

RESOLUTION NO. 532-2006

**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 2006/07.**

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 2006/2007, attached as Exhibit "A" hereto.

PASSED AND ADOPTED THIS SEPTEMBER 21ST DAY OF 2006.

ATTEST:



SECRETARY
Robert Parcher



CHAIRMAN
Jerry Libbin

JMG:TH:kob

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



Redevelopment Agency
General Counsel

9/19/06

Date

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 2006/07.

Key Intended Outcome Supported:

Improve the City's overall financial health and maintain overall bond rating

Issue:

Should the RDA Board adopt the proposed operating budget for City Center Redevelopment Area for Fiscal Year 2006/07?


Item Summary/Recommendation:

The proposed budget for the City Center Redevelopment Area for Fiscal Year 2006/07 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 2006/07.

Advisory Board Recommendation:

N.A.

Financial Information:


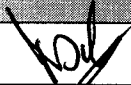
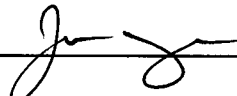
Source of Funds:	Amount	Account	Approved
 OBPI	1	\$46,282,343	City Center Redevelopment Area Fund
	2		
	3		
	4		
	Total		

Financial Impact Summary:

City Clerk's Office Legislative Tracking:

Kent Bonde and Kathy Brooks

Sign-Offs:

Redevelopment Coordinator	Assistant Director	Executive Director
		

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MIAMI BEACH

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

REDEVELOPMENT AGENCY MEMORANDUM

TO: Chairman and Members of the Miami Beach Redevelopment Agency

FROM: Jorge M. Gonzalez, Executive Director

DATE: September 21, 2006

SUBJECT: **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 2006/07**

ADMINISTRATION RECOMMENDATION

Adopt the Resolution.

ANALYSIS

The proposed budget for the City Center Redevelopment Area for Fiscal Year 2006/07 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.

The taxable value of property in City Center experienced a 39 percent increase in FY 2005/06 and is projected to increase by 32% in FY 2006/07 as a result of new commercial and residential developments coming on line as well revaluations of existing properties throughout the area. This projected increase in property values is anticipated to generate approximately \$33.7 Million in Tax Increment Revenues. Other sources of revenue include an estimated \$3 Million in Resort Tax contributions; a ½ mill levy in the amount of \$1.2 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; an estimated \$1.07 Million in interest income and approximately \$3.1 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 2004/05, 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 \$8.1 Million, comprising \$3.1 Million in direct and indirect costs associated with operating the parking and retail components of the Anchor Shops and Parking Garage; \$2.3 Million for capital projects' maintenance; and a total

of \$2.7 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 \$20.9 Million in the FY 2006/07 Budget and generally includes implementation and construction of the multi-purpose municipal parking facility behind City Hall; design development of the Cultural Campus Garage to be located behind the new Regional Library and the Miami City Ballet; design and construction of streetscapes throughout City Center; Collins Park area improvements, including the re-design of the Collins Park and restoration of the Rotunda; and implementation of the Development and Ground Lease Agreements with the New World Symphony in connection with development of its Sound Space Project on the 17th Street surface lots. Additionally, the RDA continues to coordinate with CIP on planning, budgeting and implementing infrastructure improvements throughout City Center.

The City and the RDA have also been working with the Miami Beach Development Corporation, to explore the acquisition of the Riviera Apartments in the City Center Redevelopment Area, which would allow the 56-unit apartment building to maintain its affordability status. Since certain additional information is needed before the City Commission and the RDA Board can consider approving this acquisition, the FY 2006/07 Budget contains a Land Acquisition Reserve line item in the amount of \$4.5 million, that will allow for future consideration of this purchase, once the necessary information is available to proceed.

The current combined debt service on the 2005 Series Bonds and the Parity Bonds accounts for approximately \$8.3 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 \$1.6 Million. These payments were previously made from water, sewer, storm water, gas and resort tax proceeds.

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 and City's administrative fees and the remittance of the ½ mill tax levy back to the Children's Trust.

Additionally, an estimated \$468,731 will be added to the capital renewal and replacement reserve for City Center in FY 2006/07.

CONCLUSION

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 2006/07.

JMG/TH/KB/KOB
Attachment

**Miami Beach Redevelopment Agency
Proposed Budget FY 2006/07
City Center Redevelopment Area**

Rev 09/13/06

Revenues and Other Sources of Income	Operating Fund	Debt Service	Construction Fund
Tax Increment - City @ 7.374 mills	\$18,991,324	\$0	\$0
Tax Increment - County @ 5.720 mills	\$14,723,257	\$10,013,387	\$4,709,870
50% Contribution from Resort Tax	\$2,978,500	\$0	\$0
1/2 Mill Children's Trust Contribution (1)	\$1,248,028	\$0	\$0
Interest Income	\$1,078,396	\$0	\$0
Anchor Place	\$1,900,000	\$0	\$0
Anchor Garage Use Fee (Loews) (2)	\$580,000	\$0	\$0
Anchor Shops Lease Revenue	\$689,142	\$0	\$0
Operating Transfers In	\$0	\$0	\$ 16,188,187
Fund Balance Re-allocation	\$4,093,696	\$0	\$0
Total Revenue	\$46,282,343	\$10,013,387	\$20,898,057
Admin/Operating Expenses	Operating Fund	Debt Service	Construction Fund
Management fee	414,000	-	-
Advertising & promotion	1,000	-	-
Postage, printing & mailing	3,500	-	-
Office supplies & equipment	3,000	-	-
Meetings & conferences	4,000	-	-
Dues & subscriptions	1,000	-	-
Audit fees	8,500	-	-
Professional & related fees	55,000	-	-
Miscellaneous expenses	10,000	-	-
Total Admin/Operating Expenses	\$500,000	\$0	\$0
Projects	Operating Fund	Debt Service	Construction Fund
Anchor Garage Operations	670,000	-	-
Anchor Garage Facility Use/Usage Fee (2)	722,430	-	-
Anchor Garage Property Maintenance	76,000	-	-
Anchor Shops mgt fee & related exp (3)	45,000	-	-
Anchor Shops & Parking Garage Property and Sales Tax	590,240	-	-
Anchor Shops & Parking Garage Reserve for Replacement	1,065,472	-	-
Community Policing	2,664,566	-	-
Land Acquisition Reserve	4,500,000	-	-
Capital Projects Maintenance (4)	2,314,713	-	-
Transfer to Capital Projects (5)	-	-	20,898,057
Total Project Costs:	\$12,648,421	\$0	\$20,898,057
Transfers, Reserves and Debt Service Payments	Operating Fund	Debt Service	Construction Fund
Debt Service Cost - 96B & 98B Bonds	-	8,359,013	-
Current Debt Service - Lincoln Rd Project (6)	-	1,148,145	-
Current Debt Service - Bass Museum (7)	-	506,229	-
Reserve for County Admin Fee (8)	220,849	-	-
Reserve for CMB Admin Fee (9)	284,870	-	-
Reserve for Children's Trust Contribution (10)	1,248,028	-	-
Reserve for Millage/Capital Replacement(11)	468,731	-	-
Transfer County TIF to - Debt Svc Fund	10,013,387	-	-
Transfer County TIF to - Construction Funds	4,709,870	-	-
Transfer to - Construction Funds	16,188,187	-	-
Total Transfers Reserves & Debt Service Payments	\$33,133,922	\$10,013,387	\$0
Total Expenditures & Transfers	\$46,282,343	\$10,013,387	\$20,898,057
Excess (Deficiency):	\$0	\$0	\$0

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

Note #2 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 #3 Includes retail management fee & related operating expenses

Note #4 Separate detail for capital maintenance items from PW

Note #5 Reflects appropriations for CIP & PW projects

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 (.182 Mills)