



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

M E M O R A N D U M

TO: Honorable Chairwoman Rebeca Sosa
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 and title.

DATE: November 3, 2014

**SUBJECT: Review of Fiscal Year 2014-15 Budget for Community Redevelopment
Agency – Naranja Lakes**

Attached is OCA's review for the November 5, 2014 BCC agenda of Fiscal Year 2014-15 budget for the following Community Redevelopment Agency:

- Agenda Item 8(G)1 – Naranja Lakes

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, Director, Clerk of the Board

**NARANJA LAKES COMMUNITY REDEVELOPMENT AGENCY (CRA) BUDGET
FY 2014-15**

Expenditure Description(*)	Budget (\$)	Reference to CRA Plan, Interlocal Cooperation Agreement, Miami-Dade County Resolutions and/or Florida Statute (**)	Source
Administrative Expenses			
Other Administrative Expenses: <ul style="list-style-type: none"> • \$90,000 for direct County’s Office of Management and Budget support • \$2,825 Other Administrative 	92,825	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	13,322	"Administrative expenditures total \$92,825 and represent ten percent of TIF revenues, excluding the 1.5 percent County Administrative Charge (\$13,322), satisfying the 20 percent cap in administrative expenditures required by the Interlocal Agreement."	Mayor’s Memorandum dated November 5, 2014 p.1
Total Administrative Expenses	106,147	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) p.5
Operating Expenses			
Debt Service Payments	370,988	<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: (e) The repayment of principal and interest or any redemption premium for loans, advances, bonds, bond anticipation notes, and any other form of indebtedness."</p> <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>Florida Statute Section 163.387(6)(e)</p> <p>Interlocal Article IA(13) p.4</p>

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FY 2014-15**

Expenditure Description(*)	Budget (\$)	Reference to CRA Plan, Interlocal Cooperation Agreement, Miami-Dade County Resolutions and/or Florida Statute (**)	Source
Community Policing	300,000	<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: (h) The development of community policing innovations."</p> <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: (o) To develop and implement community policing innovations."</p> <p>The CRA Plan, Community Policing Innovations states: "The NARANJA LAKES CRA shall have the authority to assist in utilizing community policing strategies designed to reduce crime within the NARANJA LAKES CRA area."</p>	<p>Florida Statute Section 163.387(6)(h)</p> <p>Florida Statute Section 163.370(2)(o)</p> <p>CRA Plan <i>handwritten</i> p.224 Community Policing Innovations</p>
Professional Contractual Services: Preparation of a boundary extension redevelopment plan	70,000	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) p.2
Community Center Building: <ul style="list-style-type: none"> • \$45,000 Property Maintenance • \$20,000 Insurance 	65,000	<p>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."</p> <p>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."</p>	<p>Interlocal Article IA(1) p.2</p> <p>Interlocal Article IA(9) p.4</p>
Commercial Redevelopment Grant: Create a commercial grant program to assist existing business structures in the Area through a Memorandum of Understanding with Neighbors and	50,000	<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</p>	CRA Plan <i>handwritten</i> p.63 Goals (9)

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Neighbors Association, Inc.		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."	CRA Plan <i>handwritten</i> p.208 Economic Development and Job Creation (A) Commercial/Retail Building Facade Improvement Program
Legal Services	30,000	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) p.2
Commercial Grant Coordinator: The Agency will contract with a non-profit agency to administer the commercial grant program	10,000	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) p.2
Marketing and Outreach: To promote a school and community safety program (Youth Crime Watch)	2,000	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."	CRA Plan <i>handwritten</i> p.210 Economic Development and Job Creation (F) Advertisement and Promotions
Memberships	920	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."	Florida Statute Section 163.370(2)(l)
Total Operating Expenses	898,908		

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Expenditure Description(*)	Budget (\$)	Reference to CRA Plan, Interlocal Cooperation Agreement, Miami-Dade County Resolutions and/or Florida Statute (**)	Source
Reserves	1,964,120	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." "This year's budget reflects conservative expenditures of available TIF and sets aside reserve funds to address future year debt service payments and redevelopment projects."	Florida Statute Section 163.370(2)(l) Mayor's Memorandum dated November 5, 2014 p.2
TOTAL CRA EXPENSES	2,969,175		

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

(**) On July 21, 1998, the Board adopted Resolution R-847-98, declaring a geographical area in south Miami-Dade County as slum and blight. Agency was created by the Board pursuant to Ordinance No. 02-216 adopted on October 22, 2002, by appointing its board members and delegating the power to prepare a Redevelopment Plan (Plan). On May 6, 2003 the Board adopted Resolution R-418-03 approving the Plan and funded the Plan by adopting Ordinance No. 03-106 creating the Trust Fund. Resolution R-855-03 adopted by the Board on July 22, 2003, approved the Interlocal Agreement granting the Agency certain redevelopment powers.

Sunset Notes:

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