

**MEMORANDUM**

Agenda Item No. 14(A)(3)

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


**DATE:** July 3, 2012

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

**SUBJECT:** Resolution approving First Amendment to Interlocal Agreement between Miami-Dade County and City of Miami regarding annual distribution of Convention Development Tax proceeds; authorizing County Mayor to execute and deliver First Amendment; and approving annual grant by Omni Community Redevelopment District to City of Miami from legally available CRA revenues in connection with certain city bonds

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The accompanying resolution was prepared by the Finance Department and placed on the agenda at the request of Prime Sponsor Vice Chairwoman Audrey M. Edmonson.



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R. A. Cuevas, Jr.  
County Attorney


RAC/jls

# Memorandum



**Date:** July 3, 2012

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

**From:** Carlos A. Gimenez  
County Mayor 

**Subject:** Resolution Authorizing First Amendment to 2009 Interlocal Agreement between Miami-Dade County and the City of Miami and Approving Grant from Omni Community Redevelopment Agency to City of Miami

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## Recommendation

It is recommended that the Board of County Commissioners (Board) approve the accompanying resolution, which: 1) authorizes a first amendment (First Amendment) to the 2009 Interlocal Agreement, dated July 1, 2009 between Miami-Dade County (County) and the City of Miami (City) regarding the annual distribution of Convention Development Tax (CDT) proceeds to the City; further authorizes the County Mayor or County Mayor's designee to execute and deliver this First Amendment; and 2) approves an annual grant from the Omni Community Redevelopment Agency (Agency) to the City from legally available Agency revenues in connection with certain City bond obligations.

## Scope

The overall impact of this resolution is Countywide.

## Fiscal Impact/Funding Source

The attached First Amendment has a positive fiscal impact on the amount of available CDT receipts. It will allow for the future refunding of existing County special obligation bonds backed by CDT receipts by amending Exhibit A to the 2009 Interlocal Agreement. The refunding will reduce the cost of County debt service obligations on the refunded bonds, thereby increasing available CDT receipts for existing County obligations and any lawful purpose. The refunding of the special obligation bonds backed by CDT receipts is a separate action that will be brought to the Board in the near future. The refunding of the CDT bonds to reduce debt service costs will not extend the life of the CDT bonds.

There are no other changes to the 2009 Interlocal Agreement, including the amount of CDT payments to the City. In addition, the approval of a grant by the Agency to the City will have no fiscal impact on the County because the grant is subordinate to the Agency's annual payment to the County.

## Background

The current resolution essentially authorizes two actions:

- 1) It amends a 2009 Interlocal Agreement between the County and the City to allow the refunding of County bonds that are paid for by Convention Development Taxes in order for the County to lower its interest costs and save money; and
- 2) It approves an annual grant from the Agency to the City, after all annual payments to the County are made, so that the City can fulfill its obligation to fund a portion of the Port of Miami Tunnel Project as contemplated by the 2007 "Global" Agreement.

A more technical description follows.

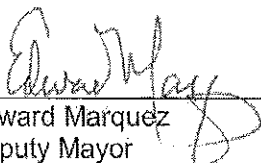
Honorable Chairman Joe A. Martinez  
and Members, Board of County Commissioners  
Page 2

Pursuant to Section 212.0305(4)(b), Florida Statutes, Section 29-60 of the Code of Miami-Dade County, Florida, and Ordinance No. 83-91 enacted by the Board on June 5, 1984 (collectively, the Authorization), the County imposes a levy on the exercise within its boundaries (exclusive of the municipalities of Bal Harbor and Surfside) of the taxable privilege of leasing or letting transient rental accommodations at the rate of three percent of the total consideration charged for such accommodations (Convention Development Tax or CDT) and has the discretion to determine the use of the CDT receipts. The Authorization provides that one-third of the CDT receipts are required to be used for eligible projects in the most populous municipality in the County, which is the City.

Pursuant to Resolution R-319-09 approved by the Board on March 23, 2009, the then existing Interlocal Cooperation Agreement between the County, the City and the Miami Sports and Exhibition Authority was terminated. The 2009 Interlocal Agreement was concurrently approved at the same Board meeting. As part of the 2009 Interlocal Agreement, a schedule of CDT receipts to be paid by the County to the City (Current Share) was approved as set forth in Exhibit B. The Current Share is to be paid after the list of specific items identified in Exhibit A of the 2009 Interlocal Agreement including outstanding County CDT Bonds, the CDT Bonds contemplated to be issued at the time for the Ballpark Stadium project and other obligations of the County.

This First Amendment does not revise the 2009 Interlocal Agreement in any way except to replace the existing Exhibit A with one that allows the County to refund any of its bonds listed in Exhibit A provided there is an interest cost savings. The resolution approves the First Amendment and authorizes the County Mayor or the County Mayor's designee to execute it on behalf of the County. The City Commission is expected to consider a similar resolution at a meeting in July.

In fulfillment of objectives set forth in the "Interlocal Agreement Between The City of Miami, Miami-Dade County, Southeast Overtown Park West CRA and Omni CRA to Provide Funding for Major Projects for the Benefit of All Parties" (referred to as the Global Agreement) dated December 31, 2007, the resolution approves an annual grant by the Omni Agency to the City from fiscal year 2012 through fiscal year 2030 in an amount equal to the annual principal and interest payments on bonds or debt issued by the City to fund the City's \$50 million contribution to the construction of the Port of Miami Tunnel. This annual grant payment is subordinate to the payment made by the Omni CRA to the County, which is pledged to the Series 1997A CDT Bonds or any bonds refunding the Series 1997A Bonds. This CRA payment to the County is currently \$1.43 million plus 35 percent of the remaining increment. Effective March 31, 2013, the payment shall be \$1.43 million per year or 35 percent of the total increment, whichever is greater.

  
Edward Marquez  
Deputy Mayor

Attachments



# MEMORANDUM

(Revised)

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

**DATE:** July 3, 2012

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

**SUBJECT:** Agenda Item No. 14(A)(3)

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. 14(A)(3)  
7-3-12

RESOLUTION NO. \_\_\_\_\_

RESOLUTION APPROVING FIRST AMENDMENT TO INTERLOCAL AGREEMENT BETWEEN MIAMI-DADE COUNTY AND CITY OF MIAMI REGARDING ANNUAL DISTRIBUTION OF CONVENTION DEVELOPMENT TAX PROCEEDS; AUTHORIZING COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE AND DELIVER FIRST AMENDMENT; AND APPROVING ANNUAL GRANT BY OMNI COMMUNITY REDEVELOPMENT DISTRICT TO CITY OF MIAMI FROM LEGALLY AVAILABLE CRA REVENUES IN CONNECTION WITH CERTAIN CITY BONDS

**WHEREAS**, Miami-Dade County ("County") and the City of Miami ("City") entered into an Interlocal Agreement dated July 1, 2009 ("Interlocal") with respect to the distribution by the County of the convention development tax ("CDT") levied at the rate of three percent of the total consideration charged for leasing or letting transient rental accommodations within the County's boundaries ("CDT Receipts") pursuant to Section 212.0305(4)(b), Florida Statutes, Section 29-60 of the Code of Metropolitan Dade County, Florida, and Ordinance No. 83-91 enacted by the Board of County Commissioners of Miami-Dade County (the "Board") on June 5, 1984; and

**WHEREAS**, the County has pledged the CDT Receipts to certain County bonds ("County CDT Bonds") and eligible projects, as set forth in Exhibit "A" to the Interlocal, which have priority over any future disposition or use of the CDT Receipts ("County Obligations"); and

**WHEREAS**, pursuant to the Interlocal, the County distributes, after the County satisfies all of its County Obligations, available CDT Receipts to the City in increasing



amounts beginning with \$2 million annually in 2009, \$3 million annually from 2010 to 2015, \$4 million annually from 2016 to 2020, \$5 million annually from 2021 to 2025, \$6 million annually from 2026 to 2030, and \$8 million annually from 2031 to 2038, from CDT Receipts (“Interlocal Payments”); and

**WHEREAS**, Exhibit “A” to the Interlocal has no provision that allows the County to refinance the County CDT Bonds to achieve an interest cost savings; and

**WHEREAS**, the County and City wish to enter into a First Amendment to the Interlocal Agreement to amend Exhibit “A” to permit the refunding of the County CDT Bonds as a prior County Obligation in order to reduce the amount of CDT Receipts that will be necessary to satisfy the County’s Obligations and increase the CDT Receipts available to the County to make the Interlocal Payments to the City; and

**WHEREAS**, this Board wishes to authorize the County Mayor or County Mayor’s designee (“County Mayor”) to execute and deliver a First Amendment to the Interlocal Agreement; and

**WHEREAS**, in consideration of the City’s agreement to amend the Interlocal, the Board wishes to approve an annual grant by the Omni Redevelopment District to the City from legally available CRA revenues in amount equal to debt service on certain City bonds/debt to be issued to fund the City’s financial obligation with respect to the Tunnel project,

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

Section 1. The First Amendment to the Interlocal Agreement in the form attached as Attachment 1 to this Resolution is approved and its execution and delivery by the County Mayor on behalf of the County is authorized and approved.

Section 2. The Board approves an annual grant from Fiscal Year 2012 through Fiscal Year 2030 by the Omni Community Redevelopment Agency ("CRA") to the City from legally available CRA revenues in an amount equal to the principal and interest due annually on bonds/debt issued by the City to fund its \$50,000,000 contribution to the Tunnel project pursuant to the "Interlocal Agreement Between The City of Miami, Miami-Dade County, Southeast Overtown Park West CRA and Omni CRA to Provide Funding for Major Projects for the Benefit of All Parties" (referred to as the Global Agreement) dated December 31, 2007. The grant shall be subordinate to the CRAs' annual payment to the County pursuant to the "First Amendment to Interlocal Cooperation Agreement dated June 24, 1996 by and among Miami-Dade County, the City of Miami and the Community Redevelopment Agency for the Omni District".

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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
Esteban L. Bovo, Jr.	Jose "Pepe" Diaz
Sally A. Heyman	Barbara J. Jordan
Jean Monestime	Dennis C. Moss
Rebeca Sosa	Sen. Javier D. Souto
Xavier L. Suarez	

The Chairperson thereupon declared the resolution duly passed and adopted this 3<sup>rd</sup> day of July, 2012. 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.

Gerald T. Heffernan





**Attachment 1**

**FIRST AMENDMENT TO INTERLOCAL AGREEMENT  
DATED JULY 1ST, 2009  
BETWEEN MIAMI-DADE COUNTY AND  
THE CITY OF MIAMI**

This First Amendment (the "First Amendment") to the Interlocal Agreement dated July 1, 2009 (the "Interlocal") by and between Miami-Dade County, a political subdivision of the State of Florida (the "County") and the City of Miami, a municipal corporation organized under the laws of the State of Florida (the "City") is made this \_\_\_\_ day of \_\_\_\_\_, 2012 by and between the County ;and the City.

**WITNESSETH:**

**WHEREAS**, the County and the City entered into an Interlocal Agreement dated July 1, 2009 ("Interlocal") with respect to the distribution by the County of the convention development tax ("CDT") levied at the rate of three percent of the total consideration charged for leasing or letting transient rental accommodations within the County's boundaries ("CDT Receipts") pursuant to Section 212.0305(4)(b), Florida Statutes, Section 29-60 of the Code of Metropolitan Dade County, Florida, and Ordinance No. 83-91 enacted by the Board of County Commissioners of Miami-Dade County (the "Board") on June 5, 1984; and

**WHEREAS**, the County has pledged the CDT Receipts to certain County bonds ("County CDT Bonds") and eligible projects, as set forth in Exhibit "A" to the Interlocal, which have priority over any future disposition or use of the CDT Receipts ("County Obligations"); and

**WHEREAS**, pursuant to the Interlocal, the County distributes, after the County satisfies all of its County Obligations, available CDT Receipts to the City in increasing amounts beginning with \$2 million annually in 2009, \$3 million annually from 2010 to 2015, \$4 million annually from 2016 to 2020, \$5 million annually from 2021 to 2025, \$6 million annually from 2026 to 2030 and \$8 million annually from 2031 to 2038 from CDT Receipts ("Interlocal Payments"); and

**WHEREAS**, Exhibit "A" to the Interlocal has no provision that allows the County to refinance the County CDT Bonds to achieve an interest cost savings; and

**WHEREAS**, the County and City wish to enter into this First Amendment to the Interlocal Agreement to amend Exhibit "A" to permit the refunding of the County CDT Bonds as a prior County Obligation in order to reduce the amount of CDT Receipts that will be necessary to satisfy the County's Obligations and increase the CDT Receipts available to the County to make the Interlocal Payments to the City,

**NOW, THEREFORE**, the County and the City agree as follows:

**Section 1.** Exhibit "A" to the Interlocal is deleted and replaced with a new "Exhibit "A" in the form attached to this First Amendment.

**Section 2.** All other provisions of the Interlocal remain the same and in effect and are binding on the County and the City.

\_\_\_\_\_  
Johnny Martinez  
City Manager  
City of Miami

\_\_\_\_\_  
[County Mayor or County Mayor's  
Designee]  
Miami-Dade County

ATTEST:

ATTEST:

\_\_\_\_\_  
(Deputy) City Clerk

\_\_\_\_\_  
( Deputy) Clerk of the Board

APPROVED AS TO FORM  
AND CORRECTNESS:

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Assistant County Attorney

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Exhibit "A"

**CDT Priority Commitments**

<u>Current CDT Bonds *</u>	<u>Amount</u>
Series 1996 PAC and Series 1997 PAC	\$368,757,228 (outstanding principal amount)
Series 2005A and 2005B	\$184,312,247
Series 2009 (Ballpark Bonds)	\$91,207,213.90 (remaining authorization cancelled)

Existing Obligations

Miami Beach	\$4,500,000**	Annual Payment
American Airlines Arena	\$6,400,000	Annual Payment (Increases to \$6.5 million in 2022-28)
Cultural Grants	\$1,000,000	Annual Payment
Performing Arts Center Trust	\$1,700,000	Annual Payment (Increases to \$2.0 million in 2012)
South Miami-Dade Cultural Center	\$770,000	Annual Payment

Future County CDT Bonds

Any bonds issued and/or debt incurred in principal amounts sufficient to refund/defease any of the Current CDT Bonds\*, fund a reserve and pay cost of issuance that result in an interest cost savings.

\*\*Pursuant to Interlocal Cooperation Agreement with the City of Miami Beach dated June 21, 1996, as amended, the annual payment of \$4,500,000 may be increased if CDT Receipts exceed a threshold amount that is greater than anticipated/projected CDT Receipts.

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