

# MEMORANDUM

Agenda Item No. 7(A)

**TO:** Honorable Chairman Esteban L. Bovo, Jr.  
and Members, Board of County Commissioners

**DATE:** February 6, 2018

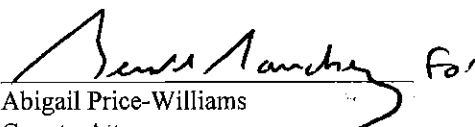
**FROM:** Abigail Price-Williams  
County Attorney

**SUBJECT:** Ordinance related to tax increment financing and transportation infrastructure development; creating Article CLIX of Chapter 2 of the Code; creating the Miami-Dade County Transportation Infrastructure Improvement District; providing that the District shall be within a certain distance of proposed alignments of the Strategic Miami Area Rapid Transit ("SMART") Plan rapid transit corridors; establishing a Trust Fund; defining SMART plan rapid transit corridor projects eligible for Trust Fund revenues; limiting the use of Trust Fund revenues to the development, construction, maintenance, and operation of SMART Plan rapid transit corridor projects; providing for the funding of the Trust Fund from tax increment revenues within the District; providing for repeal

**A substitute was presented and forwarded to the BCC with a favorable recommendation at the at the 1-18-18 Chairman's Policy Council:**

1. Adds definitions for SMART Plan rapid transit corridor projects, Base Taxable Valuation, Taxable Valuation, and Tax Increment and amends other definitions for clarification purposes;
2. Eliminates Exhibit A and clarifies that the geographical boundaries of the District and the legal descriptions of the real properties included therein shall be based on the Property Appraiser's 2017 first certified tax roll;
3. Requires that the Miami-Dade County Department of Regulatory and Economic Resources or its successor department keep on file a document listing the real properties within the District;
4. Amends how the Tax Increment shall be calculated;
5. Clarifies that Section 2-11.21, regarding the use of Unincorporated Municipal Service Area revenues, shall not be applicable;
6. Amends Section 2-2365, regarding the permitted uses of the Trust Fund monies, to allow for certain maintenance costs of the Metrorail System and to eliminate the two-thirds vote requirement for Bus Rapid Transit; and
7. Corrects scrivener's errors.


The accompanying ordinance was prepared and placed on the agenda at the request of Prime Sponsor Chairman Esteban L. Bovo, Jr. and Co-Sponsors Vice Chairwoman Audrey M. Edmonson, Commissioner Sally A. Heyman, Commissioner Jean Monestime and Commissioner Dennis C. Moss.

  
Abigail Price-Williams  
County Attorney

APW/lmp

# Memorandum



**Date:** February 6, 2018  
**To:** Honorable Chairman Esteban L. Bovo, Jr.  
and Members, Board of County Commissioners  
**From:** Carlos A. Gimenez  
Mayor   
**Subject:** Fiscal Impact Statement for Ordinance Related To Tax Increment Financing and  
Transportation Infrastructure Development – Substitute No. 3

This revised fiscal impact has been prepared based on Substitute No. 3 on the Chairman's Policy Council, January 18, 2018 agenda (Legistar #180059). The substitute changes the method of calculating the annual contribution to the Transportation Infrastructure Improvement District (TIID), increasing the fiscal impact as compared to Substitute No. 2 (Legistar #172836). Substitute No. 3 uses 2017 as the base year, the value of which is increased annually by 4.5 percent. The revenue attributable to the difference between the actual countywide roll growth and the adjusted base year will be deposited into the TIID trust fund annually.

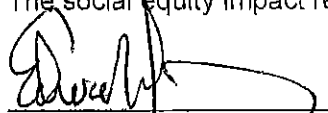
The County's Five Year Financial Forecast includes growth assumptions for the countywide roll of 5 percent for FY 2018-19 and 4.5 percent for FY 2019-20 through FY 2022-23. For the first year of the TIID (FY 2018-19), the 0.5 percent difference between the base year and the assumed growth in the countywide roll would generate approximately \$1,672,472. While the growth rate assumed in the five-year forecast matches the growth rate in the ordinance, because it is measured off of a base year and an increment of 0.5 percent is generated in the first year, the payment to the TIID is perpetuated, and grows by a minimum of 4.5 percent per year. Growth beyond that projected in the five-year forecast would increase the contribution.

As modeled below, it is anticipated that growth of 6.75 percent is experienced for five years once the corridors are in use. For the first five years of the TIID, the estimated revenue contribution to the trust fund is outlined in the table below.

Fiscal Year	TIID Revenue
2018-19	\$1,672,472
2019-20	\$1,724,887
2020-21	\$2,622,707
2021-22	\$3,615,245
2022-23	\$7,076,266
Total \$16,711,577	

Of this \$16.7 million, approximately \$9.15 million was assumed to be general fund revenue in the five-year forecast. This would increase the gap reflected in the five-year forecast. Beginning in FY 2019-20 the gap is \$35.7 million and increases thereafter. It is estimated that over the 30 years, the TIID would generate approximately \$1,823,998,839, with a net present value of \$669,575,011.

The social equity impact remains as originally stated in first substitute (Legistar #172663).

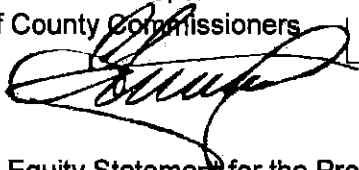
  
Edward Marquez  
Deputy Mayor  
FIS03018 180059

# Memorandum



**Date:** February 6, 2018

**To:** Honorable Chairman Esteban L. Bovo, Jr.  
and Members, Board of County Commissioners

**From:** Carlos A. Gimenez  
Mayor 

**Subject:** Fiscal Impact and Social Equity Statement for the Proposed Transportation Infrastructure Improvement District

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This memorandum serves to provide the Board of County Commissioners (Board) with both the fiscal impact statement and the social equity statement for the Ordinance creating a Proposed Transportation Infrastructure Improvement District (TIID). While I have basic, fundamental concerns about the diversion of funding necessary in the future to fund the current level of General Fund-supported services, as well as the potential inclusion of tax increment revenue from the Unincorporated Municipal Service Area, I support the creation of the TIID as one tool in the toolkit available for future funding of the Strategic Miami Area Rapid Transit (SMART) Plan.

TIIDs have been used by other counties to fund transportation improvements through the use of tax increment financing (TIF) revenues dedicated to a trust fund for those specific purposes. Tax increment financing is essentially allocation of a portion of the ad valorem (property tax) revenue created by the incremental growth in property values in a defined area measured against a base year. Community Redevelopment Areas (CRAs) utilize a similar concept with the revenues used for eligible expenses within the approved plan for the CRA. The theory behind this method of allocating revenues is that infrastructure and services funded through this method will spur economic growth thereby increasing the surrounding property values and creating a substantial increment that is typically utilized to make payments on debt issues or operating costs of specific activities that support the approved plans.

The Strategic Miami Area Rapid Transit (SMART) TIID is based on the prospect that if proper zoning changes are made along the SMART Corridor as improved rapid transit service is put into place, the properties will become desirable for development and competition to acquire those properties will drive value increases. For tools such as the TIID to be effective in creating a substantial increment, the respective municipalities and County must zone these areas appropriately, as well as areas outside the TIID. Transit oriented zoning typically involves density increases to enable the maximum number of riders to access the rapid transit system at the transit nodes. Once the zoning is in place, developers must also see the benefit in redeveloping these areas.

Any development that occurs as a result of the rezoning surrounding the corridors will likely take months or years to be initiated, as was the case for Metrorail. Metrorail began revenue service in 1984, from Government Center south and revenue service to the north began in 1985. Prior to Metrorail revenue service, the Board created a Fixed-Guideway Rapid Transit System Development Zone in Chapter 33C of the Miami-Dade County Code (Code). The intent of the legislation was to provide opportunities for development and incentives for joint development in the stations and parking lot areas. Joint development is a great tool to spur development around stations which generates jobs and creates affordable housing opportunities, but some projects

take several years to occur and private developers are not always willing to risk capital to invest in catalytic projects.

Development around certain stations along the existing Metrorail line has flourished, while other stations have not. The majority of this development began more than 10 years after rapid transit service was initiated and although the alignment north of downtown Miami is included under the Fixed-Guideway Rapid Transit system Development zone, development along the stations to the north of downtown Miami have not experienced the same growth as the south end of the line.

Furthermore, certain developments are now proceeding along the Northeast Corridor and the South Corridor, which have been in the works for – in one case at least – many years, without the promise of a future mass transit line. These include development in the Aventura area and Biscayne Landing which has been in process with fits and starts since before the original North Miami CRA plan was adopted in 2005. Applications for development have also already been approved for the Ojus Urban Area, just south of Aventura, and West Perrine and Naranja along the South Corridor.

Should this proposal be implemented, I recommend that the TIID be created and the Trust Fund established, but that the trigger point for the contribution of incremental revenue be the approval of the alignment for each corridor for expansion. The corridor studies have not been completed. One part of the study report will be the recommended alignment and another will be the technology to deliver the rapid transit service. Once the alignment is approved and the technology determined, the base year can be set for that corridor and the percentage of contribution established based on the projected costs. If this funding is not going to be pledged for a debt or other contractual obligation, a detailed legal description may not be necessary. The Board may wish to establish a formula by which to calculate a portion of the incremental growth accruing as a result of a corridor expansion as a contribution to the TIID Trust Fund from the Countywide General Fund. Implementation of the SMART plan will take a number of years and during the development the leading technology to move the maximum number of people in the shortest amount of time will likely change from what is available today. We need to be sure that we keep all options equally open.

I am also concerned about including funding from the Unincorporated Municipal Service Area (UMSA) General Fund. As a practice, public transit service funded by the County has been considered a regional service and has been funded solely through the Countywide General Fund and other sources of revenue considered to be countywide in nature. This proposal would change that fundamental theory, potentially introducing revenue generated in the UMSA to the funding mix. While this can be argued to be an eligible use of the funds – portions of the SMART Corridors are in UMSA – the public transit system is a service that is provided to all residents of Miami-Dade County on an equal basis. Should this proposal be implemented, and UMSA revenues allocated to the Trust Fund, the residents of UMSA would be contributing more to the public transit system – through both their countywide and municipal taxes – than municipal residents. Furthermore, a portion of the anticipated revenue growth that could have been used to hire more police officers UMSA area, maintain local parks and provide programming, or invest in local road maintenance could instead go to the regional public transit system.

#### Fiscal Impact Analysis

Staff has calculated the fiscal impact based on the substitute agenda item. The analysis for the countywide and UMSA incremental revenues that may be generated from the TIID was evaluated on a corridor basis for each SMART corridor (North, South, Beach, Northeast, East/West and

Kendall). Each corridor includes the properties within a half mile, with the exception of the East/West which includes all properties within a mile of the corridor. The growth rates applied are those used in the County's FY 2017-18 Budget and Five Year Financial Outlook (see Attachment 1 for assumptions used). It is important to note that we are aggressively optimistic in our analysis assuming all zoning rules would be in place prior to construction; that little or no construction delay would occur; and that major economic incidents (i.e. housing market destabilization/crisis of 2007-08) would not occur that would impact the growth along the TIID.

As part of this analysis, we assume that as the corridors begin revenue service, the corridor will experience roll growth in excess of regular roll growth. In order for this growth to occur, the County and municipalities will need to approve zoning regulations that allow for greater density along the corridors prior to the completion of these corridors. While it is difficult to estimate how the different stations in each corridor will eventually be developed under new zoning rules, for this analysis a higher growth rate of 50 percent above the growth used for regular countywide growth is assumed and applied five years after revenue service begins in each corridor. For example, the Kendall corridor opens in 2025, and in 2030 the growth rate used for non-homestead properties in that corridor is 4.5 percent versus 3 for the remainder of the county. For properties with homestead exemptions, the average growth rate of 2.1 percent is used. This rate is the 15-year historical growth for homesteaded properties. It is also assumed that the additional homestead exemption to be considered by the voters next November will be successful. All currently homesteaded properties were provided the additional exemption in FY 2019-20.

The estimates of when each corridor will begin revenue service are noted in Attachment 1, as well as the sunset dates for the various impacted CRAs. Also shown in Attachment 1 is the ratio of folios to be included in the TIID, as a percent of total folios for the taxing jurisdictions. The TIID is estimated to represent 34 percent of the taxable value of the Countywide taxing jurisdiction and 27 percent of the taxable value of UMSA taxing jurisdiction. Subject to annual appropriations by the Board, the proposed ordinance requires the Board to set the percentage for the TIID between 25 and 50 percent for the countywide revenues and up to 50 percent for UMSA revenues. Unless changed by resolution, the initial percentages are set at 50 percent for countywide revenues and no contribution from UMSA revenues. For comparative purposes, the incremental revenue growth in the property tax roll was projected, the base year of 2017 was used, and the growth factors in the County's FY 2017-18 Adopted Budget and Five Year Financial Outlook were utilized.

Attachment 2 details the projected amount of countywide incremental revenue at a 25 percent contribution and Attachments 3 and 4 detail the projected amount of countywide and UMSA incremental revenue at a 50 percent contribution, in addition to reflecting the TIID contributions as a percentage of countywide and UMSA incremental revenue growth and the millage equivalents. As noted in the attached tables, the revenue streams begin to build in the later years of the analysis. The tables below summarize the contribution from the countywide general fund and UMSA general fund with a net present value for each TID percentage:

**Countywide Contribution**

	<b>Total Increment Revenue</b>	<b>Net Present Value at 5%</b>
Attachment 2 -TIID CW at 25%	\$ 2,531,859,955.00	\$ 941,432,268.00
Attachment 3 – TIID CW at 50%	\$ 5,063,719,910.00	\$ 1,882,864,535.00

**UMSA Contribution**

	<b>Total Increment Revenue</b>	<b>Net Present Value</b>
Attachment 4 – TIID UMSA at 50%	\$ 328,925,976.00	\$ 118,165,215.00

In the early years, it must be assumed that this growth would have occurred, even absent the corridor development. Significant projects that will come on line take many years to develop and those that are already in the works, such as the ones mentioned above, are assumed to generate the growth captured in our five-year financial forecasts. As with any long-term forecast, the available revenue grows exponentially in the outer years. While the net present value of these streams is significant, because of the cash flows, it is not likely to be a stream that investors would be willing to accept on its own for financing. Any portion of this growth allocated to the trust fund is diluting the funding available to support the balance of tax-supported County services, just as we are facing the impact of the increase to the Homestead Exemption, expected to cost us \$50 million in revenues in FY 2019-20.

This ordinance calls for a legal description to be produced within 120 days. As noted above, if the Trust Fund revenues are not going to be utilized as a pledge for a debt or other contractual obligation, a legal description may not be necessary. In order to develop a legal description, the alignment must be identified. Even small adjustments could have a considerable impact on the number of folios included, which is one of the reasons I recommend that the contributions to the Trust Fund not begin until the corridors' alignments are established. It will take a number of months to survey more than 300,000 folios that are estimated to be within the area defined in the ordinance. Staff is determining the most effective methodology for producing a legal description. If one is required, I recommend staff be given at least 180 days to provide the information or report back on the status of the effort.

**Social Equity Statement**

The social impact of this ordinance is ultimately determined by the future impact to the budget for current services. To the extent that this ordinance makes possible the expansion of public transit service, the annual obligation would have to be weighed against the loss of resources required for other County services. This ordinance does not call for a tax increase or an increase in other fees, but adjustments may be required should resource requirements for other County services exceed what is available. As discussed above, should UMSA revenues be allocated to the Trust Fund, UMSA residents would be paying more for the availability of public transit services than residents of municipalities.

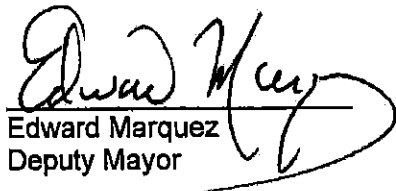
**Conclusion**

My goals of providing cost-effective modes of transportation to our community have not changed. I believe that a good transportation system is the backbone of a resilient community with a strong economy for our businesses, and a good quality of life for our residents and visitors. As noted in the analysis above, the TIID can provide a significant revenue stream to help fund the development, construction, maintenance and/or operation of the SMART plan. I support its creation as one potential tool for the allocation of future revenues to support public transit in our community. However, I recommend that the allocation of revenues be triggered by the approval

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of the alignment for a particular corridor and the technology to be used is determined. Approving this ordinance as it is currently written, dedicates more of the countywide general fund to transportation activities, even above its current commitment with the Maintenance of Effort of 3.5 percent and the extraordinary contributions beginning in 2023, adopted by the Board at the second budget hearing. This could impact funding of other countywide services in the near-term, especially if the anticipated transit property value premium does not materialize within the corridor quickly or dilutes the growth outside the corridor. I am also concerned about dedicating UMMSA revenue to mass transportation, which historically it has never funded. ***Revenue that is allocated through this methodology could make funding other services more challenging.***

I look forward to continuing to work with the Board, the Miami-Dade Transportation Planning Organization, the Citizens' Transportation Trust, all of our State and Federal partners, and most importantly the residents we all serve to bring transportation solutions to our community.

  
Edward Marquez  
Deputy Mayor

Attachments

Property Tax Roll Growth

Fiscal Year	Non-Homesteaded and Commercial	
	CW	UMSA
FY 18-19	5.0%	3.5%
FY 19-20	1.89%	-1.84%
FY 20-21	4.5%	3.5%
FY 21-22	4.5%	3.5%
FY 22-23	4.5%	3.5%
Future	3.0%	3.0%

Applicable Folios

	Countywide				UMSA			
	Folios	%	Value	%	Folios	%	Value	%
Total	910,925		\$ 258,926,000,000		384,990		\$ 65,049,000,000	
TIID	252,420	27.7%	\$ 88,213,000,000	34.1%	87,923	22.8%	\$ 17,700,000,000	27.2%
Homesteaded	96,091	10.5%	\$ 20,176,000,000	7.8%	42,208	11.0%	\$ 3,613,000,000	5.6%
Non-H/Commercial	156,329	17.2%	\$ 68,087,000,000	26.3%	45,715	11.9%	\$ 14,088,000,000	21.7%
CRA's	33,000				3,900			

Estimates of Corridor Service Beginning

Northeast Corridor	2021
Kendall Corridor	2025
North Corridor	2023
South Corridor	2023
East/West Corridor	2027
Beach Corridor	2028

Community Redevelopment Areas

Florida City	2024
North Miami Beach	2028
Homestead	2028
SE Overtown/Park West	2030
Omni	2030
Opa-Locka	2032
Naranja Lakes	2033
Midtown	2037
79 <sup>th</sup> Street	2041
North Miami	2044
City Centre	2044
West Perrine	2046



**Countywide Transportation Infrastructure Improvement District Revenue at 25% with Countywide Revenue Comparison**

<b>Fiscal Year</b>	<b>Annual TIID Incremental Revenue From Base Year</b>	<b>Annual Countywide Incremental Revenue From Base Year</b>	<b>TIID as a Percentage of Countywide Incremental Revenue</b>	<b>Millage Equivalent</b>
2018				
2019	4,401,242	57,398,096	7.7%	0.01704
2020	6,384,981	80,179,400	8.0%	0.02426
2021	10,699,409	135,445,759	7.9%	0.03891
2022	15,162,251	193,199,104	7.8%	0.05276
2023	21,581,265	253,551,350	8.5%	0.07186
2024	25,091,799	295,596,748	8.5%	0.08112
2025	28,782,178	338,903,508	8.5%	0.09034
2026	32,644,039	383,509,470	8.5%	0.09948
2027	36,627,896	429,453,612	8.5%	0.10837
2028	41,044,278	476,776,078	8.6%	0.11790
2029	45,869,191	525,518,217	8.7%	0.12792
2030	50,843,970	575,722,621	8.8%	0.13766
2031	58,637,145	627,433,157	9.3%	0.15414
2032	64,198,730	680,695,009	9.4%	0.16384
2033	70,289,747	735,554,717	9.6%	0.17416
2034	76,545,369	792,060,216	9.7%	0.18414
2035	83,195,870	850,260,880	9.8%	0.19431
2036	89,952,402	910,207,564	9.9%	0.20397
2037	96,969,276	971,952,648	10.0%	0.21347
2038	104,932,086	1,035,550,085	10.1%	0.22428
2039	112,542,989	1,101,055,445	10.2%	0.23354
2040	120,448,154	1,168,525,966	10.3%	0.24266
2041	128,659,424	1,238,020,602	10.4%	0.25165
2042	137,616,871	1,309,600,077	10.5%	0.26133
2043	146,501,442	1,383,326,937	10.6%	0.27010
2044	155,731,399	1,459,265,603	10.7%	0.27876
2045	175,178,523	1,537,482,428	11.4%	0.30443
2046	185,648,813	1,618,045,758	11.5%	0.31323
2047	197,175,957	1,701,025,988	11.6%	0.32299
2048	208,503,259	1,786,495,625	11.7%	0.33160
<b>Total</b>	<b>2,531,859,955</b>	<b>24,651,812,668</b>	<b>10%</b>	
NPV	941,432,268			

**Countywide Transportation Infrastructure Improvement District Revenue at 50% with Countywide Revenue Comparison**

<b>Fiscal Year</b>	<b>Annual TIID Incremental Revenue From Base Year</b>	<b>Annual Countywide Incremental Revenue From Base Year</b>	<b>TIID as a Percentage of Countywide Incremental Revenue</b>	<b>Millage Equivalent</b>
2018				
2019	8,802,484	57,398,096	15.3%	0.03408
2020	12,769,962	80,179,400	15.9%	0.04853
2021	21,398,817	135,445,759	15.8%	0.07781
2022	30,324,502	193,199,104	15.7%	0.10552
2023	43,162,531	253,551,350	17.0%	0.14373
2024	50,183,598	295,596,748	17.0%	0.16224
2025	57,564,356	338,903,508	17.0%	0.18068
2026	65,288,078	383,509,470	17.0%	0.19895
2027	73,255,791	429,453,612	17.1%	0.21673
2028	82,088,557	476,776,078	17.2%	0.23579
2029	91,738,383	525,518,217	17.5%	0.25583
2030	101,687,939	575,722,621	17.7%	0.27532
2031	117,274,289	627,433,157	18.7%	0.30827
2032	128,397,459	680,695,009	18.9%	0.32768
2033	140,579,494	735,554,717	19.1%	0.34832
2034	153,090,738	792,060,216	19.3%	0.36827
2035	166,391,741	850,260,880	19.6%	0.38861
2036	179,904,804	910,207,564	19.8%	0.40793
2037	193,938,553	971,952,648	20.0%	0.42695
2038	209,864,173	1,035,550,085	20.3%	0.44855
2039	225,085,979	1,101,055,445	20.4%	0.46707
2040	240,896,307	1,168,525,966	20.6%	0.48532
2041	257,318,849	1,238,020,602	20.8%	0.50331
2042	275,233,741	1,309,600,077	21.0%	0.52267
2043	293,002,884	1,383,326,937	21.2%	0.54021
2044	311,462,799	1,459,265,603	21.3%	0.55751
2045	350,357,046	1,537,482,428	22.8%	0.60887
2046	371,297,626	1,618,045,758	22.9%	0.62647
2047	394,351,913	1,701,025,988	23.2%	0.64598
2048	417,006,517	1,786,495,625	23.3%	0.66320
<b>Total</b>	<b>5,063,719,910</b>	<b>24,651,812,668</b>	<b>21%</b>	
NPV	1,882,864,535			

## UMSA Transportation Infrastructure Improvement District Revenue at 50% with UMSA Revenue Comparison

Fiscal Year	Annual TIID Incremental Revenue From Base Year	Annual Countywide Incremental Revenue From Base Year	TIID as a Percentage of Countywide Incremental Revenue	Millage Equivalent
2018				
2019	567,842	4,170,721	13.6%	0.00888
2020	220,972	1,901,372	11.6%	0.00352
2021	714,323	5,533,317	12.9%	0.01105
2022	1,222,475	9,274,220	13.2%	0.01835
2023	1,745,872	13,127,350	13.3%	0.02545
2024	2,284,970	17,096,074	13.4%	0.03234
2025	2,840,241	21,183,860	13.4%	0.03902
2026	3,424,116	25,394,279	13.5%	0.04568
2027	4,019,191	29,731,011	13.5%	0.05205
2028	4,662,126	34,197,845	13.6%	0.05862
2029	5,326,301	38,798,684	13.7%	0.06502
2030	6,066,449	43,537,548	13.9%	0.07190
2031	6,833,710	48,418,578	14.1%	0.07863
2032	7,716,453	53,446,039	14.4%	0.08620
2033	8,634,997	58,624,324	14.7%	0.09366
2034	9,590,854	63,957,957	15.0%	0.10099
2035	10,693,051	69,451,600	15.4%	0.10932
2036	11,736,421	75,110,051	15.6%	0.11649
2037	12,822,274	80,938,257	15.8%	0.12356
2038	13,952,404	86,941,308	16.0%	0.13054
2039	15,128,685	93,124,451	16.2%	0.13742
2040	16,353,067	99,493,088	16.4%	0.14422
2041	17,627,590	106,052,784	16.6%	0.15093
2042	18,954,378	112,809,271	16.8%	0.15756
2043	20,335,650	119,768,453	17.0%	0.16412
2044	21,773,720	126,936,410	17.2%	0.17061
2045	23,271,001	134,319,406	17.3%	0.17703
2046	24,830,014	141,923,892	17.5%	0.18339
2047	26,930,781	149,756,512	18.0%	0.19311
2048	28,646,047	157,824,111	18.2%	0.19942
<b>TOTAL</b>	<b>328,925,976</b>	<b>2,022,842,774</b>	<b>16%</b>	
<b>NPV</b>	<b>118,165,215</b>			

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# MEMORANDUM

(Revised)

**TO:** Honorable Chairman Esteban L. Bovo, Jr.  
and Members, Board of County Commissioners

**DATE:** February 6, 2018

**FROM:** Abigail Price-Williams  
County Attorney

**SUBJECT:** Agenda Item No. 7(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
- Statement of social equity 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  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No. 7(A)  
2-6-18

ORDINANCE NO. \_\_\_\_\_

ORDINANCE RELATED TO TAX INCREMENT FINANCING AND TRANSPORTATION INFRASTRUCTURE DEVELOPMENT; CREATING ARTICLE CLIX OF CHAPTER 2 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA; CREATING THE MIAMI-DADE COUNTY TRANSPORTATION INFRASTRUCTURE IMPROVEMENT DISTRICT; PROVIDING THAT THE DISTRICT SHALL BE WITHIN A CERTAIN DISTANCE OF PROPOSED ALIGNMENTS OF THE STRATEGIC MIAMI AREA RAPID TRANSIT ("SMART") PLAN RAPID TRANSIT CORRIDORS; ESTABLISHING A TRUST FUND; DEFINING SMART PLAN RAPID TRANSIT CORRIDOR PROJECTS ELIGIBLE FOR TRUST FUND REVENUES; LIMITING THE USE OF TRUST FUND REVENUES TO THE DEVELOPMENT, CONSTRUCTION, MAINTENANCE, AND OPERATION OF SMART PLAN RAPID TRANSIT CORRIDOR PROJECTS; PROVIDING FOR THE FUNDING OF THE TRUST FUND FROM TAX INCREMENT REVENUES WITHIN THE DISTRICT; PROVIDING FOR REPEAL; PROVIDING SEVERABILITY, INCLUSION IN THE CODE, AND AN EFFECTIVE DATE

**WHEREAS**, South Florida has consistently ranked as one of the most heavily congested regions in the country for automobile traffic, and in 2010 was ranked as the worst east coast metropolitan area for traffic; and

**WHEREAS**, accordingly, it is imperative for the betterment of our community and economic growth that the federal, state and local governments work together to improve existing public transit systems, to move forward with new public mass transit projects, and to develop cost-effective and innovative solutions to fund new public transportation infrastructure; and

**WHEREAS**, the Miami-Dade Metropolitan Planning Organization (“MPO”), now known as the Transportation Planning Organization, through its Transit Solutions Committee, received and considered input from transportation partner agencies, elected officials, and the public at large in order to designate six rapid transit corridors as a high priority; and

**WHEREAS**, on February 16, 2016, the MPO Governing Board adopted Resolution #06-16 establishing a policy to set as highest priority for the community the advancement of rapid transit corridors and transit supportive projects in Miami-Dade County; and

**WHEREAS**, rapid transit is a form of high-speed urban passenger transportation such as heavy rail, light rail, commuter rail, or bus rapid transit on a dedicated lane; and

**WHEREAS**, on April 21, 2016, the MPO Governing Board adopted Resolution #26-16 endorsing the Strategic Miami Area Rapid Transit (“SMART”) Plan, an initiative to advance six rapid transit corridors ~~[[along with a network system of Bus Express Rapid Transit service]]~~<sup>1</sup> in order to implement mass transit projects in Miami-Dade County; and

**WHEREAS**, the six SMART Plan rapid transit corridors are the: Beach Corridor, East-West Corridor, Kendall Corridor, North Corridor, Northeast Corridor, and South Dade Transitway; and

**WHEREAS**, the MPO Governing Board also directed the MPO Executive Director to work with the MPO Fiscal Priorities Committee to determine the costs and potential funding sources for project development and environment studies for the projects, and to take all necessary steps to implement the SMART Plan; and

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<sup>1</sup> The differences between the substitute and the original item are indicated as follows: Words double stricken through and/or ~~[[double bracketed]]~~ are deleted, words double underlined and/or >>double arrowed<< are added.

*AF*

**WHEREAS**, on May 12, 2016, the Citizens' Independent Transportation Trust expressed its support for the SMART Plan and for the use of Charter County Transportation Surtax funds for the necessary project development and environment studies; and

**WHEREAS**, on June 7, 2016, this Board adopted Resolution No. R-523-16 endorsing the SMART Plan as approved by the MPO; and

**WHEREAS**, implementation of the SMART Plan, in whole or in part, has countywide significance; and

**WHEREAS**, a tool to help finance the SMART Plan >>rapid transit corridor<< projects involves the creation of >>a<< locally designated tax increment financing district[[s]], which would allow the County to utilize—or pledge through the issuance of bonds—future ad valorem tax revenue increases in a designated area to help fund the SMART Plan >>rapid transit corridor<< projects; and

**WHEREAS**, as transportation infrastructure improvements are implemented in a tax increment financing district, properties within one-half mile of such transportation infrastructure improvements are likely to increase in value, thereby generating incremental property tax revenues; and

**WHEREAS**, tax increment financing has been used by other counties throughout Florida, including Escambia County, Orange County and Pasco County, to fund transportation infrastructure; and

**WHEREAS**, the Miami-Dade County Home Rule Charter and section 125.01, Florida Statutes, empower[[s]] the Board of County Commissioners to provide and operate public transportation systems; levy and collect taxes; borrow and expend money; and issue bonds, revenue certificates, and other obligations of indebtedness; and

**WHEREAS**, this Board finds that there exist~~[[§]]~~ limited transportation options and increasing traffic congestion within the SMART Plan >>rapid transit corridors<< ~~[[Corridors]]~~; and

**WHEREAS**, the improvement of these transportation conditions through funding of rapid transit infrastructure improvements and operations is a proper matter of County policy and concern and is a valid and desirable public purpose; and

**WHEREAS**, this Board finds that using tax increment financing to fund transportation infrastructure improvements and operations will enable the County to maintain and grow its economic competitiveness while maintaining and improving its residents' high quality of life, and robust multimodal transportation systems are key to the County's economic vitality for existing and future residents, workers and visitors and can positively impact the health, safety, and welfare of the residents of the County; and

**WHEREAS**, this Board desires to utilize tax increment financing to fund transportation infrastructure improvements and operations for the development and/or operation of the SMART Plan,

**BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:**

**Section 1.** The foregoing recitals are deemed true and correct and are hereby incorporated into this ordinance.

**Section 2.** Article ~~[[CLIV]]~~ >>CLIX<< of Chapter 2 of the Miami-Dade County Code of Ordinances is hereby created to read:



### Section 2-2361 Findings and Declaration of Necessity

It is hereby found and declared that (i) there exist~~[[s]]~~ limited transportation options and increasing traffic congestion within the Strategic Miami Area Rapid Transit (“SMART”) Plan >>rapid transit corridors<< ~~[[Corridors]]~~; (ii) the improvement of these transportation conditions through funding of rapid transit infrastructure improvements and operations is a proper matter of Miami-Dade County policy and concern and is a valid and desirable public purpose; (iii) implementation of the SMART Plan >>rapid transit corridor<< projects, in whole or in part, has countywide significance; (iv) a tool to help finance SMART Plan >>rapid transit corridor<< projects involves the creation of >>a<< locally designated tax increment financing district~~[[s]]~~, which would allow Miami-Dade County to utilize—or pledge through the issuance of bonds—future ad valorem tax revenue increases in a designated area to help fund SMART Plan >>rapid transit corridor<< projects; (v) as transportation infrastructure improvements are implemented in a tax increment financing district, properties within one-half mile of such transportation infrastructure improvements are likely to increase in value, thereby generating incremental property tax revenues; (vi) robust multimodal transportation systems are key to Miami-Dade County’s economic vitality for existing and future residents, workers and visitors and can positively impact the health, safety, and welfare of ~~[[the]]~~ Miami-Dade County residents; and (vii) using tax increment financing to fund transportation infrastructure improvements and operations will enable Miami-Dade County to maintain and grow its economic competitiveness while maintaining and improving its residents’ high quality of life.

### Section 2-2362 Definitions

In construing the provisions of this article, where the context will permit and no definition is provided herein, the definitions provided in the National Transit Database Glossary shall apply. As used in this Article the following terms shall have the following meaning:

>>(a) “Base Taxable Valuation” shall mean with respect to any year commencing after October 1, 2017, (1) the amount of the Taxable Valuation (as defined below) for the Fiscal Year commencing October 1, 2017, (2) increased by an assumed annual growth factor of 4.5 percent.<<

>>(b)<< ~~[[a)]~~ “Bus rapid transit” shall mean a bus-based transit system that consists, at a minimum, of >>semi-exclusive or<< exclusive right-of-way, traffic signal priority, off-board fare collection, elevated platforms, defined stations, and short headway bidirectional services for a substantial part of weekdays and weekend days.

- >>(c)<< ~~[(b)]~~ “Commuter rail” shall mean a transit mode that is an electric or diesel propelled railway for urban passenger train service consisting of local short distance travel operating on a regular basis between a central city and adjacent suburbs, within urbanized areas, or between urbanized areas and outlying areas.
- >>(d)<< ~~[(e)]~~ “Heavy rail” shall mean a transit mode that is an electric railway with passenger railcars operating on fixed rails in >>semi-exclusive or<< exclusive right~~[[s]]~~-of-way from which all other vehicular and foot traffic are excluded, and where vehicle power is drawn from overhead lines or third rails.
- >>(e)<< ~~[(d)]~~ “Light rail” shall mean a transit mode that consists of an electric railway with passenger railcars operating on fixed rails in shared>>, semi-exclusive,<< or exclusive right-of-way and where vehicle power is drawn from an overhead electric line.
- >>(f)<< ~~[(e)]~~ “Rolling stock” shall mean transit vehicles, such as buses, vans, cars, trains, railcars, light rail vehicles, locomotives, trolley cars and buses, ferry boats, and vehicles used on guideways and incline planes.
- >>(g)<< ~~[(f)]~~ “Strategic Miami Area Rapid Transit Plan” or “SMART Plan” shall mean the initiative to advance six rapid transit corridors ~~[[along with a network system of bus rapid transit]]~~ in order to implement mass transit projects in Miami-Dade County as adopted by the Board of County Commissioners (the “Board”) pursuant to Resolution No. R-523-16.
- >>(h) “SMART Plan rapid transit corridors” shall mean the Beach Corridor, East-West Corridor, Kendall Corridor, North Corridor, Northeast Corridor, and South Dade Transitway, as those corridors have been defined and depicted in the SMART Plan.<<
- >>(i)<< ~~[(e)]~~ “SMART Plan rapid transit corridor projects” shall mean the >>development, construction, operation or maintenance of the<< Beach Corridor, East-West Corridor, Kendall Corridor, North Corridor, Northeast Corridor, and South Dade Transitway, wherein such >>corridors<< ~~[[projects]]~~ consist of a form of high-speed urban passenger transportation limited to heavy rail, light rail, commuter rail, or bus rapid transit.
- >>(j) “Tax Increment” shall mean the amount by which (i) the *ad valorem* Countywide tax revenues that would have been generated at the millage rate in effect for the current Fiscal Year at the current Taxable Valuation (as defined below) exceeds (ii) the *ad valorem* Countywide tax revenues that would have been generated at the millage rate in effect for the current Fiscal Year at the Base Taxable Valuation.<<

>>(k) “Taxable Valuation” shall mean the taxable value of all real property within the Miami-Dade County Transportation Infrastructure Improvement District, based on the Property Appraiser’s preliminary tax roll.<<

>>(l)<< ~~[(h)]~~ “Transit” shall mean public transportation.

### **Section 2-2363 Transportation Infrastructure Improvement District Created.**

The Miami-Dade County Transportation Infrastructure Improvement District (the “District”) is hereby established. The District shall include all properties wholly or partially located within 1/2 mile of the proposed alignments>>, pursuant to Resolution No. R-523-16,<< of the ~~[[Strategic Miami Area Rapid Transit (€)]SMART[[“]]~~ Plan rapid transit corridors, except for the East-West Corridor ~~[[as shown in Exhibit A, which shall be maintained by the Miami-Dade County Department of Regulatory and Economic Resources or its successor department]].~~ With respect to the East-West Corridor, all properties wholly or partially located within 1 mile of the proposed alignment, >>pursuant to Resolution No. R-523-16,<< ~~[[as shown in Exhibit A,]]~~ shall be included within the District. >>If any portion of a parcel of real property is located within the geographical boundaries of the District, the whole parcel shall be deemed to be located within the District.

The geographical boundaries of the District and the legal descriptions of the real properties included therein shall be based on the Property Appraiser’s 2017 first certified tax roll as of October 26, 2017. A document listing the real properties that are within the boundaries of District, in accordance with this section, shall be kept on file with the Miami-Dade County Department of Regulatory and Economic Resources or its successor department.<<

~~[[Any proposed changes to the alignment of the SMART Plan rapid transit corridors after the effective date of this ordinance shall be subject to Board approval by resolution.]]~~

### **Section 2-2364 Transportation Infrastructure Improvement District Trust Fund.**

- (a) The Miami-Dade County Transportation Infrastructure Improvement District Trust Fund (the “Trust Fund”) is hereby established. Subject to annual appropriation by the Board >>and notwithstanding Section 2-11.21 of the Code<<, the County shall>>, by January 1 of each year beginning January 1, 2019, deposit<< ~~[[annually pay]]~~ into the Trust Fund >>an amount equal to the Tax Increment as defined in Section 2-2362 above, excluding any amount from debt service millage and any amount derived from properties located within Community Redevelopment Areas

established in accordance with Chapter 163, Florida Statutes, (“CRA”) for the duration of the County’s legal obligation to contribute into the CRA trust funds. << ~~[[the increment, which shall be that amount equal to a percentage, between 25 and 50 percent as set annually by the Board through resolution no later than by May 31st of each year, of the difference between:]]~~

>> By resolution, and subject to annual appropriation, the Board may authorize the calculation of the Tax Increment as defined in Section 2-2362 and as described above to also include the taxes levied on behalf on the Unincorporated Municipal Service Area. <<

~~[[i. the amount of ad valorem taxes levied each year by the County in countywide taxes and in taxes levied on behalf of the Unincorporated Municipal Service Area, exclusive of any amount from debt service millage and any amount derived from properties located within Community Redevelopment Areas established in accordance with Chapter 163, Florida Statutes, (“CRA”) for the duration of the County’s legal obligation to contribute into the CRA trust funds; and~~

~~ii. the amount of ad valorem taxes which would have been generated each year by the County in countywide taxes and in taxes levied on behalf of the Unincorporated Municipal Service Area, exclusive of any debt service millage and any amount derived from properties located within CRAs for the duration of the County’s legal obligation to contribute into the CRA trust funds, upon the total of the assessed value of the taxable real property in the District as shown upon the most recent assessment roll used in connection with the taxation of such property by the County prior to the effective date of this ordinance (the “Base Year”).]]~~

~~[[This amount, calculated as described above, shall be referred to as the “Increment.” In the event that the Board approves changes to the District based upon movement of the proposed alignments of the SMART Plan rapid transit corridors, the Increment shall continue to be calculated based upon the same Base Year but as to the assessed value of the taxable real property in the changed District.]]~~

~~[(b) Consistent with Section 2-11.21, any portion of the Increment from taxes levied on behalf of the Unincorporated Service Area shall be utilized solely for eligible expenses in Section 2-2365 for SMART Plan rapid transit corridor projects within the Unincorporated Municipal Service Area.]]~~

~~[(e) In the event that any bond, note or other form of indebtedness, including advances and pledging, obligate the Increment, the percentage used for the above referenced calculation shall be set by the Board and shall not be adjusted so long as there is outstanding indebtedness pledging the Increment.]]~~

~~[(d)]~~ >>(b)<< The County shall~~[[, by October 1st of each year,]]~~ appropriate to the Trust Fund so long as there is outstanding indebtedness pledging the >>Tax<< Increment which has been approved by this Board, a sum that is no less than the >>Tax<< Increment. In no year shall the County's obligation to the Trust Fund exceed the amount of that year's >>Tax<< Increment. The County's >>Tax<< Increment contribution is to be accounted for as separate revenue within the Fund but may be combined with other revenues for the purpose of paying debt service. The Board must approve the amount, duration of the obligation and the purpose of any bond, note or other form of indebtedness, including advances, pledging or otherwise obligating the >>Tax<< Increment.

**Section 2-2365 Permitted Use of Funds.**

Moneys in the Trust Fund may be expended from time to time to pay for the development, construction, maintenance, and/or operation of the SMART Plan rapid transit corridor projects, including but not limited to:

- (a) expenses of development planning, professional fees, surveys and financial analysis;
- (b) initial construction and reconstruction costs of the stations, stops, terminals, or intermodal facilities; parking facilities; guideway and tracks; sitework and special conditions; signals and systems; utility relocation; and any other facility or special conditions necessary for the implementation of the SMART Plan rapid transit corridor projects;

- (c) the acquisition or lease of real property, rights-of-way, easements, and/or other property interests and/or improvements thereto, including but not limited to rail corridor easement payments for a SMART Plan rapid transit corridor project that uses a rail corridor owned by a third party;
- (d) the initial and replacement costs of the rolling stock;
- (e) the clearance and preparation of property for development;
- (f) relocation of site occupants in order to utilize property;
- (g) annual cost of operations for the SMART Plan rapid transit corridor projects;
- (h) annual cost of maintenance for the SMART Plan rapid transit corridor projects;
- (i) replacement capital costs and maintenance costs for the SMART Plan rapid transit corridor projects;
- (j) the repayment of principal and interest or any redemption premium for loans, advances, bonds, bond anticipation notes and any other form of indebtedness;
- (k) all expenses incidental to or connected with the issuance, sale, redemption, retirement or purchase of ~~[[agency]]~~ bonds, bond anticipation notes or other form of indebtedness, including funding of any reserve, redemption or other fund or account provided for in the ordinance or resolution authorizing such bonds, notes or other form of indebtedness;
- (l) lump sum and/or periodic payments under a private public partnership agreement or an agreement with another government entity >>for the development, construction, maintenance, and/or operation of the SMART Plan rapid transit corridor projects<<; and/or
- (m) ~~[[Trust Fund moneys may only be used for bus rapid transit purposes if approved by a two-thirds vote of the membership of the Board.]]~~ >>cost of maintenance, not to exceed in total for that year 20 percent of that year's Tax Increment, for any portion of the Metrorail System in existence as of the effective date of this ordinance so long as such maintenance is necessary in order to operate any portion of any of the SMART Plan rapid transit corridor projects.<<

~~[[In no event shall Trust Fund moneys be used for anything other than the development, construction, maintenance and/or operation of the SMART Plan rapid transit corridor projects.]]~~ Trust Fund moneys shall not be used for any form of transportation that includes charter service, sightseeing transportation, school buses, or transportation where the primary purpose of which is the movement of private passenger vehicles.

### **Section 2-2366 Remaining Funds and End of Fiscal Year**

On the last day of the fiscal year, any funds which remain~~[[s]]~~ in the Trust Fund after payment of the expenses listed in Section 2-2365 for such year shall remain in the Trust Fund for future use toward transportation infrastructure improvements for the development, construction, maintenance, and/or operation of the SMART Plan rapid transit corridor projects.

### **Section 2-2367 Public Purpose**

This ordinance is hereby declared to be for a public purpose and for the welfare of the residents of Miami-Dade County, Florida, and shall be liberally construed to effectuate the purpose thereof.

### **Section 2-2368 Municipal Contribution to Trust Fund**

Any municipality located in whole or in part within the District may enter into an interlocal with the County to contribute to the Trust Fund for the construction, maintenance, and/or operation of the SMART Plan rapid transit corridor projects.

**Section 3.** If any section, subsection, sentence, clause or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected by such invalidity.

**Section 4.** It is the intention of the Board of County Commissioners, and it is hereby ordained that the provisions of this ordinance, including any sunset provision, shall become and be made a part of the Code of Miami-Dade County, Florida. The sections of this ordinance may be renumbered or relettered to accomplish such intention, and the word "ordinance" may be changed to "section," "article," or other appropriate word.

**Section 5.** This ordinance shall stand repealed upon the la[te]r of (a) 30 year(s) from its effective date, or (b) >>the date upon which<< all bonds, >>advances,<< loans or other forms of indebtedness>> including interest thereon,<< secured by the Trust Fund are paid in full.

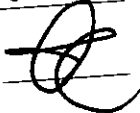
**Section 6.** This ordinance shall become effective ten (10) days after the date of enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

PASSED AND ADOPTED:

Approved by County Attorney as to form and legal sufficiency:

Prepared by:

- Annery Pulgar Alfonso
- Michael J. Mastrucci
- Brenda Kuhns Neuman

GKS for APW  


- Prime Sponsor: Chairman Esteban L. Bovo, Jr.
- Co-Sponsors: Vice Chairwoman Audrey M. Edmonson
- Commissioner Sally A. Heyman
- Commissioner Jean Monestime
- Commissioner Dennis C. Moss