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

MEMORANDUM Agenda Item No. 8(G)(1)

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

DATE: January 24, 2012

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

SUBJECT: Resolution approving the budget for Fiscal Year 2011-12 for the Naranja Lakes Community Redevelopment Agency

Resolution No. R-29-12

The accompanying resolution was prepared by the Office of Management and Budget and placed on the agenda at the request of Prime Sponsor Commissioner Lynda Bell.

R. A. Cuevas, Jr.
County Attorney

RAC/cp

Memorandum

MIAMI-DADE COUNTY

Date: January 24, 2012

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

From: Carlos A. Gimenez
Mayor

Subject: FY 2011-12 Budget for the Naranja Lakes Community Redevelopment Agency

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Recommendation

It is recommended that the Board of County Commissioners (BCC) adopt the attached resolution approving the Naranja Lakes Community Redevelopment Agency's (CRA's) FY 2011-12 budget for the Naranja Lakes Community Redevelopment Area (Area). The CRA's budget includes revenues and expenditures in the amount of $3,628,160. The BCC must approve the CRA budget prior to the CRA expending any funding in the Trust Fund, as required by Section III D of the Interlocal Agreement.

Scope of Agenda Item

This resolution provides for the appropriation of tax increment financing (TIF) derived from the Area. The Area lies within Commission Districts 8 and 9.

Fiscal Impact / Funding Source

The CRA's revenue source is TIF, which is generated through the incremental growth of ad valorem revenues beyond an established base year, as defined in Section 163.387 of the Florida State Statutes. Countywide TIF into the CRA's Trust Fund for FY 2011-12 is $517,599 and the Unincorporated Municipal Service Area (UMSA) TIF payment into the Trust Fund is $216,700.

The County will continue to make payments to the CRA, based on each year's growth of ad valorem revenues over the base year through 2033 when the CRA will sunset.

Track Record / Monitor

This resolution does not provide for contracting with any specific entity. The resolution approves the CRA's FY 2011-12 Budget of $3,628,160.

Background

On May 6, 2003, the BCC approved the establishment of the CRA when it adopted the CRA's Redevelopment Plan (Plan) pursuant to Resolution R-418-03 and the funding of the Plan when it enacted Ordinance No. 03-106 (Trust Fund). An Interlocal Agreement between Miami-Dade County and the Naranja Lakes CRA was approved by the BCC on July 22, 2003. 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 2011-12 budget of $3,628,160, which was approved by the CRA on August 24, 2011. The budget includes revenue sources of County and UMSA tax increment revenues ($734,299), carryover from prior years ($2,883,361), and interest earnings ($10,500).

Administrative expenditures total $98,000 and represent 13 percent of TIF revenues, excluding the 1.5 percent County Administrative Charge ($11,014), which satisfies the 20 percent cap in administrative

expenditures required by the Interlocal Agreement. Administrative expenses include direct County support ($95,000), advertisement notices ($2,500), and printing and publishing ($500).

Operating expenditures total $2,314,175 and include:

- Construction reserve for Phase II of the Mandarin Lakes development ($1,204,970);
- Projected debt service payments for the two existing Sunshine State loans ($1,511,000);
- Community Policing ($302,500);
- Capital infrastructure improvements in the primary redevelopment project, Mandarin Lakes ($250,000);
- Neighborhood beautification ($70,000);
- legal services ($58,000);
- community building operations and maintenance ($50,000);
- commercial and residential redevelopment grants program ($50,000);
- insurance ($15,000);
- construction consultant services ($5,000);
- marketing ($2,000);
- office supplies ($500); and
- state fees ($175).

As part of the CRA's prior year budget (FY 2010-11), the BCC authorized the CRA to obtain a $7.5 million loan to pay the County for the outstanding balance on two State Sunshine Loans. The CRA issued a Request for Proposals (RFP) but there were no responses. The RFP only produced inquiries from prospective lenders. As a result, the CRA intends to issue a second RFP during the current fiscal year in order to refinance the existing debt and reduce the annual payments.

On January 10, 2011, the BCC adopted R-51-11 approving the Second Amendment to the Naranja Lakes Redevelopment Agreement, allowing the parties time to renegotiate the agreement to include new milestones and other terms. The Naranja Lakes Redevelopment Agreement, which is not to be confused with the Plan, is between the County, CRA, and the developer of Mandarin Lakes and sets the public improvement projects and associated milestones to be funded with TIF. On July 7, 2011, the BCC adopted R-536-11 approving a six month extension to complete the renegotiations. Staff has successfully renegotiated an Amended and Restated Redevelopment Agreement with the developer to reduce the scope of Phase II improvements to include one item (SW 280 Street) at a maximum guaranteed price of $3.192 million. The Amended and Restated Redevelopment Agreement contemplates that the project will only start construction when the value of the property tax roll increases enough to fund the debt service associated with the project. Once the Amended and Restated Redevelopment Agreement is executed by all the parties, it will be presented to the BCC for consideration. The $1,204,970 construction reserve for Phase II of the Mandarin Lakes development is available for Phase II improvements.

The Tax Increment Financing Coordinating Committee reviewed the CRA's budget on October 24, 2011, and unanimously recommended it for BCC approval.

Deputy Mayor

Attachments
Mayor00612

MEMORANDUM

(Revised)

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

DATE: January 24, 2012

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

SUBJECT: Agenda Item No. 8(G)(1)

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. 8(G)(1)
1-24-12

RESOLUTION NO. R-29-12

RESOLUTION APPROVING THE BUDGET FOR FISCAL YEAR 2011-12 FOR THE NARANJA LAKES COMMUNITY REDEVELOPMENT AGENCY

WHEREAS, the Interlocal Cooperation Agreement between Miami-Dade County, Florida (the "County") and the Naranja Lakes Community Redevelopment Agency (the "Agency") requires that the 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 2011-12 for the Naranja Lakes Community Redevelopment Area in the form attached hereto as Exhibit A 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 2011-12 related to the Naranja Lakes Community Redevelopment Area in the form attached hereto as Exhibit A.

The foregoing resolution was offered by Commissioner **Dennis C. Moss**, who moved its adoption. The motion was seconded by Commissioner **Audrey Edmonson** and upon being put to a vote, the vote was as follows:

Joe A. Martinez, Chairman			**nay**
Audrey M. Edmonson, Vice Chairwoman			**aye**
Bruno A. Barreiro	**aye**	Lynda Bell	**aye**
Esteban L. Bovo, Jr.	**aye**	Jose "Pepe" Diaz	**aye**
Sally A. Heyman	**aye**	Barbara J. Jordan	**aye**
Jean Monestime	**aye**	Dennis C. Moss	**aye**
Rebeca Sosa	**aye**	Sen. Javier D. Souto	**aye**
Xavier L. Suarez	**aye**		

The Chairperson thereupon declared the resolution duly passed and adopted this 24th day of January, 2012. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: ***Christopher Agrippa***
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Estephanie Resnick

Exhibit A

Naranja Lakes
Community Redevelopment Agency
FY 2011 - 2012 Proposed Budget

(FY 2011-12 begins October 1, 2011)

	FY 09-10 Adopted Budget	FY 09-10 Actual	FY 10-11 Adopted Budget	FY 10-11 Projected	FY 11-12 Proposed Budget	
Revenues						
UMSA Tax Increment Revenue (TIR)	563,155	563,155	281,487	281,487	216,700	
County Tax Increment Revenue (TIR)	1,362,855	1,362,855	662,681	662,681	517,599	
Carryover from prior year	4,166,648	4,012,062	3,365,867	3,709,335	2,883,361	
Other- OCED Economic Development Grant	-	-		-		
New Bonds Issues (net of Cap interest)	-	-		-		
Interest earnings	54,086	25,290	18,500	18,402	10,500	
Revenue Total	**6,146,744**	**5,963,362**	**4,328,535**	**4,671,905**	**3,628,160**	
Expenditures						
Administrative Expenditures:						
Employee salary and fringe						
Contractual Services (Economic Dev. Coord.)	85,000	79,817	40,000	10,017	-	
Insurance						
Audits and studies	2,500	-	-	-	-	
Printing and publishing	6,000	3,950	1,000	55	500	
Meeting Costs	1,500	175	-	-	-	
Advertising and notices	4,000	1,901	3,000	2,145	2,500	
Travel (includes Educational Seminars)	-	-	-	-	-	
Rent/lease costs	-	-	-	-	-	
Office equipment and furniture	-	-	-	-	-	
CRA Support Staff Office	-	-	-	-	-	
Other Admin. Exps (Direct Cnty Support)	121,967	122,158	132,000	125,571	95,000	
(A) Subtotal Admin Expenses	**220,967**	**208,002**	**176,000**	**137,788**	**98,000**	**13%**
County Administrative Charge at 1.5%	28,890	28,890	14,163	14,163	11,014	**1.5%**
County Reimbursement of Advances	-	-	-	-	-	
(B) Subtot Adm Exp & County Charge	**249,858**	**236,892**	**190,163**	**151,951**	**109,014**	
Operating Expenditures:						
Memberships and State Fee	1,070	870	175	175	175	
Contractual services (Construction Consultant)	96,000	41,185	20,000	8,890	5,000	
Insurance	-	12,091	13,000	14,324	15,000	
Economic Development Program (OCED)	-	-	-	-	-	
Project Mgt. Supplies & Copying	1,500	1,047	750	-	500	
Marketing Contingency	5,000	5,000	2,000	2,000	2,000	
Community Policing and Security	315,000	311,479	305,000	302,621	302,500	
Legal services/court costs	65,000	56,956	58,000	49,742	58,000	
Community Center Building	65,000	65,301	47,000	42,449	50,000	
Infrastructure improvements	4,000,000	808,377	838,692	29,288	250,000	
Building construction & improvements	-					
Debt service payments	1,300,000	1,027,142	1,400,000	1,167,104	1,511,000	
Redevelopment grants - Residential	-	-	-	20,000	25,000	
Redevelopment grants - Commercial	20,000	27,771	20,000	-	25,000	
NEAT Teams - Neighborhood Beautification	-	-	-	-	70,000	
Community Improv. Program - American Clean Up	-	1,884	-	-	-	
Land Appraisal / Acquisition	-	1,500	-	-	-	
(C) Subtotal Oper. Expenses	**5,868,570**	**2,360,603**	**2,704,617**	**1,636,593**	**2,314,175**	
(D) Reserve (1)	**28,317**		**1,433,755**		**1,204,970**	
Expenditure Total (B+C+D)	**6,146,744**	**2,597,495**	**4,328,535**	**1,788,544**	**3,628,160**	
Cash Position (Rev-Exp)	-	**3,365,867**	-	**2,883,361**		

Projects:	FY 09-10 Planned Expenditures	FY 09-10 Projected Expenditures	FY 10-11 Proposed Expenditures	FY 10-11 Actual Expenditures	FY 11-12 Proposed Expenditures
Primary Redevelopment Project (Mandarin Lakes)	4,000,000	808,377	838,692	29,288	250,000
Community Policing [Security Studies]	315,000	311,479	305,000	302,621	302,500
NEAT Teams - Neighborhood Beautification	-	-	-	-	70,000
Community Improv. Program - American Clean Up	-	1,884	-	-	-
Economic Development Programs	-	-	-	-	-
Redevelopment grant program - residential	-	-	-	20,000	25,000
Redevelopment grant program - commercial	20,000	27,771	20,000	-	25,000
Additional projects - attach list	-	-	-	-	-
Total project dollars here:	**4,335,000**	**1,149,511**	**1,163,692**	**351,910**	**672,500**

NARANJA LAKES COMMUNITY REDEVELOPMENT AGENCY

Proposed Budget for Fiscal Year 2011–2012

Introduction

The Naranja Lakes Community Redevelopment Agency (CRA) was created by the Board of County Commissioners (BCC) pursuant to Ordinance No. 02-216 enacted on October 22, 2002, creating the CRA, appointing its board members and delegating the power to the CRA to prepare a Redevelopment Plan (Plan), subject to BCC approval, to address slum and blight in the redevelopment area. FY 2010-11 was the CRA's nine year of operation.

The boundaries of the CRA are located in the southern rural area of Miami-Dade County and are described generally as bounded by S.W. 288th Street on the south, S.W. 268th Street and 1st Road on North, S.W. 137th Avenue and Florida Turnpike on the east, and Old Dixie Highway on west, encompassing approximately 1,260 acres. The CRA lies within County Commission Districts 8 and 9. On May 6, 2003, the BCC adopted R-418-03 approving the Naranja Lakes CRA Plan. The Plan includes as its Primary Redevelopment Project (Project) the development of approximately 210 acres, known as the Mandarin Lakes development, that were devastated by Hurricane Andrew in 1992.

The Mandarin Lakes development is the County's first zoned Traditional Neighborhood Development (TND). The CRA, through two $5 million Sunshine State Loans facilitated by the County, has funded certain infrastructure improvements, such as roadways, streetscape, landscape, recreational grounds with gazebos, and a Community Center. Phase I of the Project was completed in Fiscal Year 2011 and as of September 2011, a total of 313 single family homes and 393 town-home units have been built. Mandarin Lakes has spurred residential life and landscape beauty in an area that barely a decade ago was in ruins, reminisce of the most powerful hurricanes in recent history. The Mandarin Lakes project is critical to the creation of meaningful tax increment to address slum and blight in the entire redevelopment area.

Tax Base Growth and Proposed Budget

The goals of the CRA continue to be the expansion of the property values within the CR Area, to provide enhanced safety to the area residents, in the form of Community Policing, and to find opportunities to improve the physical quality of life for the businesses and residents of the Area in accordance with the Plan. Based on the preliminary tax roll received from the Property Appraisers for 2011 the value of the area is $272,760,713, which represents a 3 percent drop from Fiscal Year 2010.

As a result, the County and Unincorporated Municipal Services Area (UMSA) tax increment revenues for fiscal year 2011-12 have decreased 22 percent and 23 percent respectively from the previous year revenues. Overall, however, the CRA's property values have increased approximately 50% since the CRA's inception in 2002. The proposed CRA FY 2011-12 budget is vastly funded with reserves accrued to fund infrastructure improvements for Phase II of the Mandarin Lakes Project.

Adopted Budget for 2011-12

On August 24, 2011, the CRA adopted the FY 2011-12 budget of $3,628,160 based on projections of TIF revenues and cash balances at the end of FY 2010-11 (CRA Resolution No. 2011-01). The CRA requested County Staff forward the adopted budget to the BCC as required by the Interlocal Agreement between the CRA and the County.

Revenues include Countywide and Unincorporated Municipal Service Area (UMSA) TIF payments in the amount of $517,599 and $216,700 respectively, anticipated carryover funds totaling $2,883,361, and projected interest earnings of $10,500.

Administrative Expenses - $109,014

1. Direct County Support ($95,000)

This line item covers expenses incurred by the County's Office of Management and Budget relating to coordinating the day-to-day operations of the CRA, including preparing meeting agendas, overseeing the CRA's Trust Fund, processing invoices and coordinating with County Departments to implement the CRA's initiatives.

2. Printing and Publishing ($500)

Set aside for any printing material the CRA requires for distribution to residents and / or business owners in the area.

3. Advertising and Notices ($2,500)

The CRA will be advertising public notices for Requests for Proposals. As part of approving the CRA's FY 2010-11 budget (R-145-11), the BCC authorized the CRA to obtain a $7.5 million loan to pay the County for the outstanding balance on two State Sunshine Loans. The CRA issued a Request for Proposals (RFP), which only produced inquiries from prospective lenders. Ultimately, there were no responses to the RFP. As a result, the CRA intends to issue a second RFP during the current fiscal

year in order to refinance the existing debt and reduce the yearly debt service payments.

4. County Administrative Charge ($11,014)

The Interlocal Agreement between the CRA and the County requires the CRA to pay the County a 1.5 percent fee of County's tax increment contribution.

Note: Administrative expenditures, excluding the 1.5 percent County Administrative Charge total $98,000 and represent 13 percent of the total tax increment revenues, which satisfies the 20 percent administrative cap required by the Interlocal Agreement.

Operating Expenses - $2,314,175

1. Membership and State Fee ($175)

All CRAs are required by the State of Florida to pay a Special District fee.

2. Contractual Services ($5,000)

Phase I of the Primary Redevelopment Project has been completed. The contractual services line item funds the CRA Construction Consultant, SRS Engineering, this item includes funding as there may be some services needed from the consultant during the year.

3. Insurance ($15,000)

The CRA has a Community Center in Mandarin Lakes. Insurance payments include property, liability and special events insurances.

4. Project Management and Supplies ($500)

This line item pays for meeting materials reproduction expenses and other miscellaneous purchases.

5. Marketing Contingency ($2,000)

The CRA has partnered with Dr. William A. Chapman Elementary School to promote a school and community safety program – Youth Crime Watch. The Program produces a School Drug and Violence Prevention Summit. The CRA contribution assists with the cost of the operation set-up, materials, and flyers advertising the CRA sponsorship.

6. Community Policing and Security ($302,500)

The CRA has a Memorandum of Understanding with the Miami-Dade Police Department (MDPD) to provide dedicated above and beyond daily roving patrols, weekly proactive enforcement sweeps/operations, Residential Empowerment Neighborhood Enforcement Walks (RENEW), community projects and community police interactions. The overall goal of the project is to reduce crime through added proactive enforcement and high visibility in conjunction with community interaction, education, and overall citizen integration through community policing concepts. In Fiscal Year 2010-11 the Community Policing Program provided an average of 380 hours of monthly police services within the boundaries of the CRA.

7. Legal Services ($58,000)

The CRA receives legal representation from Steve Zelkowitz of the law firm Gray Robinson P.A. The CRA Attorney reviews and /or prepares CRA documents, resolutions, contracts, and represents the CRA in numerous meetings with County staff.

8. Community Center Building - Property Maintenance ($50,000)

The CRA engages the services of Innovative Properties Management Services of South Florida, Inc. to provide property management services for the Community Service. This allocation includes lawn, janitorial services as well as utility payments to Florida Power & Light and Miami-Dade County for Water and Sewer and waste collection.

9. Infrastructure Improvements ($250,000)

The CRA has set aside $250,000 for any infrastructure improvements that may commence during this fiscal year. However, any work is contingent upon the approval of the Amended and Restated Redevelopment Agreement adopted by CRA on September 26, 2011. The Amendment has been referred to the County's Tax Increment Financing Committee for review and to the BCC for consideration.

10. Debt Service Payments ($1,511,000)

Financing of the Primary Redevelopment Project was possible by two $5 million dollar Sunshine State loans through Miami-Dade County. The projected payment includes $500,000 principal payments for each loan and projected interest payments.

11. Redevelopment Grants Residential Programs ($25,000)

Through a Memorandum of Understanding the CRA has partnered with *Rebuilding Together* to provide free home rehabilitation services to low-income, elderly, veterans and disabled homeowners. In partnership with the Naranja Lakes Community Action Committee, *Rebuilding Together* has identified a home within the CRA boundaries that will benefit from a rehab project. The CRA contribution covers costs associated with project management, purchase and storage of materials, trash disposal, and volunteer support.

12. Redevelopment Grants Commercial Programs ($25,000)

The CRA will continue to look for opportunities to undertake a commercial grant program. This allocation is set aside for the potential development of opportunities that may arise in the course of the fiscal year.

Reserves - $1,204,970

Before the downfall of the housing market, the CRA benefited from higher tax increment revenues, which allowed the CRA the opportunity to set aside reserves toward Phase II of the Mandarin Lakes Project. While some of those reserves are being used to offset the reduction of TIF revenues during the last two years, the CRA will be able to maintain over a million in reserves.