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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

Memorandum

MIAMI-DADE COUNTY

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

R-27-08

Date: January 10, 2008

To: Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: FY 2007-08 Budget for the North Miami Beach Community Redevelopment Agency

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Recommendation

It is recommended that the Board of County Commissioners (BCC) adopt the attached resolution approving the North Miami Beach Community Redevelopment Agency's (CRA's) FY 2007-08 budget for the North Miami Beach Community Redevelopment Area (the "Area"). The CRA's budget includes revenues and expenditures in the amount of $9,405,454 as detailed in Exhibit 1.

Scope of Agenda Item

This resolution provides the appropriation of tax increment funds derived from the North Miami Beach Community Redevelopment Area. The Area lies within Commission Districts 2 and 4.

Fiscal Impact / Funding Source

The CRA's revenue source is generated through the incremental growth of ad valorem revenues beyond an established base year, Tax Increment Financing (TIF), as defined in Section 163.387 of the Florida State Statutes. County tax increment revenues total $755,920.

Track Record / Monitor

This resolution does not provide for contracting with any specific entity. The resolution approves the CRA's FY 2007-08 Budget.

Background

On June 7, 2005, the BCC approved the establishment of the CRA when it approved the CRA's Community Redevelopment Plan (Plan) pursuant to Resolution R-611-05 and the funding of the Plan when it enacted Ordinance No. 05-110 (Trust Fund). An Interlocal Agreement between Miami-Dade County and the North Miami Beach CRA was also approved by the BCC on June 7, 2005. The Interlocal Agreement requires the CRA to submit for County approval an annual budget for the implementation of the Plan.

It is recommended that the BCC approve the CRA's FY 2007-08 budget of $9,405,454 which was approved by the CRA and the City of North Miami Beach on October 16, 2007. The budget includes revenue sources of County Tax Increment Revenues ($755,920) and City Tax Increment Revenues ($1,145,072), carryover from prior years ($693,031), loan proceeds ($6,789,431), and $22,000 of interest earnings.

Administrative expenditures total $188,183 and represent 9.8 percent of the total tax increment revenues, excluding the 1.5 percent County Administrative Charge ($11,339) and reimbursement to the City for advances to the CRA ($60,200), satisfying the 20 percent cap in administrative expenditures required by the Interlocal Agreement.

Operating expenditures total $7,128,535, and include $5 million for land acquisition and $1.087 million for infrastructure improvements, which includes street drainage improvements at NE 18 Avenue, a sewer main reconstruction at NE 20 and NE 21 Avenues, roadway improvements at NE 164 and NE 168 Streets, and replacement of the awning at the Gwen Margolis Amphitheater. In addition, expenditures include debt service payments of $325,000 for the loan proceeds. Other operating expenditures include $284,794 for salary and fringe benefits, and $275,000 for consultant services for items such as Capital Improvements Design and Construction Management, Stormwater Drainage Design, Stormwater Utility Rate Study, Water and Sewer Needs Analysis, and Urban Design Plans within the CRA.

The CRA's annual budget includes a contingency reserve of approximately $2.017 million.

The Tax Increment Financing Coordinating Committee reviewed the CRA's budget on October 19, 2007 and unanimously recommended it for BCC approval.

Cynthia W. Curry
Senior Advisor to the County Manager

Attachments

cmo03308

MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners

DATE: January 10, 2008

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

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

Please note any items checked.

_____ **"4-Day Rule" ("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**

_____ **Bid waiver requiring County Manager's written recommendation**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **Housekeeping item (no policy decision required)**

_____ **No committee review**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(L)(1)(D)
01-10-08

RESOLUTION NO. **R-27-08**

RESOLUTION APPROVING THE BUDGET FOR FISCAL YEAR 2007-08 FOR THE NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY

WHEREAS, the Interlocal Cooperation Agreement between Miami-Dade County, Florida (the "County"), the city of North Miami Beach (the "City"), and the North Miami Beach Community Redevelopment Agency (the "Agency") requires that the City and Agency transmit its adopted annual budget to the Board of County Commissioners of Miami-Dade County, Florida (the "Board") for approval; and

WHEREAS, this Board desires to approve the Agency's adopted annual budget for Fiscal Year 2007-08 for the North Miami Beach Community Redevelopment Area in the form attached hereto as Exhibit I and incorporated herein by reference; and

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

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

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

Section 2. This Board approves the Agency's annual adopted budget for Fiscal Year 2007-08 related to the North Miami Beach Community Redevelopment Area in the form attached hereto as Exhibit I.

c/

The foregoing resolution was offered by Commissioner **Jose "Pepe" Diaz**, who moved its adoption. The motion was seconded by Commissioner **Sally A. Heyman** and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman **aye**
Barbara J. Jordan, Vice-Chairwoman **aye**

Jose "Pepe" Diaz	**aye**	Audrey M. Edmonson	**aye**
Carlos A. Gimenez	**aye**	Sally A. Heyman	**aye**
Joe A. Martinez	**aye**	Dennis C. Moss	**aye**
Dorrin D. Rolle	**aye**	Natacha Seijas	**aye**
Katy Sorenson	**aye**	Rebeca Sosa	**aye**
Sen. Javier D. Souto	**absent**		

The Chairperson thereupon declared the resolution duly passed and adopted this 10th day of January, 2008. 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 **Kay Sullivan**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Shannon D. Summerset

EXHIBIT I

City of North Miami Beach
Community Redevelopment Agency
FY 2007 - 2008 Proposed Budget
Prepared (6/22/2007) Revised (10/16/2007)

(FY 07-08 begins October 1, 2007)

Revenues	FY 05-06 Budget Adopted	FY 05-06 Budget Actual	FY 06-07 Budget Adopted	FY 06-07 Budget Projection	FY 07-08 Budget Proposed
City Tax Increment Revenue	253,000	252,886	768,751	768,751	1,145,072
County Tax Increment Revenue	198,000	196,863	574,977	574,977	755,920
Carryover from prior year (cash & equiv.)	-	-	59,111	59,111	693,031
Loan Proceeds			8,000,000	1,210,569	6,789,431
Transfers in from others					
Interest earnings	-	13,115	-	20,700	22,000
Revenue Total	**451,000**	**462,864**	**9,402,839**	**2,634,108**	**9,405,454**
Expenditures					
Administrative Expenditures:					
Employee salary and fringe	61,700	61,700	48,418	49,187	93,892
Contractual services			69,325	69,325	72,791
Insurance					
Audits and studies	2,000	0	7,000	7,000	7,000
Printing and publishing					
Marketing					
Advertising and notices	3,000	1,000	3,000	1,633	3,500
Travel	3,000	3,000	5,000	4,881	6,000
Rent/lease costs					
Office equipment and furniture				902	
Other Admin. Exps (attach list)			3,000	5,153	5,000
(A) Subtotal Admin Expenses, %	**69,700**	**65,700**	**135,743**	**138,081**	**188,183**
Reimbursement of City Advances	8,600	8,600	17,200	17,200	60,200
County Administrative Charge at 1.5%	2,970	2,953	8,625	8,625	11,339
(B) Subtot Adm Exp	**81,270**	**77,253**	**161,568**	**163,906**	**259,722**
Operating Expenditures:					
Employee salary and fringe	90,500	90,500	107,132	118,155	284,794
Contractual services	207,000	207,000	260,000	284,838	275,000
Insurance					
Audits and studies			-		
Printing and publishing	7,000	3,000	7,000	5,769	8,000
Marketing	2,500	2,500	10,000	7,894	25,000
Special events	2,500	2,500	18,000	60,746	50,000
Legal services/court costs	8,000	8,000	10,000	17,037	15,000
Land/building acquisitions			5,000,000	13,883	5,000,000
Infrastructure improvements	50,000	13,000	3,050,000	1,196,686	1,087,241
Hanford Blvd Maintenance			50,000	42,425	50,000
Debt service payments (property)			270,750	13,833	175,000
Debt service payments (capital imp.)			110,475	8,330	150,000
Redevelopment loans issued out					
Transfers out to others (attach list)					
Other Oper. Expenses (attach list)			-	7,575	8,500
(C) Subtotal Oper. Expenses	**367,500**	**326,500**	**8,893,357**	**1,777,171**	**7,128,535**
(D) Reserve/Contingency	**2,230**	**59,111**	**336,033**	**693,031**	**2,017,197**
Expenditure Total (B+C+D)	**451,000**	**462,864**	**9,390,958**	**2,634,108**	**9,405,454**
Cash Position (Rev-Exp)	-	59,111	-	693,031	2,017,197

Projects:	FY 05-06 Proposed Expenditures	FY 05-06 Actual Expenditures	FY 06-07 Proposed Expenditures	FY 06-07 Projected Expenditures	
Property Acquisition			5,000,000	0	5,000,000
Street/Sewer/Stormsewer Reconstruction			3,000,000	1,196,686	921,702
WI-FI Installation			50,000	0	0
Amphitheater Awning Replacement				0	165,539
Additional projects - attach list					
Total project dollars:	-	-	8,050,000	1,196,686	6,087,241

10-16-07

CITY OF NORTH MIAMI BEACH

COMMUNITY REDEVELOPMENT AGENCY

FY 2007-2008 BUDGET NARRATIVE

Introduction

FY 2007 was the second year of operation for the North Miami Beach Community Redevelopment Agency (NMBCRA). The Agency's activities in FY 2007 were focused on organizational matters and public infrastructure planning and construction. The total FY 2007 budget for the NMBCRA was $9,390,958 (including $8,000,000 in borrowed funds of which approximately $1.2 million has been drawn for infrastructure improvements with the balance of $6,789,431 million available for FY 08).

Tax increment revenue in FY 2007-2008 for the NMBCRA will total $1,900,992, an increase of $557,264 in spite of required property tax reductions. This revenue is based upon the July 1, 2007 assessment. Total tax increment income is higher due to new projects adding to the total assessed value of the district this year. The budget also includes a carryover from FY 2007 of an estimated $681,000 in cash and $6.8 million in funds borrowed but not yet drawn down. Major expenditures for FY 2007-2008 include $1.08 million for infrastructure improvements, $5.0 million for land acquisition, $275,000 for city and consultant services, $50,000 for maintenance of Hanford Boulevard and debt service payments for loans acquired last fiscal year.

Administrative expenses in FY 08 represent 2.7 percent of total expenditures and 13.4 percent of tax increment revenue.

The Agency <u>may</u> seek one additional credit facility (bank loan) totaling $2 million to provide funding for street and utility reconstruction and property acquisition. This borrowing will require approval from the CRA Board, City Council and the Board of County Commissioners. Given the recent Florida Supreme Court decision, additional borrowing is uncertain at best.

The NMBCRA Board also has approved a development incentive program through a policy resolution. However, the program is structured such that no incentive will be paid until after a project has been properly constructed and on the tax roll. As a result, no incentive payments are scheduled in the FY 2008 budget.

A detailed description of the Agency's FY 2008 revenues and expenditures is presented below.

NMBCRA FY 2008 Revenues

The sources of revenue for FY 2008 include tax increment revenue payments from the City of North Miami Beach and Miami-Dade County, a carryover of an estimated $693,031 cash and unexpended loans of $6,789,431. The CRA also expects to receive approximately $22,000 in interest income from funds on deposit throughout the fiscal year.

Tax Increment Revenue Payments

	County	City
2007 Taxable Value (preliminary)	$415,612,698	$415,804,239
2004 Taxable Value (base year)	$235,289,177	$235,647,509
Tax increment value	$180,323,521	$180,156,730
County payment @ 4.5796 mills (95%)	$ 755,920	
City payment @ 6.6905 mills (95%)	$ 1,145,072	
Total Tax Increment Revenue	$ 1,900,992	

NMBCRA FY 2008 Expenses

Administrative Expenses

1. Employee Salary and Fringe ($93,892)

The NMBCRA has no employees. City personnel serve as the staff of the NMBCRA. The *administrative* salary and fringe costs charged to the CRA will be as follows:

30% of Redevelopment Director	$158,282 x .30 = $47,484.60
30% of Marketing Director (new position)	$127,447 x .30 = $38,234.10
10% of Assistant to the City Manager (clerical)	$ 81,730 x .10 = $ 8,173.00
	$93,891.70

Note: The *operating* salary and fringe costs (70%) are listed in the "Operating Expenses" section below.

2. Contractual Services ($72,791)

On July 5, 2005, the North Miami Beach City Council and NMBCRA Board approved an Interagency Services Agreement, in which the parties acknowledged that the CRA would need certain support services. The most immediate needs are for the services of the City Attorney, City Clerk, Purchasing Manager and a Finance Department Accountant. The City and the CRA agreed that the City would provide those services, and that the CRA would make payments to the

City's General Fund as compensation. For FY 2008, that amount is $72,791. *A more detailed explanation is attached.*

3. Annual Audit ($7,000)

The CRA is audited as a part of the City of North Miami Beach's annual audit (CAFR) and, as with all funds, pays its pro-rata share of the cost of the audit. *The auditor's quote for this service is attached.*

4. Advertising and Notices ($3,500)

Legal notices (if needed) as required by law.

5. Travel ($6,000)

This category includes educational and business events (ULI, ICSC, Chamber) (tuition, fees) as well as out of town travel for conferences and client meetings.

6. Other Administrative Expenses ($5,000)

Miscellaneous overhead expenses include FedEx, courier, professional organization membership dues, subscriptions to publications and office supplies. Of this amount, professional memberships are approximately $3,000, subscriptions and publications $500 and office supplies $1,200. Courier costs represent the remaining $300.

7. Reimbursement of City Advances ($60,200)

In FY 2004 and FY 2005, the City incurred expenses totaling $166,300 in contractual services in the preparation and adoption of the Finding of Necessity and the Community Redevelopment Plan that were required to create the CRA.

Finding of Necessity

SDI, Inc. (consultant)	$20,000
Legal Description (survey co.)	$ 3,300
25% Economic Dev. Coor.	$22,000
25% Urban Analyst	$13,000
Total	$58,300

Redevelopment Plan

SDI, Inc. (consultant)	$50,000
25% Economic Dev. Coor.	$22,000
33% Urban Analyst	$17,000
20% Deputy City Manager	$19,000
Total	$108,000

Even though the entire $166,300 is eligible by Florida statute for reimbursement from the NMBCRA to the City, the City Council agreed to waive reimbursement of approximately 48% of the amount. Therefore, the NMBCRA is only required to reimburse a total of $86,000 of the advances made by the City. The payments are to be spread over four years, as shown below, but adequate tax increment revenues allow the remaining debt to be paid in full in FY 08.

FY 2006	10%	$ 8,600
FY 2007	20%	$17,200
FY 2008	**30%**	**$25,800**
FY 2009	**40%**	**$34,400**
		$86,000

The NMBCRA FY 2008 budget includes the third and fourth scheduled payments totaling $60,200. This line item will therefore not appear in future year budgets.

8. County Administrative Charge ($11,339)

Required County fee @ 1.5% of County's tax increment contribution.

Operating Expenses

1. Employee Salary and Fringe ($284,794)

The NMBCRA has no employees. City personnel serve as the staff of the NMBCRA. The *operating* personnel costs charged to the CRA will be as follows:

70% of Redevelopment Director	$158,282 x .70 = $110,797.40
70% of Marketing Director	$127,447 x .70 = $ 89,212.90
100% of full-time Code Enforcement Officer	$ 84,784.00
	$284,794.30

Note: The *administrative* salary and fringe costs (30%) are listed in the "Administrative Expenses" section above.

2. Contractual Services ($275,000)

Funding for consultant services as the need arises, including anticipated expenses as follows:

Capital Improvements Design and Construction Management - $60,000
Stormwater Drainage Design (consultant) - $50,000
Stormwater Utility Rate Study (consultant) - $34,000
Water and Sewer Needs Analysis (consultant) - $35,000
Urban Design Plans (consultant) - $24,000

Market Analysis, Appraisals and Real Estate Services (consultants) - $ 18,000
Design of Entry Features, Public Signs (in-house) - $ 0
Design of Miami Drive Linear Park (consultant) - $22,000
Fabrication of "Wayfinding" signage for CRA district - $ 17,000

Also included is the funding of $15,000 for police bike patrol of district.

3. Printing and Publishing ($8,000)

Cost of producing annual reports and other documents for public information and developer recruitment.

4. Marketing ($25,000)

Promoting the redevelopment area through advertising, events, promotions, etc. A full-time marketing manager is included in the FY 08 budget.

5. Special Events ($50,000)

Sponsorship of three multi-cultural events and three community events at the Senator Gwen Margolis Amphitheater and surroundings. Halloween Celebration, Snowfest Holiday Celebration, Easter Sunday Fun Day, Caribbean Tourism Festival, Thanksgiving Weekend Celebration, 2008 Heritage Days Festival.

6. Legal Services/ Court Costs ($15,000)

Outside (non-City) legal assistance for development agreements and any unforeseen legal issues.

7. Land Acquisition for Redevelopment ($5,000,000)

The assembly of an adequate size redevelopment site to attract private development. Includes $4,986,117 of loan proceeds not drawn down in FY 07. The specific properties to be purchased cannot be known in advance, nor the timing of those purchases.

8. Infrastructure Improvements ($1,087,241)

Capital projects including street, lighting, drainage, sewer improvements. *A detailed description of these projects is attached.*

9. Hanford Boulevard Maintenance ($50,000)

Hanford Boulevard (NE 164 Street) has been reconstructed by the City to serve as the "Main Street" centerpiece of Fulford City Center, which is located in the CRA district. Now complete, Hanford Boulevard will serve as one of the CRA's most important assets in promoting the CRA district. The CRA is budgeting $50,000 for above-ground maintenance by City staff for this key, one-mile long street. Included is the maintenance of pole-mounted banners.

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10. Debt Service ($325,000)

The repayment of borrowed funds drawn down in 2007 and those anticipated in 2008. One loan is tax-exempt, the other taxable. A more detailed payment or amortization schedule cannot be provided since the timing of draw-downs cannot be determined in advance with any accuracy. Also, payments are interest-only in the early years so no preset principal payment yet exists.

11. Other Operating Expenses ($8,500)

An annual lease of FEC Railroad right of way for beautification.

12. Reserve/Contingency ($2,017,197)

Unappropriated funds available for projects and programs not yet identified. For contingency purposes and for use in FY 09.

FINANCIAL REPORT
CRA PROJECTS

10/16/2007

FY 07	
1. Fulford City Center - Phase IV A	
Construction- NE 17 Ave	$779,095.94
Permit fees	$17,155.00
Relocation of the overhead telephone lines & undergrounding (NE 17 Ave)	$10,434.73
Installation of the decorative street lighting (NE 17 Ave)	$170,000.00
Relocation of the overhead power lines & undergrounding (NE 17 Ave)	$100,000.00
Construction administration, management & misc	$120,000.00
TOTAL	**$1,196,685.67**
FY 08	
1. NE 18 Ave Drainage / Sky Plaza	
Construction administration, management & misc	**$200,000.00**
2. NE 20 Avenue & NE 21 Avenue Sewer Main	
$1.8 million project - $200,000 CRA match of federal funds	$200,000.00
Construction administration, management & misc	$20,000.00
TOTAL	**$220,000.00**

3. Gwen Margolis Amphitheater Awning Replacement	
Design	$16,000.00
Construction (bid)	$132,539.00
Construction administration, management & misc	$17,000.00
TOTAL	**$165,539.00**
4. NE 168 Street Roadway Improvement	
Design	$15,000.00
Construction	$125,000.00
Construction administration, management & misc	$10,000.00
TOTAL	**$150,000.00**
5. NE 164 Street Roadway Roadway Improvement	
Design	$27,210.00
Construction (bid)	$294,491.85
Construction administration, management & misc	$30,000.00
TOTAL	**$351,701.85**
FY 08 Projects Total	**$1,087,241**

COMMUNITY REDEVELOPMENT AGENCY (CRA)
POLICY RESOLUTION NO. 2007-2

A POLICY RESOLUTION OF THE BOARD OF THE NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY APPROVING THE FISCAL YEAR 2008 BUDGET; PROVIDING AN EFFECTIVE DATE.

WHEREAS, on June 7, 2005, the Miami-Dade Board of County Commissioners adopted Resolution R-611-05 approving the Interlocal Cooperation Agreement ("Agreement") among Miami-Dade County ("County"), the City of North Miami Beach ("City"), and the North Miami Beach Community Redevelopment Agency ("Agency"); and

WHEREAS, on July 26, 2005, the Agency adopted Policy Resolution 2005-2 approving the Agreement; and

WHEREAS, on August 16, 2005, the City adopted Resolution R2005-48 approving the Agreement; and

WHEREAS, the Agreement requires that the Agency approve and adopt an annual budget, and transmit its annual budget to the City for approval prior to transmitting said budget to the County for approval; and

WHEREAS, on August 14, 2007, the Board of the North Miami Beach Community Redevelopment Agency approved and adopted a preliminary budget for FY2008 and transmitted said budget to the City Council where it was approved and transmitted to the County.

NOW, THEREFORE,

BE IT RESOLVED by the Board of the North Miami Beach Community Redevelopment Agency:

Section 1. The foregoing recitals are true and correct.

Section 2. The FY2008 Budget for the Agency, attached hereto as "Exhibit A", is hereby approved.

Section 3. The CRA Administrator is hereby directed to submit the Agency's FY2008 Budget to the City for approval.

Section 4. This resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED by the Board of the North Miami Beach Community Redevelopment Agency at the special meeting assembled this **16th day of October, 2007.**

RAYMOND F. MARIN
Chairman

HOWARD B. LENARD
CRA Board Attorney

ATTEST:

SOLOMON ODENZ
Board Clerk