

Memorandum



Date: October 13, 2010

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

From: George M. [Signature]
County Manager

Subject: North Miami Community Redevelopment Agency Loan

HCD

Agenda Item No. 3(G)

This item is being placed on the agenda on behalf of the North Miami Community Redevelopment Agency (CRA).

Recommendation

It is recommended that the Board of County Commissioners (BCC) reject the attached resolution approving a request by the CRA to enter into a loan in an amount not to exceed \$27,100,000 secured by tax increment revenues to fund certain projects related to the Community Redevelopment Plan (the "Plan") for the North Miami Community Redevelopment Area (the "Area").

Scope of Agenda Item

This resolution approves a request by the CRA to enter into a loan in an amount not to exceed \$27,100,000 and extends the life of the CRA from October 1, 2016 to June 7, 2035. The CRA lies within County Commission Districts 1, 2, 3 and 4.

Fiscal Impact / Funding Source

The CRA's revenue source is generated through the incremental growth of ad valorem revenues beyond an established base year, Tax Increment Financing (TIF), as defined in Section 163.387 of Florida State Statutes. Once the CRA expires, this revenue reverts to the County's and municipality's general fund. Approval of this resolution would authorize the CRA to assume new debt which would extend the life of the CRA along with the County's obligation to make annual TIF payments, past the current expiration date of October 1, 2016 until as late as June 7, 2035. Additionally, if the debt is not satisfied by the 2035 date, the CRA will be extended until such time as the debt has been satisfied since the load will be secured by a pledge of tax increment revenues.

As illustrated in the table below the net impact to the County, through the current life of the CRA (2016), is estimated at \$1.956 million. The Interlocal Agreement among the County, City and CRA, requires that the CRA refund to the County the tax increment revenue generated in the CRA Area west of Biscayne Boulevard, the CRA keeps the County tax increment revenue generated east of Biscayne Boulevard. If the loan and extension of the CRA's life were to be approved, it is estimated that the net impact to the County from FY 2017 through FY 2035 would be approximately \$25.811 million. It is important to note that the security for the proposed loan is a first-lien pledge of tax increment revenues. By accepting a first-lien pledge the first monies to come out of the trust fund would be used to pay debt service, in the case that there is insufficient funding in the trust fund for the CRA to pay the County and make loan payments, the County refund for the area west of Biscayne Boulevard would be reduced.

North Miami CRA	County Increment		
(In Millions)	Increment (a)	Area West of Biscayne (b)	Net Impact (c)
FY2010 - FY2016 (Current Life)	\$ 8.193	(\$ 6.237)	\$ 1.956
FY2017 - FY2035 (Additional Years)	\$ 111.126	(\$ 85.315)	\$ 25.811
TOTAL	\$ 119.319	(\$ 91.552)	\$ 27.767
	a	b	a - b = c

Track Record / Monitor

This resolution does not provide for contracting with any specific entity. The resolution approves a request by the CRA to obtain a loan.

Background

On June 7, 2005, the BCC approved the establishment of the CRA when it approved the CRA's Community Redevelopment Plan (Plan) pursuant to Resolution R-610-05 and the funding of the Plan when it enacted Ordinance No. 05-109 (Trust Fund). An Interlocal Agreement among the County, City and CRA was also approved by the BCC on June 7, 2005. Section 163.385, Florida Statutes and the Interlocal Agreement require County approval as to the amount, duration and purpose of any bonds, notes, or other indebtedness to which tax increment revenues of the CRA are pledged. The Interlocal Agreement also requires County approval of the annual CRA budget, which would include any revenues being used for implementation of the Plan.

The CRA is requesting that the BCC approve the \$27,100,000 loan for the purpose of financing certain CRA projects as detailed in the CRA's Financing Plan in Attachment A. The loan will be secured by a pledge of CRA tax increment revenues. The CRA is anticipating that the first loan will be an interest only loan for three years, after which would be financed with a twenty-two year bond secured by TIF revenues. Projects approved by the CRA Board to be funded through the loan include:

- Up to \$7,000,000 for Infrastructure, Road Construction, Landscape and Public Projects
 - A Police Substation on NW 7th Ave or other locations
 - Park and Recreation Facility Improvements such as Interactive Water Features
 - Fully equipped health and exercise Facilities at Griffing Park Community Center
- Up to \$7,000,000 for Expansion of the Museum of Contemporary Art (MOCA)
- Up to \$5,000,000 for Affordable Housing Subsidies for Home Purchase and Rehabilitation including the refunding of the CRA line of credit for the Pioneer Gardens housing development
- Up to \$4,000,000 for Land or Building Acquisition including demolition, site preparation and relocation
- Up to \$2,000,000 for Funding for new or existing commercial and business CRA projects and programs
- Up to \$2,000,000 for Renovations to the existing library or construction of a new library

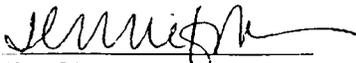
Approval of the loan will extend the life of the CRA, and the obligation of the County and City to make annual tax increment payments from the current expiration date of October 1, 2016 until June 7, 2035.

2

Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners
Page 2

The Tax Increment Financing and Coordinating Committee reviewed the CRA's request for loan approval on June 23, 2010 and August 6, 2010 and voted to forward the item without a recommendation.

The approval of the loan and necessary extension of the CRA are not recommended at this time. The goals of the CRA as outlined by the redevelopment plan are being met with current projects. Furthermore, as these goals are met, this revenue should revert to the County's and municipality's general fund.



Jennifer Glazer-Moon
Special Assistant to the County Manager

Attachments

cmo21710



MEMORANDUM

(Revised)

TO: Honorable Chairman Dennis C. Moss **DATE:** October 5, 2010
and Members, Board of County Commissioners

FROM: R. A. Cuevas, Jr. **SUBJECT:** Agenda Item No.
County Attorney

Please note any items checked.

- "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
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No.

RESOLUTION NO. _____

RESOLUTION APPROVING A LOAN FOR THE NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY IN A PRINCIPAL AMOUNT NOT TO EXCEED \$27,100,000 SECURED BY TAX INCREMENT REVENUES TO FUND CERTAIN PROJECTS CONSISTENT WITH THE REDEVELOPMENT PLAN; EXTENDING THE LIFE OF THE AGENCY AND THE AGENCY'S DELEGATED POWERS TO IMPLEMENT THE PLAN PURSUANT TO INTERLOCAL AGREEMENT UPON THE FUNDING OF THE LOAN

WHEREAS, Section 163.385, Florida Statutes, and the Interlocal Cooperation Agreement between Miami-Dade County, Florida (the "County"), the City of North Miami (the "City") and the North Miami Community Redevelopment Agency (the "Agency") require that the Board of County Commissioners of Miami-Dade County, Florida (the "Board") approve the amount, duration and purpose of such bonds, notes or other indebtedness, including advances pledging or obligating tax increment revenues, prior to the issuance of any such bond, note or other form of indebtedness including advances pledging or obligating tax increment revenues; and

WHEREAS, this Board desires to approve the Agency's request to obtain a loan in an amount not to exceed \$27,100,000 for a period of up to 25 years in accordance with the terms and conditions described in the County Manager's memorandum which accompanied this resolution and is incorporated in this resolution by reference (the "County Manager's Memorandum") to fund certain projects that are consistent with the Agency's redevelopment plan (the "Plan"); and

5

WHEREAS, this Board desires to extend the expiration date of the Agency's Plan and the Agency's delegated power to implement the Plan as described in the County Manager's Memorandum to the date on which the Loan is no longer outstanding but in no event later than June 7, 2035; and

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

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

Section 1. The matters contained in the foregoing recitals are incorporated in this resolution by reference.

Section 2. This Board approves the Loan in an amount not to exceed \$27,100,000 provided the conditions described in the County Manager's Memorandum are satisfied. The terms for the loan set forth in the County Manager's recommendation are also approved.

Section 3. Provided the terms and conditions described in the County Manager's Memorandum are satisfied, the expiration date of the Plan and the Agency's delegated power to implement the Plan are extended to June 7, 2035 unless the County, the City and the Agency mutually agree to its earlier termination and the Agency has satisfied all outstanding debt obligations.

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:

Dennis C. Moss, Chairman	
Jose "Pepe" Diaz, Vice-Chairman	
Bruno A. Barreiro	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Barbara J. Jordan	Joe A. Martinez
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 10th day of September, 2010. 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

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



Shannon D. Summerset



NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY

**NMCRA Debt Financing Plan
Request for Approval from Miami-Dade County**

CRA Board
 Andre D. Pierre, Chair
 Michael R. Blynn
 Scott Galvin
 Jean Rodrigue Marcellus
 Marie Erlande Steril

Executive Director
 Tony E. Crapp, Sr.

CRA Attorney
 Steven W. Zelkowitz

CRA Secretary
 Alix Desulme

Pursuant to the terms of the Interlocal Agreement among Miami-Dade County, the City of North Miami and the North Miami Community Redevelopment Agency (CRA), the CRA is requesting the approval of Miami-Dade County to obtain debt financing in the amount up to approximately \$27 million for the purpose of funding redevelopment projects, programs and activities that are consistent with the CRA Redevelopment Plan.

For more than a year the CRA has been involved in a process that has included extensive discussions with the CRA Advisory Committee, the CRA Board of Commissioners, the City Council, the City Administration as well as public input obtained during these public meetings and through a series of public-input workshops that were most recently held on March 16, 2010, March 18, 2010 and April 7, 2010. As of April 27, 2010 the CRA Board approved the Debt Financing Plan Priorities and Funding Allocations in the amount of \$27 million that have been submitted to Miami-Dade County for approval consideration. Prior to the CRA Board's action on April 27, 2010 to more specifically establish the debt financing priorities and funding allocations, the CRA Board and the City Council approved resolutions approving the intent of the North Miami CRA to obtain debt financing in an amount up to approximately \$27 million to finance redevelopment activities on February 9, 2010 and February 23, 2010 respectively. In addition to these resolutions, the CRA Board held three (3) public-input workshops for the purpose of obtaining input from residents throughout the CRA district relative to the establishment of funding priorities among the possible uses of funds and funding allocations by the CRA Board on April 27, 2010 as summarized below.

Uses of Funds (Not Listed in Any Order Of Priority)	\$ Funding Allocation
Affordable Housing Subsidies for home purchase and home rehabilitation (Including the refunding of the CRA LOC in the amount of \$10,758,300 with Regions Bank for the Pioneer Gardens housing development)	Up to \$5 million
Funding for new and/or existing commercial and business CRA projects and programs (e.g. economic development grants and incentives, etc.)	Up to \$2 million
Infrastructure, Road Construction, Landscape, etc. (e.g. roads, water & sewage, drainage, streetscape); and Public Projects (e.g. parks & recreation, parking facilities, misc. structures)	Up to \$7 million
Land and/or Building Acquisition including demolition, site preparation, and relocation (e.g. rental units, residential units, commercial units, vacant)	Up to \$4 million
Museum of Contemporary Art (MOCA) Expansion	Up to \$7 million
New or Renovated City Library	Up to \$2 million
TOTAL AMOUNT	Up to \$27 million

*Helping Build
North Miami's
Tomorrow!*

615 NE 124th Street
 North Miami, FL 33161
 P: 305.899.0272
 F: 305.899.9376

www.NorthMiamiCRA.org



NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY

CRA Board

Andre D. Pierre, Chair
Michael R. Blynn
Scott Galvin
Jean Rodrigue Marcellus
Marie Brlande Steril

Executive Director

Tony B. Crapp, Sr.

CRA Attorney

Steven W. Zerkowitz

CRA Secretary

Alix Desulme

Prior to the establishment of these funding priorities and allocations, on November 10, 2009 the CRA Board authorized the CRA's financial advisors, the First Southwest Company, to distribute a Request for Input (RFI) as a prelude to the possible future issuance of a Request for Proposals from banks and other financial institutions to provide debt financing in the approximate amount of \$27 million to the CRA for redevelopment projects, programs and activities. As described in the RFI, the CRA would have \$1.369 million available for debt service payments and would be seeking a 3-year interest only loan facility which would be refunded at maturity through the issuance of a long-term TIF revenue bond. The responses received through the RFI process indicated very strong interest from banks and served as the basis for the subsequent approval of the CRA Board and City Council resolutions in February 2010 as described above supporting the CRA debt financing plan.

Subsequent to the CRA Board's establishment of funding priorities and allocations on April 27, 2010, the CRA has (1) requested the approval of the proposed debt financing plan by Miami-Dade County, and (2) directed the First Southwest Company to prepare and issue a Request for Proposals (RFP) for the approximately \$27 million in debt financing. Both the CRA Debt Financing Plan and the RFP have been provided to the County as part of the CRA's request for approval to obtain the debt financing.

As described in the RFP that was issued on June 1, 2010 with responses due on July 2, 2010 the CRA is seeking debt financing in an amount not to exceed \$27.1 million for project funds and costs of issuance. The loan is to mature at three (3) years after closing and will be interest only until maturity. The security for the loan is a first-lien pledge of tax increment revenues accruing to the CRA and a future long-term revenue bond issue that would be repayable through the existence of the CRA for a term up to June 7, 2035.

During the discussion process relative to the CRA Debt Financing Plan guidance was developed for the consideration of funding priorities and funding allocations. The table below describes the possible uses of funds for the priorities that were established on April 27, 2010.

*Helping Build
North Miami's
Tomorrow!*

615 NE 124th Street
North Miami, FL 33161
P: 305.899.0272
F: 305.899.9376

www.NorthMiamiCRA.org



NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY

CRA Board
 Andre D. Pierre, Chair
 Michael R. Blynn
 Scott Galvin
 Jean Rodrigue Marcellus
 Marie Erlande Steril

Executive Director
 Tony B. Crapp, Sr.

CRA Attorney
 Steven W. Zelkowitz

CRA Secretary
 Alix Desulme

(1) Possible Uses of Funds as approved on April 27, 2010 (Not Listed In Any Order Of Priority)	(2) Guidance for possible use of the Funding Allocation
<p>Affordable Housing Subsidies for home purchase and home rehabilitation including the refunding of the CRA Line of Credit (LOC) in the amount of \$10,758,300 with Regions Bank for the Pioneer Gardens housing development)</p> <p>Up to \$5 million</p>	<p>Home Purchase Subsidy Loan has a unit cost estimated at \$55,000 (Assistance to 100 first-time homebuyers is estimated at: 100 x \$55,000 = \$5.5M)</p> <p>Home Rehabilitation Loan has a unit cost estimated at \$60,000 (Assistance to 100 single-family homeowners is estimated at 100 x \$60,000 = \$6.0M)</p> <p>Estimated Funding Allocation for the Pioneer Gardens project to be determined based on a re-assessment of housing demand and project timing.</p>
<p>Funding for new and/or existing commercial and business CRA projects and programs (e.g. economic development grants and incentives, etc.)</p> <p>Up to \$2 million</p>	<p>Commercial Beautification Grant has a unit cost estimated at a maximum of \$15,000 (100 grants = 100 x \$15,000 = \$1.5M)</p> <p>Commercial Rehabilitation Grant has a unit cost estimated at a maximum of \$80,000 (100 grants = 100 x \$80,000 = \$8.0M)</p>
<p>Infrastructure, Road Construction, Landscape, etc. (e.g. roads, water & sewage, drainage, streetscape); and Public Projects (e.g. parks & recreation, parking facilities, misc. structures)</p> <ul style="list-style-type: none"> • Community Policing Innovations – Police Substation on NW 7th Avenue • Park & Recreation Facility Improvements – Interactive Water Features • Griffing Park Community Center Improvement/Expansion – YMCA & fully equipped health and exercise facility <p>Up to \$7 million</p>	<p>Estimated Total Project Allocation To Be Determined subject to the determination of specific project needs</p>
<p>Land and/or Building Acquisition including demolition, site preparation, and relocation (e.g. rental units, residential units, commercial units, vacant)</p> <p>Up to \$4 million</p>	<p>Estimated \$14,428,290 for purchase of strategic property acquisitions (see the schedule below for identified NMCRA Strategic Land Acquisition Opportunities)</p>
<p>Museum of Contemporary Art (MOCA) Expansion</p> <p>Up to \$7 million</p>	<p>Estimated Total Project Cost is \$18,030,000 per the City of North Miami's FY 2010-14 Capital Improvement Plan and the currently estimated funding gap is \$16,180,000 (\$18,030,000 – 1,850,000)</p>
<p>New or Renovated City Library</p> <p>Up to \$2 million</p>	<p>Estimated Total Project Cost is \$4,800,460 per the City of North Miami's FY 2010-14 Capital Improvement Plan for the purchase and renovation of a new location for the City Library</p>

Helping Build North Miami's Tomorrow!

615 NE 124th Street
 North Miami, FL 33161
 P: 305.899.0272
 F: 305.899.9376

www.NorthMiamiCRA.org



NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY

CRA Board
 Andre D. Pierre, Chair
 Michael R. Blynn
 Scott Galvin
 Jean Rodrigue Marcellus
 Marie Erlande Steril

Executive Director
 Tony B. Crapp, Sr.

CRA Attorney
 Steven W. Zerkowitz

CRA Secretary
 Alix Desulme

NMCRA Strategic Land Acquisition Opportunities (as of 10/08/09)

Opportunity	Property Folios	Lot Size (square feet)	2009 Tax Assessed Value
Stembridge Furniture Block	06-2230-025-0280	16,500	808,600
	06-2230-025-0270	24,318	778,410
	06-2230-025-0260	10,700	504,844
	06-2230-025-0480	8,491	265,398
	06-2230-025-0490	8,625	138,000
	06-2230-025-0500	8,491	135,856
	06-2230-025-0510	7,125	168,575
		Total - 91,375 = 1.93 acres	Total = \$2,799,683
Miami Theater Block	06-2230-010-0050	24,031	740,942
	06-2230-010-0040	9,544	420,249
	06-2230-010-0030	8,695	314,653
	06-2230-010-0020	6,810	297,571
	06-2230-010-0010	6,915	242,025
	06-2230-007-0210	13,300	573,995
	06-2230-007-0220	6,650	229,484
	06-2230-007-0240	5,985	293,923
		Total - 81,930 = 1.88 acres	Total = \$3,112,842
City Lot Block	06-2230-015-0040*	32,250	681,563
	06-2230-015-0030	7,875	299,014
	06-2230-015-0020	6,229	423,816
	06-2230-015-0010	12,146	1,147,878
		Total - 58,500 = 1.34 acres	Total = \$2,552,271
99 Cent Store Block	06-2230-039-0020	13,225	829,250
	06-2230-039-0031	14,375	1,117,329
	06-2230-039-0040*	36,419	592,610
	06-2230-039-0030	33,372	997,158
	06-2230-039-0010	48,144	1,982,562
	06-2230-039-0080	8,891	168,889
	06-2230-039-0020	6,843	276,898
		Total - 161,269 = 3.70 acres	Total = \$5,963,494
Total		4 Sites = 8.70 acres	\$14,428,290

* = City-owned Parcel 1 acre = 43,560 sq. ft.

*Helping Build
 North Miami's
 Tomorrow!*

615 NE 124th Street
 North Miami, FL 33161
 P: 305.899.0272
 F: 305.899.9376

www.NorthMiamiCRA.org

NMCRA Debt Financing Plan Narrative 061010

//



**North Miami
Community Redevelopment Agency**

RFP # 2010-01

REQUEST FOR PROPOSALS

FOR

\$27,100,000 Loan

Issue Date: June 1, 2010

Due Date: July 2 , 2010

**North Miami NMCRA
Request for Proposals – \$27.1M Loan**

I. INTRODUCTION

A. Objectives

The objective of this Request for Proposals (the "RFP") is to identify the institution that can provide the North Miami Community Redevelopment Agency (the "NMCRA") with a loan of \$27.1 Million at the lowest overall borrowing cost, pursuant to certain terms and conditions. The primary purpose for which the NMCRA is seeking this financing is to permit it to carry out certain capital projects as discussed herein. The loan will be secured by a pledge of the tax increment revenues of the NMCRA and will be ultimately be repaid by future NMCRA bonds.

B. Proposal Instructions

1. Sealed Proposals

One original and two (2) copies of the response to this RFP should be submitted on or before 2:00 P.M. EDT, Friday, July 2, 2010 to:

Mr. Tony E. Crapp, Sr., Executive Director
North Miami Community Redevelopment Agency
615 N.E. 124 Street
North Miami, Florida
Phone (305) 899-0272

Proposals received after this date and time will not be considered.

In addition, one copy of the response to this RFP (which may be in electronic format) should be submitted to:

Edward Marquez, Financial Advisor
First Southwest Company
18851 NE 29th Avenue, Suite 520
Aventura, Florida 33180
(305) 819-8886
Fax (305) 819-9992
edward.marquez@firstsw.com

The NMCRA reserves the right to reject any and all proposals, to waive any informalities or irregularities not involving price in any proposals received, to solicit new proposals, or take any other such actions that may be deemed to be in the best interest of the NMCRA.

2. *Proposal*

Each proposal should address all pertinent areas and be specific. Any conditions should be clearly stated. The failure to disclose substantive terms, conditions and covenants may be considered cause for the proposal to be rejected by the NMCRA.

3. *Questions, Additional Information*

Respondents, their agents and/or associates are prohibited from contacting or soliciting, directly or indirectly, any member of the NMCRA Board, NMCRA Advisory Committee, the NMCRA Attorney, NMCRA Financial Advisor and the employees of the NMCRA regarding the RFP during the selection process, which process begins on the issue date and terminates following approval of the loan documents by the NMCRA Board. Failure to comply with this provision may result in disqualification of the respondent. All requests for clarifications or additional information must be made in writing and directed to:

Edward Marquez, Financial Advisor
First Southwest Company
18851 NE 29th Avenue, Suite 520
Aventura, Florida 33180
(305) 819-8886
Fax (305) 819-9992
edward.marquez@firstsw.com

All such requests and NMCRA responses shall be distributed to all potential respondents.

C. **Background Information**

The NMCRA is an independent governmental agency that was fully created in accordance with Chapter 163 of Florida Statutes on June 7, 2005 by the City of North Miami and Miami-Dade County. The Mayor and City Council members serve as the Board of Commissioners for the NMCRA. Upon the execution of this financing, the NMCRA will be in existence through June 7, 2035 unless the City of North Miami and Miami-Dade County mutually agree to its earlier termination *and* the NMCRA has satisfied all outstanding debt obligations.

Since its inception and pursuant to an interlocal agreement between the City of North Miami and Miami-Dade County, the NMCRA has received, as its normal full revenues, all of the tax increments (as defined by State law) generated within the NMCRA district less an agreed-upon return to Miami-Dade County (at the end of each fiscal year) of the County generated increment attributable to the Westside (West of US 1) of the NMCRA district.

Exhibit I shows the history of taxable assessed valuation and the actual tax increment generation within the NMCRA district from inception to date. The audited financial statements for the NMCRA can be found at: <http://www.northmiamicra.org/docs/NMCRAFY2008-09AnnualActivityReportandIndependentAuditedFinancialStatement.pdf>. The NMCRA expects to have the FY 2009 financial statements posted by June 15, 2010.

D. Use of Proceeds

The NMCRA will use the proceeds from the loan to implement the redevelopment projects, programs and activities that are described on Exhibit II.

E. Security for the Loan

The repayment of the loan will be secured by a first-lien pledge of tax increment revenues accruing to the NMCRA and a future long-term revenue bond issue.

F. Estimated Draw Schedule

The project draw schedule has not as of yet been developed. The NMCRA is amenable to keeping loan proceeds on deposit with the lender until drawn down.

G. Structure of the Financing

The following describes the NMCRA's requirements in establishing the loan:

1. Amount: Not to exceed \$27,100,000 for project funds and costs of issuance.
2. Rate: Respondents should, *at minimum*, respond with a fixed rate for the entire term of the loan assuming no prepayment penalty. Variable rates, pegged to 1-month LIBOR, as well as annual fixed rates that preclude prepayments without penalty will also be considered as alternatives. Alternative rates, such as those with pre-payment penalties, may be presented so long as the respondent clearly describes how the penalties are calculated.
3. Terms: The loan will mature at three years after closing (anticipated closing August 9, 2010) and will be interest only until maturity. The NMCRA will make interest payments on the loan semi-annually on March 1 and September 1, commencing on March 1, 2011. Principal payment will be at maturity.
4. Alternative Structures: The form of the loan can be a note, a bond anticipation note, a letter of credit or any other legal structure that provides the most benefit to the NMCRA. The NMCRA will also consider other alternatives to the structure, such as lengthening the maturity of the loan, optional conversions to long-term debt, etc., so long as its payments during the initial three year period are not substantially increased.
5. To illustrate potential revenue coverage, Exhibit III shows an approximate debt service on the loan during the initial three years as well as a hypothetical take-out of the loan in FY 2013 through the issuance of NMCRA bonds. It is assumed that the loan will be 74% Tax Exempt and 26% taxable.

H. Risk Assessments

There are a number of usual risk factors associated with tax incremental financing such as the risk of future lower tax assessments and/or lower tax millage rates and these risks do apply to the NMCRA's tax district. However, several mitigating factors also apply:

1. The proposed borrowings are using existing increments with no growth factors assumed;
2. The FY 2010 tax assessed valuation already reflects a significant reduction due to the recent economic downturn. The TAV for FY 2009 was \$1.645 Billion and for FY 2010, it was determined to be \$1.474 Billion which represents a 11.1 % reduction between years;
3. Florida law provides significant protections for the collection of property taxes;
4. Debt service coverage is provided by the full gross tax increment (only adjusted by 95% per State law) therefore the lien as to revenues to support debt service is prior to return of any Westside tax increments to either Miami-Dade County or the City of North Miami. For Fiscal Year 2010, this amount is estimated at \$7.006 Million; and
5. The proposed Note and subsequent takeout borrowing will have a first lien on the adjusted gross tax increment as the NMCRA will not have any other debt outstanding.

I. Provisos

The NMCRA will not accept proposals with reserve requirements or other restrictions to revenues or requirements to maintain minimum balances in any bank account as a condition for the loan.

The NMCRA will not accept proposals that require the Respondent's approval before additional debt may be issued. Specification of an "Additional Bonds Test" as a condition to the loan is allowed.

The NMCRA will furnish, without charge to the successful bank, the opinion of GrayRobinson, P.A., counsel to the NMCRA, regarding the legality of all closing certificates and documents related to the transaction.

II. EVALUATION OF PROPOSALS - CRITERIA

A. Evaluation and Award

Proposals will be evaluated on the basis of the overall lowest borrowing costs, the conditional terms of the proposed loan and compliance with the proposed structure and terms of the loan as outlined in this RFP. The NMCRA will begin negotiations with the highest ranked institution and reserves the right to negotiate with other respondents should those negotiations not be successful.

B. Proposal Format

In order to assist the NMCRA and First Southwest Company in reviewing the responses, each proposal should include the following information:

1. Legal name of the lending institution and primary contact person (include address, telephone, facsimile number, and e-mail address).
2. Please provide a Fixed Interest Rate for the full term of the loan. The rate should be stated as a fixed interest rate that will be held for a maximum of forty (40) days. The respondent should

also provide an index, and a spread to the index, for a calculation of the rate should closing take place after August 9, 2010.

3. Fees and Expenses - Describe in detail all fees and expenses which the NMCRA will be responsible to pay to the lending institution and/or its Legal Counsel. The NMCRA's counsel will be available to draft the loan documents. The amounts stated in the proposal shall represent the maximum amounts payable to the lending institution by the NMCRA.
4. Conditions - Provide a listing of all conditions, covenants, terms or restrictions, other than those specified in this RFP, which would be included in your commitment to provide the loan. Also, please describe the procedures, if any, the Respondent may have in place to increase the amount of the loan in the future should the NMCRA request it.

III. INSTRUCTIONS TO RESPONDENTS

- A. Respondents shall thoroughly examine and be familiar with the RFP specifications. Failure of any Respondent to receive or examine this document shall in no way relieve any Respondent of obligations pertaining to this RFP or the subsequent contract.
- B. Any modifications from the stated terms and conditions can result in the rejection of the proposal as not being responsive to this RFP.
- C. Delivering the proposal to the NMCRA on or before the specified date and time will be solely and strictly the responsibility of the Respondent. The NMCRA will in no way be responsible for delays caused by the United States Postal Service, or other courier services, or a delay caused by any other occurrence. Offers by telephone or fax will not be accepted.
- D. The response deadline shall be strictly observed. Under no circumstances will a proposal delivered after the time specified be considered. Such RFPs will be returned to the Respondent unopened.
- E. Respondents will not be allowed to withdraw or modify their proposal for a period of forty-five (45) days after the opening time and date.
- F. The NMCRA reserves the right to reject the proposal of any Respondent who has previously failed in the proper performance of a contract or to deliver on time other contracts similar in nature, or who in the opinion of the NMCRA, is not in the position to perform properly.
- G. Federal, state, county and local laws, ordinances, rules and regulations that in any manner affect the items covered herein apply. Lack of knowledge by the Respondent will in no way be a cause for relief from responsibility.
- H. No successful Respondent may assign any portion of the contractual agreement between the parties without prior written authorization by the NMCRA, which authorization may be withheld by the NMCRA in its sole discretion.
- I. Changes to the RFP may be made by and at the sole discretion of the NMCRA.
- J. Warranties - The Respondent, in submission of its proposal, warrants to the NMCRA that it will comply with all applicable federal, state and local laws, regulations and orders in providing the services under the proposed documents.

IV. TENTATIVE SCHEDULE

The NMCRA will attempt to adhere to the following schedule:

June 1, 2010	RFP Issued
July 2, 2010	RFP responses due prior to 2:00 P.M. EDT
July 7, 2010	Determination of Proposal Rankings
July 13, 2010	Resolution before the NMCRA Board and Approval of Lending Institution
August 9, 2010	Closing on loan

The NMCRA reserves the right to alter scheduled dates if necessary.

V. OTHER INFORMATION

- A. The NMCRA reserves the right to accept or reject any and all proposals, to waive any irregularities or informalities in any proposal or in the RFP process, and to accept or reject any items or combination of items. The award will be to the institution whose response complies with all of the requirements set forth in this RFP and whose proposal, in the sole opinion of the NMCRA, is best taking into consideration all aspects of the Respondent's proposal.
- B. In the event that the successful Respondent does not execute a contract within a time frame acceptable to the NMCRA, the NMCRA may give notice of intent to negotiate with the next most qualified Respondent or to solicit new proposals and may proceed to act accordingly.
- C. The successful respondent will, at the time of loan closing, be required to execute a "sophisticated investor letter" and affirmatively state that the loan will be held for their own account.

Exhibit I

Section I - Net Tax Increments from the City of North Miami

	<u>Taxable Assessed Values (TAV)</u>	<u>TAV Difference from Base Year</u>	<u>City Millage</u>	<u>Gross Tax Increment to NMCRA (adjusted by .95)</u>
Base Year 2004	\$869,122,633			
Base Year adj.	879,399,850			
FY 2006	1,050,153,621	\$181,030,988	8.5000	\$1,461,825
FY 2007	1,375,439,542	506,316,909	8.3000	3,992,309
FY 2008	1,602,861,496	723,261,646	6.7843	4,668,354
FY 2009	1,662,825,105	783,425,255	6.9195	5,149,865
FY 2010 Est	1,486,624,201	607,224,351	7.3390	4,233,599

Section II - Net Tax Increments from Miami-Dade County

	<u>Taxable Assessed Values (TAV)</u>	<u>TAV Difference from Base Year</u>	<u>County Millage</u>	<u>Gross Tax Increment to NMCRA (adjusted by .95)</u>	<u>Less Return of Westside Tax Increment</u>	<u>Net Tax Increment to NMCRA</u>
Base Year 2004	\$869,122,633					
Base Year adj.	870,434,294					
FY 2006	1,050,153,621	\$181,030,988	5.8350	\$1,003,500	\$781,468	\$222,032
FY 2007	1,366,163,674	497,041,041	5.6150	2,651,341	2,437,680	213,661
FY 2008	1,586,871,505	716,437,211	4.5796	3,116,946	2,757,601	359,345
FY 2009	1,649,983,952	779,529,658	4.8379	3,582,722	2,600,955	981,767
FY 2010 Est	1,473,859,324	603,425,030	4.8379	2,773,344	1,866,056	907,288

Section III - Combined Tax Incremental Revenue to Benefit of NMCRA

	<u>Net Tax Increment from</u>		<u>Net Adjustments for Refund Overpayments</u>	<u>Total Net Available Increments</u>	<u>NMCRA Operating Budget</u>	<u>Net Amount Available for Debt or PAYGO</u>
	<u>City</u>	<u>County</u>				
FY 2006	\$1,461,825	\$222,032		\$1,683,857	\$1,168,805	\$517,052
FY 2007	\$3,992,309	213,661		4,205,970	1,220,919	2,985,051
FY 2008	\$4,668,354	359,345	\$271	5,027,970	1,355,000	3,672,970
FY 2009	\$5,149,865	981,767	156,934	6,288,567	1,401,000	4,887,567
FY 2010	\$4,233,599	907,288	(20,212)	5,120,675	901,500	4,219,175

Section IV - "Pledged Revenues"

	<u>Gross Tax Increment to the NMCRA from:</u>		<u>Total Gross Tax Increment</u>
	<u>City of North Miami</u>	<u>Miami-Dade County</u>	
FY 2006	\$1,461,825	\$1,003,500	\$2,465,325
FY 2007	3,992,309	2,651,341	6,643,650
FY 2008	4,668,354	3,116,946	7,785,300
FY 2009	5,149,865	3,582,722	8,732,588
FY 2010	4,233,599	2,773,344	7,006,943

Exhibit II

CRA DEBT FINANCING PLAN PRIORITIES AND FUNDING ALLOCATIONS AS APPROVED BY THE CRA BOARD ON APRIL 27, 2010

Uses of Funds (Not Listed In Any Order Of Priority)	\$ Funding Allocation
Affordable Housing Subsidies for home purchase and home rehabilitation (including the refunding of the CRA LOC in the amount of \$10,758,300 with Regions Bank for the Pioneer Gardens housing development)	Up to \$5 million
Funding for new and/or existing commercial and business CRA projects and programs (e.g. economic development grants and incentives, etc.)	Up to \$2 million
Infrastructure, Road Construction, Landscape, etc. (e.g. roads, water & sewage, drainage, streetscape); and Public Projects (e.g. parks & recreation, parking facilities, misc. structures) <ul style="list-style-type: none"> • Community Policing Innovations – Police Substation on NW 7th Avenue or other location(s) • Park & Recreation Facility Improvements – Interactive Water Features • Griffing Park Community Center Improvement/Expansion – Fully equipped health and exercise facility 	Up to \$7 million
Land and/or Building Acquisition including demolition, site preparation, and relocation (e.g. rental units, residential units, commercial units, vacant)	Up to \$4 million
Museum of Contemporary Art (MOCA) Expansion	Up to \$7 million
New or Renovated City Library	Up to \$2 million
TOTAL AMOUNT	Up to \$27 million

Note: The debt financing priorities and funding allocations as indicated above were approved with the understanding that the CRA Board would have the ability to shift the approximate funding levels among the listed priorities.

EXHIBIT III

North Miami CRA

Scenario	Note	Takeout Bonds			
Assumptions					
Issuance Date	9/1/2010	9/1/2013			
Principal Pmt Dates	1-Sep	1-Oct			
Maturity Date	9/1/2013	6/15/2035			
Term	3.0 yrs	21.8 yrs			
Tax Status (Tax/TE)	26 / 74	26 / 74			
Assumed Blended Rate	4.70%	6.58%			
Scenario Results					
Par Amount	27,100,000	30,200,000			
Issuance Costs	100,000	466,385			
Reserve Fund	-	2,633,615			
Net Proceeds	27,000,000	27,100,000			
Avg Life	3.00 yr	14.21 yr			
Estimated Debt Service					
Fiscal Year	Note	Takeout Bonds	Total	Revenues	Coverage
2010			0	7,006,943	N/A
2011	1,275,038		1,275,038	7,006,943	5.50x
2012	1,275,038		1,275,038	7,006,943	5.50x
2013	1,275,038		1,275,038	7,006,943	5.50x
2014		2,633,615	2,633,615	7,006,943	2.66x
2015		2,629,675	2,629,675	7,006,943	2.66x
2016		2,628,475	2,628,475	7,006,943	2.67x
2017		2,628,275	2,628,275	7,006,943	2.67x
2018		2,628,675	2,628,675	7,006,943	2.67x
2019		2,629,275	2,629,275	7,006,943	2.66x
2020		2,629,675	2,629,675	7,006,943	2.66x
2021		2,629,475	2,629,475	7,006,943	2.66x
2022		2,628,275	2,628,275	7,006,943	2.67x
2023		2,630,675	2,630,675	7,006,943	2.66x
2024		2,630,938	2,630,938	7,006,943	2.66x
2025		2,631,563	2,631,563	7,006,943	2.66x
2026		2,632,188	2,632,188	7,006,943	2.66x
2027		2,632,500	2,632,500	7,006,943	2.66x
2028		2,627,188	2,627,188	7,006,943	2.67x
2029		2,631,250	2,631,250	7,006,943	2.66x
2030		2,628,750	2,628,750	7,006,943	2.67x
2031		2,629,688	2,629,688	7,006,943	2.66x
2032		2,628,438	2,628,438	7,006,943	2.67x
2033		2,629,688	2,629,688	7,006,943	2.66x
2034		2,627,813	2,627,813	7,006,943	2.67x
2035		2,631,125	2,631,125	7,006,943	2.66x
Totals	3,825,113	57,857,215	61,682,327	182,180,518	

- Analysis is preliminary and subject to change based upon rates in the future.
- Estimated Debt Service on Note represents interest portion only. Principal is assumed refinanced by Takeout Bonds.
- Estimated Debt Service on Takeout Bonds excludes Debt Service Reserve Fund and interest earnings therein.