

MEMORANDUM

Agenda Item No. 8(M)(4)

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

DATE: July 1, 2014

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

SUBJECT: Resolution waiving
Administrative Rules for
Economic Development Fund
Project 124 of Building Better
Communities General Obligation
Bond Program and approving
allocation of \$6,000,000.00 from
Project 124 to Flagler Street
Reconstruction and Economic
Development to fund certain
economic development projects
Resolution No. R-616-14

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



R. A. Cuevas, Jr.
County Attorney

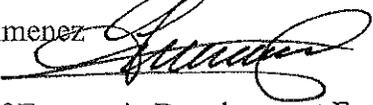
RAC/cp

Memorandum



Date: July 1, 2014

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

From: Carlos A. Gimenez
Mayor 

Subject: Allocation of Economic Development Fund Project 124 to Flagler Street Reconstruction Project

Recommendation

It is recommended that the Board of County Commissioners (Board) adopt the attached resolution allocating \$6,000,000.00 of funding from the Building Better Communities General Obligation Bond Program (BBC GOB), Economic Development Fund Project 124 to the Flagler Street Reconstruction project (Project). The resolution directs the Mayor or Mayor's designee to begin negotiating the terms of a grant agreement that will be presented to the Board for approval at a future date.

Scope

This project is located in District 5, Commissioner Bruno Barreiro's District. While the economic development impacts are expected to accrue primarily to Miami's Downtown area, additional benefits are expected countywide.

Fiscal Impact/Funding Source

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

Track Record/Monitor

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

Background

In November 2004, Miami-Dade County voters approved the issuance of \$352.182 million in general obligation bonds to, among other things, construct and improve bridges, public infrastructure, and neighborhood improvements as part of the BBC GOB Program. A total of \$75 million was allocated towards the Economic Development Fund (EDF) Project 124. The Administrative Rules for the BBC GOB Program that governs the Economic Development Fund were adopted by the Board in Resolution R-668-10 on June 15, 2010.

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

In addition to stimulating private investment and job growth, one of the primary objectives of EDF Project 124 recognized in the Administrative Rules was the strengthening of the economy's capacity for innovation and commercialization of scientific advancements and expanding leadership in local industry clusters such as: Aviation and Aerospace; Financial and Professional Services; Homeland Security and Defense; Information Technology; Life Sciences; and International Trade and Global Commerce. These objectives align with the Beacon Council's One Community One Goal Initiative. The Administrative Rules also recognized that industry clusters were growing or had the potential to emerge in certain strategic areas of the County; namely, the Civic

Center/Medical District; Homestead Air Reserve Base; Opa-Locka Executive Airport; Port of Miami; and Kendall Tamiami Executive Airport.

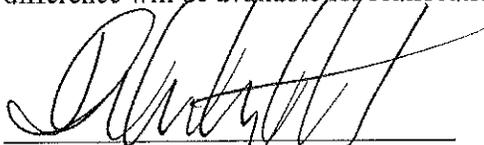
Staff conducted evaluations of submitted projects taking into consideration the requirements and objectives of the Administrative Rules, the language in the BBC GOB bond question approved by the voters in 2004 and the information proposed by the applicant on the BBC GOB application.

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

The City of Miami's Capital Improvement's Department and the Miami Downtown Development Authority (DDA) are working together to reconstruct Flagler Street. The proposed renovations will transform the street into a more pedestrian oriented corridor that acts as a catalyst for economic development and new job creation, significantly benefiting downtown Miami, as well as the broader economy of the County. The corridor extends along Flagler Street from Biscayne Boulevard to NW First Avenue. The proposed reconstruction of Flagler Street is expected to bring additional retail and food service activity along Flagler and adjacent side streets, as well as encourage renovation of office space on floors of existing buildings that are not currently available for rent or are underutilized. Staff estimates that this project will generate approximately 580 new direct jobs within four years after reconstruction is completed, along with an additional 280 jobs from indirect and induced economic effects. The total cost of the reconstruction of Flagler is projected at \$12.6 million.

The Miami Downtown Development Authority seeks financial support from Fund Project 124 for landscaping features that provide sufficient shading, proper drainage, wider sidewalks, road improvements that better accommodate valet parking, and better lighting. The Administrative Rules adopted on June 15, 2010 by the Board in Resolution R-668-10 set a \$10,000,000 minimum grant level for projects seeking funding from Project 124. It is recommended that the Board waive this minimum requirement to allow for the allocation of \$6,000,000 for the Flagler Street Reconstruction project.

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



Jack Osterholt, Deputy Mayor



MEMORANDUM
(Revised)

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

DATE: July 1, 2014

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

SUBJECT: Agenda Item No. 8(M)(4)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(M)(4)
7-1-14

RESOLUTION NO. R-616-14

RESOLUTION WAIVING ADMINISTRATIVE RULES FOR ECONOMIC DEVELOPMENT FUND PROJECT 124 OF BUILDING BETTER COMMUNITIES GENERAL OBLIGATION BOND PROGRAM AND APPROVING ALLOCATION OF \$6,000,000.00 FROM PROJECT 124 TO FLAGLER STREET RECONSTRUCTION AND ECONOMIC DEVELOPMENT TO FUND CERTAIN ECONOMIC DEVELOPMENT PROJECTS

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

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

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

WHEREAS, this Board wishes to approve an allocation of \$6,000,000.00 from Project 124 to Flagler Street Reconstruction and Economic Development as recommended by the Mayor upon certain employment and salary benchmarks being met at different intervals, among

other requirements, as described in the County Mayor's Memorandum which accompanies this Resolution ("Mayor's Memorandum"); and

WHEREAS, the individual Grant Agreement between the County and Flagler Street Reconstruction and Economic Development which incorporates such conditions shall be submitted to the Board for approval in the future; and

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

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

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

Section 2. The requirement in the Administrative Rules that each Project 124 allocation be a minimum of \$10,000,000 is waived and the allocation of \$6,000,000.00 from Project 124 to Flagler Street Reconstruction and Economic Development is approved.

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

	Rebeca Sosa, Chairwoman	aye
	Lynda Bell, Vice Chair	aye
Bruno A. Barreiro	aye	Estéban L. Bovo, Jr. absent
Jose "Pepe" Diaz	aye	Audrey M. Edmonson aye
Sally A. Heyman	aye	Barbara J. Jordan aye
Jean Monestime	aye	Dennis C. Moss aye
Sen. Javier D. Souto	aye	Xavier L. Suarez aye
Juan C. Zapata	aye	

The Chairperson thereupon declared the resolution duly passed and adopted this 1st day of July, 2014. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.



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

HARVEY RUVIN, CLERK

Approved by County Attorney as
to form and legal sufficiency.

JRA for GTH

By: **Christopher Agrippa**
Deputy Clerk

Gerald T. Heffernan

Economic Development Fund
Building Better Communities
General Obligation Bond Program

EDF General Project Overview

Flagler Street Reconstruction & Economic Development Project
Project Title

City of Miami

Name of Business

October 26, 2012

Date Submitted

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

Jack Osterholt, Director
Sustainability, Planning and Economic Enhancement
STEPHEN P. CLARK CENTER, 111 N.W. 1st STREET, SUITE 2200
MIAMI, FLORIDA 33128
Telephone (305) 375-1254 Fax (305) 679-7895
www.miamidade.gov/oedit





1. BUSINESS INFORMATION

- A. Name of Business Unit: City of Miami
- B. Mailing Address: 3500 Pan American Drive
Street Address
Miami FL 33133
City State Zip Code
- C. Primary Contact Person of Parent Company (if applicable):
Johnny Martinez, P.E.
- D. Title: City Manager
 Mailing Address: same as above
Street Address
City State Zip Code
- Telephone: (305) 250-5400 Fax: _____
 Email: johnnymartinez@miamigov.com Website: www.miamigov.com
- E. Federal Employer Identification Number: N/A
- F. Unemployment Compensation Number: N/A
- G. Florida Sales Tax Registration Number: N/A
- H. What is the business's tax year? (ex: Jan 1 to Dec 31): N/A
- I. Is this business an active and duly registered for-profit Florida corporation?
 Yes No If no, please explain: N/A

Indicate ownership status: (Note: Responding to this question is voluntary and not required. The County does not use this information as a factor in determining the award of County funds or contracts.) Check all that apply.

- Minority Owned Business Woman Owned Business Privately Owned Business
 Publicly Owned Business None
N/A

Is this business an active and duly registered not-for-profit 501(C)(3) Florida corporation?

- Yes No

- J. Will the business requesting grant funds own or lease the property where the project will be located?
 Own Lease (Note: Provide a copy of the deed showing ownership or a copy of the lease.) N/A
- K. If the business will own the property, is or will the property be encumbered by any mortgage and if so provide the balance of the mortgage(s).

2. PROJECT OVERVIEW

- A. Which of the following best describes this business¹:
- A roadway reconstruction project to facilitate economic development and revitalization of Flagler Street and the Downtown Miami central business district
-

ECONOMIC DEVELOPMENT, GENERAL PROJECT OVERVIEW



B. How many individuals are employed at all Florida locations? (FTE²)
575 businesses and 7,550 number of jobs are currently located within the project limits, with an estimated potential of 301 new businesses and 3,947 (2025 total) jobs created as a result of the project.

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

D. Project Location Information:

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

Flagler Street in Downtown Miami, from Biscayne Blvd. to NW 1st Avenue
Street Address
Miami FL 33130, 33131, 33132
City State Zip Code

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

same
Street Address
City State Zip Code

(iii) Is the project location within a current or proposed Brownfield site / area?

Yes No If yes, attach a copy of the official document designating the Brownfield area.

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

Yes No If yes, which zone? Central Enterprise Zone, North Central Empowerment Zone

E. Give a full description of this proposed project. (Not to exceed 500 words. Be specific.)

See Exhibit A

F. Explain how this proposed project will spur economic development, attract new businesses to Miami-Dade County and create jobs.

See Exhibit B

G. Provide a complete project line item budget, including estimated cost, sources and uses of funds, a detailed description of project elements, and the portion of the project proposing to utilize Economic Development Fund grants. (EDF grants can only be used for public infrastructure.) See Exhibit C

H. What proportion of gross operating revenues from this project are anticipated to represent sales to customers located outside of Miami-Dade County? (If sales are not a reasonable measure, use another basis for measure and provide explanation below.)

40% Explain, if necessary: Based on estimated visitorspending in the CBD using expenditure patterns from the Greater Miami Convention and Visitors Bureau 2010 Visitor Industry compared to overall spending.

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



3. JOB AND WAGE OVERVIEW

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

Occupation	Avg Wage	Avg Benefits	2011	2012	2013	2014	2015	2016
Prof, Scientist	\$ 75000	\$ 17250	N/A	N/A	N/A	N/A	91	181
Research Tech.	70000	16100					4	8
Senior Mgmt	90000	20700					33	66
Admin. Support	40000	9200					33	65
Production Wrkrs	27000	6210					13	27
Other	35000	8050					17	34

Jobs created, continued *

Occupation	2017	2018	2019	2020	2021	2022	2023	2024	2025
Prof. Scientist	272	362	453	438	832	1002	1269	1659	2221
Research Tech.	11	15	19	20	35	42	53	70	93
Senior Mgmt	99	132	166	177	304	366	464	606	812
Admin. Support	98	130	163	174	299	360	456	596	79
Production Wrkrs	40	53	67	71	122	147	187	244	327
Other	51	68	85	90	156	187	237	310	415

* Jobs created are cumulative estimates based on analysis of comparable streetscape projects and are not guaranteed.

B. What employee benefits are included above? (e.g. health insurance, 401(k) contributions, vacation and sick leave, etc.) Health/dental, retirement, leave, disability, life insurance

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

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

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

Business Unit Activities	NAICS Code	% of Project Revenues (total = 100%)	Annualized Wages Total (\$)
Professional, Scientific	54	31.5 %	\$ 5.2 million
Real Estate	53	11.6 %	\$ 1.4 million
Wholesale trade	42	11.4 %	\$1.3 million

4. CAPITAL INVESTMENT OVERVIEW

A. Describe the capital investment in real and personal property (Examples: construction of new facility; remodeling of facility; upg rading, replacing, or buying new equipment. Do not include the value of land purchased for construction of a new building but include architect, engineering and design costs): See Exhibit C



- B. List the anticipated amount (thousands of dollars) and type of major capital investment to be made by the applicant in connection with this project: (Attach separate schedule if investment will be made over more than five years) See Exhibit C

	Year ____				
Land	\$	\$	\$	\$	\$
New Construction (excl. public infrastructure)	\$	\$	\$	\$	\$
Building Renovations	\$	\$	\$	\$	\$
Manufacturing Equipment	\$	\$	\$	\$	\$
R & D Equipment	\$	\$	\$	\$	\$
Other Equipment (computer equipment, office furniture, etc)	\$	\$	\$	\$	\$
Total Capital Investment	\$	\$	\$	\$	\$

- C. What is the estimated square footage of the new or expanded facility? 2900 linear feet
 D. What is the deadline to make the location decision (date)? already decided
 E. What is the anticipated date that construction will begin? June 2013
 F. What is the anticipated construction completion date? 18-24 months
 (If this project is being built in phases, then provide a commencement and completion date for each phase.)
 G. What is the anticipated date that operations will commence? January 2015
 H. Submit documentation demonstrating financial capacity and financial commitments using other non-County sources to complete the project.

5. PUBLIC INFRASTRUCTURE NEEDS

- A. Describe the type of public infrastructure investment needed. See Exhibit C
 B. What is the total anticipated cost of public infrastructure needed for this project? \$ _____
 C. EDF grants will be disbursed only after the public infrastructure investments are complete and negotiated performance benchmarks are met. Describe the business's capacity to finance the public infrastructure costs.

6. ECONOMIC IMPACT AND CORPORATE RESPONSIBILITY

- A. Provide a brief synopsis of any special economic impacts/benefits the project is expected to stimulate in the community, the County, and the rest of South Florida. Include the impacts on indicators such as unemployment rate, poverty rate, and per capita income, if these have been estimated. See Exhibits A and B
 B. Will business operations being supported with an Economic Development Fund grant establish a plan for maximizing the employment of persons with family incomes less than 80% of the County's median household income, or persons living in Community Development Block Grant eligible Census areas? If yes, explain how that plan will be developed and implemented. See Exhibits A and B
 C. Will the business operations be conducted in LEED certified (or equivalent energy efficiency rating system) buildings? If yes, at what level of certification
 Yes No N/A

ECONOMIC DEVELOPMENT, GENERAL PROJECT OVERVIEW



D. List and explain any criminal or civil fines or penalties or ongoing investigations or debarments that have been performed/imposed upon the company, its executives, its principals or its affiliates and any bankruptcy proceedings (within the past 10 years) of the applicant or its parent company. Do not leave this question blank. If there are no issues to be identified, write "NONE." Failure to disclose this information may result in this application being denied. N/A

E. Is the company current with all its state, local and federal taxes? If no, please explain.

Yes No N/A

F. Provide any additional information you wish considered as part of this review of your request for incentives or items that may provide supplementary background information on your project or company. See attached Exhibits

SIGNATURES

Application Completed By:

[Handwritten Signature]
 Signature

Johnny Martinez, P.E.
 Name

City Manager
 Title

City of Miami
 Company

Address, if different than mailing address

(305) 250-5400
 Phone number

Fax Number

johnnymartinez@miamigov.com
 Email Address

Date

Alice N. Bravo, P.E. *[Handwritten Signature]*
 Name of contact person, if different than above

(305) 416-1091
 Phone Number

444 SW 2nd Avenue, 10th Floor
 Address

Miami, FL 33130
 Address

Address

abravo@miamigov.com

Email Address

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

Signature (Authorized Company Officer) REQUIRED

Name

Title

Company

Address, if different than mailing address

Phone number

Fax Number

Email Address

Date