RESOLUTION NO. 618-2015

A RESOLUTION OF THE CHAIRPERSON AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY ADOPTING AND APPROPRIATING THE OPERATING BUDGET FOR THE CITY CENTER REDEVELOPMENT AREA , THE ANCHOR SHOPS AND PARKING GARAGE, AND THE PENNSYLVANIA AVENUE SHOPS AND PARKING GARAGE FOR FISCAL YEAR 2015/16.

WHEREAS, the proposed City Center Redevelopment Area Budget has been prepared to coincide with the overall City budget process; and

WHEREAS, the proposed City Center Redevelopment Area Budget reflects anticipated construction project costs in addition to operating and debt service costs for Fiscal Year 2015/16; and

WHEREAS, the proposed budgets for the Anchor Shops and Parking Garage and the Pennsylvania Avenue Shops and Garage have been included as separate schedules to the City Center Redevelopment Area Budget, reflecting projected revenues and operating expenses for the fiscal year; and

WHEREAS, the Executive Director of the Miami Beach Redevelopment Agency recommends approval of the proposed Fiscal Year 2015/16 budgets for the City Center Redevelopment Area, as well as for the Anchor Shops and Parking Garage and the Pennsylvania Avenue Shops and Garage.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE CHAIRPERSON AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY, that the Chairperson and Members hereby adopt and appropriate the operating budget for the City Center Redevelopment Area, the Anchor Shops and Parking Garage, and the Pennsylvania Avenue Shops and Garage for Fiscal Year 2015/16, as follows:

City Center Redevelopment Area	$44,240,000
Anchor Garage Parking Operations	$4,080,000
Anchor Garage Retail Operations	$847,000
Pennsylvania Avenue Garage Parking Operations	$1,158,000
Pennsylvania Avenue Garage Retail Operations	$527,000

PASSED AND ADOPTED this 30TH day of September, 2015.

MIAMI BEACH INCORPORATED MARCH 26TH 1915

Philip Levine, Chairperson

ATTEST:

10/1/15

Rafael E. Granado, Secretary

APPROVED AS TO FORM & LANGUAGE & FOR EXECUTION

9/22/15

Redevelopment Agency General Counsel — Date

Condensed Title:

A Resolution of the Chairperson and Members of the Miami Beach Redevelopment Agency adopting and appropriating the operating budgets for the City Center Redevelopment Area, the Anchor Shops and Parking Garage and the Pennsylvania Avenue Shops and Garage for Fiscal Year 2015/16.

Key Intended Outcome Supported:

Enhance Beauty and Vibrancy of Urban And Residential Neighborhoods; Focusing on Cleanliness, Historic Assets, In Select Neighborhoods And Redevelopment Areas.

Supporting Data (Surveys, Environmental Scan, etc.):

One out of ten residents (10%) feels the best way to improve the overall quality of life in Miami Beach is to increase City beautification and cleanliness.

Item Summary/Recommendation:

The proposed budget for the City Center Redevelopment Area for Fiscal Year 2015/16 has been prepared to coincide with the overall City budget process, and is being presented to assist in providing a comprehensive overview of the district. Additionally, the revenues and expenses associated with the operations of the Anchor Shops and Parking Garage as well as the Pennsylvania Avenue Shops and Garage are presented as separate schedules so as to eliminate any perception that proceeds from the Facility's operations are pooled with TIF and other Trust Fund revenues.

Based on the 2015 Certificate of Taxable Value from the Property Appraiser's Office, the preliminary value of property in City Center is $4,821,643,185; an increase of 15% over 2014, marking the fifth year in a row values have increased following two years of decline. However, as in previous years, the City has received correspondence from the County, advising of the finalization of the tax roll for the prior year, which in the case of FY 2013/14, reflects a decrease from the preliminary valuation for the same year and will result in a corresponding adjustment/reduction in TIF revenues totaling $2,617,000 for 2015/16, versus $2,291,000 for FY 2014/15; $168,000 for 2013/14 and $3.5 million for 2012/13.

Additional sources of revenue include a ½ mill levy in the amount of $2.1 million, to be set aside for the Children's Trust pursuant to an Interlocal Agreement, dated August 16, 2004 between the RDA, the City of Miami Beach and Miami-Dade County; and an estimated $60,000 in interest income.

The total proposed FY 2014/15 City Center Redevelopment Area Budget is $44,240,000.

In order to address the existing and future obligations of the Redevelopment Area, it is recommended that the Redevelopment Agency adopt the attached Resolution which establishes the operating budgets for the City Center Redevelopment Area, the Anchor Shops and Parking Garage and the Pennsylvania Avenue Shops and Garage for FY 2015/16.

Advisory Board Recommendation:

N.A.

Financial Information:

Source of Funds:		Amount	Account
	1	$44,240,000	City Center Redevelopment Area Fund
	2	$ 4,927,000	Anchor Shops and Parking Garage Operations
	3	$ 1,685,000	Pennsylvania Avenue Shops and Garage Operations
OBPI	Total	$50,852,000	

Financial Impact Summary:

City Clerk's Office Legislative Tracking:

Max Sklar and John Woodruff

Sign-Offs:

RDA Coordinator	Budget Director	Assistant Director (RDA)	Executive Director (RDA)
MAS	JW	KGB	JLM

MIAMIBEACH

AGENDA ITEM 1B

DATE 9-30-15

1915 • 2015
MIAMIBEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor Philip Levine and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: September 30, 2015

SUBJECT: **A RESOLUTION OF THE CHAIRPERSON AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY, ADOPTING AND APPROPRIATING THE OPERATING BUDGETS FOR THE CITY CENTER REDEVELOPMENT AREA THE ANCHOR SHOPS AND PARKING GARAGE AND THE PENNSYLVANIA AVENUE SHOPS AND GARAGE FOR FISCAL YEAR (FY) 2015/16.**

ADMINISTRATION RECOMMENDATION

Adopt the Resolution.

ANALYSIS

The proposed budget for the City Center Redevelopment Area (RDA) for Fiscal Year 2015/16 has been prepared to coincide with the overall City budget process, and is being presented today to assist in providing a comprehensive overview of the district. Please refer to the attached Exhibit A for the proposed budget details.

Revenues

Based on the 2015 Certificate of Taxable Value from the Property Appraiser's Office, the preliminary value of property in City Center is $4,821,643,185; an increase of 15% over 2014, marking the fifth year in a row values have increased following two years of decline. However, as in previous years, the City has received correspondence from the County, advising of the finalization of the tax roll for the prior year, which in the case of FY 2013/14, reflects a decrease from the preliminary valuation for the same year and will result in a corresponding adjustment/reduction in TIF revenues totaling $2,617,000 for 2015/16, versus $2,291,000 for FY 2014/15; $168,000 for 2013/14 and $3.5 million for 2012/13.

Additional sources of revenue include a ½ mill levy in the amount of $2.1 million, to be set aside for the Children's Trust pursuant to an Interlocal Agreement, dated August 16, 2004 between the RDA, the City of Miami Beach and Miami-Dade County; and an estimated $60,000 in interest income.

Expenditures

Project-related expenses account for approximately $10.6 million, which includes $4.5 million to be allocated for community policing initiatives in the City Center to continue providing enhanced levels of staffing and services throughout the area, and $5.9 million for maintenance of RDA capital projects.

Administrative Expenses total $1,223,000 comprising a management fee of $982,000 which is allocated to the General Fund to pay for direct and indirect staff support for the RDA; $241,000,000 for actual operating expenses; and $25,000 for capital renewal and replacement projects under $25,000. It should be noted that the Management Fee allocation is reflective of actual city resources applied to the operation of the RDA, as supported by the RSM McGladrey Cost Allocation Study, dated July 20, 2009. It should further be noted that Administrative and Operating expenses account for less than three percent (2.8%) of the total budget, which is well below the 20% threshold level established (and permitted) in the Interlocal Agreement between the City and the County.

Per the Third Amendment to the Interlocal Agreement between Miami Dade County and City of Miami Beach dated January 20, 2015, requires the Agency's expenses for Administration, Community Policing, and Capital Expenses not exceed the prior year's distribution for such expenses adjusted by the lesser of the Miami Urban Area CPI from July to June or 3 percent. The CPI increase from 2014 to 2015 was 1.2% and the FY 2015/16 budget includes an increase to these expenses of 1.2%.

The current combined debt service on the 2005 Series Bonds and the Parity Bonds accounts for approximately $8.5 million annually. City Center also continues assuming debt service payments on the portion of the Gulf Breeze Loan used to pay for the Bass Museum expansion and renovation, and the portion of the Sunshine State Loan Program used for Lincoln Road improvements, which collectively account for approximately $1.3 million. The FY 2015/16 budget also includes $2.1 million for the first year of interest payment and debt issuance cost of the proposed new RDA bond.

Reserve line item expenditures include those items that, pursuant to the existing Bond Covenants, may only be expended once the annual debt service obligations have been met. These include the County's administrative fees, equivalent to 1.5% of its respective TIF payment; and the corresponding contribution to the City's General Fund, equivalent to 1.5% of the City's share of its TIF payment; and the remittance of the ½ mill tax levy back to the Children's Trust.

In addition, the proposed budget includes $17,723,000 in funding towards the new debt service anticipated for the remaining projects in the City Center Capital Plan, as well as for $274 million in debt for the Convention Center Expansion and Renovation Project, consistent with the terms being negotiated with Miami-Dade County.

The revenues and expenses associated with operations of the City Center area Shops and Garages are presented as separate schedules in order to eliminate any perception that proceeds from the facilities' operations are pooled with TIF and other Trust Fund revenues:

Anchor Shops and Parking Garage
Garage revenues at the Anchor Garage are projected at approximately $4 million, with operating expenses, (including depreciation, contractual revenue-sharing obligations with Loews and general fund administrative fees) of approximately $3.2 million, and an allocation of $46,000 for window replacement in the facility. The Anchor retail operations is expected to generate $847,000 in revenues, including interest, with operating expenses and depreciation totaling $265,000, as well as projected reserves of $56,000. Additionally, $526,000 in transfers to the Pennsylvania Avenue Garage/Retail is budgeted to offset the RDA's estimated costs associated with the retail and parking operations.

Pennsylvania Avenue Shops and Garage
In consideration of the fact that the Pennsylvania Avenue Shops and Garage was built by the

RDA on City-owned property, the operation of the facility has been structured in the form of a ground lease between the City and the RDA, providing terms for both the Garage and Retail operations. The garage operations include base rent and an administrative fee, consistent with that of the Anchor Garage, Parking's operational fee, and revenue sharing between the City and the RDA. The Retail operations also include base rent and an administrative fee, as well as a retail lease rate based on 2010 retail market cap rates. The retail operations also include revenue sharing between the City and the RDA.

The facility is anticipated to generate $1,108,000 in revenues in FY 2015/16, comprising totally of parking revenues. In light of the fact that the retail space is currently not rented, we have taken the conservative approach of not projecting retail rental income. The facility is still anticipated to operate at a loss during FY 2015/16, so the Anchor Garage/Retail plans to subsidize its operations through a transfer of $526,000 to the parking operations. Expenses for the facility are budgeted at $1.6 Million, comprising $1,158,000 in direct operating costs for the garage and $527,000 in lease term-related obligations.

CONCLUSION

The proposed FY 2015/16 City Center Redevelopment Area Budget is $44,240,000. The Anchor Garage & Shops is $4,927,000 and the Pennsylvania Avenue Garage & Shops is $1,685,000.

In order to address the existing and future obligations in the Redevelopment Area, it is recommended that the Redevelopment Agency adopt the attached Resolution, which establishes the operating budgets for the City Center Redevelopment Area, the Anchor Shops and Parking Garage, and the Pennsylvania Avenue Shops and Garage for FY 2015/16.

JLM/KGB/MAS

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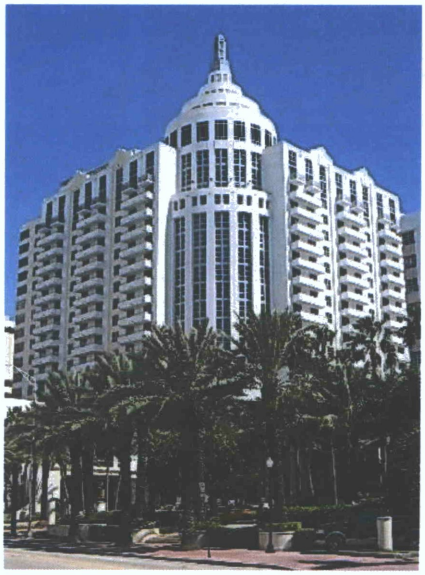
MIAMI BEACH REVELOPMENT AGENCY
CITY CENTER REDEVELOPMENT AREA

FY 2015/16 OPERATING BUDGET AND STATUS REPORT

Mission/Purpose Statement

- To assure continued economic viability of the City Center Redevelopment Area and the City as a whole, through the implementation of the objectives and projects defined in the Redevelopment Plan and the amendment thereto.
- To incur minimum relocation and condemnation.
- To involve community residents in the redevelopment process.
- To establish the necessary linkages to tie in the Convention Center, area hotels, cultural amenities, entertainment, residential and business uses in the district.
- To enhance diversity of form and activity through the use of established planning and design principles.
- To create a traffic system to serve local and through traffic needs.
- To recognize the historic structures and designations within the historic districts and facilitate development accordingly.

Status Report



The 332-acre City Center/Historic Convention Village Redevelopment and Revitalization Area (CC/HCVRRA or City Center) was established in 1993, in order to provide the funding mechanism to foster the development of new convention hotel development within proximity of the Miami Beach Convention Center and to establish the necessary linkages between the City's many core area civic, cultural and entertainment uses in order to create the fabric of a true urban downtown.

Since its inception, the City Center Redevelopment Area has undergone dynamic change through a combination of public and private investment initiatives.

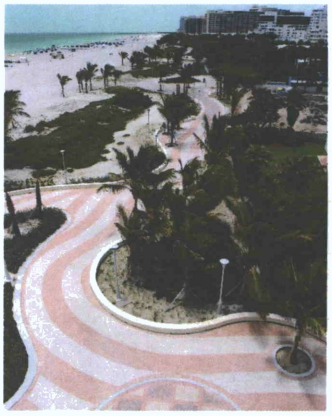
MIAMI BEACH REVELOPMENT AGENCY
CITY CENTER REDEVELOPMENT AREA

Exciting projects which have transformed the area include:

- Two convention-quality hotels, both of which were the result of public/private partnerships between the Redevelopment Agency (RDA) and the respective Developers - the 800-room Loews Miami Beach Hotel and the 425-room Royal Palm Crowne Plaza Hotel, the latter of which had the distinction of being the first African-American owned hotel in the United States;

- The development of an 800-space public parking garage (Anchor Garage) to accommodate the parking needs for the Loews Miami Beach Hotel, the Crowne Plaza Hotel and other service and retail businesses in the area;

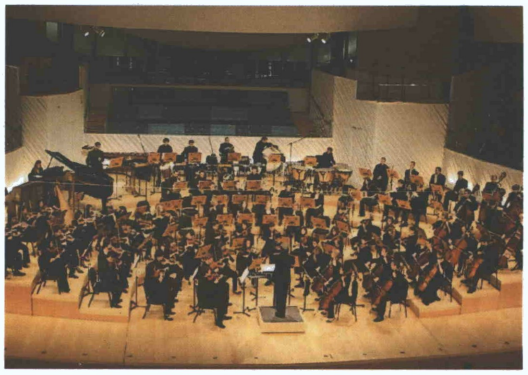
- In 1994 a $20 million overhaul of Lincoln Road, partially funded with the participation of businesses on Lincoln Road;



- An award-winning Beachwalk extending from 21st Street to Lummus Park, comprising an at-grade, landscaped pedestrian walkway;

- Implementation of a Cultural Arts Campus Master Plan for the area east of the Miami Beach Convention Center, which includes a new regional library, the headquarters of the Miami City Ballet, the expansion and renovation of the Bass Museum of Art, the re-landscaping of Collins Park, including the restoration of the Rotunda and extensive streetscape improvements throughout the area.

- The completion of the much heralded New World Campus, including the new state-of-the art Gehry-designed headquarters facility for the New World Symphony and two publicly-funded components, including a $15 Million municipal Gehry-designed parking garage and a $21 Million world-class park.



MIAMI BEACH REVELOPMENT AGENCY
CITY CENTER REDEVELOPMENT AREA

Other important projects include the 650-space mixed-use parking facility built on the surface parking lot on the west side of City Hall, which includes 35,000 square feet of municipal office space; the implementation of major street and infrastructure improvements throughout City Center, valued at more than $26 Million; and the acquisition and of three multi-family buildings (Barclay, Allen House, The London House) to maintain the stock of affordable housing in the area.

Tax Increment Financing (TIF) through the sale of bonds has been a major tool for financing redevelopment activities. To date, four bond issues have occurred in City Center: one in 1994 for $25 million, to acquire land for the hotel development initiatives; one in 1996, in the amount of $43.2 million to fund contractual obligations and capital improvements related to the Loews Hotel and Crowne Plaza Hotel projects; one in 1998, in the amount of $38.2 million to finance capital expenditures related to the convention hotel projects, the Cultural Campus project and to repay the $21.5 million debt obligation to the City; and the most recent, which occurred in 2005, in the amount of $80.7 million to refinance the outstanding debt service on prior bond issues.

The City and Redevelopment Agency's commitment to upgrading and improving the area's infrastructure, addressing parking and circulation issues, and facilitating new development has fueled significant new private-sector investment in the area, evidenced by more than $600 million in new building permit activity since the area's inception.

Work Plan

Since its success in attracting two convention-quality hotels, the Redevelopment Agency has been focusing its efforts on a number of initiatives aimed at upgrading the area's infrastructure, streets and parks, alleviating traffic and parking congestion and encouraging the production and presentation of arts and cultural activities in the area. In 2003, the Redevelopment Agency amended its Redevelopment Plan for City Center to specifically address these objectives in the context of the New World Symphony's expansion plans involving the 17th Street surface lots and the resulting impact to the Convention Center and businesses in the area.

To this end, the Redevelopment Agency's mission is to coordinate, implement and fund the Plan's objectives and to compliment the City's established vision:

- Policing Culture;
- Management and Service Delivery;
- Infrastructure;
- International Center for Tourism and Business; and
- Educational Excellence.

The Redevelopment Agency's objective over the next five years will focus on the planning and implementation of capital projects associated with, but not limited to the Master Plan for the expansion of the Convention Center, upgrading streetscapes and related infrastructure throughout City Center and increasing the inventory of parking facilities, including the pending construction of a new 450-space parking garage to be located on 23rd street and Collins Avenue, designed by world-renowned architect Zaha Hadid. The RDA will also continue to fund public service enhancements provided for under the Community Policing Program as well as ensure the on-going maintenance of capital assets funded with TIF. It should be noted that that a majority of the capital enhancements set forth in the Redevelopment Plan and the 2002 Amendment thereto, have been completed including the City Center Right-of-Way improvements, the City Hall Expansion Garage, the Collins Park improvements and the development of the 17th Street surface lots into the New World Campus.

Miami Beach Convention Center Renovation and Expansion

Spanning four city blocks and located in the heart of South Beach, the Miami Beach Convention Center (MBCC) currently accommodates meetings, conventions, tradeshows and consumer shows. The Convention Center originally opened in 1957 and received a major expansion and facelift in 1989, doubling it in size. Currently the MBCC boasts over 1,000,000 SF of flexible space, including; over 500,000SF of exhibit space, and over 100,000SF of versatile pre-function area space and 70 meeting rooms comprised of 127,000SF.

The expansion and renovation of the Miami Beach Convention Center project will transform the building to "Class A" standards which shall include Silver LEED certification upgrades and enhanced technology. The design modifications will include the re-orientation of the exhibit halls, façade upgrades, site improvements along the canal, and along all roadways, the addition of a grand ballroom, junior ballrooms and meeting rooms, and two levels of rooftop parking.

The interior renovation work focuses on the redistributed division of the four main exhibition hall spaces, and the additional programming of more flexible arrangements of private meeting rooms and additional indoor/outdoor versatile exhibition spaces. Currently, the four main exhibit halls are divided into quadrants—two accessible solely from Washington Avenue (Halls A and B) and the other two solely accessed from Convention Center Drive (Halls C and D). The new Convention Center re-orients the halls in an East/West direction with the primary access from Convention Center Drive leading into a new grand, open double height entry lobby.Washington Avenue will serve as a secondary means of pedestrian entry.

The project will also include substantial improvements to the north of the property. The new addition at the northern portion of the property features an enclosed ground floor parking area and truck loading and delivery area. Above this, a 60,000 square foot grand ballroom is proposed offering vistas of the beautified 21st Street Park that will span along Collins Canal and feature the to-be-restored Historic Carl Fisher Clubhouse. This addition will create a new internalized loading area and will include two helix ramping entrance accesses to the roof level parking.

The Washington Avenue elevation will become predominately pedestrian in nature with the elimination of the visitor drop-off and cab cueing areas. The streetscape modifications will include a green edge along the avenue with native shade trees to promote a more pedestrian friendly experience. Convention Center Drive will in turn become the main access point for vehicular access and for the visitor drop-off area. Modifications will include a new median along Convention Center Drive and 19th Street creating a more sophisticated streetscape and a more celebrated boulevard experience. The Canal walk will be substantially improved and will create a softer northern edge to the MBCC.

The project also includes the demolition of the existing Recreation Center along Washington Avenue and the creation of a neighborhood park. Another architectural feature of the project is the proposed rooftop indoor and outdoor meeting space located in the southwestern corner of the roof. This will offer the patrons expansive views out onto the new Civic park proposed to replace the surface parking lot.

In association with the renovations to the Miami Beach Convention Center, a new urban park, dining pavilion and Veterans Plaza is being created to replace a surface parking lot that currently contains spaces for approximately 800 vehicles. Convention Center Park has been envisioned as a neighborhood park. The park includes a series of six clustered 'shaded edges' that will line the perimeter of the 6-acre park and surround an internal great flexible lawn.

Headquarter Hotel

On January 27, 2015, the City Commission authorized the issuance of Request for Proposals No. 2015-103-ME (the RFP) for the Development of a Convention Headquarter Hotel Adjacent to the Miami Beach Convention Center ("MBCC"). On April 10, 2015, the City received proposals from Portman Holdings, LLC and Oxford Capital Group/RLB Swerdling ("Oxford Capital"). On April 21, 2015, the City Manager notified Oxford Capital that its proposal was not responsive to the RFP's minimum requirements. On April 29, 2015, the City Manager, via Letter to Commission (LTC) No. 176-2015, appointed an Evaluation Committee, which convened on May 7, 2015, to interview the Portman Holdings team and score the proposal, consistent with the evaluation criteria outlined in the RFP.

On May 20, 2015, the Mayor and City Commission approved Resolution No. 2015-29029, authorizing the Administration to negotiate a Development and Ground Lease Agreement, including a Room Block Agreement (collectively, the "Lease") with Portman Holdings, LLC, with said Lease subject to prior approval by the Mayor and City Commission before the final execution

thereof. On June 3, 2015, the Administration submitted the proposed Lease for the Finance and Citywide Projects Committee's review and input, in accordance with the requirements of Section 82-37(a)(1) of the City Code.

The City Commission approved the Ground Lease on First Reading and Public Hearing on July 31, 2015 and is scheduled to hearing the item on Second Reading on September 2, 2015.

The Leased Property generally consists of an approximately 2.65 acres on the 1700 block of Convention Center Drive, bounded roughly by the Miami Beach Convention Center to the North, 17th Street to the South, the Fillmore Miami Beach at the Jackie Gleason Theater to the East, and Convention Center Drive to the West. The project includes the development, design, construction, equipping and operation of a full-service convention headquarter hotel with approximately (but not-to-exceed) 800 hotel rooms and related improvements ("Hotel"), including the design, construction and operation of an enclosed overhead pedestrian walkway or "Skybridge" connecting the Hotel and the MBCC. The Lease is contingent upon sixty percent (60%) voter approval in accordance with Section 1.03(b)(3) of the City Charter. The referendum is contemplated to occur on November 3, 2015.

If the site is developed with a hotel annual (year 4) lease and tax revenue generated is estimated to be $20.4 million.

Ancillary Projects

Bass Museum Interior Space Expansion: Renovation of Bass Museum interior to increase programmable space by 47%, with an estimated cost of $3,750,000.

Convention Center Lincoln Rd Connectors & 17th St N. Improvement Penn Ave to Wash: Enhance the pedestrian experience from the Convention Center complex to Lincoln Road along Drexel Avenue, Pennsylvania Avenue and Meridian Avenue. Work to consist of new lighting, sidewalk reconstruction, street furnishings, landscaping, healthy tree fertilization systems, road reconstruction, cross walk enhancements. Improvements to 17th Street from Pennsylvania Avenue to Washington Avenue will consist of landscaping, irrigation, pedestrian lighting and sidewalk replacement. This project has an estimated cost of $12,000,000.

Lincoln Rd / Washington Ave to Lenox Ave: Refurbishment of Lincoln Road pedestrian mall from Washington Avenue to Lenox Avenue. Work to consist of new lighting, refurbishing pedestrian surfaces, street furnishings, healthy tree fertilization systems, milling and resurfacing pavement surfaces and cross walk enhancements. This project has an estimated cost of $20,000,000.

2014 City Center Plan Amendment (Third Amendment)

The City and County agreed to terms of a third amendment to the City Center RDA (the Third Amendment), which extended the life of the City Center RDA from FY 2022-23 to FY 2043/44 at the 95 percent (95%) tax increment funding level. This allows the RDA to fund, through the issuance of CRA bonds, the additional funding needed for construction costs of the new and expanded Convention Center and to fund $36 million of previously approved City Center RDA

capital projects (described above), provide increased operating and maintenance expenses for the Convention Center, as well as City Center RDA administrative costs, community policing, and capital project maintenance within the RDA. However, after FY 2022/23, when the existing RDA would have expired, City returns a pro-rata share of administrative costs, community policing, and capital project maintenance to the County.

The Third Amendment also includes a provision which allows the Board of County Commissioners the right, in its sole and absolute discretion, to appoint a member of the Agency, who shall be the Commissioner of County Commission District 5.

Pursuant to an existing Convention Development Tax (CDT) Interlocal agreement, the City receives a flat $4.5 million per year from Convention Development Taxes to operate and maintain the Convention Center, plus an annual year-end revenue share based on CDT exceeding collection amounts that increase each year. The Third Amendment allowed for an additional annual operating and maintenance subsidy starting at $1 million in 2017 and growing to $4 million by 2021, which will then escalate at 4 percent or Consumer Price Index (CPI) annually (whichever is less) starting in 2026 over the life of the Convention Center, funded either through RDA funds or through Convention Development Taxes, depending on the availability of the latter. That funding will remain in place until 2048.

Finally, once the currently existing debt is refinanced, the Third Amendment exempts the Children's Trust, an independent taxing district, with respect to the pledging of annual tax increment revenues attributable to The Children's Trust, to conform with the general exemption provided to The Children's Trust in Section 2-1742 of the Miami-Dade County Code.

Budget Highlights

- Based on the 2015 Certificate of Taxable Value from the Property Appraiser's Office, the preliminary value of property in City Center is estimated to increase by 15.2% over 2014, prior to appeals and adjustments, marking the 5th year in a row that values are back on the rise. However, as in previous years, the City has received correspondence from the County, advising of the finalization of the tax roll for the prior year, which in the case of FY 2013/14, reflects a significant decrease from the preliminary valuation for the same year and will result in a corresponding adjustment/reduction in TIF revenues totaling $2.6 Million for 2015/16.

- Additional sources of revenue include a ½ mill levy in the amount of $2.15 million, to be set aside for the Children's Trust pursuant to an Interlocal Agreement, dated August 16, 2004 between the RDA, the City of Miami Beach and Miami-Dade County; and an estimated $60,000 in interest income.

- Project-related expenses account for approximately $10.4 million which includes $4.4 million to be allocated for community policing initiatives in City Center to continue to provide enhanced levels of staffing and services throughout the area, and $6 Million for maintenance of RDA capital projects. There is no additional funding for on-going and planned capital

projects in City Center in the FY 2015/16 Budget due to the RDA extension for the renovation and expansion of the convention center.

- Administrative Expenses total $1,201,000, comprising a management fee of $960,000 which is allocated to the General Fund to pay for direct and indirect staff support for the RDA; approximately $40,000 set aside for on-going planning and consulting work related to the Convention Center expansion master plan; and $8,000 for capital renewal and replacement projects under $25,000.

- $28.5 million is budgeted in Reserve for Contingency/Debt Service to cover debt service costs related to the Convention Center bonds. The bonds are anticipated to be sold in November, 2015 and it is anticipated that there will be at least one interest payment during FY 2015/16. The necessary debt service amount will be moved from the Reserve to Debt Service once the final debt service schedule is determined. Debt service payments on both principal and interest will commence in FY 2016/17. Funds in this reserve over and above the annual debt payment can be used to finance any potential shortfalls in the RDA fund or pay down the Convention Center bonds early, but not prior to FY 2023/24. City Center also continues assuming debt service payments on the portion of the Gulf Breeze Loan used to pay for the Bass Museum expansion and renovation, and the portion of the Sunshine State Loan Program used for Lincoln Road improvements, which collectively account for approximately $1.3 million and will be paid off in FY 2015/16.

- Reserve line item expenditures include those items that, pursuant to the existing Bond Covenants, may only be expended once the annual debt service obligations have been met. These include the County's administrative fees, equivalent to 1.5% of its respective TIF payment; and the corresponding contribution to the City's General Fund, equivalent to 1.5% of the City's share of its TIF payment; and the remittance of the ½ mill tax levy back to the Children's Trust.

Miami Beach Redevelopment Agency
City Center Redevelopment Area
Proposed FY 2015/16 Operating Budget

	FY 2012/13 Actual	FY 2013/14 Actual	FY 2014/15 Adopted	FY 2015/16 Proposed	Budget Variance From FY 14/15
Revenues and Other Sources of Income					
Tax Increment - City	$ 19,188,399	$ 19,934,948	$ 21,435,000	$ 24,565,000	$ 3,130,000
Proj Adjustment to City Increment	(1,870,542)	(94,491)	(1,225,000)	(1,452,000)	(227,000)
Tax Increment - County	14,817,619	15,991,409	17,400,000	20,080,000	2,680,000
Proj Adjustment to County Increment	(1,633,395)	(73,641)	(1,066,000)	(1,165,000)	(99,000)
50% Contribution from Resort Tax	5,546,756	5,885,927	0	0	0
'1/2 Mill Children's Trust Contribution	1,570,405	1,698,337	1,850,000	2,152,000	302,000
Interest Income	27,925	90,904	25,000	60,000	35,000
Fund Balance	0	0	0	0	0
Fund Balance Renewal and Replacement	0	0	0	0	0
Other Income/Adjustments:	999,791	114,748	100,000	0	(100,000)
TOTAL REVENUES	**$ 38,646,958**	**$ 43,548,140**	**$ 38,519,000**	**$ 44,240,000**	**$ 5,721,000**
Admin/Operating Expenses					
Management fee	$ 976,000	$ 1,043,000	$ 972,000	$ 982,000	$ 10,000
Salaries and Benefits	46,614	71,006	0	0	0
Advertising & promotion	0	0	50,000	50,000	0
Postage & mailing	0	9	1,000	1,000	0
Office supplies & equipment	1,563	1,701	2,000	2,000	0
Other Operating	753	655	1,000	1,000	0
Meetings & conferences	0	0	1,000	1,000	0
Dues & subscriptions	200	175	2,000	2,000	0
Licences & Taxes	128,729	56,028	60,000	60,000	0
Audit fees	20,500	21,000	23,000	23,000	0
Professional & related fees	529,447	98,655	213,000	40,000	(173,000)
Repairs and Maintenance	32,487	24,141	25,000	8,000	(17,000)
Internal Services	108,143	79,645	53,000	53,000	0
Total Admin/Operating Expenses	**$ 1,844,435**	**$ 1,396,016**	**$ 1,403,000**	**$ 1,223,000**	**$ (180,000)**
Project Expenses					
Community Policing	$ 3,702,342	$ 4,019,542	$ 4,522,000	$ 4,502,000	$ (20,000)
Capital Projects Maintenance:					
Code	0	68,527	174,000	182,000	8,000
Property Mgmt	1,061,027	937,890	1,392,000	1,319,500	(72,500)
Sanitation	2,536,108	2,905,911	3,061,000	3,339,000	278,000
Greenspace	556,555	774,512	896,000	864,500	(31,500)
Parks Maintenance	0	0	274,000	432,000	158,000
Transfer to Penn Garage Parking	225,055	142,765	0	0	0
Transfer to Penn Garage Retail	0	0	0	0	0
Transfer to Renewal and Replacement	705,000	67,000	0	0	0
Transfer to Capital Projects	14,238,000	16,561,285	0	0	0
Total Project Expenses	**$ 23,024,087**	**$ 25,477,431**	**$ 10,319,000**	**$ 10,639,000**	**$ 320,000**
Reserves, Debt Service and Other Obligations					
Debt Service Cost - 2005 + Parity Bonds	$ 8,524,081	$ 8,533,119	$ 8,432,000	$ 10,550,000	$ 2,118,000
City Debt Service - Lincoln Rd Project	785,000	825,000	832,000	806,000	(26,000)
City Debt Service - Bass Museum	503,000	547,000	548,000	516,000	(32,000)
Reserve for County Admin Fee	197,718	238,767	245,000	284,000	39,000
Reserve for CMB Contribution	260,774	297,607	303,000	347,000	44,000
Reserve for Children's Trust Contribution	1,570,405	1,698,337	1,850,000	2,152,000	302,000
Reserve -Prior Year Fund Balance/Future Capital Projects	0	0	0	0	(0)
Repayment-Prior Yr Fund Balance	0	0	0	0	(0)
Reserve Debt Service/ Contingency	0	0	14,587,000	17,723,000	3,136,000
Total Reserves, Debt Service and Other Obligatic	**$ 11,840,978**	**$ 12,139,829**	**$ 26,797,000**	**$ 32,378,000**	**$ 5,581,000**
TOTAL EXPENSES AND OBLIGATIONS	**$ 36,709,500**	**$ 39,013,275**	**$ 38,519,000**	**$ 44,240,000**	**$ 5,721,000**
REVENUES - EXPENSES	**$ 1,937,458**	**$ 4,534,864**	**$ (0)**	**$ (0)**	**$ (0)**

Proposed FY 2015/16 Anchor Shops and Parking Garage
Operating Budget

	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	Variance
Revenues:	Actual	Actual	Adopted	Proposed	From FY 14/15
Parking Operations	$ 3,365,518	$ 3,747,955	$ 3,518,000	$ 4,026,000	$ 508,000
Parking Fund Balance	$0	$0	1,973,000	0	$ (1,973,000)
Retail Leasing	766,105	845,905	876,000	817,000	$ (59,000)
Interest Pooled Cash	33,480	75,554	28,000	84,000	$ 56,000
TOTAL REVENUES	**$ 4,165,103**	**$ 4,669,414**	**$ 6,395,000**	**$ 4,927,000**	**$ (1,468,000)**
Operating Expenses:					
Parking Operations	$ 2,062,967	$ 1,452,223	$ 1,689,000	$ 1,721,000	$ 32,000
Garage Use Fee (To Loews)	570,038	669,881	591,000	663,000	$ 72,000
Garage Repairs and Maintenance	106,281	18,227	128,000	128,000	$ 0
Garage Depreciation	0	457,716	470,000	470,000	$ 0
Retail Leasing Operating	52,109	34,232	32,000	67,000	$ 35,000
Retail Leasing Repair & Maintenance	0	0	25,000	100,000	$ 75,000
Retail Internal Service Charges	35,232	20,000	19,000	$24,000	$ 5,000
Retail Operations Depreciation	55,396	55,396	55,000	$55,000	$ 0
Admin Fee to General Fund					
Parking Operations Admin Fee to GF	223,000	224,000	224,000	230,000	$ 6,000
Retail Leasing Admin Fee to GF	14,000	0	10,000	7,000	$ (3,000)
Transfers	0	0	0	$0	$ 0
Transfer to Renewal and Replacement	0	0	650,000	$0	$ (650,000)
Transfer to Capital Projects/RDA Garages	0	0	2,407,000	46,000	$ (2,361,000)
Transfer to RDA Retail	0	0	0	526,000	$ 526,000
Reserve for Future Capital - Parking Operations	0	0	0	822,000	$ 822,000
Reserve for Future Capital - Retail Operations	0	0	95,000	68,000	$ (27,000)
TOTAL EXPENSES	**$ 3,119,023**	**$ 2,931,676**	**$ 6,395,000**	**$ 4,927,000**	**$ (1,468,000)**
REVENUES - EXPENSES	**$ 1,046,080**	**$ 1,737,738**	**$ 0**	**$ 0**	**$ 0**

Proposed FY 2015/16 Pennsylvania Ave Shops and Garage

	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	Variance
Revenues:	Actual	Projected	Adopted	Proposed	From FY 14/15
Parking Operations	$ 702,181	$ 812,922	$ 703,000	$ 1,108,000	$ 405,000
Retail Leasing	371,640	627,000	640,000	-	(640,000)
Retail Transfer In	0	0	0	526,000	526,000
Parking Transfers In	225,055	142,765	338,000	47,000	(291,000)
Interest Pooled Cash	1,044	2,983	-	4,000	4,000
TOTAL REVENUES	**$ 1,299,920**	**$ 1,585,670**	**$ 1,681,000**	**$ 1,685,000**	**$ 4,000**
Operating Expenses:					
Parking Operations Expenditures	$ 729,259	$ 818,354	$ 896,000	$ 963,000	$ 67,000
Parking Base Fee	53,302	56,000	57,000	70,000	13,000
Parking Base Rent	22,731	23,000	23,000	0	(23,000)
Addt'l/Percentage Rent	0	0	0	0	0
Garage Management Fee/ Admin Fee to GF	47,476	60,000	65,000	125,000	60,000
Retail Additional Base Rent	2,970	200,932	229,000	250,000	21,000
Retail base Rent	277,269	229,000	205,000	0	(205,000)
Retail Admin Fee	0	0	0	29,000	29,000
Depreciation	11,851	0	0	0	0
Leasing Commissions & Operating	0	0	0	248,000	248,000
Admin Fee (GF)	52,418	51,000	59,000	0	(59,000)
Retail Contingency	0	146,068	147,000	0	(147,000)
TOTAL EXPENSES	**$ 1,197,276**	**$ 1,584,354**	**$ 1,681,000**	**$ 1,685,000**	**$ 4,000**
REVENUES - EXPENSES	**$ 102,644**	**$ 1,316**	**$ 0**	**$ 0**	**$ 0**