OFFICIAL FILE COPY
CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

MEMORANDUM

Agenda Item No. 11(A)(3)

TO: Honorable Chairman Dennis C. Moss and Members, Board of County Commissioners

DATE: January 21, 2010

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

SUBJECT: Resolution establishing use of available convention development tax revenues to make debt service payments on bonds and loans related to Performing Arts Center

Resolution No. R-52-10

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Bruno A. Barreiro.

R. A. Cuevas, Jr.
County Attorney

RAC/up

MEMORANDUM
(Revised)

TO: Honorable Chairman Dennis C. Moss and Members, Board of County Commissioners

DATE: January 21, 2010

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

SUBJECT: Agenda Item No. 11(A)(3)

Please note any items checked.

_____ **"3-Day Rule" for committees applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

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

_____ **No committee review**

_____ **Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous _____) to approve**

_____ **Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 11(A)(3)
1-21-10

RESOLUTION NO. **R-52-10**

RESOLUTION ESTABLISHING USE OF LEGALLY AVAILABLE CONVENTION DEVELOPMENT TAX REVENUES REMAINING AFTER APPLICATION OF OMNI CRA TAX INCREMENT REVENUES ANNUALLY REMITTED TO THE COUNTY TO MAKE DEBT SERVICE PAYMENTS ON BONDS AND LOANS RELATED TO PERFORMING ARTS CENTER

WHEREAS, in connection with the issuance by Miami-Dade County (the" County") of special obligation bonds pursuant to Ordinance No. 96-85 (the "Senior Bonds") secured by two-thirds of the convention development tax (the "CDT") and of subordinate special obligation bonds pursuant to Ordinance No. 97-210 secured by all CDT receipts (the "Subordinate Bonds"), this Board has previously approved, and the County has entered into, a number of agreements and made several commitments in which the County remits funds annually from the CDT to the City of Miami Beach and to the City of Miami and funds the Miami Arena Operating Subsidy, the Performing Arts Center (the "PAC") Subsidy and the cultural affair's grants (collectively, the "Prior Obligations"); and

WHEREAS, the County previously entered into the First Amendment to the Interlocal Cooperation Agreement dated June 24, 1996 (the "First Amendment") by and among the County, the City of Miami, and the Omni Community Redevelopment Agency (the "CRA") in which the CRA agreed to annually remit at least thirty-five (35) percent of its tax increment revenue (the "Omni CRA Revenues") to the County to be used to pay debt service on those Senior Bonds, Subordinate Bonds, the Sunshine State Loan and any other loans related to the construction of the PAC (the "PAC Debt Service"); and

WHEREAS, this Board desires to express its intent as to how it will allocate annually the CDT revenues that had been previously utilized to pay PAC Debt Service and are now available after all Prior Obligations have been satisfied (the "Legally Available CDT") due to the Omni CRA Revenues; and

WHEREAS, this Board desires to support the on-going maintenance and operations of the PAC now known as the Adrienne Arsht Performing Arts Center, including the establishment of programs and endowments; and

WHEREAS, this Board desires to affirm its financial support in the amount of $27,000,000 for the development, construction and design of a new expanded campus for the New World Symphony,

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. The Omni CRA Revenues remitted by the CRA to the County in accordance with the First Amendment shall be used solely to pay PAC Debt Service.

Section 3. Legally Available CDT, including amounts available after payment of the PAC Debt Service from the Omni CRA Revenues, shall be used for (i) PAC education and outreach programs; (ii) PAC maintenance and operating reserves; (iii) the establishment of a public sector PAC endowment; and (iv) PAC general operating costs if such costs exceed the PAC Operating Subsidy; and (v) the development of the New World Symphony facility, all subject to annual appropriation by the Board pursuant to its adoption of the County budget ordinances.

The Prime Sponsor of the foregoing resolution is Commissioner Bruno A. Barreiro. It was offered by Commissioner **Bruno A. Barreiro**, who moved its adoption. The motion was seconded by Commissioner **Dorrin D. Rolle** and upon being put to a vote, the vote was as follows:

Dennis C. Moss, Chairman **aye**
Jose "Pepe" Diaz, Vice-Chairman **absent**

Bruno A. Barreiro	**aye**	Audrey M. Edmonson	**absent**
Carlos A. Gimenez	**aye**	Sally A. Heyman	**aye**
Barbara J. Jordan	**aye**	Joe A. Martinez	**nay**
Dorrin D. Rolle	**aye**	Natacha Seijas	**aye**
Katy Sorenson	**aye**	Rebeca Sosa	**aye**
Sen. Javier D. Souto	**absent**		

The Chairman thereupon declared the resolution duly passed and adopted this 21st day of January, 2010. 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: **DIANE COLLINS**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Gerald T. Heffernan

Memorandum

MIAMI-DADE COUNTY

Date: January 21, 2010

To: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Support to the Performing Arts Center and New World Symphony

---

In December of 2007, the Board of County Commissioners, the City of Miami, and the Omni CRA adopted the First Amendment to the Interlocal Cooperation Agreement dated June 24, 1996 by and among Miami-Dade County, the City of Miami and the Community Redevelopment Agency for the Omni District (Omni CRA). This Amendment increased the contribution from the Omni CRA to support the PAC from $1.43 million as adopted in Resolution 1372-07, per year to 35 percent of the total increment on an annual basis. When the initial interlocal agreement was established, the $1.43 million contribution equated to more than 70 percent of the annual incremental revenue of the Omni CRA. Because of the tremendous increase in the annual incremental revenues generated in the Omni CRA, due significantly to this catalytic project, the annual contribution had fallen to only 9 percent of the tax increment and would have continued to steadily decline each year in the future. The increase to 35 percent – which is nearly the entire portion of the increment associated with the countywide millage rate – is appropriate to support the debt service payments for the PAC, which has created in excess of $1 billion of taxable value and will certainly sustain the property values in the Omni Redevelopment District. This incremental revenue frees up funding previously allocated to pay PAC debt service and allows this funding to support PAC operations and a publicly funded endowment. The FY 2009-10 Adopted Budget includes the allocation of the CDT revenue for this purpose.

On May 21, 2008, the Board adopted resolution R-528-08 which directed the Mayor to negotiate a grant agreement by and between the County and the NWS to fund the development, construction and design of a new expanded campus for the NWS in the amount of $27 million to be funded in annual increments from legally available convention development tax funds until paid in full. We have worked continually with representatives from the New World Symphony to move forward on such an agreement, although it took longer than initially anticipated, due to the economic downturn which has significantly limited the Convention Development Tax revenues anticipated to be available on an annual basis.

At this time, it is recommended that the CDT revenues that had been allocated to make the PAC debt service payments, that will now be supported by the increased OMNI CRA contribution, be used to support the development of the NWS facility, PAC education and outreach programs, PAC maintenance and operating reserves, a PAC endowment program, and other PAC general operating costs. These contributions will be made above the amounts already committed to by the County for PAC facility costs.

The NWS will utilize the $27 million of Miami-Dade County funding to complete the revenue needed to construct a new, Frank Gehry-designed, 106,350 square foot facility on Miami Beach that incorporates cutting-edge technology for education and performances. The facility is located on a portion of the two block area bounded by Washington Avenue, Lincoln Lane,

Pennsylvania Avenue, and 17th Street. The state-of-the-art complex will feature unique rehearsal, educational, webcasting, recording, and performance spaces that support world-class artistic programming of this resident company of the PAC.

The entire development will include the NWS new campus, a parking garage and a city park, all designed by Frank Gehry. The primary façade of the NWS facility will face the park and include a large projection surface and park speaker system. NWS concerts as well as artistic and educational projection content from other locations will be featured on the projection surface. The City of Miami Beach has committed an additional $15.21 million toward construction of the garage. They have also committed $20 million to the design and construction of the park. They will own and operate both the park and the garage. An agreement has been negotiated with the NWS that requires that these funds be allocated on a reimbursement basis, with the condition that the NWS provide satisfactory documentation that substantiates capital expenses and accounts for progress with the design and construction of the facility. This agreement will be brought to the Board for approval as part of a subsequent agenda item.

The separation of the allocation among the NWS and different PAC programs, activities, and reserves will allow for support of the development of the new NWS facility and the financial stability of the PAC facility and operations while maintaining and developing educational and cultural opportunities for the community. It is the intent of these funds to support PAC general operations and programs and any additional funding beyond the obligation to the NWS will be used to support the PAC Endowment.

Attachment 1 details the anticipated allocations of this funding to both the NWS and PAC programs over the span of up to 21 years, to the end of the life of the Omni CRA. These allocations may be adjusted through the budget development process. These allocations are also dependent upon the availability of tourist tax revenues, once senior lien obligations have been met.

Attachment

Jennifer

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

cmo01710

Attachment 1

Anticipated Allocations of CDT Funding For Both the PAC Programs and New World Symphony

	Estimated CDT Revenues released by 35% increment payment	PAC General Operating and Endowment		Maintenance and Operating Reserve		PAC Education and Outreach Programs		New World Symphony	
		Dollars	%	Dollars	%	Dollars	%	Dollars	%
2010	4,497,678	297,678	6.62%	1,000,000	22.23%	1,500,000	33.35%	1,700,000	37.80%
2011	5,084,424	284,424	5.59%	1,000,000	19.67%	1,500,000	29.50%	2,300,000	45.24%
2012	5,419,552	419,552	7.74%	1,000,000	18.45%	2,000,000	36.90%	2,000,000	36.90%
2013	4,780,740	280,740	5.87%	1,000,000	20.92%	1,500,000	31.38%	2,000,000	41.83%
2014	5,130,273	130,273	2.54%	1,000,000	19.49%	2,000,000	38.98%	2,000,000	38.98%
2015	5,493,001	493,001	8.98%	1,000,000	18.20%	2,000,000	36.41%	2,000,000	36.41%
2016	5,870,545	370,545	6.31%	1,500,000	25.55%	2,000,000	34.07%	2,000,000	34.07%
2017	6,266,258	766,258	12.23%	1,500,000	23.94%	2,000,000	31.92%	2,000,000	31.92%
2018	6,679,187	1,179,187	17.65%	1,500,000	22.46%	2,000,000	29.94%	2,000,000	29.94%
2019	7,108,163	1,608,163	22.62%	1,500,000	21.10%	2,000,000	28.14%	2,000,000	28.14%
2020	7,571,629	2,071,629	27.36%	1,500,000	19.81%	2,000,000	26.41%	2,000,000	26.41%
2021	8,057,724	2,557,724	31.74%	1,500,000	18.62%	2,000,000	24.82%	2,000,000	24.82%
2022	8,567,555	3,067,555	35.80%	1,500,000	17.51%	2,000,000	23.34%	2,000,000	23.34%
2023	9,102,200	4,602,200	50.56%	1,500,000	16.48%	2,000,000	21.97%	1,000,000	10.99%
2024	9,662,956	6,162,956	63.78%	1,500,000	15.52%	2,000,000	20.70%	-	0.00%
2025	10,251,005	6,751,005	65.86%	1,500,000	14.63%	2,000,000	19.51%	-	0.00%
2026	10,867,776	7,367,776	67.79%	1,500,000	13.80%	2,000,000	18.40%	-	0.00%
2027	11,514,569	8,014,569	69.60%	1,500,000	13.03%	2,000,000	17.37%	-	0.00%
2028	12,184,577	8,684,577	71.28%	1,500,000	12.31%	2,000,000	16.41%	-	0.00%
2029	12,886,745	9,386,745	72.84%	1,500,000	11.64%	2,000,000	15.52%	-	0.00%
2030	13,622,618	10,122,618	74.31%	1,500,000	11.01%	2,000,000	14.68%	-	0.00%