

Miami Economic Associates, Inc.

June 29, 2015

Mr. Jack Osterholt
Director
Department of Regulatory and Economic Resources
Miami-Dade County
Miami, Florida

**Re: Proposed CDMP Amendment No. 8
May 2015 Cycle**

Dear Mr. Osterholt:

Miami Economic Associates, Inc. (MEAI) has analyzed the above-captioned application to amend the Miami-Dade County Comprehensive Development Master Plan (CDMP), which was filed on behalf of Neighborhood Planning Company, LLC. The purpose of our analysis was to evaluate whether a need exists to expand the County's Urban Development Boundary (UDB) to include approximately 53.4 net acres of property located on the southeast corner of the intersection of N. Kendall Drive (SW 88th Street) and Krome Avenue (SW 177th Avenue) and to re-designate approximately 43.4 acres from "Agriculture" to "Industrial and Office" and the remainder from "Agriculture" to "Business and Office".

The materials that follow describe the project that would be developed on the subject property if the proposed amendment is adopted and identifies the specific sections of the Land Use Element of the CDMP that MEAI considered in conducting its analysis. We then present a summary of our findings with respect to the proposed amendment.

Project Description

We understand that the subject property, if included within the UDB and re-designated as proposed, would be developed with a mixture of uses not to exceed 850,000 square feet, and likely reflecting the following program:

- 400,000 square feet of office/warehouse space
- 186,000 square feet of office space
- 90,000 square feet of retail space
- A 200-room hotel

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The conceptual plans for the site would also set aside 13.74 acres for community gardens and a farmers' market, a park, wetland preserves and a retention lake.

We further understand that the Applicant is proposing that a covenant be applied to the site that: 1) limits the amount of development on-site to 850,000 square feet; 2) prohibits residential units on the subject property; and 3) prohibits the use, storage, generation or disposal of hazardous materials on-site.

Executive Summary

- The proposed project will facilitate the provision of positive distribution of land use and services to meet the physical, social, cultural and economic needs of the present and future populations in a timely and efficient manner that will maintain or improve the quality of the natural and man-made environment and amenities and preserve Miami-Dade County's unique agricultural lands.
- This application promotes the goals and conclusions of *West End Strategy: A Vision for the Future*, which was recently prepared by the College of Architecture and the Arts at Florida International University (FIU). That document states as one of its principal conclusions that "expanding employment opportunities within the area may be the single most important issue facing the West End.
- At the present time, there is a paucity of land available within the West End on which to develop a new employment center of the type the above-referenced study recommended, particularly ones of significant size.
- MEAI estimated that approximately 2,945 worker-years construction labor will be required to build the proposed project, with the workers involved earning an average of approximately \$52,000 per year according to data compiled by the Florida Department of Economic Development.
- MEAI estimates the the proposed project will accommodate 2,074 permanent workers on a full-time equivalent (FTE) basis once fully completed. We further anticipate, based on data compiled by the Florida Department of Economic Opportunity, that the average permanent employee on-site will earn in the range of \$45,000 to \$55,000 per year, depending on the actual mix of businesses attracted to the project and the occupations of their employees.
- The project will financially cover its infrastructure needs and is projected to be responsible for the payment of impact fees in a total amount of \$6,587,411, including \$5,842,239 for roads, \$464,998 for fire and \$280,174 for police.
- Upon completion, the fully developed project is anticipated to generate \$3,660,376 annually in ad valorem revenues for Miami-Dade County's various funds including \$1,750,000 for its General Fund, \$723,000 for its Unincorporated Municipal Area

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(UMSA) Fund and \$907,000 for its Fire Fund. MEAI believes that these amounts will be more than sufficient to pay for the services the proposed project will require from the County, which will most notably include police and fire services. The excess amounts will be available to help the County underwrite a wide range of County services and activities that the proposed project will not impact directly or require. The proposed project will also generate approximately \$3.0 million annually for the Miami-Dade Public School District.

- From an economic and fiscal standpoint, MEAI strongly believes that Application 8 of the May 2015 Cycle should be adopted

Policy Considerations

The No. 1 Goal of the Land Use Element of the CDMP is to “provide the best possible distribution of land use and services to meet the physical, social, cultural and economic needs of the present and future populations in a timely and efficient manner that will maintain or improve the quality of the natural and man-made environment and amenities and preserve Miami-Dade County’s unique agricultural lands.” Within this context, the CDMP recognizes that expansions of the UDB may be necessary and it sets forth criteria for evaluating requests for expansion in Policies LU-8F, LU-8G and LU-8H. The sections of those policies relevant to Application 8 are as follows:

- **LU-8F.** ...The adequacy of non-residential land supplies shall be determined on the basis of land supplies in subareas of the County appropriate to the type of use, as well as the Countywide supply within the UDB. The adequacy of land supplies for neighborhood and community-oriented uses shall be determined on the basis of localized subarea geography such as Census Tracts, Minor Statistical Areas (MSAs) and combinations thereof. Tiers, Half-Tiers and combinations thereof shall be considered along with Countywide supply when evaluating the adequacy of land supplies for regional commercial and industrial activities.
- **LU-8G.** When considering land areas to add to the UDB, after demonstrating that a need exists, in accordance with the foregoing Polic LU-8F:

(iii) The following areas shall be given priority for inclusion...

- Land within the Planning Analysis Tiers having the earliest projected depletion year; and
- Land within the UEA (urban expansion areas) and contiguous to the UDB; and
- Land within one mile of a planned urban center or extraordinary transit service; and
- Locations having projected surplus service capacity or where necessary facilities and services can be readily expanded.

- **LU-8H.** Applications requesting expansion of UDB shall be in accordance with the foregoing Policies LU-8F and LU-8G, and must meet the following criteria to be considered for approval:
 - f) The proposed development must be demonstrated not to discourage or inhibit infill and redevelopment efforts.
 - h) It must be demonstrated that the proposed development will have a positive net fiscal impact to Miami-Dade County.

Summary of Findings

The materials that follow present the findings of MEAI's analysis in greater detail.

Needs Analysis

- As stated in the introductory paragraph of this letter report, the subject property is located on the southeast corner of the intersection of N. Kendall Drive (SW 88th Street) and Krome Avenue (SW 177th Avenue), which places it in the northwest corner of MSA 6.2. MSA 6.2 is comprised of the area west of Florida's Turnpike and east of Krome Avenue between N. Kendall Drive and Eureka Drive (SW 184th Street). MSA 6.2, together with MSA 6.1, which includes the area west of Florida's Turnpike between N. Kendall Drive and Tamiami Trail (SW 8th Street), comprise the western half-tier of the County's South Central Planning Tier. At the urging of County Commissioner Juan C. Zapata, who represents the area on the Board of County Commissioners, the area has been branded the West End.
- A report entitled *West End Strategy: A Vision for the Future*, which was recently prepared by the College of Architecture and the Arts at Florida International University (FIU), states as one of its principal conclusions that "expanding employment opportunities within the area may be the single most important issue facing the West End. The mismatch between the West End's high number of resident employees (over 105,000) and the low number of jobs within the district means that 78% of the West End's residents leave the West End to work each day. This simple characteristic is a major source of the West End's transportation congestion, long commute times, and congestion on all major routes leading into and out of the area. This situation is highly unsustainable." MEAI also notes that it is inconsistent with the No. 1 Goal of the Land Use Element of the CDMP referenced above.
- The FIU study discussed above suggests several strategies for creating significant work opportunities in the West End, two of which are substantially technology and/or computer based. The third is to support the development and creation of new firms and businesses in high-wage, high skill industries and occupations in the West End. Toward this end, it suggests that efforts should be made to leverage the presence of FIU, the Baptist Kendall campus and Miami Executive Airport in the West End area. Pursuit of this strategy will, of necessity, require space to accommodate the new firms

and businesses and toward that end, the FIU suggests that such facilities be developed on the expanded FIU campus after the Youth Fair relocates and in a new employment center adjacent to the airport would be excellent places for them to locate. With respect to this suggestion, the following points are noted:

- While it is true that the voters approved the concept of expanding FIU onto the property that the Youth Fair currently leases from the University as well as an adjacent County Park, it is unclear when the University will be able to meet the conditions precedent to relocating the Fair, which include finding an adequate site on which to relocate it and underwriting the cost of replacing the facilities that the Fair will vacate when it moves. Efforts to find a suitable site on which to relocate the Youth Fair within the UDB have not yielded any acceptable to the Fair. It is also noted that the Governor recently eliminated an item in the State Budget for the next fiscal year that was intended to assist FIU in relocating the Fair.
- The area surrounding Miami Executive Airport is substantially built-out, with the result that there are no privately-owned, vacant properties on which to develop a new employment center of significant size within a mile of it. Further, redevelopment of properties within a one-mile area of the airport would be extremely difficult to accomplish due the fractured ownership patterns that exist within that area. We would further note that Miami-Dade County Aviation Department has historically proposed that retail development occur on Aviation Department's land on the eastern edge of the Airport itself and to that end, has solicited the interest of the development community to use it in that manner through a formal bid process and is reported to be in negotiations with a specific party.
- The West End on an overall basis, just like the area within a one-mile radius of Miami Executive Airport, is substantially developed. In this regard, data compiled by the Planning Division of the the Department of Regulatory and Economic Resources in February, 2015, showed that the West End has a total of 133 vacant acres of industrial land, all of which is located in MSA 6.2 since the small supply of industrial land in MSA 6.1 has already been depleted. That data further estimated that remaining vacant land would be fully depleted within six years, or by 2021. Accordingly, a plan deficiency exists with respect to industrial land in MSA 6.2 as well as the western half-tier of the South Central Planning Tier and the South Central Planning Tier as whole. MEAI further notes that the South Central Planning Tier is the one in which depletion of the industrial supply of land is projected to occur at the earliest date, which is one of the four criteria that CDMP Policy LU-8G(iii) establishes for prioritizing where an expansion of the UDB should take place when a plan deficiency exists. (Note: While the other three criteria were not a specific focus of MEAI's analysis, we believe that the subject parcel meets the other three criteria set forth in Policy LU-8G(iii) as well.)
- Space to accommodate the type of businesses that the FIU strategy for creating employment in West End seeks to attract to the area could also be accommodated on

land designated for commercial use. Data compiled by the Planning Division of the the Department of Regulatory and Economic Resources in February, 2015, showed that the West End had a total of 218.3 vacant acres of commercial land, which when taken at face value, means that depletion would not occur until after 2030. However, the following points should be noted:

- One of the sites included in the inventory of vacant land is a parcel approximately 38 acres in size located immediately to the east of the subject property. Current plans for that property indicate that its primary use when fully developed would be multi-family residential units with retail uses expected to occupy approximately a quarter of it. As of this date, a portion of the proposed residential units are under construction and application for site plan approval for additional residential units on the remainder has been filed.
- A second site included in the analysis, which is located on the southeast corner of the intersection of N. Kendall Drive and SW 162nd Avenue, is the Kendall Town Center property. To date, development on the site has included the Baptist Kendall Campus, a senior housing facility and a Miami-Dade County transit hub, with the result that only approximately 90 acres of the original 160 acres remain vacant. The existing plans for this property anticipate the primary use of this land will be as the site of a 750,000 square foot retail facility although it should be noted that the development of 350,000 square feet of office space is also envisioned.
- A third site included in the inventory of commercial land is a 42-acre parcel fronting on SW 152nd Street in the vicinity of Metrozoo that is owned by Ram Development. The site remains vacant as its development has been delayed by federal regulators. Moreover, the largest component of the project will potentially consist of 1,200 residential units.
- The remaining 48 acres of vacant commercial land in the inventory is divided among several parcels, which are generally ten or fewer acres in size. MEAI believes that retail uses will be most prevalent on these smaller parcels. This means that the 350,000 square feet of office space proposed for the Kendall Town Center parcel will probably be largest, and possibly the only significant, development to occur on the remaining vacant commercial acreage in the West End that will potentially support the FIU strategy for attracting high-wage, high skilled employment to the area. The space office space developed on the Kendall Town Center site could potential accommodate approximately 1,400 workers, which while a significant number is not sufficient to address what the FIU identified as the single most important issue adversely affecting the sustainability of the West End. MEAI further notes that if the two parcels discussed in the first and third bulleted paragraphs above are removed from the vacant land inventory, all of the land in MSA 6.2 as well as the western half-tier of the South Central Planning Tier that could potentially be used to implement FIU's strategy for the creation of high-wage, high-skilled jobs in the West End would be depleted within the County's 15-year planning horizon.

- MEAI acknowledges that the subject property was not identified in FIU's West End Study as a site for implementing its strategy for job creation, perhaps because it is currently located outside the UDB. However, it should be recognized it is very challenging to accommodate a major new initiative that requires significant amounts of land for its implementation in a substantially developed area. However, it should be recognized that the subject property has significant assets of its own, hence the potential to augment the activity that potential occurs on the Kendall Town Center property. Those assets include the following:
 - Proximity to the Baptist Kendall campus which neither of the the two places the FIU study identified have;
 - A location at the center the West End area; and
 - Good accessibility as a result of it being at the intersection of N. Kendall Drive, a major four lane divided arterial roadway on which traffic to and from the property would counterflow the preponderance of usage, and Krome Avenue that is scheduled to be four-laned by the time any development on-site is completed and upgraded in terms of drainage and safety.
- As discussed above, CDMP Policy LU-8H(f) that an application seeking to expand the UDB must demonstrate that it will not discourage or inhibit infill and redevelopment efforts. Two points should be noted in this regard:
 - At the present time, there are no new redevelopment efforts underway in the West End, which constitutes the western half-tier of the South Central Planning Tier and is, according to CDMP Policy LU-8F, the proper context for evaluating need.
 - Even when all the potential vacant infill sites in the West End are considered, the area still has a serious deficiency of industrial and commercial land.
- MEAI estimated that the proposed project will cost approximately \$340.0 million to construct and fixture and require approximately 2,945 worker-years of construction labor, assuming the average worker earns, consistent with data compiled by the Florida Department of Economic opportunity, approximately \$52,000 per year. We further estimate that when fully completed, the proposed project would accommodate 2,074 employees on a full-time equivalent (FTE) basis. This estimate assumes that the 400,000 square feet of office/warehouse space would be divided equally between the two uses. It further assumes 4 employees per 1,000 square feet for office space, 1 employee per 1,000 square feet of warehouse space, 2 employees per 1,000 square feet of retail space and 0.75 employees per hotel room. Finally, MEAI estimates that at least an equal number of indirect and induced job would be created for each on-site job both during the construction period and on a permanent basis, albeit many of these jobs may not be located in the West End.

Based on a review of data also compiled by the Florida Department of Economic Opportunity, MEAI anticipates that average employee on-site will earn in the range of \$45,000 to \$55,000 per year, depending on the actual mix of businesses attracted to the project and the occupations of their employees. Clearly, development of the property could serve to implement FIU's West End Strategy to improve the area's long-term sustainability while benefiting the economy of Miami-Dade County as a whole.

Fiscal Analysis

As discussed previously, CDMP Policy LU-8H(h) requires that an Applicant seeking to expand the UDB demonstrate the the proposed project will have a positive net fiscal impact on Miami-Dade County. For the purpose of this analysis, MEAI assumes that this language specifically means Miami-Dade County itself and not any other jurisdictions in which the proposed project is located although we will note that in this instance it will, in fact, have a positive net fiscal impact on the Miami-Dade Public School District, the Children's Trust, the South Florida Water Management District and the Florida Inland Navigation District since it will require no services from those jurisdictions while generating ad valorem taxes for each of them on an annual basis. MEAI estimates that the proposed project on the subject property will be particularly beneficial to the Miami-Dade Public School District which will receive nearly \$3.0 million annually in ad valorem taxes when development has been fully completed.

We further assume that the language contained in the above referenced CDMP Policy refers to the various funds of Miami-Dade County, which include the General Fund, the Debt Service Fund, the Unincorporated Municipal Service Area (UMSA) Fund, the Fire Fund and Fire Debt Service Fund and the Library Fund. In this regard, MEAI notes that the two Debt Service Funds pay for financial obligations assumed by the County previously and that development of the subject property will merely allow the County to reduce the amount paid by other property owners to repay the principal and interest associated with those obligations --- clearly a positive fiscal benefit. Development of the subject property will also provide a net fiscal benefit to the Library Fund since it will generate ad valorem taxes for that fund on an annual basis while requiring no direct services from the County's library facilities. Accordingly, the remainder of this analysis will focus on the impact that development of the subject site will have on the County's General Fund, its UMSA Fund and its Fire Fund.

Development of the subject property, like the development of any property, can potentially impact the fiscal condition of the County on a non-recurring basis during the period in which the activities of development are on-going or on recurring basis as development is completed.

Non-recurring Fiscal Impact

- During the course of the development of a new project, various government departments will be called upon to review plans and to perform inspections to determine that the project is being constructed in a manner consistent with the

applicable codes. The County departments involved in these activities charge fees to defray the costs of these activities. The Zoning and Building Departments charge these fees directly while other departments such as the Public Works and the Fire Department receive them indirectly through the Zoning and Building Departments. Accordingly, MEAI does not anticipate that the activities of plan review and construction supervision will place any fiscal burden on the County if the fee schedules were properly formulated. In this regard, a review of the County's current budget indicates that it has done an excellent job generating the user fees required to provide for these services since the Regulatory and Economic Resource Department, which oversees planning, zoning and building, relies on ad valorem taxes collected by the General Fund and the UMMA Fund for less than \$2.2 million, or about 1 percent of its total budget.

- The other way that a new project such as that proposed on the subject property could adversely impact the County fiscally during the period it is being developed would be if it requires infrastructure to be developed at a cost in excess of the impact fees and water and sewer connection fees that it pays. MEAI believes that several points need to be made in this regard, which are as follows:
 - As discussed above, a project, which commenced in February, 2015, is underway to widen Krome Avenue to four lanes and improve it in terms of drainage and safety. As part of that project, improvements are also going to be made to N. Kendall Drive with respect to the alignment of the intersection as well as signage, lighting and signalization. With these improvements as well as others made in conjunction with the development of the adjacent site to the east and the Kendall Town Center Property, it is not anticipated that much, if any, money will need to be spent to improve the roadway system to accommodate the development of the subject property. However, to the extent additional improvements are required, the Applicant, as required by code, will be responsible for the construction of all required roadway improvements and other infrastructure such as the water, sewer and stormwater systems.
 - In addition, the Applicant will pay all applicable impact fees and water and sewer connection fees in accordance with the fee schedules in force at the time the proposed project is permitted. Based on the current fee schedule, it is estimated that impact fees in a total amount of \$6,587,411 will need to be paid, including \$5,842,239 for roads, \$464,998 for fire and \$280,174 for police. Given that the police and fire departments are already providing service to a number of other projects along the south side of N. Kendall Drive between SW 167th Avenue and Krome Avenue right up to the doorstep of the subject property, MEAI believes that the impact fees that will be paid should be sufficient to reimburse those departments for the incremental capital expenditures, if any, associated with also providing services to the subject property.

Recurring Fiscal Impact

- The subject property, when developed, will generate significant amounts of revenue for Miami-Dade County in the form of ad valorem taxes on real and personal property as well as utility taxes and franchise fees, communication taxes and occupational license fees. The table below shows the amount of ad valorem taxes that will be paid on annual basis based on the current rates being charged by the funds enumerated based and assuming an assessed value of \$375.0 million when development of the proposed project is fully completed. The assessed value used in this analysis in turn assumes, based on a review of comparable properties within MSA 6.2, that the land itself would be valued by the County Property Appraiser at \$35.0 million and that improvements would be valued at \$340.0 million. The latter figure is consistent with the estimated hard costs associated with building the proposed structures as well as those that will be incurred installing the requisite tenant improvements and acquiring the furniture, fixture and equipment (FF&E) for the hotel.

Fund	Millage/ \$1,000 Assessed Value	Amount
General Fund	4.6669	\$ 1,750,088
Debt Service Fund	0.4500	\$ 168,750
UMSA Fund	1.9280	\$ 723,000
Fire Fund	2.4207	\$ 907,763
Fire Debt Service Fund	0.0114	\$ 4,275
Library Fund	0.2840	\$ 106,500
Total	9.7610	\$ 3,660,376

Source: Miami-Dade County Property Appraiser; Miami Economic Associates, Inc.

- Based on a review of Miami-Dade County's budget for the current Fiscal Year, MEAI has determined that the County divides its operations into the following categories:
 - Policy Formulation
 - Public Safety
 - Transportation
 - Recreation and Culture
 - Neighborhood and Infrastructure
 - Health and Human Services
 - Economic Development
 - General Government
- Given the size and nature of the project proposed for development on the subject property, MEAI does not believe that it will have any direct meaningful impact on the expenditures the County makes with respect to the following categories of activity:
 - Policy Formulation: Mayor, Board of County Commissioners and County Attorney

- Recreation and Cultural: Cultural Affairs, Libraries, Parks, Recreation and Open Space and Vizcaya
- Health and Human Services: Community Action and Human Services, Homeless Trust and Public Housing and Community Development¹
- General Government: Audit and Management Services, Community Information and Outreach, Commission on Ethics and Public Trust, Elections, Finance, Human Resources, Information Technology, Inspector General, Management and Budget, Office of the Property Appraiser, and Internal Services²

The categories of activity enumerated above in combination account for approximately 27.4 percent of all the funds that will be expended from the General Fund in the current Fiscal Year and 15.5 percent of those that will be expended from UMSA Fund.

- Development of the proposed project on the subject site will also not directly impact portions of the activities included in the expenditure categories of Public Safety, Transportation, Neighborhood and Infrastructure and Economic Development. Illustratively:
 - Public Safety includes Police which provides services that will definitely be needed by the proposed project and Fire that provides services that could be needed by it. The Police Department is funded by monies from both the General Fund and UMSA Fund while the Fire Department, which receives a relatively small allotment of money from the General Fund, is primarily funded by the Fire Fund. However, Public Safety also includes the County's Corrections Department and its court system as well as Juvenile Services and the Offices of the County Clerk and Medical Examiner, none of which will be directly impacted by the development in any meaningful way, if at all.
 - Neighborhood and Infrastructure includes Public Works and Waste Management that undertake activities that could, in fact likely will, be beneficial to the proposed project. It also includes the Water and Sewer Department but it is a proprietary activity that receives no funding from either the General Fund or the UMSA Fund. However, this category of activity also includes the Animal Services which is unlikely to be impacted by the proposed project in any meaningful way, if at all.

¹ Community Action and Human Services includes Head Start/Early Head Start, Elderly and Disability Services, Family and Community Services, Rehabilitative Services Violence Prevention and Intervention Services, Psychological Services for disadvantaged populations, Energy Programs for rehab and low income housing programs, transportation for children and elders to Head Start and elderly programs, and Employment and Training Services for At-risk youths, farm workers and immigrants as well as the associated administration of the preceding.

² Internal Services includes Policy, Legislation and Business Services, Procurement, Fleet Management, Small Business Development, American with Disabilities Act (AD) Coordination, Small Business Development, Facilities and Utility Management, Risk Management, Real Estate Development and Design and Construction Services.

- Economic Development includes the Miami-Dade Economic Advocacy Trust (MDEAT) and the Department of Regulatory and Economic Resources. As discussed previously, the latter is substantially funded by fees and other sources and will only receive about \$2.2 million this Fiscal Year from the General Fund and no funds from the UMSA Fund. However, MDEAT, which strives to reduce economic disparity within the County's Black and Targeted communities, does receive approximately a half a million dollars from the General Fund. The proposed development will not have any direct fiscal impact on MDEAT.
- Transportation includes the Aviation Department, the Port of Miami and the Citizen's Independent Transportation Trust, all of which are funded from sources other than the General Fund or the UMSA Fund. Transportation also includes all facets of Miami-Dade County's public transportation system including Metrorail, Metromover, Metrobus and Paratransit, which provides administrative support for Special Transportation Services (STS). Clearly given the location of the proposed project and the current alignments of the Metrorail and Metromover Systems, it will not impact or benefit in any meaningful way from their operations, which account for approximately 10 percent of the funds the County spends on Transportation.

The activities identified above as being dissociated with the proposed project on the subject site account for 35.4 percent of the expenditures that will be made from the County's General Fund in the current Fiscal Year. Taking the information presented in this and the preceding bullet in combination, MEAI estimates that the proposed project will not impact in any meaningful activities that account for 62.8 percent of the General Fund expenditures and 15 percent of UMSA Fund expenditures.

- Review of the County's budget for the current fiscal year indicates that ad valorem taxes collected by the General Fund account for approximately 80 percent of the total revenue in that fund in the current Fiscal Year. For the purpose of this analysis, it is assumed that the ad valorem revenues in the General Fund proportionally fund all of the expenses underwritten by that fund. On that basis, only 37.2 percent of the \$1.75 million that will be collected in ad valorem taxes from the proposed project on an annual basis when it is fully developed will be paying for activities underwritten by the General Fund that the project will directly impact and/or require. The remaining 62.8 percent will represent a surplus that will be used to finance activities that the proposed project does not directly impact and/or require. In this regard, development of the proposed project will clearly be fiscally beneficial to Miami-Dade County.

Review of the County's budget for the current fiscal year further indicates that ad valorem taxes account for approximately 26 percent of UMSA Fund revenues. Approximately 50 percent of the remainder will be accounted for by utility taxes, communication taxes, franchise fees and business taxes. As stated above, the proposed project and/or its occupants will produce revenue for the UMSA Fund in these forms as well; however, the amount it/they will generate will be dependent on the specific types and sizes of the occupants of the proposed space and their actual

usage of utility and communication services. Accordingly, the amounts cannot be estimated at this time. However, from what is now estimable, it appears that 85 percent of the \$723,000 of the ad valorem taxes paid by the proposed project into the UMSA Fund annually when it is fully developed will be used to underwrite activities that it either directly impacts and/or needs while the remaining 15 percent will be a surplus available to pay for activities that it either does not impact directly and/or does not need. Again, it is clear that the proposed project will be fiscally beneficial to the County.

- As discussed above, the activities of the Police Department are underwritten with monies from by the General Fund and UMSA in amounts approximating \$138.2 million and \$312.3 million respectively. MEAI is also aware that there are activities undertaken by the Police Department, such as patrol services in particular, that are highly desired by the owner of a non-residential project such as that proposed on the subject property. The monies used to underwrite patrol services are provided by the UMSA Fund, which allocates more than 82 percent of all its resource to the Police Department. However, it should be noted that substantial portions of the monies that the Police Department obtains from the UMSA fund are used to underwrite specialized police functions such as aviation, motorcycle and marine as well as to provide crowd control, conduct hostage negotiations and canine response. Portions of those funds are also used to conduct centralized specialized criminal investigations with respect to homicides and sexual, domestic, narcotic and economic crimes as well as to operate the crime lab. It is unlikely that the proposed project will use these specialized police functions and investigative units on a frequent basis, if ever. Accordingly, MEAI believes that \$723,000 in ad valorem taxes that will be paid into UMSA Fund on an annual basis after the project is developed should be more than sufficient to defray the incremental cost, if any, of extending patrol services already operating on N. Kendall Drive between SW 167th Avenue and Krome Avenue to one additional property.
- As discussed above, the Fire Department, which provides services that a property owner hopes never to use but clearly wants available, is primarily funded by the Fire Fund, currently in the amount of \$279.2 million. The proposed project will pay ad valorem taxes into the Fire Fund in amount exceeding \$900,000 annually when it is fully developed. MEAI believes that this amount should be more than sufficient to defray the incremental costs, if any, to extend fire suppression and rescue services already operating along N. Kendall Drive between SW 167th Avenue and Krome Avenue to one additional property.

In summary, MEAI believes that development of the proposed project on the subject property will be fiscally beneficial to Miami-Dade County.

Closing

MEAI strongly believes that Application 8 of the May 2015 Cycle meets the relevant criteria set forth in LU-8F, LU-8G and LU-8H for expanding the UDB for a non-residential project

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should be adopted in order that that subject property can be re-designated Business and Office.

Sincerely,
Miami Economic Associates, Inc.



Andrew Dolkart
President