.3 has been added to establish that the Construction Manager for the Parking Facilities shall be required to adhere to small business and local workforce goals and measures that mirror those of the County.

Special Item No. 1 – Attachment D (Non-Relocation Agreement)

Section 6, related to "Payment Upon Sale of Team," was amended to further increase both, the number of years the provision applies (from 7 years to 10 years), and, the potential maximum percentage payout (from 18% to 70%).

Section 7, related to "Annual Payment," was amended to clarify that the annual rent payment continues through the Term of the Operating Agreement.

Special Item No.'s 4 and 5 – Ordinances for First Reading

The Ordinances necessary to begin the approval process for the Convention Development Tax and Professional Sports Franchise Facilities Tax Revenue Bonds have been included in this agenda kit.