

MEMORANDUM

EDPC
Agenda Item No. 3D

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: October 16, 2014

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

SUBJECT: Resolution waiving
Administrative Rules for
Economic Development Fund
Project 124 of Building Better
Communities General Obligation
Bond Program and approving
allocation of \$5,000,000.00 from
Project 124 to AVE Aviation
Commerce Center to fund
certain economic development
projects

The accompanying resolution was prepared by the Regulatory and Economic Resources Department and placed on the agenda at the request of Prime Sponsor Commissioner Barbara J. Jordan.

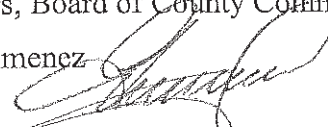


R. A. Cuevas, Jr.
County Attorney

RAC/cp

Date: November 5, 2014

To: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor 

Subject: Allocation of Economic Development Fund Project 124 to AVE Aviation Commerce Center

Recommendation

It is recommended that the Board of County Commissioners (Board) approve the attached resolution allocating \$5,000,000.00 of funding from the Building Better Communities General Obligation Bond (BBC GOB) Program, Economic Development Fund Project 124 to the AVE Aviation Commerce Center project (Project). The resolution directs the Mayor or Mayor's designee to begin negotiating the terms of a grant agreement that will be presented to the Board for their approval at a future date.

Scope

The proposed Project is located at Opa-Locka Executive Airport in District 1 (Commissioner Barbara Jordan). While the economic impact of the Project primarily benefits District 1, it will yield economic benefits countywide.

Fiscal Impact/Funding Source

There will be no fiscal impact to the County with the approval of this item which simply sets a potential allocation for the recommended project and establishes the directive to begin negotiations on a grant agreement that must come back to the Board for final approval.

Track Record/Monitor

Deputy Director of Regulatory and Economic Resources Josh Gelfman will monitor the creation and retention of new jobs, average salaries, private investment and any other performance measures as agreed in the respective grant agreements, which would be approved by the Board.

Background

In November 2004, Miami-Dade County voters approved the issuance of \$352.182 million in general obligation bonds to, among other things, construct and improve bridges, public infrastructure, and neighborhood improvements as part of the BBC GOB Program. A total of \$75 million was allocated towards the Economic Development Fund (EDF) Project 124. The Administrative Rules for the BBC GOB Program that governs the Economic Development Fund were adopted by the Board under Resolution No. R-668-10 on June 15, 2010.

Funding from grant awards under EDF Project 124 must be used for public infrastructure improvements to spur economic development and attract new businesses to the community in order to create jobs. Public infrastructure includes road improvements, water and sewer networks, public parking structures, public facilities and other improvements subject to certain limitations and evaluated on a case-by-case basis. Ineligible uses of the grant awards from EDF Project 124 include, but are not limited to, working capital, furniture and fixtures, business equipment, and non-capital related expenses.

In addition to stimulating private investment and job growth, one of the primary objectives of EDF Project 124 recognized in the Administrative Rules was the strengthening of the economy's capacity for innovation and commercialization of scientific advancements and expanding leadership in local industry clusters such as: Aviation and Aerospace; Financial and Professional Services; Homeland Security and

Defense; Information Technology; Life Sciences; and International Trade and Global Commerce. These objectives align with the Beacon Council's One Community One Goal Initiative. The Administrative Rules also recognized that industry clusters were growing or had the potential to emerge in certain strategic areas of the County: namely, the Civic Center/Medical District; Homestead Air Reserve Base; Opa-Locka Executive Airport; Port of Miami; and Kendall Tamiami Executive Airport.

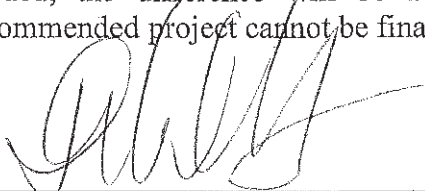
Staff conducted evaluations of submitted projects taking into consideration the requirements and objectives of the Administrative Rules, the language in the BBC GOB bond question approved by the voters in 2004, and the information proposed by the applicant on the BBC GOB application.

The grant awards are disbursed as reimbursements of eligible expenditures paid by the grantees and approved by the Mayor or the Mayor's designee in accordance with established administrative rules and the IRS rules governing the tax-exempt status of the General Obligation Bond Program. The disbursement of grant funds are also contingent upon the developer meeting performance measures regarding job creation, private investment, average salaries and other measures in the respective grant agreements. In the event that IRS rules require grant funds to be disbursed before performance milestones can be met, a claw back provision will be included in the grant agreement that allows the County to recover part or all of the grant funds disbursed when performance milestones are not achieved.

AVE Aviation Commerce Center (AVE) has been leasing property from Miami-Dade Aviation Department (MDAD) at Opa-Locka Executive Airport since February 2007. AVE proposes leasehold improvements on the airside portion of the airport property, consisting of the construction of a terminal building and five (5) aircraft hangars (3 initially and 2 at a future date depending on the strength of market demand). AVE is requesting GOB funds to partially offset the cost of building aprons and taxiways for aircraft needing access to the terminal or the hangars, and also necessary drainage, roadways and other capital investments recognized as public infrastructure. The Administrative Rules adopted on June 15, 2010 by the Board in Resolution R-668-10 set a \$10,000,000 minimum grant level for projects seeking funding from Project 124. It is recommended that the Board waive this minimum requirement to allow for the allocation of \$5,000,000 for the Project.

The development on the airside of OPF complements the future development of 28 acres on the landside portion of the leased property, and is also a condition of AVE's the lease with MDAD. The company estimates that this expansion of operations will support as many as 151 new employees to the county, and a total private investment reaching \$17,800,000.00.

Prior to entering into a grant agreement, a final determination as to the Project's qualification to receive funds will be made. The grant agreement will be presented to the Board for approval at a future date. If the allocation to a project is greater than the amount of eligible public infrastructure expenditures needed, the difference will be available for reallocation by the Board. If an agreement for a recommended project cannot be finalized, the funding may also be reallocated by the Board.



Jack Osterholt, Deputy Mayor



MEMORANDUM
(Revised)

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: November 5, 2014

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

SUBJECT: Agenda Item No.

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 Mayor’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 Agenda Item No.
Veto _____
Override _____

RESOLUTION NO. _____

RESOLUTION WAIVING ADMINISTRATIVE RULES FOR ECONOMIC DEVELOPMENT FUND PROJECT 124 OF BUILDING BETTER COMMUNITIES GENERAL OBLIGATION BOND PROGRAM AND APPROVING ALLOCATION OF \$5,000,000.00 FROM PROJECT 124 TO AVE AVIATION COMMERCE CENTER TO FUND CERTAIN ECONOMIC DEVELOPMENT PROJECT

WHEREAS, Appendix A to Resolution No. R-914-04 (the “Public Infrastructure Resolution”), lists projects eligible for funding from the Building Better Communities General Obligation Bond Program by project number, municipal project location, commission district, project description, street address, and project funding allocation; and

WHEREAS, one of the projects listed in Appendix A to the Public Infrastructure Resolution and approved by the voters for funding is Project No. 124 – Economic Development Fund (“Project 124”) with a project description that states “Provide infrastructure improvements to spur economic development and attract new businesses to the community and to create jobs”; and

WHEREAS, the goal of Project 124 is to encourage private sector development that will create jobs and cause economic development which will have long term benefits to the community; and

WHEREAS, this Board wishes to approve an allocation of \$5,000,000.00 from Project 124 to AVE Aviation Commerce Center (“AVE”) as recommended by the Mayor upon certain employment and salary benchmarks being met at different intervals, among other requirements, as described in the Mayor’s Memorandum which accompanies this Resolution; and

WHEREAS, the individual Grant Agreement between the County and AVE which incorporates such conditions shall be submitted to the Board for approval in the future; and

WHEREAS, this Board wishes to waive the requirement that Project 124 allocations be made to projects with a minimum value of \$10,000,000 set forth in the administrative rules of the Building Better Communities General Obligation Bond Program ("Administrative Rules"),

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

Section 1. The foregoing recitals and the Mayor's Memorandum are approved and incorporated in this Resolution.

Section 2. The requirement in the Administrative Rules that each Project 124 allocation be a minimum of \$10,000,000 is waived and the allocation of \$5,000,000.00 from Project 124 to AVE is approved.

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:

Rebeca Sosa, Chairwoman
Lynda Bell, Vice Chair

Bruno A. Barreiro
Jose "Pepe" Diaz
Sally A. Heyman
Jean Monestime
Sen. Javier D. Souto
Juan C. Zapata

Estéban L. Bovo, Jr.
Audrey M. Edmonson
Barbara J. Jordan
Dennis C. Moss
Xavier L. Suarez

The Chairperson thereupon declared the resolution duly passed and adopted this 5th day of November, 2014. 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





Economic Development Fund
Building Better Communities
General Obligation Bond Program

EDF General Project Overview

Opa-Locka Executive Airport
AVE Aviation & Commerce Center

Project Title

AVE Airside, LLC

Name of Business

November 16, 2011

Date Submitted

After review of this *Project Overview* the Office of Economic Development and International Trade may request additional information including a business plan containing a market assessment, financial proformas, and development site plans. The submission of this project overview does not guarantee funding.

J.A. Ojeda, Jr.,
Executive Director
Office of Economic Development & International Trade
STEPHEN P. CLARK CENTER, 111 N.W. 1ST STREET, SUITE 2200
MIAMI, FLORIDA 33128
Telephone (305) 375-1254 Fax (305) 679-7895
www.miamidade.gov/oedit





ECONOMIC DEVELOPMENT, GENERAL PROJECT OVERVIEW



"Construction Loan"). The \$10,000,000 grant being requested pursuant to this Application will be used for construction of infrastructure improvements (as more particularly described in the plans submitted with this Application on Exhibit C) and as a result, the Construction Loan reduced by \$10,000,000 of the grant amount. The Lender for the Construction Loan will require a leasehold mortgage on Aviation Parcel I as collateral for the Construction Loan.

2. PROJECT OVERVIEW

A. Which of the following best describes this business¹:

- Options for business description: New business unit, Existing business, or Developer building new construction for Banyan Air Services, Inc. (name of the company) that will be creating 150 jobs, but overall the Ave Aviation & Commerce Center Project is expected to attract approximately 3,000 permanent jobs and employ 500 construction jobs during each construction cycle.

B. How many individuals are employed at all Florida locations? (FTE²) 250

C. Are any jobs being transferred from other Florida locations? Yes No If yes, how many jobs and from where? N/A

Why are these jobs being transferred? N/A

D. Project Location Information:

(i) What is the project's proposed location address:

14350 NW 56th Court - Aviation Parcel I
Street Address
Miami Florida 33054
City State Zip Code

(ii) What is the project's current location address (if different):

See Above
Street Address
See Above
City State Zip Code

(iii) Is the project location within a current or proposed Brownfield site / area? Yes No If yes, attach a copy of the official document designating the Brownfield area.

(iv) Is the project location in an Enterprise Zone, Empowerment Zone or a Targeted Urban Area as defined in Section 30A-129(2) of the Miami-Dade County, FL Code of Ordinances?

Yes No If yes, which zone? Federal Empowerment Zone, State Enterprise Zone.

1 Must be a separate business unit or reporting unit of a business unit that is or will be registered with the State of Florida for unemployment compensation purposes.

2 An FTE or "full-time equivalent" job implies at least 35 hours of paid work per week per employment position.



- E. Give a full description of this proposed project. (Not to exceed 500 words. Be specific.)
AVE, LLC leases 178 acres pursuant to an Amended and Restated Development Lease with Miami-Dade County, Florida, by and through the Miami Dade Aviation Department, dated as of February 19, 2007, to develop and operate the Ave Aviation & Commerce Center business park. AVE, LLC, subleases the Aviation Parcel I area of the project to AVE Airside, LLC pursuant to that certain Sublease dated March 10, 2010. The purpose of this grant is to construct the infrastructure that will allow the construction by AVE Airside, LLC of a 142,000 square foot terminal building and multiple executive airport hangars on the air-side parcel of the Ave Aviation & Commerce Center Project. See Project Overview attached as Exhibit B for additional details.
- F. Explain how this proposed project will spur economic development, attract new businesses to Miami-Dade County and create jobs.
As part of the ongoing development of the Opa-Locka Executive Airport, the Ave Aviation & Commerce Center Project has already had a positive economic impact on the community and the County. Presently, this Project houses, the United States Postal Service's first class distribution facility (478,000 square feet) that has resulted in approximately 600 additional permanent jobs; a 151,000 square foot first class industrial-office building for approximately 13 small business units ranging from 6,000 to 30,000 square feet that is 100% leased and is home to approximately 100 employees. Additionally, AVE, LLC is in the process of commencing construction of the retail portion of the Project that will house many well-reputed retailers, including Racetrac and Subway. Additionally, the construction of the air-side improvements and the services provided by Banyan Air Services, Inc. at the Opa-Locka Executive Airport will be attractive to new and existing businesses.
- G. Provide a complete project line item budget, including estimated cost, sources and uses of funds, a detailed description of project elements, and the portion of the project proposing to utilize Economic Development Fund grants. (EDF grants can only be used for public infrastructure.) See Project Overview attached as Exhibit B for details. _____
- H. What proportion of gross operating revenues from this project are anticipated to represent sales to customers located outside of Miami-Dade County? (If sales are not a reasonable measure, use another basis for measure and provide explanation below.)
25-50 % Explain, if necessary: Banyan Air Services, Inc.'s customer base varies from customers that are located in Miami-Dade County and customers that are outside of Miami-Dade County. It is anticipated that this facility will attract new customers, provide additional resources to existing customers and be utilized by customers in and outside of Miami-Dade County, thereby and that gross revenues received by Banyan Air Services, Inc. will result from services to both those in and out of Miami-Dade County, Florida. _____



3. JOB AND WAGE OVERVIEW

A. How many new FTE jobs are to be created as part of this project? What are the initial average wage and benefits?

Occupation	Avg Wage	Avg Benefits	2011	2012	2013	2014	2015	2016
Prof., Scientist	\$	\$	N/A					
Research Tech.			N/A					
Senior Mgmt	\$80,000	\$20,000	N/A	1				
Admin. Support	\$40,000	\$10,000	N/A	7	3			
Production Wrkrs	\$37,500	\$9,400	N/A	15	5			
Other*	\$60,000	\$15,000	N/A	60	60			

*Other includes operators of various business in hangars, including charter operators with positions including pilots, dispatch, administration, sales, technicians, executive.

Jobs created, continued

Occupation	2017	2018	2019	2020	2021	2022	2023	2024	2025
Prof., Scientist									
Research Tech.									
Senior Mgmt									
Admin. Support									
Production Wrkrs									
Other									

B. What employee benefits are included above? (e.g. health insurance, 401(k) contributions, vacation and sick leave, etc.) Health insurance, 401(k) contributions, vacation, sick leave, workers' compensation, holiday leave, disability compensation, payroll taxes.

C. If this is an existing business located in Miami-Dade, then how many jobs are expected to be retained as part of this project? (Jobs in jeopardy of leaving Miami-Dade should only be included here.) N/A (Note: EDF grants cannot be used solely for the purpose of retaining existing jobs.)

D. What is the business' principal industry classification code? (Use North American Industry Classification System - NAICS.):

i. Primary NAICS: Other Airport Operations

ii. Primary SIC: Airports Fields & Terminal Services

iii. Description: Transportation; Aircraft fueling and maintenance service.

If more than one NAICS code applies, then provide a breakdown of the project's primary business activities:

Business Unit Activities	NAICS Code	% of Project Revenues (total = 100%)	Annualized Wages Total (\$)
		%	\$
		%	\$
		%	\$



4. CAPITAL INVESTMENT OVERVIEW

- A. Describe the capital investment in real and personal property (Examples: construction of new facility; remodeling of facility; upgrading, replacing, or buying new equipment. Do not include the value of land purchased for construction of a new building but include architect, engineering and design costs): The Banyan Aviation Facility will involve construction of approximately 142,000 square feet of aviation hangars, including a 17,5000 square foot terminal building. It is expected to generate 500 construction jobs and 150 full time aviation jobs with an anticipated direct economic impact of \$60 Million over the next decade. Additionally, the Banyan Aviation Facility FBO is anticipated to generate an estimated \$1.75 Million in gas/fuel fees and surcharges to Miami-Dade County over the next ten years, plus an estimated \$2.37 Million in ground rent due over the next ten years to Miami-Dade County. In addition, the non-airside infrastructure improvements, including the extension of NW 145th Street is expected to activate construction, leasing and operations of an additional 28 acres of land at the Ave Aviation & Commerce Center Project, which will result in the construction of an additional 560,000 square feet of aviation-related improvements that will house approximately 500 employees from area companies, with a direct economic impact of approximately \$200 Million over the next decade. In addition, the infrastructure will activate three construction cycles which will generate an additional 400-500 construction jobs each, totaling an estimated 1,200-1,500 temporary construction jobs over the next 48 months, which is expected to lead to an additional amount of approximately \$4.75 Million in ground rent to Miami-Dade County over the next ten years.
- B. List the anticipated amount (thousands of dollars) and type of major capital investment to be made by/has already been made/or originated by the applicant in connection with this project: (Attach separate schedule if investment will be made over more than five years)

Banyan Aviation Project	Year 2007	Year 2011-12
Land	\$2,700,000	
New Construction (excl. public infrastructure)	N/A	\$17,800,000
Building Renovations	N/A	N/A
Manufacturing Equipment	N/A	N/A
R & D Equipment	N/A	N/A
Other Equipment (computer equipment, office furniture, etc)	N/A	\$50,000
Total Capital Investment	\$2,700,000	\$17,850,000

(Continued on Next Page)



ECONOMIC DEVELOPMENT, GENERAL PROJECT OVERVIEW



AVE Aviation & Commerce Center Project (Excluding Banyan Aviation Project Above)	Year 2006	Year 2007-10	Year 2012
Land	\$15,100,000	N/A	N/A
New Construction (excl. public infrastructure)	N/A	\$71,400,000	\$2,000,000
Building Renovations	N/A	N/A	\$500,000
Manufacturing Equipment	N/A	N/A	N/A
R & D Equipment	N/A	N/A	N/A
Other Equipment (computer equipment, office furniture, etc)	N/A	\$125,000	N/A
Total Capital Investment	\$15,100,000*	\$71,525,000*	\$2,500,000

*Total Capital Investment made to date.

- C. What is the estimated square footage of the new or expanded facility? 142,000 square feet
- D. What is the deadline to make the location decision (date)? Lease Agreement with Banyan Air Services, Inc. is subject to approval of this grant. Accordingly, an expedited response is requested.
- E. What is the anticipated date that construction will begin? Within 15 days after approval of grant and Construction Loan.
- F. What is the anticipated construction completion date? December 1, 2012
(If this project is being built in phases, then provide a commencement and completion date for each phase.)
- G. What is the anticipated date that operations will commence? December 1, 2012
- H. Submit documentation demonstrating financial capacity and financial commitments using other non-County sources to complete the project. Project will be funded by equity contribution from AVE, LLC. Contact Jamie A. Boet, Vice President, J.P. Morgan, 270 Park Avenue, New York New York 10017; 212-464-1775; jaimeaboet@jpmorgan.com for reference.

5. PUBLIC INFRASTRUCTURE NEEDS

- A. Describe the type of public infrastructure investment needed. Water, sewer, roadways, light poles, taxiways, aprons, electricity, drainage, all as contemplated under the Amended and Restated Development Lease.
- B. What is the total anticipated cost of public infrastructure needed for this project? \$10,000,000
- C. EDF grants will be disbursed only after the public infrastructure investments are complete and negotiated performance benchmarks are met. Describe the business's capacity to finance the public infrastructure costs. Project will be funded by equity contribution from AVE, LLC. Contact Jamie A. Boet, Vice President, J.P. Morgan, 270 Park Avenue, New York New York 10017; 212-464-1775; jaimeaboet@jpmorgan.com for reference. Additionally, AVE, LLC has already invested approximately \$12,300,000 in infrastructure related improvements at the Ave Aviation & Commerce Center Project.

6. ECONOMIC IMPACT AND CORPORATE RESPONSIBILITY

- A. Provide a brief synopsis of any special economic impacts/benefits the project is expected to stimulate in the community, the County, and the rest of South Florida. Include the impacts on indicators such as unemployment rate, poverty rate, and per capita income, if these have been estimated. Banyan Air Services, Inc. intends to create approximately 150 jobs. Overall the Ave Aviation & Commerce Center Project is expected to attract approximately 3,000 permanent jobs



ECONOMIC DEVELOPMENT, GENERAL PROJECT OVERVIEW



and create 500 construction jobs during each construction cycle. It is anticipated that the services provided by Banyan Air Services, Inc. and its customer base will positively impact the profitability of the Opa-Locka Executive Airport and revenues to Miami-Dade County via fuel surcharges, airport fees and ground rent.

- B. Will business operations being supported with an Economic Development Fund grant establish a plan for maximizing the employment of persons with family incomes less than 80% of the County's median household income...
C. Will the business operations be conducted in LEED certified (or equivalent energy efficiency rating system) buildings?
D. List and explain any criminal or civil fines or penalties or ongoing investigations or debarments...
E. Is the company current with all its state, local and federal taxes?
F. Provide any additional information you wish considered as part of this review of your request for incentives or items that may provide supplementary background information on your project or company.

7. SIGNATURES

Application Completed By:

Signature
Ernesto Cambo
Name
Manager
Title
AVE Airside, LLC
Company
14350 NW 56th Ct, #108, Miami, FL 33054
Address
305-460-6261
Phone number
305-460-6263
Fax Number
ecambo@cpfinv.com
Email Address
November 15, 2011



ECONOMIC DEVELOPMENT, GENERAL PROJECT OVERVIEW



To the best of my knowledge, the information included in this application is accurate.

Signature (Authorized Company Officer)
REQUIRED

Ernesto Cambo
Name

Manager
Title

AVE Airside, LLC
Company

14350 NW 56th Ct, #108, Miami, FL 33054
Address

305-460-6261
Phone number

305-460-6263
Fax Number

ecambo@cpfinv.com
Email Address

November 15, 2011
Date