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APR 30 2007

**MIAMI-DADE BOARD OF COUNTY
COMMISSIONERS**

ORDER OF THE DAY

Monday, April 30, 2007

1:30 P.M. CALL TO ORDER

ROLL CALL

MOMENT OF SILENT MEDITATION

PLEDGE OF ALLEGIANCE

SPECIAL MEETING

RE: PHASE OUT MITIGATION FOR MUNICIPALITIES

1:35 P.M. SPECIAL MEETING

RE: COUNTY'S RESPONSE TO U.S. HUD

ADJOURNMENT



JOE A. MARTINEZ
MIAMI DADE COUNTY COMMISSIONER
DISTRICT 11

Memorandum

To: The Honorable Chairman Bruno Barreiro and
Members of the Board of County Commissioners

From: Commissioner Joe A. Martinez *JAM*

Date: April 27, 2007

Re: Special Board of County Commissioners Meeting

Please be advised that I will not be attending the Special Board of County Commissioners Meeting scheduled for April 30, 2007, at 1:30 P.M. due to a prior commitment. I apologize in advance for any inconvenience that this may cause.

If you should have any questions please call my office at (305) 552-1155.

Thank you.

JM/lg

Cc: Honorable Mayor Carlos Alvarez
George Burgess, County Manager
Murray Greenberg, County Attorney

CLERK OF THE BOARD
2007 APR 27 PM 2:52
CLERK, CIRCUIT & COUNTY COURTS
MIAMI DADE COUNTY, FLA.
#1



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MEMORANDUM
BOARD OF COUNTY COMMISSIONERS
Commissioner Rebeca Sosa
District 6

TO: The Honorable Chairman Bruno A. Barreiro
and Members of the Board of County
Commission

DATE: April 27, 2007

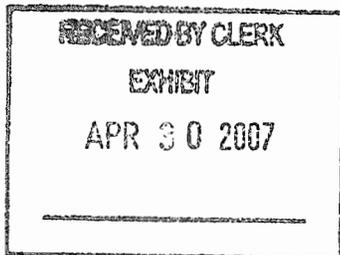
FROM: The Honorable Rebeca Sosa
Commissioner, District 6

SUBJECT: Absence from the Special Board Meetings

Please be advised that I will be absent from the Special Board Meetings scheduled for April 30, 2007, starting at 1:30 PM because I will be in Tallahassee addressing important issues before the State Legislature. I apologize in advance for any inconvenience that this may cause.

Thank you for your attention to this important matter.

Cc: George Burgess, County Manager
Murray Greenberg, County Attorney
Kay Sullivan, Clerk of the Board
Diane Davis, Agenda Coordinator



Mitigation Special BCC Meeting

April 30, 2007



Impacts of Incorporations

- Individual – at a specific point in time, each incorporation has its own separate and distinct impact on the remaining unincorporated area
- Collective – over time, incorporations have a combined impact on the remaining unincorporated area

Non-Revenue Neutral Municipalities

- Three out of the five municipalities that have incorporated since 2000 were non-revenue neutral areas at the time the Board set an election among the registered voters seeking incorporation:
 - Miami Lakes
 - Palmetto Bay
 - Doral

Mitigation Agreements

- As a condition of incorporation, the Town of Miami Lakes agreed to contribute the equivalent of one mill of municipal property tax revenues into the MSTF.
 - The first mitigation contribution on FY 2000-01 was \$1.45 million.
 - The mitigation amount represented 56% of the \$2.6 million estimated impact to the UMSA budget.

Mitigation Agreements

- Like Miami Lakes, the Village of Palmetto Bay agreed to contribute the equivalent of one mill of municipal property tax revenues into the MSTF.
 - The first mitigation contribution on FY 2002-03 was \$1.57 million.
 - The mitigation amount represented 42% of \$3.7 million estimated impact to the UMSA budget.

Mitigation Agreements

- The City of Doral agreed to contribute the equivalent of 1.5 mills of the total taxable value of the Residential Area and for the Commercial, Business, Industrial (CBI) area within its boundaries.
 - The first mitigation contribution on FY 2003-04 was \$7.3 million of which \$2.9 million were for the residential area and \$4.4 million were for the CBI area.
 - The mitigation amount represented 59% of \$12.5 million estimated impact to the UMSA budget.

Mitigation Agreements

- In subsequent years, the mitigation amount payable from the City of Doral has been adjusted by the CPI (not to exceed 3 percent) for the residential area, and by the tax roll growth for the CBI area.

Most Favored Nation Status

- The terms of the mitigation agreement with each of the municipalities include a Most Favored Nations clause stating that if a new donor area incorporates under terms more beneficial to the new municipality, the existing municipality's terms would be replaced by the more beneficial terms.

Mitigation Task Force

- At the direction of the BCC, the Mitigation Adjustment Policy Review Task Force was created in March 2006 to advise the BCC regarding adjustment of mitigation payments made by municipalities as a condition of incorporation.

Mitigation Task Force

- On July 2006, the Task Force presented its final report to the Infrastructure and Land Use Committee (INLUC).
- The Task Force recommended that mitigation payments from Miami Lakes, Palmetto Bay and Doral should cease, based on a conclusion that the incorporations of Miami Lakes, Palmetto Bay, Doral, Miami Gardens and Cutler Bay resulted in a net revenue transfer to UMSA.

Mitigation Task Force

- **Additional Task Force recommendations:**
 - **The negative impacts of future incorporations should be mitigated.**
 - **The standard for establishing mitigation should more appropriately reflect actual impacts to UMSA.**
 - **An expert in governmental fiscal equity issues should be retained by the County to conduct a best practices study related to mitigation.**

Reasons to Continue with Current Mitigation Policy

- Mitigation is a sound policy that effectively mitigates the lost revenue to UMSA from the incorporation of donor areas.
- Each municipality had the opportunity to draw revenue neutral boundaries.
- Mitigation is a pre-agreed condition approved by the MAC and the registered voters of the area at the time of the municipal Charter adoption.
- The conditions identified in the municipal Charters to revisit mitigation have not taken place.

Conditions to Revisit Mitigation

- As noted earlier in this presentation:
 - The UMSA population is not at 500,000 but has continued to grow and it is expected to exceed the current 1,091,421 figures from the 2004 data.
 - The current UMSA per-capita property taxable value is \$54,007 and does not exceed the current County per-capita property taxable value of \$73,926.
 - Only one low tax base area has incorporated since adopting the mitigation policy.

State Legislature

- On Friday, April 27, 2007, the Florida Senate passed House Bill 7167 which states that any municipality formed since January 1, 2000, not to pay any charge, assessment, tax or fee or other consideration as a condition for allowing the citizens of an area to incorporate. The bill now goes to the Governor for consideration.

Policy Adjustments

- At the April 10 meeting of the GOE Committee, a resolution was forwarded with a favorable recommendation to adjust the City of Doral Residential and Commercial, Business, Industrial area mitigation payments to reflect the same methodology used for Miami Lakes and Palmetto Bay (one mill of property tax revenue escalated by CPI).
 - This adjustment can be implemented beginning with FY 2006-07 providing Doral with an approximate relief of \$2.5 million in the mitigation payment.

Policy Adjustments

- Phase Out policies for all municipalities
 - Three year phase out; all municipalities make the same number of total payments
 - Immediate phase out of payments as of 7th payment
 - Phase out of payments over the next three fiscal years

Three Year Phase Out

- Phasing out payments to provide for full payments through six years following the creation of the municipality and then declining payments for the next three years

Payment	Adj	Miami Lakes		Palmetto Bay		Doral	
		FY	Amount	FY	Amount	FY	Amount
6		2005-06	\$1,679,707	2007-08	\$1,668,377	2008-09	\$5,827,430
7	90%	2006-07	\$1,511,736	2008-09	\$1,501,539	2009-10	\$5,244,687
8	66%	2007-08	\$1,108,607	2009-10	\$1,101,129	2010-11	\$3,846,104
9	33%	2008-09	\$554,303	2010-11	\$550,564	2011-12	\$1,923,052
10	0%	2009-10	\$0	2011-12	\$0	2012-13	\$0

Phase out after 7th payment

- Phase out payments requiring each municipality to make a total of seven payments from the inception of the municipality

Fiscal Yr	Adj	Miami Lakes		Palmetto Bay		Doral	
		Payment	Amount	Payment	Amount	Payment	Amount
2006-07		7	\$1,578,000	5	\$1,627,685	4	\$5,546,632
2007-08				6	\$1,668,377	5	\$5,685,298
2008-09				7	\$1,710,087	6	\$5,827,430
2009-10						7	\$5,973,116

Phase Out Over Next Three Fiscal Years

- Phase out payments over the next three fiscal years, as illustrated below

Fiscal Yr	Adj	Miami Lakes		Palmetto Bay		Doral	
		Payment	Amount	Payment	Amount	Payment	Amount
2006-07	100%	7	\$1,721,700	5	\$1,627,685	4	\$5,546,632
2007-08	66%	8	\$1,136,322	6	\$1,074,272	5	\$3,660,777
2008-09	33%	9	\$568,161	7	\$537,136	6	\$1,830,389
2009-10	0%	10	\$0	8	\$0	7	\$0

Things to Avoid

- Policies that would require refunding payments
- Reductions to payments budgeted for FY 2006-07
- Inconsistent treatment of municipalities
- Policies that would limit future application of mitigation

Mitigation Options for Future

- The Board could also adopt a policy to address future incorporation by establishing a ten year mitigation requirement following a non-revenue neutral area incorporation.
- A future non-revenue neutral municipality will be required to pay the full mitigation amount set by the BCC for the first six years and phase-out the remaining four years on a percentage decrease scale of 90, 75, 50 and 25 percent.