

RESOLUTION NO. 505-2005

A RESOLUTION OF THE CHAIRMAN AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY, AMENDING THE FISCAL YEAR 2004/2005 BUDGET, OF THE MIAMI BEACH REDEVELOPMENT AGENCY, CITY CENTER REDEVELOPMENT AREA, BY INCREASING THE ANCHOR GARAGE FACILITY USE/USAGE FEE LINE ITEM FROM \$86,800 TO \$156,800, IN ORDER TO REFLECT THE GROSS PAYMENTS REQUIRED PURSUANT TO THE TERMS OF THE ANCHOR GARAGE EASEMENT AGREEMENT DATED SEPTEMBER 20, 1996, BY AND BETWEEN THE MIAMI BEACH REDEVELOPMENT AGENCY AND MIAMI BEACH REDEVELOPMENT, INC (LOEWS); AND APPROPRIATING \$70,000 IN AVAILABLE REVENUES FROM THE OPERATION OF THE ANCHOR GARAGE FACILITY FOR SAID PURPOSE.

WHEREAS, on September 20, 1996, the Miami Beach Redevelopment Agency (RDA) and Miami Beach Redevelopment, Inc., an entity affiliated with Loews Hotels Holding Corporation (Loews), entered into a Garage Easement Agreement (Agreement) that governs Loews' use of 560 parking spaces in the Anchor Garage Facility, as well as certain revenue sharing provisions between the parties, derived from the operation of the parking facility; and

WHEREAS, the Agreement provides for Loews to pay the RDA a flat annual fee of \$580,000 (Use Fee) which is paid on a monthly basis and the RDA pays Loews 41.7% of the first \$1,390,000 in revenues and 28% of any revenues in excess thereof (Usage Fee); and

WHEREAS, in the Fiscal Year 2004/2005 Miami Beach Redevelopment Agency's Budget, for the City Center Redevelopment Area, a net Usage Fee obligation to Loews of \$86,800 was estimated, representing the estimated year-end negative difference between the Use Fee and the Usage Fee remitted to Loews; and

WHEREAS, based on current projections, it is estimated that the RDA will remit to Loews a total of approximately \$156,800 and Loews will remit to the RDA a total of approximately \$70,000 in gross annual payments; and

WHEREAS, the Fiscal Year 2004/2005 Budget for the City Center Redevelopment Area needs to be amended by increasing the Anchor Garage - Facility Use/Usage Fee line item from \$86,800 to \$156,800 in order to reflect the gross payments required pursuant to the Garage Easement Agreement rather than the net payments that were budgeted.

NOW, THEREFORE, BE IT RESOLVED by the Chairman and Members of the Miami Beach Redevelopment Agency, that the Chairman and Members of the Miami Beach Redevelopment Agency hereby approve an amendment to the Fiscal Year 2004/2005 Miami Beach Redevelopment Agency's Budget for the City Center Redevelopment Area by increasing the Anchor Garage Facility's Use/Usage Fee line item from \$86,800 to \$156,800, in order to reflect the gross payments required pursuant to the terms of the Anchor Garage Easement Agreement dated September 20, 1996 by and between the Miami Beach Redevelopment Agency and Miami Beach Redevelopment, Inc.; and appropriating \$70,000 in available revenues from the operation of the Anchor Garage Facility for said purpose.

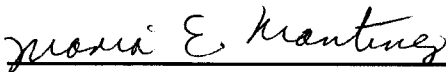
PASSED and **ADOPTED** this 8th day of June, 2005.



CHAIRMAN

for David Dermer

ATTEST:



SECRETARY

for Robert Parcher

**APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION**

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Redevelopment Agency
General Counsel

6-3-05
Date

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**MIAMI BEACH REDEVELOPMENT AGENCY
AGENDA ITEM SUMMARY**



Condensed Title:

A Resolution of the Chairman and Members of the Miami Beach Redevelopment Agency amending the FY 04/05 City Center RDA Budget, by increasing the Anchor Garage Use/Usage Fee line item from \$86,800 to \$156,800, in order for to reflect the gross payments required pursuant to the terms of the Garage Easement Agreement, dated September 20, 1996; and appropriating \$70,000 in available revenues from the operation of the Anchor Garage for this purpose.

Issue:

Shall the RDA Board approve the amendment the City Center Budget?

Item Summary/Recommendation:

The Easement Agreement provides for Loews to pay the RDA a flat annual fee of \$580,000 (Use Fee) which is paid on a monthly basis. The RDA pays Loews 41.7% of the first \$1,390,000 in revenues and 28% of any revenues in excess thereof (Usage Fee). It should be noted that the Use Fee paid by Loews and the first piece of the Usage Fee (41.7%) paid by the RDA, are intended to cancel each other out as they both equal \$580,000. These fees are calculated on a monthly basis and the difference between the Use Fee and the Usage Fee is remitted to the entitled party. At the end of the year, the difference remitted to Loews should equal 28% of total revenues in excess of \$1,390,000, which historically is used as a basis for calculating the Use/Usage Fee line item in the City Center Budget. In FY 04/05, the RDA estimated a net usage fee obligation to Loews of \$86,800. However, until the \$1,390,000 revenue threshold is reached, the RDA remits more to Loews than it receives back from Loews. Once the threshold level is achieved, the RDA receives the difference between the Use Fee and the Usage Fee. Based on the attached projections, it is estimated that the RDA will need to remit a total of approximately \$156,000 and Loews will remit to the RDA a total of approximately \$70,000 for a net difference to Loews of \$86,000 or 28% of revenues in excess of \$1,390,000. As such, the Administration recommends amending the FY 04/05 Budget, by increasing the Anchor Garage Use/Usage Fee line item from \$86,800 to \$156,800; and further appropriating \$70,000 in available revenues from the operation of the Anchor Garage in order to reflect gross payments required pursuant to the Garage Easement Agreement rather than the net payments that were budgeted.

Advisory Board Recommendation:

N/A

Financial Information:

Amount to be expended:

Source of Funds:	Amount	Account	Approved
Anchor Garage Operations	1	70,000	4638000344911
	2		
	3		
	4		
	Total	70,000	

Sign-Offs:

Redevelopment Coordinator	Assistant Director	Executive Director

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CITY OF MIAMI BEACH

CITY HALL 1700 CONVENTION CENTER DRIVE MIAMI BEACH, FLORIDA 33139
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REDEVELOPMENT AGENCY MEMORANDUM

To: Chairman David Dermer and
Members of Miami Beach Redevelopment Agency

Date: June 8, 2005

From: Jorge M. Gonzalez
Executive Director

A handwritten signature in black ink, appearing to read 'Jorge'.

Subject: **A RESOLUTION OF THE CHAIRMAN AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY, AMENDING THE FY 04/05 CITY CENTER RDA BUDGET, BY INCREASING THE ANCHOR GARAGE USE/USAGE FEE LINE ITEM FROM \$86,800 TO \$156,800, IN ORDER TO REFLECT THE GROSS PAYMENTS REQUIRED PURSUANT TO THE TERMS OF THE ANCHOR GARAGE EASEMENT AGREEMENT DATED SEPTEMBER 20, 1996, BY AND BETWEEN THE MIAMI BEACH REDEVELOPMENT AGENCY AND MIAMI BEACH REDEVELOPMENT, INC (LOEWS); AND APPROPRIATING \$70,000 IN AVAILABLE REVENUES FROM THE OPERATION OF THE ANCHOR GARAGE FOR SAID PURPOSE.**

ADMINISTRATION RECOMMENDATION:

Adopt the Resolution.

ANALYSIS

On September 20, 1996, the RDA and MB Redevelopment, Inc., an entity affiliated with Loews Hotels Holding Corporation (Loews), entered into a Garage Easement Agreement that governs Loews' use of 560 parking spaces in the Anchor Garage, as well as certain revenue sharing provisions between the parties, derived from the operation of the parking facility. The Agreement provides for Loews to pay the RDA a flat annual fee of \$580,000 (Use Fee) which is paid on a monthly basis. The RDA pays Loews 41.7% of the first \$1,390,000 in revenues and 28% of any revenues in excess thereof (Usage Fee). It should be noted that the Use Fee paid by Loews and the first piece of the Usage Fee (41.7%) paid by the RDA are intended to cancel each other out as they both equal \$580,000. In practice, these fees are calculated on a monthly basis and the difference between the Use Fee (Loews) and the Usage Fee (RDA) is remitted to the entitled party.

At the end of the year, the difference remitted to Loews should equal 28% of total revenues in excess of \$1,390,000, which historically is used as a basis for calculating the Use/Usage Fee line item in the City Center Budget. In FY 04/05 a net usage fee obligation to Loews of \$86,800 was estimated. However, until the \$1,390,000 revenue threshold is reached, the RDA remits more to Loews than it receives from Loews. Once the threshold level is achieved (usually by mid-summer), the RDA receives the difference between the Use Fee and the Usage Fee. A sample copy of the most recent monthly report issued to Loews is attached as reference. The first schedule is an actual year-to-date revenue and expense schedule through April, 2005. The second schedule reflects actual year-to-date figures as well as a forecast of revenues and expenses through the end of the year. Based on these projections, it is estimated that the RDA will have remitted to Loews a total of

approximately \$156,000 and Loews will have remitted to the RDA a total of approximately \$70,000 for a net difference to Loews of \$86,000 or 28% of revenues in excess of \$1,390,000.

As such, the Administration recommends amending the FY 04/05 Budget, by increasing the Anchor Garage Use/Usage Fee line item from \$86,800 to \$156,800; and further appropriating \$70,000 in available revenues from the operation of the Anchor Garage in order to reflect the gross payments required pursuant to the Garage Easement Agreement rather than the net payments that were budgeted.

JMG:TH:PDW:kob
Attachments

MB Redevelopment, Inc., (Loews)

**ANCHOR SHOPS AND PARKING (16TH STREET PARKING GARAGE)
MONTHLY STATEMENT OF OPERATIONS
APRIL, 2005**

	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Year-to-Date
Gross Revenue (After Sales Tax):													
Transient	\$88,600.95	\$85,206.68	\$96,304.68	\$112,249.71	\$122,302.81	\$184,856.92	\$119,296.55	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$798,820.30
Loews Valet	\$20,704.68	\$19,500.00	\$22,289.72	\$15,603.28	\$28,404.68	\$12,864.49	\$21,747.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$141,114.04
Royal Palm Valet	\$0.00	\$1,789.73	\$0.00	\$0.00	\$1,196.26	\$1,504.67	\$70.09	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,560.75
Monthly	\$26,760.00	\$30,060.00	\$30,450.00	\$30,650.00	\$30,800.00	\$30,200.00	\$30,150.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$209,070.00
Total Revenue:	\$136,065.63	\$136,556.41	\$139,044.40	\$158,502.99	\$182,703.75	\$229,426.08	\$171,265.83	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,153,565.09
Total Operating Expenses:	\$48,265.85	\$45,033.75	\$45,734.45	\$57,823.32	\$53,338.04	\$44,412.34	\$56,410.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$351,018.35
Net Profit (Loss):	\$87,799.78	\$91,522.66	\$93,309.95	\$100,679.67	\$129,365.71	\$185,013.74	\$114,855.23	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$802,546.74
Contractual Facility Fees:													
Use Fee - Loews to RDA (1)	\$48,333.33	\$48,333.33	\$48,333.33	\$48,333.33	\$48,333.33	\$48,333.33	\$48,333.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$338,333.31
Facility Usage Payment - RDA to Loews (2)	\$56,739.37	\$56,944.02	\$57,981.51	\$66,095.75	\$76,187.46	\$95,670.68	\$71,417.85	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$481,036.64
Loews Payment to RDA: (1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
RDA's Payment to Loews: (2)	\$8,406.04	\$8,610.69	\$9,648.18	\$17,762.42	\$27,854.13	\$47,337.35	\$23,084.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$142,703.33
Net Profit (Loss) to the RDA:	\$79,393.74	\$82,911.97	\$83,661.76	\$82,917.25	\$101,511.58	\$137,676.39	\$91,770.71	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$659,843.41
Current Amount Due to RDA:	\$0.00												
Current Amount Due to Loews:	\$23,084.52												

(1) - Based on proration of annual use fee of \$580,000.

(2) - Based on 41.7% of the first \$1,390,000 of annual gross parking revenues and 28.0% of revenues in excess of \$1,390,000.

Diff Due to RDA YTD: \$0.00
Diff Due to Loews YTD: \$142,703.33

Apr, 2005

ANCHOR SHOPS AND PARKING (16TH STREET PARKING GARAGE)

MONTHLY STATEMENT OF OPERATIONS

Year-End Projections - (Oct thru April Actual - May-Sept Projected)

	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Year-to-Date
Gross Revenue (After Sales Tax):									(3)				
Transient	\$88,600.95	\$65,208.68	\$66,304.68	\$112,249.71	\$122,302.81	\$184,656.92	\$119,298.55	\$69,009.00	\$74,747.67	100,000.00	\$21,530.90	\$42,505.02	\$1,137,159.23
Loews Valet	\$20,704.68	\$19,500.00	\$22,286.72	\$15,603.28	\$28,404.88	\$12,864.48	\$21,747.19	\$19,428.00	\$21,465.00	25,955.06	\$15,786.76	\$3,287.36	\$228,042.59
Royal Palm Valet	\$0.00	\$1,789.73	\$0.00	\$0.00	\$1,186.26	\$1,504.67	\$70.00	\$0.00	\$290.00	1,048.60	\$919.96	\$0.00	\$7,656.60
Monthly	\$26,760.00	\$30,060.00	\$30,450.00	\$30,650.00	\$30,800.00	\$30,200.00	\$30,150.00	\$26,200.00	\$26,100.00	\$26,250.00	\$1,950.00	\$77,560.00	\$323,720.00
Total Revenue:	\$136,065.63	\$136,656.41	\$139,044.40	\$158,502.99	\$182,703.75	\$229,426.08	\$171,265.83	\$147,692.66	\$123,573.63	\$158,251.37	\$33,584.63	\$73,265.48	\$1,696,678.42
Total Operating Expenses:	\$48,265.85	\$45,033.75	\$46,734.45	\$57,623.32	\$53,338.04	\$44,412.34	\$56,410.60	\$44,861.72	\$43,400.00	\$41,448.10	\$5,253.17	\$39,648.72	\$526,002.06
Net Profit (Loss):	\$87,799.78	\$91,622.66	\$92,309.95	\$100,679.67	\$129,365.71	\$185,013.74	\$114,855.23	\$102,830.94	\$80,173.63	\$116,803.27	\$28,331.46	\$33,616.76	\$1,170,676.36
Contractual Facility Fees:													
Use Fee - Loews to RDA (1)	\$48,333.33	\$48,333.33	\$48,333.33	\$48,333.33	\$48,333.33	\$48,333.33	\$48,333.33	\$48,333.33	\$48,333.33	\$48,333.33	\$48,333.33	\$48,333.33	\$579,999.96
Facility Usage Payment - RDA to Loews (2)	\$56,739.37	\$56,944.02	\$57,981.51	\$66,095.75	\$76,187.46	\$95,970.68	\$71,417.85	\$61,948.07	\$47,333.84	\$43,278.86	\$11,060.50	\$20,542.31	\$665,471.96
Loews Payments to RDA: (1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$70,444.08
RDA's Payments to Loews: (2)	\$8,406.04	\$8,610.69	\$9,648.18	\$17,824.22	\$27,854.13	\$47,337.35	\$23,064.52	\$13,272.74	\$9,100.00	\$4,000.00	\$0.00	\$0.00	\$155,916.07
Net Profit (Loss) to the RDA:	\$79,393.74	\$82,911.97	\$83,661.76	\$82,917.25	\$101,511.58	\$137,676.39	\$91,770.71	\$89,887.64	\$69,839.82	\$119,443.19	\$71,839.28	\$53,895.78	\$1,085,104.36

(1) - Based on proration of annual use fee of \$580,000.

(2) - Based on 41.7% of the first \$1,390,000 of annual gross parking revenues and 28.0% of revenues in excess of \$1,390,000.

(3) - Revenue Threshold achieved - Facility Usage Payment reduced to 28%.