



**BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**

M E M O R A N D U M

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

FROM: Charles Anderson
Commission Auditor

A handwritten signature in black ink, appearing to read "Charles Anderson", is written over the printed name.

DATE: January 17, 2014

**SUBJECT: Review of Fiscal Year 2013-14 Budgets for Community
Redevelopment Agencies**

Attached is OCA's review for the January 22, 2014 BCC agenda of Fiscal Year 2013-14 budgets for the following:

- Agenda Item 8G1 – Naranja Lakes Community Redevelopment Agency
- Agenda Item 8G2 – North Miami Beach Community Redevelopment Agency

We reviewed applicable Florida State Statutes, Miami-Dade Ordinances and Resolutions.

Special thanks to the County Attorney's Office and the Office of Management and Budget for their cooperation and input throughout the review. As always, if you have any questions or concerns, feel free to contact me at (305) 375-2524.

Attachments

c: Honorable Carlos Gimenez, Mayor
R. A. Cuevas, County Attorney
Edward Marquez, Deputy Mayor, Office of the Mayor
Jennifer Moon, Director, Office of Management & Budget
Christopher Agrippa, Division Chief, Clerk of the Board

**NARANJA LAKES COMMUNITY REDEVELOPMENT AGENCY (CRA) BUDGET
FY 2013-14**

Expenditure Description(*)	Budget (\$) FY13-14	Reference to CRA Plan, Interlocal Cooperation Agreement, Miami-Dade County Resolutions and/or Florida Statute (**)	Source
Administrative Expenses			
Other Administrative Expenses: For expenses incurred by the County's Office of Management and Budget relating to coordinating the day-to-day operations of the CRA.	65,000	Expense allowable under Florida Statute Section 163.387(6): "Moneys in the redevelopment trust fund may be expended from time to time for undertakings of a community redevelopment agency as described in the community redevelopment plan for the following purposes, including, but not limited to: (a) Administrative and overhead expenses necessary or incidental to the implementation of a community redevelopment plan adopted by the agency."	Florida Statute Section 163.387(6)(a)
County Administrative Charge	11,200	"Administrative expenditures total \$65,000 and represent nine percent of TIF revenues, excluding the 1.5 percent County Administrative Charge (\$11,200), satisfying the 20 percent cap in administrative expenditures required by the Interlocal Agreement."	Mayor's Memorandum dated January 22, 2014 p.3
Total Administrative Expenses	76,200	The Interlocal states: "No more than twenty percent (20%) of the funds contemplated to be expended under Plan shall be used for total administrative expenses allowable under Section 163.387(6)(a), Florida Statutes (including indirect and overhead expenses which may not exceed six percent (6%) of such contemplated to be spend under the Plan)."	Interlocal Article II(B)
Operating Expenses			
Debt Service Payments	192,000	Expense allowable under Florida Statute Section 163.387(6): "Moneys in the redevelopment trust fund may be expended from time to time for undertakings of a community redevelopment agency as described in the community redevelopment plan for the following purposes, including, but not limited to: (e) The repayment of principal and interest or any redemption premium for loans, advances, bonds, bond anticipation notes, and any other form of indebtedness." The Interlocal states: "The power to borrow money and to apply for and accept advances, loans, grants, contributions, and any other form of financial assistance from the Federal Government or the state, county, or	Florida Statute Section 163.387(6)(e) Interlocal Article IA(13)

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FY 2013-14**

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		other public body or from any sources, public or private, for the purposes of the Act."	
Community Policing	150,000	Expense allowable under Florida Statute Section 163.387 (6): "Moneys in the redevelopment trust fund may be expended from time to time for undertakings of a community redevelopment agency as described in the community redevelopment plan for the following purposes, including, but not limited to: (h) The development of community policing innovations." Expense allowable under Florida Statute Section 163.370 (2): "Every county and municipality shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this part, including the following powers in addition to others herein granted: (o) To develop and implement community policing innovations."	Florida Statute Section 163.387(6)(h) Florida Statute Section 163.370(2)(o)
Community Center Building: <ul style="list-style-type: none"> • Property Maintenance \$40,000 • Insurance \$18,000 	58,000	The Interlocal states: "The power to make and execute contracts and other instruments necessary or convenient to the exercise of its powers pursuant the Act." The Interlocal states: "The power to insure or provide for the insurance of any real or personal property or operations of the Agency against any risks or hazards, including the power to pay premiums on any such insurance."	Interlocal Article IA(1) Interlocal Article IA(9)
Legal Services	40,000	The Interlocal states: "The power to make and execute contracts and other instruments necessary or convenient to the exercise of its powers pursuant the Act."	Interlocal Article IA(1)
Professional Contractual Services: For a finding of necessity study to determine the feasibility of expanding the CRA boundaries.	40,000	The Interlocal states: "The power to make and execute contracts and other instruments necessary or convenient to the exercise of its powers pursuant the Act."	Interlocal Article IA(1)

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<p>Commercial Redevelopment Grant:</p> <p>For a commercial grant program to assist existing business structures in the Area through a Memorandum of Understanding with Neighbors and Neighbors Association, Inc.</p>	25,000	<p>The CRA Plan, Goals states: “The NARANJA LAKES CRA will actively “partner” with both public and private sector entities towards the achievement of its redevelopment goals and to gain the maximum leveraging of assets and cooperation.”</p> <p>The CRA Plan, Economic Development and Job Creation states: “This program will provide matching grants, as determined by the NARANJA LAKES CRA Board, which will allow business operators and property owners to make fixed (permanent) improvements to the front or rear of any commercial or retail structure.”</p>	<p>CRA Plan HW p.63 Goals (9)</p> <p>CRA Plan HW p.208 Economic Development and Job Creation (A) Commercial/Retail Building Facade Improvement Program</p>
<p>Marketing and Outreach:</p> <p>To promote a school and community safety program (Youth Crime Watch).</p>	2,000	<p>The CRA Plan, Economic Development and Job Creation states: “The NARANJA LAKES CRA may assist in the funding for the creation of marketing collateral and television commercials aimed at increasing business volume in the area. The Agency shall also consider assisting in the funding of special events.”</p>	<p>CRA Plan HW p.210 Economic Development and Job Creation (F) Advertisement and Promotions</p>
<p>State Fee</p>	200	<p>Expense allowable under Florida Statute Section 163.370(2): “Every county and municipality shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this part, including the following powers in addition to others herein granted: (l) To appropriate such funds and make such expenditures as are necessary to carry out the purposes of this part; ... notwithstanding any provision or rule of law to the contrary, respecting action to be taken by such county or municipality pursuant to any of the powers granted by this part.”</p>	<p>Florida Statute Section 163.370(2)(l)</p>
<p>Total Operating Expenses</p>	507,200		
<p>Reserves</p>	1,431,571	<p>Expense allowable under Florida Statute Section 163.370(2): “Every county and municipality shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this part, including the following powers in addition to others herein granted: (l) To appropriate such funds and make such expenditures as are necessary to carry out the</p>	<p>Florida Statute Section 163.370(2)(l)</p>

**NARANJA LAKES COMMUNITY REDEVELOPMENT AGENCY (CRA) BUDGET
FY 2013-14**

Expenditure Description(*)	Budget (\$) FY13-14	Reference to CRA Plan, Interlocal Cooperation Agreement, Miami-Dade County Resolutions and/or Florida Statute (**)	Source
		<p>purposes of this part; ... notwithstanding any provision or rule of law to the contrary, respecting action to be taken by such county or municipality pursuant to any of the powers granted by this part.”</p> <p>“This year’s budget reflects conservative expenditures of available TIF and sets aside reserve funds to address future year debt service payments.”</p>	<p>Mayor’s Memorandum dated January 22, 2014 p.3</p>
TOTAL CRA EXPENSES	2,014,971		

(*) Source – Agenda item consisting of Mayor’s Memorandum and CRA FY13-14 Budget Report

(**) Resolution No. R-855-03 Interlocal Cooperation Agreement between Miami-Dade County, and the Naranja Lakes Community Redevelopment Agency was adopted by the BCC on July 22, 2003. The Agency was created by the Board pursuant to Ordinance No. 02-216; the Board adopted Resolution R-418-03 approving the Plan, and Ordinance No. 03-106 creating the Trust Fund.

Sunset Notes:

As indicated in the Mayor’s Memorandum: “The County will continue to make payments to the CRA, based on each year’s growth of valorem revenues over the base year through 2033, which is when the CRA will sunset.”

**NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY (CRA)
FY 2013-14
BUDGET**

Expenditure Description(*)	Budget (\$) FY 13-14	Reference to 2005 CRA Plan, 2012 Amended CRA Plan, Interlocal Cooperation Agreement (**), and/or Florida Statute	Source
Administrative Expenses			
<p>Employee Salary and Fringe Benefit:</p> <p>Personnel cost for CRA Coordinator are split 25% for administration and 75% for operations.</p>	17,164	<p>The Interlocal states: "Within its area of operation, the power to organize, coordinate, and direct the administration of the provisions of the Act as they may apply to the City, in order that the objective of remedying slum and blighted areas and preventing the causes thereof within the City may be most effectively promoted and achieved and to establish such new office or offices of the City or to reorganize existing offices in order to carry out such purpose most effectively."</p> <p>Expense allowable under Florida Statute Section 163.387(6): "Moneys in the redevelopment trust fund may be expended from time to time for undertakings of a community redevelopment agency as described in the community redevelopment plan for the following purposes, including, but not limited to: (a) Administrative and overhead expenses necessary or incidental to the implementation of a community redevelopment plan adopted by the agency."</p>	<p>Interlocal p.5 Article I.A.(14)</p> <p>Florida Statute Section 163.387(6)(a)</p>
<p>Annual Audit:</p> <p>The CRA is audited as a part of the City of North Miami Beach's annual audit (CAFR) and, as with all funds, pays its prorated share of the cost of the audit.</p>	3,150	<p>The Interlocal states: "The City, either directly, or through the agency, shall cause an independent audit by a Certified Public Accounting firm to be performed on an annual basis ... The preceding requirements must conform, or be compliant with, Sections 163.356 (c), and 163.387 (8) Florida Statutes and any reporting request subsequently made by the Controller General of the State of Florida."</p> <p>The 2012 Amended CRA Plan states: "The Agency shall maintain adequate records to provide for an annual audit, which shall be conducted by an independent knowledgeable auditor selected by the City Council."</p>	<p>Interlocal p.8 Article V.B.</p> <p>2012 Amended CRA Plan HW p.75 Safeguards To Ensure Financial Accountability</p>
<p>Advertising and Notices:</p> <p>Legal Notices placed for CRA Workshops/Budget Meetings</p>	1,000	<p>The Interlocal states: "The power to disseminate slum clearance and community redevelopment information."</p>	<p>Interlocal p.2 Article I.A.(2)</p>

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FY 2013-14
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Expenditure Description(*)	Budget (\$) FY 13-14	Reference to 2005 CRA Plan, 2012 Amended CRA Plan, Interlocal Cooperation Agreement (**), and/or Florida Statute	Source
<p>Travel:</p> <p>Travel for conventions/seminars and developer meetings.</p>	1,000	<p>The Interlocal states: "Within the Redevelopment Area: The power to enter into any contracts necessary to effectuate the purposes of the Act."</p> <p>The Interlocal states: "The power to appropriate such funds and make such expenditures as are necessary to carry out the purposes of the Act ..."</p> <p>The 2005 CRA Plan states: "The powers of the Agency shall comply with Chapter 163, Part III, Florida Statutes. All powers provided by the governing statute shall be granted to the City of North Miami Beach CRA unless specifically prohibited by this Plan or by the Interlocal Agreement to be executed between the City of North Miami Beach, the Miami-Dade Board of County Commissioners, and the CRA."</p>	<p>Interlocal p. 4 Article I.A.(5)(f)</p> <p>Interlocal p.5 Article I.A.(12)</p> <p>2005 CRA Plan p.22 Powers</p>
<p>Other Administrative Expenses:</p> <p>Overhead expenses such as: supplies, postage, membership dues, subscriptions.</p>	8,614	<p>The Interlocal states: "The power to appropriate such funds and make such expenditures as are necessary to carry out the purposes of the Act ..."</p> <p>Expense allowable under Florida Statute Section 163.387(6): "Moneys in the redevelopment trust fund may be expended from time to time for undertakings of a community redevelopment agency as described in the community redevelopment plan for the following purposes, including, but not limited to: (a) Administrative and overhead expenses necessary or incidental to the implementation of a community redevelopment plan adopted by the agency."</p>	<p>Interlocal p.5 Article I.A.(12)</p> <p>Florida Statute Section 163.387(6)(a)</p>
<p>Sub-Total Administrative Expenses</p>	30,928	<p>The Interlocal states: "No more than twenty percent (20%) of the funds contemplated to be expended under the Plan shall be used for total administrative expenses allowable under Section 163.387(6) (a), Florida Statutes."</p> <p>"Administrative expenditures total \$30,928 and represent seven percent of the total tax increment revenues from the County and City, excluding the 1.5 percent County Administrative Charge (\$3,035), satisfying the 20 percent cap in administrative expenditures required by the Interlocal Agreement."</p>	<p>Interlocal p.6 Article II.B.</p> <p>Mayor's Memorandum January 22, 2014 p.3</p>
<p>County Administrative Charge:</p>		<p>The Interlocal states: "The County shall charge, and the Agency shall pay,</p>	<p>Interlocal p. 6</p>

**NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY (CRA)
FY 2013-14
BUDGET**

Expenditure Description(*)	Budget (\$) FY 13-14	Reference to 2005 CRA Plan, 2012 Amended CRA Plan, Interlocal Cooperation Agreement (**), and/or Florida Statute	Source
1.5% fee based on the County's Tax Increment contribution.	3,035	to the County an annual administrative fee ("County Administrative Fee"). The fee shall be based on a percentage of the County's TIF payment to the agency and shall be determined annually by the County."	Article II.B.
Total Administrative Expenses & County Administrative Charge	33,963		
Operating Expenses			
Employee Salary and Fringe: Personnel cost for CRA Coordinator are split 25% for administration and 75% for operations.	51,491	The Interlocal states: "Within its area of operation, the power to organize, coordinate, and direct the administration of the provisions of the Act as they may apply to the City, in order that the objective of remedying slum and blighted areas and preventing the causes thereof within the City may be most effectively promoted and achieved and to establish such new office or offices of the City or to reorganize existing, offices in order to carry out such purpose most effectively." Expense allowable under Florida Statute Section 163.387(6): "Moneys in the redevelopment trust fund may be expended from time to time for undertakings of a community redevelopment agency as described in the community redevelopment plan for the following purpose, including, but not limited to: (a) Administrative and overhead expenses necessary or incidental to the implementation of a community redevelopment plan adopted by the agency."	Interlocal p.5 Article I.A.(14) Florida Statute Section 163.387(6)(a)
Contractual Services/Economic Development/Branding: \$25,000: Consultant will continue to assist with implementing the redevelopment plan, and developing new initiatives to attract new business and investment to the CRA. \$20,000: The CRA will hire a Branding Consultant.	45,000	The Interlocal states: "The power to make and execute contracts and other instruments necessary or convenient to the exercise of its powers pursuant to the Act." The Interlocal states: "The power to make and execute contracts and other instruments necessary or convenient to the exercise of its powers pursuant to the Act."	Interlocal p.2 Article I.A.(1) Interlocal p.2 Article I.A.(1)
Legal Services and Court Costs:	21,500	The Interlocal states: "The power to make and execute contracts and	Interlocal p.2

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FY 2013-14
BUDGET**

Expenditure Description(*)	Budget (\$) FY 13-14	Reference to 2005 CRA Plan, 2012 Amended CRA Plan, Interlocal Cooperation Agreement (**), and/or Florida Statute	Source
Outside (non-City) legal assistance for development agreements/legal issues and attendance at CRA Board & Redevelopment Advisory Board meetings.		other instruments necessary or convenient to the exercise of its powers pursuant to the Act." The Interlocal states: "The City, either directly or through the Agency, shall select financial and legal consultants as necessary to assist in the preparation of the tax increment financing plans."	Article I.A.(1) Interlocal p.8 Article VI.C.
<p>Other Operating Expenditures:</p> <p>\$5,000: Printing and Publishing cost required by the CRA Board, the Redevelopment Advisory Board and the Economic Development Commission Board.</p> <p>\$3,000: Marketing Through promotional activities, the CRA will promote its services and activities to new businesses and developers interested in doing business and applying for existing programs and incentives.</p>	8,000	<p>The Interlocal states: "The power to disseminate slum clearance and community redevelopment information."</p> <p>The 2005 CRA Plan states: "The CRA may assist in the funding for the creation of promotional campaigns aimed at increasing business volume and residential interest in the area. The CRA also will be empowered to pay for other promotional efforts, including but not limited to, staff, consultants, materials production costs, distribution costs, special purpose equipment and systems, and events."</p> <p>The 2012 Amended CRA Plan states: "There will be an ongoing need to ensure awareness of investment, development, business and residential opportunities within the Community Redevelopment Area. In addition, there will also be a need to provide promotional support for area businesses and to create an identity (branding)."</p>	<p>Interlocal p.2 Article I.A.(2)</p> <p>2005 CRA Plan p. 37 Advertisement and Promotions</p> <p>2012 Amended CRA Plan HW p.65 Advertisement and Promotions</p>
<p>Debt Service Payments:</p> <p>The repayment of borrowed funds for the 2 loans drawn down in 2007 and 2008. These loans expire on 2/1/2027:</p> <ul style="list-style-type: none"> • \$206,670 on \$3,000,000 tax exempt; 	572,072	<p>The Interlocal states: "The power to borrow money and to apply for and accept advances, loans, grants, contributions, and any other form of financial assistance from the Federal Government or the state, county, or other public body or from any sources, public or private, for the purposes of the Act ..."</p> <p>Expense allowable under Florida Statute Section 163.387(6): "Moneys in the redevelopment trust fund may be expended from time to time for</p>	<p>Interlocal p.4 Article I.A.(7)</p> <p>Florida Statute Section</p>

**NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY (CRA)
FY 2013-14
BUDGET**

Expenditure Description(*)	Budget (\$) FY 13-14	Reference to 2005 CRA Plan, 2012 Amended CRA Plan, Interlocal Cooperation Agreement (**), and/or Florida Statute	Source
<ul style="list-style-type: none"> \$365,402 on \$5,000,000 taxable line of credit. 		undertakings of a community redevelopment agency as described in the community redevelopment plan for the following purposes, including, but not limited to: (e) The repayment of principal and interest or any redemption premium for loans, advances, bonds, bond anticipation notes, and any other form of indebtedness."	163.387(6)(e)
<p>Commercial Facade and Interior Improvement Grant Program:</p> <p>The grant will pay for 50% of the total cost of an approved project up to a maximum cost of \$25,000.</p> <p>The CRA will target properties to enhance their visibility, attract new business and new development for that area.</p>	130,000	<p>The 2005 CRA Plan states: "The CRA will be empowered to use monies to provide matching funds for grants, regardless of what entity applies for the grant, provided the proceeds of the grant will be used for community redevelopment within the redevelopment area."</p> <p>The 2012 Amended CRA Plan states: "The Agency will be empowered to use trust fund monies to provide matching funds for grants when the proceeds of the grant will be used for undertakings that are specified in the Community Redevelopment Plan and are within the Community Redevelopment Area."</p>	<p>2005 CRA Plan p.41 Matching Funds For Grants</p> <p>2012 Amended CRA Plan HW p.72 Provide Matching Funds for Grants</p>
<p>Acquisition & Infrastructure:</p> <p>\$318,186: To beautify SR826 and installation of sewer on NE 163rd Street and NE 19th Avenue.</p> <p>\$2,243,073: Invest the loan proceeds: Hyatt Hotel, rezoning of the business district, façade improvements to Lorenzo's Market, sale and development of the former Winn Dixie site, future Tri-Rail Coastal Line, clean-up and redevelopment of the former TECO site.</p>	2,561,259	<p>The Interlocal states: "The power to undertake and carry out community redevelopment and related activities within the Redevelopment Area, which redevelopment may include:</p> <p>(c) Installation, construction, or reconstruction of streets, utilities, parks, playgrounds, and other improvements necessary for carrying out in the Redevelopment Area the community redevelopment objectives of the Act in accordance with the Plan."</p>	Interlocal p.2 Article I.A.(3)(c)
Sub-Total Operating Expenses	3,389,322		

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FY 2013-14
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Expenditure Description(*)	Budget (\$) FY 13-14	Reference to 2005 CRA Plan, 2012 Amended CRA Plan, Interlocal Cooperation Agreement (**), and/or Florida Statute	Source
Reserves Debt Service will be kept in reserve for the next three years until such time the TIF revenues increase as a result of redevelopment.	1,716,216	The Interlocal states: "The power to appropriate such funds and make such expenditures as are necessary to carry out the purposes of the Act ..." The 2005 CRA Plan states: "The powers of the Agency shall comply with Chapter 163, Part III, Florida Statutes. All powers provided by the governing statute shall be granted to the City of North Miami Beach CRA unless specifically prohibited by this Plan or by the Interlocal Agreement to be executed between the City of North Miami Beach, The Miami-Dade Board of County Commissioners, and the CRA."	Interlocal p.5 Article I.A.(12) 2005 CRA Plan p.22 Powers
TOTAL CRA EXPENSES	5,139,501		

(*) Source: Agenda item documents consisting of Mayor's Memorandum and CRA Budget Report.

(**) On June 7, 2005, the Board approved an Interlocal Cooperation Agreement between Miami-Dade County, the City of North Miami Beach and the North Miami Beach Community Redevelopment Agency, the Agency's Plan pursuant to Resolution R-611-05 and the funding of the Plan when it enacted Ordinance No. 05-110 (Trust Fund); the Plan was amended by Resolution No. R-429-12.

Sunset Note:

On December 19, 2006, the Board approved Resolution R-1427-06 allowing the Agency to enter into a loan for infrastructure improvements and property purchase not to exceed \$8 million, and extended the life of the Agency from 2015 to 2028.