

Memorandum



Date: March 1, 2011

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

Agenda Item No. 8(L)(1)(A)

From: George M. Burgess
County Manager

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

Subject: FY 2010-11 Budget for the Naranja Lakes Community Redevelopment Agency and authorizing a \$7.5 Million Loan to pay the County for the outstanding balance on two State Sunshine Loans

Recommendation

It is recommended that the Board of County Commissioners (BCC) adopt the attached resolution approving the Naranja Lakes Community Redevelopment Agency's (CRA's) FY 2010-11 budget for the Naranja Lakes Community Redevelopment Area (the "Area"). The CRA's budget includes revenues and expenditures in the amount of \$4,328,535.

The item also authorizes the CRA to obtain a \$7.5 million loan to reimburse the County for the outstanding balance on two State Sunshine Loans.

Scope of Agenda Item

This resolution provides the appropriation of tax increment funds derived from the Naranja Lakes Community Redevelopment Area and provides the CRA the authority to refinance the existing debt. The Area lies within Commission Districts 8 and 9.

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 the Florida State Statutes. The Countywide tax increment revenue into the CRA's Trust Fund for FY 2010-11 is \$662,681 and the Unincorporated Municipal Service Area (UMSA) tax increment revenue payment into the Trust Fund is \$281,487.

The CRA has outstanding debt of approximately \$7.5 million, which was issued by the County (\$5 million in 2004 R-845-04 and \$5 million in 2006 R-412-06) through two Sunshine State Loans totaling \$10 million. The maturity date for both Sunshine State Loans is 2016 and the projected FY 2010-11 debt service payment for both loans is \$1.4 million. As a result of the decline in property values, it is necessary that the CRA refinance the existing loans in order to reduce the yearly payment amounts. In order to fund the proposed operating budget (inclusive of debt service) the CRA must use approximately \$1 million in reserves to cover all of its obligations for FY 2010-11. By refinancing the existing debt, the yearly payments will be reduced and allow the CRA to meet all obligations without using reserves that were originally set aside for construction and the County will not be responsible for the CRA debt as it currently is. The anticipated loan will be for 15 or 20 years, but will not extend the life of the CRA past its current sunset date of 2033. It is estimated that the principal and interest payment for a 20 year loan will be \$650,000 per year.

Track Record / Monitor

This resolution does not provide for contracting with any specific entity. The resolution approves the CRA's FY 2010-11 Budget of \$4,328,535 and authorizes the CRA to obtain a \$7.5 million loan.

Background

On May 6, 2003, the BCC approved the establishment of the CRA when it approved the CRA's Redevelopment Plan (Plan) pursuant to Resolution R-418-03 and the funding of the Plan when it enacted Ordinance No. 03-106 (Trust Fund). An Interlocal Agreement between Miami-Dade County and the Naranja Lakes CRA was approved by the BCC on July 22, 2003 pursuant to Resolution R-855-03. The Interlocal Agreement requires the CRA to submit for County approval an annual budget for the implementation of the Plan. The Interlocal Agreement also requires the CRA to obtain County approval prior to issuing a note of indebtedness obligating tax increment revenues.

It is recommended that the BCC approve the CRA's FY 2010-11 budget of \$4,328,535, which was approved by the CRA on September 27, 2010 and authorize the Agency to obtain a \$7.5 million loan. The budget includes revenue sources of County and UMSA tax increment revenues (\$944,168), carryover from prior years (\$3,365,867), and interest earnings (\$18,500).

Administrative expenditures total \$176,000 and represent 19 percent of the total tax increment revenues, excluding the 1.5 percent County Administrative Charge (\$14,163), which satisfies the 20 percent cap in administrative expenditures required by the Interlocal Agreement. Administrative expenses include direct County support (\$132,000), Economic Development Coordinator (\$40,000), advertisement notices (\$3,000), and printing and publishing (\$1,000).

Operating Expenditures total \$4,328,535, including projected debt service payments for the two existing Sunshine State loans (\$1,400,000); capital infrastructure improvements in the primary redevelopment project, Mandarin Lakes (\$838,692); and Community Policing (\$305,000).

Other operating expenses include community building operations and maintenance (\$47,000); Insurance (\$13,000); legal services (\$58,000); construction consultant services (\$20,000); commercial/residential redevelopment grants program (\$20,000); marketing (\$2,000); office supplies (\$750); and state fees (\$175). The operating expenditures include a construction reserve in the amount of \$1,433,755 for Phase II of the Mandarin Lakes development. Phase II includes infrastructure improvements similar to Phase I and is estimated to cost approximately \$7 million. Phase II is scheduled to commence once Phase I has been completed and closed out, and the current Redevelopment Agreement has been amended and approved by all parties.

As previously mentioned, the CRA has an outstanding debt of approximately \$7.5 million, which was issued by the County through two Sunshine State Loans totaling \$10 million. These loans were used to finance the CRA's primary redevelopment project, in accordance with the Redevelopment Plan adopted by the BCC (R-418-03), making certain infrastructure improvements in the Mandarin Lakes Development. The maturity date for both Sunshine State Loans is 2016 and the projected FY 2010-11 debt service payment for both loans is \$1.4 million.

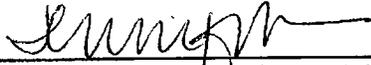
The preliminary 2010 taxable value reflects a 37 percent decrease in the Area's tax roll. As a result, TIF revenues for FY 2010-11 are \$981,842 less than the revenues generated in the prior fiscal year. The substantial decrease in revenues and the high payments committed toward the debt service hinders the CRA's ability to undertake meaningful redevelopment activities aside from the Community Policing Initiative and the infrastructure improvements of the Mandarin Lakes redevelopment project.

Obtaining a 15 or 20 year loan to pay the outstanding balance on the Sunshine State Loans of \$7.5 million, will allow the CRA to reduce the annual debt service payments and avoid using reserves allocated for Phase II of the redevelopment project to meet budgetary commitments and have annual

Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners
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revenues left to undertake economic development activities to carry the Agency's mission of fighting slum and blight in the area. The approval of the loan will not extend the life of the CRA past the current sunset date of 2033.

The Tax Increment Financing Coordinating Committee reviewed the CRA's budget and loan request on November 8, 2010, and unanimously recommended it for BCC approval.



Jennifer Glazer-Moon, Special Assistant/Director
Office of Strategic Business Management

Attachments

cmo00611



MEMORANDUM
(Revised)

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

DATE: March 1, 2011

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 8(L)(1)(A)

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. 8(L)(1)(A)
3-1-11

RESOLUTION NO. _____

RESOLUTION APPROVING THE BUDGET FOR FISCAL YEAR 2010-11 FOR THE NARANJA LAKES COMMUNITY REDEVELOPMENT AGENCY AND APPROVAL OF A \$7.5 MILLION LOAN TO PAY THE COUNTY FOR THE OUTSTANDING BALANCE ON TWO STATE SUNSHINE LOANS

WHEREAS, the Interlocal Cooperation Agreement between Miami-Dade County, Florida (the “County”) and the Naranja Lakes Community Redevelopment Agency (the “Agency”) requires that the Agency transmit its adopted annual budget to the Board of County Commissioners of Miami-Dade County, Florida (the “Board”) for approval and also obtain County approval prior to issuing a note of indebtedness obligating tax increment revenues; and

WHEREAS, this Board desires to approve the Agency’s adopted annual budget for Fiscal Year 2010-11 for the Naranja Lakes Community Redevelopment Area in the form attached hereto as Exhibit A and incorporated herein by reference; and

WHEREAS, this Board desires to approve the Agency’s loan for \$7.5 million to repay the two outstanding Sunshine State Loans; and

WHEREAS, this Board desires to accomplish the purpose 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 Agency’s annual adopted budget for Fiscal Year 2010-11 related to the Naranja Lakes Community Redevelopment Area in the form attached hereto as Exhibit A.

Section 3. This Board approves the Agency's issuance of an approximate \$7.5 million loan to pay the County for the outstanding balance on two State Sunshine Loans.

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	
Audrey M. Edmonson, Vice Chairwoman	
Bruno A. Barreiro	Lynda Bell
Jose "Pepe" Diaz	Carlos A. Gimenez
Sally A. Heyman	Barbara J. Jordan
Jean Monestime	Dennis C. Moss
Natacha Seijas	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 1st day of March, 2011. 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.



Martin W. Sybblis

**Naranja Lakes
Community Redevelopment Agency
FY 2010 - 2011 Proposed Budget**

Exhibit A

(FY 2010-11 begins October 1, 2010)

	FY 08-09 Adopted Budget	FY 08-09 Actual	FY 09-10 Adopted Budget	FY 09-10 Actual	FY 10-11 Proposed Budget
Revenues					
UMSA Tax Increment Revenue (TIR)	712,731	712,731	563,155	563,155	281,487
County Tax Increment Revenue (TIR)	1,719,902	1,719,902	1,362,855	1,362,855	662,681
Carryover from prior year	4,443,449	4,848,063	4,166,648	4,012,062	3,365,867
Other- OCED Economic Development Grant	70,000	-	-	-	-
New Bonds Issues (net of Cap interest)	-	-	-	-	-
Interest earnings	122,907	77,528	54,086	25,290	18,500
Revenue Total	7,068,989	7,358,224	6,146,744	5,963,362	4,328,535

Expenditures

Administrative Expenditures:

Employee salary and fringe					
Contractual Services (Economic Dev. Coord.)	88,000	78,344	85,000	79,817	40,000
Insurance					
Audits and studies	2,500	-	2,500	-	-
Printing and publishing	-	3,153	6,000	3,950	1,000
Meeting Costs	4,000	2,422	1,500	175	-
Advertising and notices	4,700	3,839	4,000	1,901	3,000
Travel (includes Educational Seminars)	3,000	-	-	-	-
Rent/lease costs	-	-	-	-	-
Office equipment and furniture	-	4,798	-	-	-
CRA Support Staff Office	75,000	-	-	-	-
Other Admin. Exps (Direct Cnty Support)	127,326	124,273	121,967	122,158	132,000
(A) Subtotal Admin Expenses	304,526	216,829	220,967	208,002	176,000
County Administrative Charge at 1.5%	36,489	36,489	28,890	28,890	14,163
County Reimbursement of Advances	-	-	-	-	-
(B) Subtot Adm Exp & County Charge	341,015	253,318	249,858	236,892	190,163

Operating Expenditures:

Memberships and State Fee	1,095	1,070	1,070	870	175
Contractual services (Construction Consultant)	132,000	76,247	96,000	41,185	20,000
Insurance	-	9,267	-	12,091	13,000
Economic Development Program (OCED)	70,000	-	-	-	-
Project Mgt. Supplies & Copying	2,000	1,416	1,500	1,047	750
Marketing Contingency	-	3,000	5,000	5,000	2,000
Community Policing and Security	329,000	328,810	315,000	311,479	305,000
Legal services/court costs	75,000	52,798	65,000	56,956	58,000
Community Center Building	-	176	65,000	65,301	47,000
Infrastructure improvements	4,800,000	1,816,190	4,000,000	808,377	838,692
Building construction & improvements	-	-	-	-	-
Debt service payments	1,150,000	803,869	1,300,000	1,027,142	1,400,000
Redevelopment grants - residential	14,100	-	-	-	-
Redevelopment grants - commercial/residential	15,900	-	20,000	27,771	20,000
Community Improv. Program - American Clean Up	-	-	-	1,884	-
Land Appraisal / Acquisition	-	-	-	1,500	-
(C) Subtotal Oper. Expenses	6,589,095	3,092,843	5,868,570	2,360,603	2,704,617
(D) Reserve (1)	50,000		28,317		1,433,755
Expenditure Total (B+C+D)	6,980,110	3,346,161	6,146,744	2,597,495	4,328,535

Cash Position (Rev-Exp)

	-	4,012,063	-	3,365,867	0
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	FY 08-09 Planned Expenditures	FY 08-09 Projected Expenditures	FY 09-10 Proposed Expenditures	FY 09-10 Actual Expenditures	FY 10-11 Proposed Expenditures
Projects:					
Primary Redevelopment Project (Mandarin Lakes)	4,800,000	1,816,190	4,000,000	808,377	838,692
Community Policing [Security Studies]	329,000	328,810	315,000	311,479	305,000
US1 corridor plan aesthetics	-	-	-	-	-
Community Improv. Program - American Clean Up	-	-	-	1,884	-
Economic Development Programs	70,000	-	-	-	-
Redevelopment grant program - residential	14,100	-	-	-	-
Redevelopment grant program - commercial	15,900	-	20,000	27,771	20,000
Additional projects - attach list	-	-	-	-	-
Total project dollars here:	5,229,000	2,145,000	4,335,000	1,149,511	1,163,692

(1) Construction reserve for Phase II of the Mandarin Lakes Redevelopment Project

**NARANJA LAKES CRA
FY 2010-11 PROPOSED OPERATING BUDGET**

	FY 09-10 ADOPTED BUDGET	FY 09-10 ACTUAL AS OF 09-15-09	FY 09-10 ACTUAL	FY 10-11 PROPOSED
REVENUES				
Carryover	550,474	586,870	586,870	387,299
TIF Revenues				
UMSA Tax Increment Revenue	563,155	563,155	563,155	281,487
County Tax Increment Revenue	1,362,855	1,362,855	1,362,855	662,681
CDBG Grant	-	-	-	-
Interest	10,500	6,727	7,094	3,500
Transfer from Capital Budget	-	-	-	725,000
Revenue Total	2,486,984	2,519,607	2,519,974	2,059,967
EXPENDITURES				
Administrative Expense				
Contractual Services (Economic Dev. Coord.)	85,000	77,507	79,817	40,000
Audits and Studies	2,500	-	-	-
Printing & Publishing	6,000	3,950	3,950	1,000
Meeting Costs (Includes After Hours Security)	1,500	175	175	-
Advertising and Notices	4,000	1,707	1,901	3,000
Travel (Includes Educational Seminars)	-	-	-	-
Direct County Support	121,967	-	122,158	132,000
(A) Subtotal Administrative Expense	220,967	83,339	208,002	176,000
Operating Expense				
County Administrative Charge (1.5%)	28,890	28,890	28,890	14,163
F.R.A. Membership and State Fee	1,070	870	870	175
Project Management Supplies & Copying	1,500	1	1,047	750
Marketing	5,000	5,000	5,000	2,000
Community Center Building	65,000	62,751	65,301	47,000
Insurances	-	12,091	12,091	13,000
Redevelopment Grants - Residential	-	-	-	-
Redevelopment Grants - Commercial/Residential	20,000	27,771	27,771	20,000
Community Policing and Security	315,000	275,604	311,479	305,000
Legal Services	65,000	53,466	56,956	58,000
Debt Payments	1,300,000	1,027,142	1,027,142	1,400,000
Construction Consultant	96,000	39,033	41,185	20,000
Community Improvement Program	-	1,884	1,884	-
Land Appraisal / Acquisition	-	1,500	1,500	-
Reserves	25,000	-	-	3,879
Transfer to Capital	343,557	343,557	343,557	
(B) Subtotal Operating Expenses & Reserves	2,266,017	1,879,560	1,924,673	1,883,967
Expenditures Total (A+B)	2,486,984	1,962,899	2,132,675	2,059,967
Revenues Less Expenditures Total	0	556,708	387,299	0

**NARANJA LAKES CRA
PROPOSED FY 2010-11 CAPITAL BUDGET**

	FY 09-10 ADOPTED BUDGET	FY 09-10 ACTUAL AS OF 09-27-09	FY 09-10 PROJECTION	FY 10-11 PROPOSED
REVENUES				
Carryover	3,616,174	3,425,192	3,425,192	2,978,568
Transfer from Operating Funds	343,557	343,557	343,557	-
New Loan (Projected Funding Gap)	-	-	-	
Interest	43,586	17,033	18,196	15,000
Revenue Total	4,003,317	3,785,782	3,786,945	2,993,568
EXPENDITURES				
Issuance Costs	-	-	-	-
Transfer to Operating Budget	-	-		725,000
Payments Towards Construction	4,000,000	748,121	808,377	838,692
Debt Payments	-	-	-	-
Construction Reserve	3,317			1,429,876
Expenditure Total	4,003,317	748,121	808,377	2,993,568
Revenue Less Expenditures	0	3,037,661	2,978,568	0

**NARANJA LAKES
COMMUNITY REDEVELOPMENT AGENCY**

RFP #2010-01

REQUEST FOR PROPOSALS

FOR

\$7.5 MILLION LOAN

Issue Date: _____, 2010

Due Date: _____, 2010

NARANJA LAKES COMMUNITY REDEVELOPMENT AGENCY

REQUEST FOR PROPOSALS

FOR

\$7.5 MILLION LOAN

RFP #2010-01

I. INTRODUCTION

A. Objective

The objective of this Request for Proposals (the "RFP") is to identify the institution that can provide the Naranja Lakes Community Redevelopment Agency (the "CRA") with a loan of approximately \$7.5 Million at the lowest overall borrowing cost, pursuant to certain terms and conditions. The primary purpose for which the CRA is seeking this financing is to refinance existing debt relative to the CRA Project (as defined below). The loan will be secured by a first-lien pledge of the tax increment revenues of the CRA.

B. Instructions

1. Sealed Responses

One unbound original and ten (10) bound copies of the response to this RFP should be submitted on or before 5:00 P.M. EDT, on _____, 2010 to:

Jorge Fernandez, Coordinator
Community Redevelopment & Municipal Services Division
Office of Strategic Business Management
Miami-Dade County
Stephen P. Clark Center
111 N.W. 1st Street, Suite 2210
Miami, FL 33128
Phone (305) 375-5143

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

The CRA reserves the right to reject any and all responses, to waive any informalities or irregularities in any responses received, to solicit new responses,

or take any other such actions that may be deemed to be in the best interest of the CRA.

2. Response Contents

Each response should address all pertinent areas as delineated and described below and be specific. Any conditions should be clearly stated. The failure to disclose substantive terms, conditions and covenants may be considered cause for the response to be rejected by the CRA.

3. Questions, Additional Information

Respondents, their agents and/or associates shall refrain from contacting or soliciting, directly or indirectly, any member of the CRA Board, the CRA Attorney, County Commissioners and their staff, County Attorneys and/or the employees of the CRA and/or the County regarding the RFP during the selection process, which process begins on the issue date and terminates following the approval of the loan by the CRA 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:

Jorge Fernandez, Coordinator
Community Redevelopment & Municipal Services Division
Office of Strategic Business Management
Miami-Dade County
Stephen P. Clark Center
111 N.W. 1st Street, Suite 2210
Miami, FL 33128
Phone (305) 375-5143
Fax (305) 375-1569
jjorge@miamidade.gov

All such requests and CRA responses will be made available to all potential respondents. Graphic information regarding the Community Center may be provided upon request.

C. Background Information

In order to stimulate the redevelopment of the Naranja Lakes area after the destruction of Hurricane Andrew, and pursuant to the Community Redevelopment Act of 1969, Part III of Chapter 163, Florida Statutes, the Board of County Commissioners adopted the following: (a) Resolution No. 847-98 dated July 21, 1998 determining blight, as defined in Section 163.340 Florida Statutes, within the Redevelopment Area; (b) Ordinance No. 02-216 dated October 22, 2002 creating the CRA and appointing the members of the CRA Board; (c) Resolution No. R-418-03 dated May 6, 2003 approving the Redevelopment Plan; and (d) Ordinance No. 03-106 dated May 6, 2003 establishing a

redevelopment trust fund pursuant to Section 163.387 Florida Statutes, for deposit of tax increment revenues generated from the Redevelopment Area.

The Redevelopment Plan contains, among other things, a Master Plan of Improvements that provides for the CRA to construct or cause the construction of certain roadway, streetscape, plaza, common use buildings and infrastructure improvements (the "CRA Project") within the Primary Redevelopment Project commonly known as Mandarin Lakes (the "Project"). Generally, the CRA Project is a capital intensive project that provides a portion of the infrastructure which will support the development of portions of the property and the delivery of single family homes and town homes to the ultimate end users. Certain portions of the CRA Project have been constructed and financed through a Sunshine State loan obtained by the County in the approximate amount of \$7.5 million. The CRA desires to refinance this debt on order to obtain more favorable loan terms.

Since its inception and pursuant to an Interlocal Cooperation Agreement between the CRA and Miami-Dade County, the CRA has received, as its normal full revenues, all of the tax increments (as defined by State law) generated within the Redevelopment Area.

Exhibit A contains the history of taxable assessed valuation and the actual tax increment generation within the Redevelopment Area district from inception to date.

Exhibit B contains the most recent audited financial statements and annual activity report for the CRA.

D. Use of Proceeds

The CRA will use the proceeds from the loan to refinance existing debt relative to the CRA Project.

E. Security for the Loan

The repayment of the loan will be from a first-lien pledge of tax increment revenues accruing to the CRA.

F. Structure of the Financing

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

1. Amount: not to exceed \$7,500,000 including costs of issuance.
2. Rate: Respondents should, at a *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.

3. Terms: The loan will mature in 15-20 years after closing (anticipated closing November 1, 2010) with payments of principal and interest made quarterly until maturity.
4. Alternative Structures: The form of the loan can be a note, a bond or any other legal structure that provides the most benefit to the CRA. The CRA will also consider other alternatives to the structure, such as shortening or lengthening the maturity of the loan, optional conversions, etc.
5. To illustrate potential revenue coverage, Exhibit C shows an approximate debt service on the loan during the 15 and 20 year terms. It is assumed that the loan will be tax exempt.

G. 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 CRA's Redevelopment Area. 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 \$____ Billion and for FY 2010, it was determined to be \$__ Billion which represents a ____% 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). For Fiscal Year 2010, this amount is estimated at \$_____ Million; and

H. Provisos

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

II. EVALUATION OF RESPONSES - 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 CRA will begin negotiations with the highest ranked institution and reserves the right to negotiate with other respondents should those negotiations not be successful.

B. Response Format

In order to assist the CRA in reviewing the responses, each response 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-five (45) days.
3. Fees and Expenses - Describe in detail all fees and expenses which the CRA will be responsible to pay to the lending institution and/or its legal counsel. The amounts stated in the proposal shall represent the maximum amounts payable to the lending institution by the CRA.
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 CRA request it.

III. INSTRUCTIONS TO RESPONDENTS

- A.** Respondents shall thoroughly examine and be familiar with this RFP. 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 response as not being responsive to this RFP.
- C.** Delivering the response to the CRA on or before the specified date and time will be solely and strictly the responsibility of the respondent. The CRA 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 response delivered after the time specified be considered. Such responses to this RFP will be returned to the Respondent unopened.
- E. Respondents will not be allowed to withdraw or modify their response.
- F. The CRA reserves the right to reject the response 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 CRA, 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 CRA, which authorization may be withheld by the CRA in its sole discretion.
- I. Changes to the RFP may be made by and at the sole discretion of the CRA.
- J. Warranties - The respondent, in submission of its response, warrants to the CRA that it will comply with all applicable federal, state and local laws, regulations and orders in providing the services under the proposed documents.
- K. No price proposals are to be submitted with this RFP. Any proposal that contains a price proposal of any nature shall be deemed unresponsive and rejected by the CRA.

IV. TENTATIVE SCHEDULE

The CRA will attempt to adhere to the following schedule:

_____, 2010	RFP Issued
_____, 2010	Written responses due prior to 5:00 p.m. (EST)
_____, 2010	Determination of Respondent Rankings
_____, 2010	Approval by CRA Board
_____, 2010	Loan Closing

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

V. OTHER INFORMATION

- A.** The CRA reserves the right to accept or reject any and all responses, to waive any irregularities or informalities in any response 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 response, in the sole opinion of the CRA, is best taking into consideration all aspects of the Respondent's response.
- B.** In the event that the successful respondent does not execute a contract within a time frame acceptable to the CRA, the CRA may give notice of intent to negotiate with the next most qualified respondent or to solicit new responses and may proceed to act accordingly.
- C.** The County is the entity responsible for making payments on behalf of the CRA. Accordingly, the successful respondent shall comply with all County "vendor" requirements as well as other County related ordinances and requirements relative to receiving payment from the County on behalf of the CRA.

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**MIAMI-DADE COUNTY
BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**



Legislative Notes

Agenda Item: 8(L)1(A), 8(L)1(C), 8(L)1(D) and 8(L)1(B)
File Number: 102682, 110024, 110025, 110033
Committee(s) of Reference: Board of County Commissioners
Date of Analysis: February 16, 2011
Commission Districts: 1, 2, 3, 4, 7, 8 and 9
Type of Item: Resolutions Approving the Proposed Budgets for Fiscal Year 2010-11 for Community Redevelopment Agencies (CRA)

Summary

These resolutions approve the FY2010-11 Proposed Budgets for the following four (4) CRAs:

BCC item	Item Number	CRA	FY2010-11 Proposed Budget
8(L)1(A)	102682	Naranja Lakes	\$4,328,535
8(L)1(C)	110024	North Miami Beach	\$7,268,387
8(L)1(D)	110025	South Miami	\$3,712,553
8(L)1(B)	110033	North Miami	\$5,926,880

Additionally, the Naranja Lakes CRA item authorizes the CRA to obtain a \$7.5 million loan to reimburse the County for the outstanding balance on two State Sunshine Loans.

Background and Relevant Legislation

Each CRA is required to submit an annual budget to the BCC for approval. The following provides the approved budgets for the last three years:

Naranja Lakes CRA

Approval Date	Item Number	Fiscal Year	Resolution Number	Budget Amount
12/1/2009	092862	2009-2010	1361-09	\$6,146,744
12/2/2008	083117	2008-2009	1326-08	\$7,068,989
1/10/2008	073519	2007-2008	26-08	\$12,425,665

North Miami Beach CRA

Approval Date	Item Number	Fiscal Year	Resolution Number	Budget Amount
6/3/2010	102741 ¹	2009-2010	607-10 ²	\$8,962,689
3/3/2009	090200	2008-2009	189-09	\$9,450,231
1/10/2008	073520	2007-2008	27-08	\$9,405,454

¹ This item is the amended version. The original item is under file no. 100775. According to the Miami-Dade Legislative Information System, this item shows as being amended with an assigned Resolution No. R-607-10. However, R-607-10 does not appear in the Legistar System. On January 6, 2011, the Office of Commission Auditor (OCA) contacted the Office of Strategic Business Management (OSBM) to inquire about the resolution and OSBM is aware that a permanent resolution has not been assigned to this item and they are coordinating with County staff to have this corrected.

² *ibid.*

South Miami CRA

Approval Date	Item Number	Fiscal Year	Resolution Number	Budget Amount
2/2/2010	093326	2009-2010	112-10	\$2,617,787
1/22/2009	083482	2008-2009	39-09	\$3,147,600
2/5/2008	080081	2007-2008	108-08	\$3,258,466

North Miami CRA

Approval Date	Item Number	Fiscal Year	Resolution Number	Budget Amount
9/10/2010	101587	2009-2010	886-10	\$10,859,999
1/22/2009	083480	2008-2009	38-09	\$14,290,323
2/19/2008	080365	2007-2008	185-08	\$14,253,424

The Administrative Expenditures for FY2010-2011 Proposed Budget for all four CRAs are as follows:

CRA	Administrative Expenditures	Total Increment Revenue	Percentage of Administrative Expenditures from Total Increment Revenue
Naranja Lakes	\$176,000	\$944,168	18.6%
North Miami Beach	\$185,141	\$1,138,889	16.3%
South Miami	\$237,049	\$1,292,225	18.3%
North Miami	\$432,818	\$2,483,452	17.4%

The administrative expenditures for all four CRAs fall within the 20% cap as prescribed by each CRA in their interlocal agreement with Miami-Dade County.

The Tax Increment Financing Committee (comprised of County administrative staff to provide increment financing recommendations) reviewed the four (4) CRA budgets with a recommendation for BCC approval on the following dates:

- Naranja approved on November 8, 2010;
- North Miami Beach approved on December 13, 2010;
- South Miami approved on December 13, 2010; and
- North Miami approved on December 13, 2010

Proposed Legislation

The Office of Commission Auditor conducted a cursory review of CRA legislation and provides notes below.

On February 1, 2011, the BCC deferred the expansion of the N.W. 7th Avenue Corridor Redevelopment Area.³ According to the item, if the expanded area is approved by the BCC, it is estimated that it would generate approximately \$4.9 million in revenue through year 2033.

The item included a Finding of Necessity Report (FON) prepared by Keith and Schnars, P.A which concludes that slum and blight exists in this expansion area and if included in the CRA's boundaries, the CRA will aim to support strategic public and private redevelopment projects.

According to the FON study, *from 2004 to 2009, the real estate value of property countywide increased at an average annual rate of 9.2 percent. Likewise, during the same period, the taxable property value of the property within the proposed CRA expansion increased at an average annual rate of 12.6 percent. Overall, the study*

³ See Legislative File No. 102740

indicates that the proposed N.W. 7th Avenue Corridor CRA Extension's real estate values are increasing at a higher rate than the County.

- What have been the rates of the proposed expanded area since 2009?
- What are the projected rates in the next couple of years for that proposed area?
- Will the rates affect the CRA's ability to gather sufficient revenues in the future?

The following CRA items have been deferred:

- Budget for FY2010-11 Naranja Lakes CRA and approval of \$7.5 million Loan to pay County for the outstanding balance on two Sunshine State Loans;
- Budget for FY2010-11 for North Miami Beach CRA;
- Budget for FY2010-11 South Miami CRA;
- Budget for FY2010-11 North Miami CRA; and
- Budget for FY2010-11 Homestead CRA

A CRA Workshop is scheduled for February 22, 2011.

Additional Information

Currently, there are twelve (12) approved CRA's: 7th Avenue, City of Homestead, City of Miami Beach, City of Miami, Omni, City of Miami Midtown, City of North Miami, City of North Miami Beach, City of South Miami, Florida City, Naranja Lakes, and West Perrine.

There are two (2) proposed CRAs pending approval: 79th Street Corridor and Goulds/Cutler Ridge.

The CRA approval process includes the following steps:

- Adopting the Finding of Necessity (FON);
- Establish CRA Board;
- CRA Board to develop Community Redevelopment Plan (CRP);
- CRA along with the local planning advisory boards approve CRP;
- Public Hearing;
- County approval; and
- Creation of Redevelopment Trust Fund (CRATF) to facilitate the increase in real property tax revenues into the targeted area.

Comments and Questions

Naranja Lakes CRA

The Naranja Lakes CRA Proposed FY2010-11 Budget reflects significant total tax increment revenue (UMSA Tax Revenue and County Tax Revenue) loss from total tax increment revenues received in FY2009-10 (See below).

	FY2009-10 Actual	FY2010-11 Proposed	Percentage Change
UMSA Tax Increment Revenue (TIR)	\$563,155	\$281,487	-50.0%
County Tax Increment Revenue	\$1,362,855	\$662,681	-51.4%
Total	\$1,926,010	\$944,168	-51.0%

South Miami CRA

The South Miami CRA Proposed budget for FY2010-11 reflects an increase in debt service payments from FY2009-10 of 288%. The FY2009-10 debt service payment was \$297,774 compared to the FY2010-11 proposed debt service payment of \$1,156,367. According to the Office of Strategic Business Management, the reason for this

increase is to accelerate the payments on a long term loan acquired in FY2006-2007 that will mature on June 1, 2020 (R-931-06) with a current outstanding loan amount of \$2.1 million. After this accelerated payment, the balance will be \$1.03 million.

- Accelerating the payments will shorten the length of the loan by how many years?

North Miami CRA

North Miami CRA Proposed Budget reflects a carryover balance in FY2010-11 without previous year cash position (Revenues-Expenses) balance from FY2009-10.

- Where does this carryover balance come from?

However, the other CRA Proposed budgets (Naranja, North Miami Beach, and South Miami) reflect a cash position balance (Revenues-Expenses) from FY2009-10 that is then shifted to FY2010-2011 to reflect a proposed carry over from the prior years.

Question: How may R-19-11⁴ impact the CRAs planning process (N.W 7th expansion, 79th Street Corridor and Goulds/Cutler Ridge)?

Question: What projects have been completed in each CRA to date?

Prepared By: Mia B. Marin

⁴ On January 20, 2011, the BCC adopted R-19-11, File No. 102804, approving a reimbursement plan in the amount of \$3,632,636 to U.S. HUD for failure to meet national objectives, performance goals and failure to recapture CDBG funds for cancelled activities that did not meet national objectives in its CDBG Program. According to R-19-11, the funding source for this repayment is to come from general fund reserve set aside for community redevelopment studies since staff does not anticipate the creation of any community redevelopment areas this fiscal year. However, this resolution was amended at the January 20, 2011 meeting to include the use of General Fund proceeds for the initial repayment installment and subsequent payments to U.S. HUD be derived from County resources other than the General Fund.