



Miami-Dade County Board of County Commissioners

Office of the Commission Auditor

Legislative Analysis

Government Operations
Committee

November 09, 2010
9:30 A.M.
Commission Chamber

Charles Anderson, CPA
Commission Auditor
111 NW First Street, Suite 1030
Miami, Florida 33128
305-375-4354

**Miami-Dade County Board of County Commissioners
Office of the Commission Auditor**

**Legislative Notes
Government Operations Committee
Meeting Agenda**

November 09, 2010

Written analyses and notes for the below listed items are attached for your consideration:

Item Number(s)
2F
3C
3E
7A

If you require further analysis of these or any other agenda items, please contact Guillermo Cuadra, Chief Legislative Analyst, at (305) 375-5469.

MIAMI-DADE COUNTY
BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR



Legislative Notes

Agenda Item: 2(F) and 7(A)

File Number: 101665 and 102622

**Committee(s)
of Reference:** Government Operations Committee

Date of Analysis: November 5, 2010

Type of Item: Ordinance

Sponsor: Commissioner Joe A. Martinez

Summary

This ordinance amends Chapter 31 of the Code of Miami-Dade County relating to taxicab for-hire motor vehicles.

According to the County Attorney's Office, the proposed ordinance does not require a public hearing.¹

Ordinance Overview

- Authorizes a one-time auction of six (6) medallions; and one-time lottery of four (4) medallions. (See Hdwpg 16, 17, and 18)
- Authorizes an auction for six (6) taxicab medallions: two (2) will be wheelchair accessible medallions with a minimum bid price of \$100,000 and four (4) taxicab medallions with a minimum bid price of \$140,000.
- Creates a lottery of four (4) medallions for senior drivers at a price of \$5,000.²
- Consumer Services Department (CSD) will retain proceeds from the auction.
- Reduces CSD fees chauffeurs pay for a one-year period.(See handwritten page 37)
- Participants above will be able to be held in a wholly owned corporation (corporation where all the shares are held by a single natural person) and be transferable to a wholly owned corporation.
- **All medallions holders above will have to have a security camera, outside warning lights, a credit card processing system that includes a rear compartment swipe, be connected to a dispatch system that is operated 24/7/365, dispatch system must have GPS in 18 months, and upgraded taxi meters that includes all the flat fares.³**
- Changes the gift/inheritance provisions by allowing medallions to be gifted to any natural person (instead of the limitation of one per family member who does not already have a medallion). The medallion can then be transferred at the option of the giftee to a wholly owned corporation. If they

¹ Minutes from the October 12, 2010 Government Operations Committee Meeting Agenda Item 1F3

² To be issued in a random selection process to qualified chauffeurs with 20 or more years of continuous service.

³ The license holder will pay for all the required equipment upgrades mentioned in this item. If costs are passed through, it could be in the form of higher lease rates, which CSD are prohibited from regulating.

choose that option, they must equip the taxicab with all of the above technology except the security camera.

- Allows an existing owner driver the option of transferring their medallion to a wholly owned corporation. If they choose that option, they must equip the taxicab with all of the above technology except the security camera.
- Changes the chauffeur agreement for the protection of the driver to clarify that the amounts they pay for the lease, insurance, deposits, and dispatch must be itemized; extends the time period a lease can be terminated without cause from 30 to 90 days; and requires that security deposits be held in a certain way (similar to state law that governs landlord/tenant deposits).

Government Operations Committee Request for Information and Recommendations

On October 12, 2010, the Government Operations (GO) Committee members requested the following information and proposed alternatives: (1) County Attorney's Office research whether the County could require taxicab owners to absorb the costs of installing security cameras, GPS equipment and credit card processing systems within taxicabs; (2) option of taxicab owners sharing the cost of new technology with drivers; (3) industry recommend alternative safety measures; and (4) collect industry data to determine which model works best in terms of collecting the convenience fee and which cities had available credit card machines when this requirement was mandated on other jurisdictions.

GO Item 7(A) Credit Card Requirements for Taxicabs Report

Item 7(A) provides the GO members a report regarding credit card payment processing systems currently being utilized within the taxicab industry and jurisdictions that require the acceptance of credit cards in taxicabs.

Report Highlights

- Central Taxi Service installed credit card and processing systems in all 220 of their vehicles.
- The report indicates that drivers have not accepted this system. Equipment has been sabotaged or otherwise made inoperable. However, according to the report, a representative of Central Taxi Service indicates that drivers are beginning to realize the financial benefits of the credit card system.
- In other jurisdictions, drivers accept the credit card processing system where overall ridership and revenue increase.

Background and Relevant Information³

The taxicab industry in Miami-Dade County has faced problems on many fronts including those related to customers, services and regulations. Since 1981, Miami-Dade County has been regulating the taxicab industry countywide. Historically, the County only regulated taxicabs in unincorporated areas, and municipalities regulated taxicabs in municipal areas. The electorate approved an amendment in 1976 to the Home Rule Charter to permit the County to regulate taxicabs throughout the County, and in 1981 an ordinance was adopted to effectuate countywide regulations.

Also, in July 9, 1998, the Board of County Commissioners (BCC), through Ordinance 98-105, enacted comprehensive regulatory reform changing the issuance, control, operation and regulation of taxicabs. It was at this point that the BCC sought to create a driver/owner system by restricting all transfers, assignments, sales, gifts, etc., to duly licensed chauffeurs only.

- Several mechanisms were implemented: (1) new taxicab medallions were to be issued by lottery only to taxicab chauffeurs who actually drive the vehicles; and (2) transfers of medallions were to be made only to taxicab chauffeurs who actually drive the vehicles, with certain gift exceptions.

³ See Legislative File No. 062726. Report received presented at the Community Empowerment Economic Revitalization Committee

Legislative Highlights After 1998

The BCC approved the following:

- 1999 ordinance (Ord. 99-71) establishing a specially designated Underserved Area, bounded by NW 79 Street, North Miami Avenue, NW 27 Avenue, and NW 7 Street, with a separate lottery allocation.
- 2003 ordinance (Ord. 03-45) requiring three percent (3%) of taxicabs to be wheelchair accessible by 2006.
- May 2004, as the first lottery series was about to expire, the BCC approved Ordinance 04-103 that continued a lottery through 2006. That same ordinance created a special South Miami-Dade Taxicab Service Area for the area of South Miami-Dade located south of SW 136 Street to address service issues in that area.

Industry Assessment

The taxi industry in Miami-Dade comprises the following participants: the medallion holder; the Passenger Service Companies (PSC); the vehicle leasing companies; chauffeurs/drivers; and CSD.

On January 14, 2007, Tennessee Transportation and Logistic Foundation released the *Taxicab Ridership Final Report on Miami-Dade* to devise an equitable formula for the introduction of additional taxi licenses as the community requires them.

Technology: The study indicates that very few of the PSC interviewed had computerized dispatching and ability to track calls by zone and keep records of dispatches by vehicle number. PSCs also lacked GPS technology, and many capabilities of other more sophisticated systems (electronic processing of credit cards, shortest route directions, immediate dispatch of police to the exact location in the event of an accident, dispatching of accessible vehicles when required, electronic payment of corporate or voucher business, elimination of manual record keeping).

Imbalance of Services: Taxi industry practices overtime have created an imbalance of service demands in certain geographic areas of Miami-Dade while demand has increased in the central corridor between the airport and beaches. The study states that “there do not appear to be poor economic returns for taxi operators serving only the central corridor without radio services.” (See pages 16-19 of the Report)

- The collection of off-peak data indicates “a large segment of the taxi population work primarily the airport, and perhaps the beach, with no real radio service enabling them to service taxi call-in work. These drivers are idle much of the time and often inefficiently head back to the beach, airport, or hotel stand rather than work a radio. This is a classic example of inefficiency within the taxi industry.”
- Taxi operators working the central corridor during peak season admit to dropping service completely or affiliating with smaller PSCs with no radio call-in system. These practices are identified as a “spider network” (friends and other associates) that do not allow for a “dispatcher to follow-up with the customer, no credit cards system, and no way to really measure the day-to-day performance of such informal driver networks.”

Cash Business: Another issue is that the taxi industry has become purely a cash business with little record-keeping. The custom was that taxicab drivers would record all or most trips which would show origin and destinations. According to the study, “today, however, the vast majority of taxi companies no longer utilize employee or commissioned drivers, so keeping track of the fare revenues is not important.” (See pages 16-19 of the Report)

Overall, these practices (lack of technology, spider network, avoiding radio calls, cash business and affiliating with smaller PSCs) have contributed to market deficiencies and difficulty in tracking monthly revenues for drivers and PSCs.

According to the study:

"If this trend continues and/or if significantly more taxi medallion drivers choose to not work their radio dispatch, things will probably get much worse. Current taxi drivers will have to spend more hours to earn the same income or else leave the industry. Unhappy drivers will be even more likely to refuse calls that take them into lower density areas and even more will opt to leave the radio system as a means to cut their expenses. Deteriorating service levels result in fewer customers resulting in even more oversupply of the market, and the downward spiral of increasing rates, which only invites more competitors, continues."

As shown in the chart below the owner/driver category has increased since 1998.

Estimated Number of Medallions since 2007		Current Breakdown (provided by CSD staff)	
Corporation	1,006	Corporation	1,028
Owner/Driver	599	Owner/Driver	624
Individual	475	Individual	453

Source: CSD

Total number of medallions held by owners/drivers in 1998: 114

Prepared by: Michael Amador-Gil

MIAMI-DADE COUNTY
BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR

Legislative Notes



Agenda Item: 3(C)
File Number: 102065
**Committee(s)
of Reference:** Government Operations Committee
Date of Analysis: November 5, 2010
Type of Item: Resolution

Summary

This resolution approves the exchange of County-owned property, located at approximately S.W. 213 Street and S.W. 120 Avenue, Miami, with an assessed market value of \$15,600 for real property owned by D.S. Development Corporation, located at approximately S.W. 179 Street and S.W. 103 Avenue with an assessed market value of \$21,236.

D.S. Development is now requesting that a buildable lot be conveyed to his new corporation, which presently holds title to the lot that is being returned to the County. (See handwritten page 2)

Background and Relevant Information

On November 10, 2003, an Invitation To Bid (ITB) was issued for the sale of fifty-six County-owned lots to high bidders, subject to conditions listed in the Infill Housing Initiative Program. The ITB was advertised in the *Miami Daily Business Review* and the Miami-Dade County web site. Forty-eight printed bid packages were distributed and 450 packages were downloaded. A non-mandatory pre-bid conference was held on December 3, 2003; bids were opened on December 17, 2003.

On May 11, 2004, the Board of County Commissioners (BCC), through **Resolution 557-04**, authorized the sale of 56 county-owned lots for infill housing. At that time, K & K Custom Homes, Inc. had purchased two (2) parcels. **The resolution stated that each of the high bidders submitted a financial plan detailing how the construction of the homes would be financed.**

Resolution 557-04 provides the following conditions:

- Develop each parcel with an affordable single family home that meets guidelines of the Infill Housing Initiative.
- *Obtain building permits and commence construction of home(s) within six (6) months of acquiring the property.*
- *Complete construction and obtain certificate of occupancy of the homes within twelve (12) months of acquiring the property.*
- Build home(s) to meet or exceed the Minimum Housing Quality Standards for Surtax and SHIP funding.
- Pay all closing costs to purchase the lots and convey the completed home.

Furthermore, the 2004 County Deed between Miami-Dade County and K & K Customs Homes, Inc. specified that in case the Party, its successors or assigns, fails to comply with any of the restrictions and covenants, and no remedy is presented within 30 days:

“the County will have the right to re-enter and take possession of the property and to terminate and re-vest in the County the estate conveyed by this Deed to the Party of the second part, its successors or assigns, and by such reverter to the County, will forfeit all monetary investments and improvements without any compensation or right to compensation whatsoever.”

Question: How many extensions have K & K Homes, Inc. received over the past six (6) years?

Question: How many developers in the Infill Housing Program are experiencing similar difficulties?

See Infill Housing Program Guidelines attached- April 16, 2010¹

Response from General Services Administration staff:

- Why did it take the developer so long (2004-2010) to realize that the land was not buildable? *When the developer acquired the lot, the Perrine Community Urban Center Zoning District (PCUCD) did not exist. However, it was in the process of being created and the developer was asked to wait until the new zoning took effect to start construction so that the housing would comply with whatever new design criteria was adopted. The PCUCD was approved in July 2007. Unfortunately, under the new zoning regulations, the lot must have a minimum lot width of 37.5 feet and the driveway is required to be on the side of the house. This lot is 35.5 feet wide and is not wide enough to accommodate a driveway on the side of the house.*
- *The County has the right to take the property back since the developer did not build on the lot within the required timeframes. However, since the developer paid for the lot and had no control of the new zoning regulations, staff is recommending that he be given another lot that he can build on.*
- *Construction never commenced.*
- *The County was not aware of encroachment on the property. In addition, as stated above, the PCUCD did not exist at the time.*
- *The property was not surveyed before it was identified as surplus.*

Legislative History

On May of 2001, the BCC, through Ordinance No. 01-47, created the Infill Housing Initiative to increase the availability of affordable homes for low and moderate income persons, redevelop urban neighborhoods by eliminating the blight of vacant lots and dilapidated or abandoned properties, and generate payment of ad valorem taxes. *The Initiative developed a methodology for handling infill housing, including the identification of property; acquisition, transfer and sale of property; reversion of title to the County in the event of non-performance; forgiveness of liens; and, construction and rehabilitation loan provisions.*

On April 6, 2010, the BCC, through Resolution 347-10, rescinded Administrative Order 3-44 and approved Implementing Order 3-44 to provide direction to the County Mayor or the County Mayor's designee regarding the administration of the Infill Housing Initiative Program.

Attachment: Infill Housing Program Chart

Prepared by: Michael Amador-Gil

¹ V. Process to Develop County-Owned Lots, Section C – County Deed; and VII. Extension Requests

**Infill Housing Program
Lots Pending Construction
11/05/2010**

The Office of the Commission Auditor requested General Services Administration (GSA) staff provide the information below showing how many developers in GSA's Infill Housing database have requested extensions; did not request extensions ; and properties that do not require extensions because are still within the one-year current time frame.

Commission District	Lot Type	Comments
1	Conveyed	27 sites are current.
2	Conveyed	3 sites did not request extensions.
2	Conveyed	55 sites are current.
2	Bids, Bids Splits, Conveyed, and Conveyed Split	79 sites requested extensions.
3	Bids and Conveyed	6 sites did not request extensions.
3	Conveyed	9 sites are current. ¹
3	Bids, Bids Splits, Conveyed, and Conveyed Split	49 sites requested extensions.
5	Conveyed	1 site did not request an extension.
9	Bids	22 sites did not request extensions.
9	Conveyed and Conveyed Split	12 sites requested extensions.
9	Bid and Bid Split	8 returning lots

Source: GSA

The Infill Housing Initiative is an affordable housing program administered by the Department of General Services Administration through its Infill Housing Program (the "Program"). The purpose of the Infill Housing Initiative is to increase the availability of affordable homes for low and moderate income families; maintain a stock of affordable housing; redevelop urban neighborhoods by eliminating the blight of vacant, dilapidated or abandoned properties; equitably distribute homeownership opportunities within the Infill Target Areas; and generate payment of ad valorem taxes.

The Infill Housing Initiative provides incentives to encourage developers to build affordable housing. These incentives include:

- Forgiveness of County liens
- Refund of impact fees for homes sold to low income buyers(80% or below AMI)
- Funding assistance in the form of second mortgages for qualified buyers (subject to availability).

¹ Current status indicates that the property is still within the one-year time frame, and, therefore, no extension is required.

**MIAMI-DADE COUNTY
BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**



Legislative Notes

Agenda Item: 3(E)
File Number: 102078
**Committee(s)
of Reference:** Government Operations Committee
Date of Analysis: November 5, 2010
Type of Item: Resolution

Summary

This resolution authorizes the conveyance of eight (8) Infill Housing Program lots to Habitat for Humanity of Greater Miami, Inc. (Habitat) a Florida not-for-profit corporation; waiver of Administrative Order 3-44; and authorizes the Mayor to execute a County Deed.

Muro Investment, Inc. is unable to pay the outstanding taxes and citations for the lots. Habitat has agreed to pay both the taxes and citations and develop the properties.

Similar Legislation

On April 16, 2010, the Board of County Commissioners, through Resolution 318-10, approved and authorized the execution of a Settlement Agreement between the Miami-Dade County and Neighbors and Neighbors Association, Inc. (NANA) and Foster Construction of South Florida.

Resolutions 623-02 (three parcels) and 145-03 (one parcel) authorized the conveyance of four (4) lots to NANA for the development of infill housing through a County Deed. The deeds contained restrictions that required that the lots be developed with affordable housing within twelve (12) months from the date of the conveyance. Due to the fact that NANA did not meet the construction schedule set by the County, the County requested that the lots be returned to the County pursuant to the reverter provisions in the County Deed.

Although NANA was willing to return the four lots, its joint venture partner, Foster Construction Inc. to which NANA had quit claimed part of its ownership interest in order to obtain construction financing, was not willing to sign the deed. The County, therefore, filed a suit to quiet title. After extensive discussions with both parties, Foster finally agreed to relinquish its ownership interest in the four lots.

There was approximately \$15,200 in back taxes owed on the four lots and \$15,150 owed for liens and citations, which NANA and Foster were unable to pay.

Rather than return the lots to the County, NANA, conveyed the lots to Habitat for Humanity of Greater Miami, Inc. which expressed interest in the lots and was willing to pay the outstanding taxes. However, Habitat requested that the County release the liens and citations that were placed on the lots while under NANA and Foster's ownership.