

RESOLUTION NO. 515-2005


**A RESOLUTION OF THE CHAIRMAN AND MEMBERS OF
THE MIAMI BEACH REDEVELOPMENT AGENCY
ADOPTING AND APPROPRIATING THE OPERATING
BUDGET FOR THE CITY CENTER REDEVELOPMENT
AREA FOR FISCAL YEAR 2005/06.**

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 the fiscal year.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE CHAIRMAN AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY, that the Board hereby adopts and appropriates the operating budget for the City Center Redevelopment Area for Fiscal Year 2005/2006, attached as Exhibit "A" hereto.

PASSED AND ADOPTED THIS SEPTEMBER 21ST DAY OF 2005.



CHAIRMAN

David Dermer

ATTEST:



SECRETARY

Robert Parcher

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

 9-14-05
Redevelopment Agency Date
General Counsel 

**REDEVELOPMENT AGENCY
COMMISSION ITEM SUMMARY**



Condensed Title:

A resolution of the Chairman and Members of the Miami Beach Redevelopment Agency adopting and appropriating the operating budget for the City Center Redevelopment Area for Fiscal Year 2005/06.

Issue:

Should the RDA Board adopt the proposed operating budget for City Center Redevelopment Area for Fiscal Year 05/06?

Item Summary/Recommendation:

The proposed budget for the City Center Redevelopment Area for Fiscal Year 05/06 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.

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 budget for the City Center Redevelopment Area for FY 2005/06.

Advisory Board Recommendation:

N/A

Financial Information:

Source of Funds:	Amount		Account	Approved
	1	2		
<div style="border: 1px solid black; width: 80px; height: 40px; margin-bottom: 5px;"></div> Finance Dept.	3			
	4			
	Total			

City Clerk's Office Legislative Tracking:

Tim Hemstreet/Kent O. Bonde

Sign-Offs:

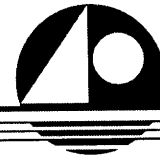
Redevelopment Coordinator	Assistant Director	Executive Director

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AGENDA ITEM 3A
DATE 9-21-05

CITY OF MIAMI BEACH

CITY HALL 1700 CONVENTION CENTER DRIVE MIAMI BEACH, FLORIDA 33139
www.miamibeachfl.gov



REDEVELOPMENT AGENCY MEMORANDUM

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

Date: September 21, 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, FLORIDA, ADOPTING AND APPROPRIATING THE OPERATING BUDGET FOR THE CITY CENTER REDEVELOPMENT AREA FOR FISCAL YEARS 2005/06

RECOMMENDATION

Adopt the Resolution.

ANALYSIS

The proposed budget for the City Center Redevelopment Area for Fiscal Year 05/06 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.

City Center

The taxable value of property in City Center experienced a 9 percent increase in FY 04/05, reflecting a continuing trend of steady growth. In FY 05/06, the tax increment is expected to increase by approximately 39%, as a result of new commercial and residential developments coming on line as well revaluations of existing properties throughout the area.

Total revenues for FY 2005/06 are estimated at \$31.5 Million (rounded), comprising \$24.6 Million in tax increment revenue; \$2.9 Million in resort tax contributions; a ½ mill levy in the amount of \$939,515, 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 approximately \$2.7 Million in operating income derived from the operation of the Anchor Garage, retail lease revenues from the Anchor Shops and surviving Use Fee obligations from Loews, pursuant to the Anchor Garage Easement Agreement. It should be noted that on account of the Loews and Royal Palm Hotels exercising their respective purchase options in FY 04/05, the RDA no longer receives ground lease revenues from the two properties.

Pursuant to the security (pledged funds) provisions in the 1998 series bond documents, Administrative Expenses remain capped at \$500,000, comprising a \$414,000 management fee which is allocated to the General Fund to pay for direct and indirect staff support for the RDA and \$86,000 for actual operating expenses. It should be noted that the Administrative fee accounts for less than 2 percent of total expenditures.

Project-related expenses account for approximately \$6.9 Million, comprising \$2.4 Million in direct and indirect costs associated with operating the parking and retail components of the Anchor Shops and Parking Garage; \$1.9 Million for capital projects' maintenance, pursuant to a determination by Bond Counsel; and a total of \$2.5 Million is being allocated for community policing initiatives in City Center to provide enhanced levels of staffing and services throughout the area.

On-going and planned capital projects in City Center are projected to account for approximately \$11 Million in the FY 05/06 Budget and generally include design and construction of streetscapes throughout City Center; Collins Park area improvements, including demolition of the old library and restoration of the Rotunda; implementation and construction coordination of the street-end improvements to 18th and 20th Streets as well as the missing segment in front of the Richmond Hotel, to be undertaken as part of the Beachwalk Project; planning and design of the City Hall expansion parking garage; completion of renovations to the historic Colony Theater; renovation of the Botanical Garden; and, implementation of development and ground lease agreements with the New World Symphony in connection with the development of the 17th Street surface lots for New World Symphony. Additionally, the RDA continues to coordinate with the City's Capital Improvements Projects Office and Public Works Department on planning, budgeting and implementing infrastructure improvements throughout City Center. A detailed breakdown of the projects to be funded in FY 05/06 is reflected in the Capital Budget proposal for FY 05/06.

Current debt service on the 96B and 98B bonds accounts for approximately \$9.9 million annually and has been projected to be the same for FY 05/06. However, it should be noted as of the date of this memorandum, the RDA has been in process of refinancing the outstanding bonds, which will result in significant Net Present Value savings as well as free up Miami Beach resort Tax Revenues as a secondary pledge.

In FY 2005/06, City Center will continue 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. These payments were previously made from water, sewer, storm water, gas and resort tax proceeds. Additionally, TIF will continue to be utilized to address much needed infrastructure improvements in the area, including but not limited to streetscape, landscaping and parking.

During the course of the 2003/04 RDA budget approval process by Miami-Dade County, the County requested that each Community Redevelopment Area (CRA) include a 1.5% administrative fee to defray the County's costs in connection with its oversight of the CRAs (based on the County's annual Tax Increment Revenue (TIF) contribution in their respective budgets). Due to the fact that the existing bond covenants pledge all current and future increment for the repayment of outstanding bond obligations, the RDA can only remit the administrative fee at the end of the Fiscal Year, provided that the debt service and other obligations relating to the bonds have been met. The RDA budgets were

subsequently modified to include a reserve expenditure line item for the administrative fee, which is calculated against the County's share of the TIF payment. In addition, Chapter 163.387(7)(a) Florida Statutes provides that the City and the County are eligible to share on a proportionate basis in any TIF Revenues not budgeted for a specific use and remaining at the end of the CRA's fiscal year in the Trust Fund. Based on this provision, the City was able to negotiate allocating 1.5% of the County's share of the TIF payment back to the county to defray their costs and 1.5% of the City's share of the TIF payment as a contribution back to the City.

On May 5, 2004, the City Commission and the RDA Board adopted separate resolutions, authorizing the execution of an interlocal agreement between the City of Miami Beach, the RDA and Miami-Dade County, which serves to document the terms by which the City and the County receive their respective administrative fees. The reserve line items for FY 2005/06 comprise \$159,343 for the County and \$210,855 for the City.

Additionally, on October 17, 2003, the Board of County Commissioners enacted Ordinance No. 03-210, whereby any future requests by municipalities and/or community redevelopment agencies relating to community redevelopment plans, including, but not limited to, approval of annual budgets, would require all Community Redevelopment Agencies, in their sole discretion, to exempt the Children's Trust Ad Valorem ½ mill tax levy from collection into the Redevelopment Trust Fund. As in the case of the Administrative Fee, the existing bond covenants preclude the RDA from remitting revenues generated by the ½ mill tax levy until the end of the Fiscal Year, provided that the debt service and other obligations relating to the bonds have been met. Consequently, a reserve expenditure line item has also been added for the Children's Trust, which in FY 2005/06 has been estimated at \$939,515. On January 14, 2004, the City Commission and the RDA Board adopted separate resolutions, authorizing the execution of the Interlocal Agreement between the City of Miami Beach, the RDA, Miami-Dade County and the Children's Trust, which serves to document the terms by which the Trust receives its share of revenues generated by the ½ mil tax levy. The Interlocal also provides that in exchange for the City and CRA's cooperation, the Trust will make available funds in the amount of Trust Fund Revenues generated from the CRA districts, for eligible service providers and children's programs within the City of Miami Beach, without limiting the ability to access other Children's Trust programs.

In FY 04/05, the City Commission and the RDA Board approved a reserve line item to fund capital/infrastructure renewal and replacement throughout the City Center Area on an as needed basis. The line item in FY 05/06 is funded by adding a portion of the debt service millage reduction (0.056 mills) to the FY 04/05 Capital Renewal and Replacement millage (0.126) for a total of 0.182 mills. This millage (0.182) will generate \$341,984 for City Center Capital Renewal and Replacement in FY 05/06.

Recommendation

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 budget for the City Center Redevelopment Area for FY 2005/06.

JMG/TH/KOB 

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Miami Beach Redevelopment Agency
 Proposed Budget FY 2005/06
 City Center Redevelopment Area

Rev 09/08/05

Revenues and Other Sources of Income	Operating Fund	Debt Service	Construction Fund
Opening Balances:			
Tax Increment - City @ 7.481 mills	\$14,057,028	\$0	\$0
Tax Increment - County @ 5.867 mills (1)	\$10,622,892	\$10,622,892	\$0
50% Contribution from Resort Tax (1%)	\$2,972,500	\$0	\$0
1/2 Mill Children's Trust Contribution (2)	\$939,515	\$0	\$0
Interest Income	\$197,000	\$0	\$0
Anchor Garage Operations Revenue	\$1,516,085	\$0	\$0
Anchor Garage Use Fee (Loews) (3)	\$580,000	\$0	\$0
Anchor Shops Lease Revenue	\$633,085	\$0	\$0
Other Operating Transfers In	\$0	\$858,267	\$10,958,685
Fund Balance Re-allocation	\$0	\$0	\$0
Total Revenue	\$31,518,105	\$11,481,159	\$10,958,685

Admin/Operating Expenses	Operating Fund	Debt Service	Construction Fund
Management fee	414,000	-	-
Advertising & promotion	1,000	-	-
Postage & mailing	3,000	-	-
Printing	3,000	-	-
Office supplies & equipment	5,000	-	-
Meetings & conferences	4,000	-	-
Dues & subscriptions	1,000	-	-
Audit fees	8,500	-	-
Professional & related fees	45,500	-	-
Miscellaneous expenses	15,000	-	-
Total Admin/Operating Expenses	\$500,000	\$0	\$0

Projects	Operating Fund	Debt Service	Construction Fund
Anchor Garage Operations	869,611	-	-
Anchor Garage Facility Use/Usage Fee (3)	614,934	-	-
Anchor Garage Property Maintenance	42,000	-	-
Anchor Shops mgt fee & related exp (4)	76,000	-	-
Anchor Shops & Parking Garage Property and Sales Tax	439,316	-	-
Anchor Shops & Parking Garage Depreciation	402,000	-	-
Community Policing	2,512,197	-	-
Capital Projects Maintenance	1,970,505	-	-
Transfer to Capital Projects (5)	-	-	10,958,685
Other/Miscellaneous	-	-	-
Total Project Costs:	\$6,926,563	\$0	\$10,958,685

Transfers, Reserves and Debt Service Payments	Operating Fund	Debt Service	Construction Fund
Debt Service Cost - 96B & 98B Bonds	-	9,911,663	-
Current Debt Service - Lincoln Rd Project (6)	-	1,077,587	-
Current Debt Service - Bass Museum (7)	-	491,909	-
Reserve for County Admin Fee (8)	159,343	-	-
Reserve for CMB Admin Fee (9)	210,855	-	-
Reserve for Children's Trust Contribution (10)	939,515	-	-
Reserve for Millage/Capital Replacement(11)	341,984	-	-
Transfer County TIF to - Debt Svc Fund	10,622,892	-	-
Transfer to - Debt Svc Fund	858,267	-	-
Transfer to - Construction Funds	10,958,685	-	-
Total Transfers Reserves & Debt Service Payments	\$24,091,542	\$11,481,159	\$0

Total Expenditures & Transfers	\$31,518,105	\$11,481,159	\$10,958,685
Excess (Deficiency):	\$0	\$0	\$0

Note #1 Reflects adjustment of (\$401,380) for overpayment of TIF on difference between preliminary and final tax roll in FY 02/03

Note #2 1/2 Mill Children's Trust pmt to RDA per Interlocal

Note #3 MBRI (Loews) remits an annual use fee of \$580,000 to the RDA - RDA remits a Usage Fee to MBRI equal to 41.7% of first \$1,390,000 in Revenues and 28% of Revenues in excess of \$1,390,000

Note #4 Includes direct retail management expenses plus estimated brokerage fees

Note #5 Separate detail by project attached - from CIP and PW

Note #6 Payment of Lincoln Road current debt service on Sunshine State Loan

Note #7 Payment of Bass Museum current debt service on Gulf Breeze Loan

Note #8 County admin fee @ 1.5% of County's increment revenue

Note #9 CMB Admin Fee @ 1.5% of City's increment revenue

Note #10 1/2 mill Children's Trust Contribution

Note #11 Reserve for Capital Replacement Program

TAX INCREMENT FUND PROJECTIONS

City Center TIF Projections Rev 9-1-05

CMB FY	Yr End	FINAL		Projected Assessed Value	FINAL	Projected		FINAL	Prjctd %	M-DC Millage	CMB Millage	@ 95%		FINAL	Projected		FINAL	Projected		FINAL	Projected		
		Assessed Value	Value			Value	Value					Payment	Payment		M-DC Payment	subtotal Payment		Total Payment	M-DC Payment		subtotal Payment	Total Payment	
1992			292,572,271																				
93-94	1994		373,316,447		80,744,176				27.6%	8.238	7.289		95.0%		559,117								
94-95	1995		470,779,626		97,463,179				26.1%	7.143	7.289		95.0%		1,234,006								
95-96	1996		491,677,581		20,897,955				4.4%	7.499	6.828		95.0%		1,291,517								
96-97	1997		497,342,509		5,664,928				1.2%	7.499	6.469		95.0%		1,258,426								
97-98	1998		531,364,583		34,022,074				6.8%	7.499	6.023		95.0%		1,366,334								
98-99	1999		609,832,451		78,467,868				14.8%	7.499	5.809		95.0%		1,815,315								
99-00	2000	(a)	894,145,474		284,313,023				46.6%	7.499	5.751		95.0%		3,319,812								
00-01	2001		1,021,968,290		127,822,816				14.3%	7.399	5.713		95.0%		3,973,395								
01-02	2002		1,169,579,777		147,611,487				14.4%	7.299	5.899		95.0%		4,759,827								
02-03	2003	(b)	1,302,035,339		132,455,562				11.3%	7.299	5.899		95.0%		5,568,124								
03-04	2004	(c)	1,498,627,666		196,592,327				15.1%	7.299	5.899		95.0%		6,603,639								
04-05	2005	(d)	1,633,198,959		134,571,293				9.0%	7.425	5.899		95.0%		7,512,939								
05-06	2006	(e)	2,270,499,203		637,300,244				39.0%	7.481	5.867		95.0%		10,622,892								
06-07	2007	(f)	2,409,114,179		138,614,976				6.1%	7.481	5.867		95.0%		11,796,864								
07-08	2008		2,529,569,888		120,455,709				5.0%	7.481	5.867		95.0%		12,468,242								
08-09	2009	(g)	2,725,456,984		195,887,097				7.7%	7.481	5.867		95.0%		13,560,048								
09-10	2010		2,861,729,834		136,272,849				5.0%	7.481	5.867		95.0%		14,319,585								
10-11	2011		2,976,199,027		114,469,193				4.0%	7.481	5.867		95.0%		14,957,596								
11-12	2012		3,095,246,988		119,047,961				4.0%	7.481	5.867		95.0%		15,621,128								
12-13	2013		3,219,056,868		123,809,880				4.0%	7.481	5.867		95.0%		16,311,201								
12-14	2014		3,347,819,142		128,762,275				4.0%	7.481	5.867		95.0%		17,028,877								
															6,362,848								
															9,456,446								
															14,057,028								
															15,042,158								
															15,898,230								
															17,290,390								
															18,258,874								
															19,072,401								
															19,918,469								
															20,798,380								
															21,713,487								
															8,362,848								
															9,456,446								
															14,057,028								
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															19,072,401								
															19,918,469								
															20,798,380								
															21,713,487								

NOTES: 10-11 thru 12-14 Projected by RDA, assuming min 4% growth in valuations

- (a) Loews
- (b) Town House Shore Club
- (c) Lincoln Place Millennium
- (d) Ritz Carlton
- (e) Setai
- (f) Arte Cite - The Regent
- (g) The "W"