

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 AND THE ANCHOR SHOPS AND PARKING GARAGE FOR FISCAL YEAR 2007/2008

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

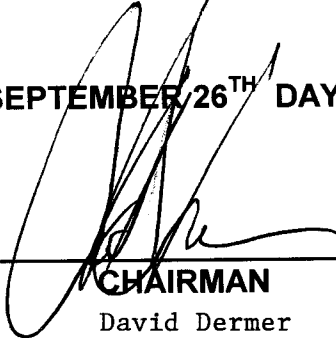
WHEREAS, the proposed City Center Redevelopment Area Budget reflects anticipated construction project costs in addition to operating and debt service costs for the fiscal year; and

WHEREAS, the proposed budget for the Anchor Shops and Parking Garage has been included as a separate schedule to the Budget, reflecting projected revenues and operating expenses for the fiscal year; and

WHEREAS, subsequent to the final adoption of Miami-Dade County's Budget by the Board of County Commissioners on September 20th, 2007, and based on the finalization of the FY 2005/06 tax roll by the Miami-Dade County Tax Assessor, the proposed RDA Budget schedule for City Center reflects the County's anticipated adjustment (reduction) for overpayment of its Tax Increment (TIF) payment during FY 2005/06, totaling \$775,664 for the City's Share and \$604,999 for the County's share, representing a decrease in revenues of \$539,674 from the proposed RDA Budget.

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 and the Anchor Shops and Parking Garage for Fiscal Year 2007/2008, attached as Exhibit "A" and Exhibit "B" hereto.

PASSED AND ADOPTED THIS SEPTEMBER 26TH DAY OF 2007.



CHAIRMAN
David Dermer


ATTEST:



SECRETARY
Robert Parcher

JMG:TH:kob

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

 9/21/07

Redevelopment Agency
General Counsel 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 and the Anchor Shops and Parking Garage for Fiscal Year 2007/08.

Key Intended Outcome Supported:

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

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

One of the City's Key Intended Outcomes is to ensure well designed and well maintained capital projects and infrastructure. In keeping with this goal, 60% or \$24.2 Million of the proposed Budget for City Center is being allocated towards new and on-going capital projects in the area. Additionally, according to the Hay Group Survey, 84% of the residents surveyed, rank the quality of capital improvement projects as excellent/good.

Issue:

Should the RDA Board adopt the proposed operating budget for the City Center Redevelopment Area and the Anchor Shops and Parking Garage for Fiscal Year 2007/08?

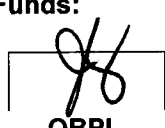
Item Summary/Recommendation:

The proposed budget for the City Center Redevelopment Area for Fiscal Year 2007/08 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. It should be noted that historically, revenues and expenses associated with operations of the Anchor Shops and Parking Garage were included as line items in the RDA Budget for approval. In order to eliminate any perception that proceeds from the Facility's operations are pooled with TIF and other Trust Fund revenues, they are being presented in a separate schedule to the Budget for approval. Also, subsequent to the final adoption of Miami-Dade County's Budget on September 20th and based on the finalization of the FY 2005/06 tax roll by the County Tax Assessor, the proposed RDA Budget reflects the County's anticipated adjustment (reduction) for overpayment of TIF during FY 2005/06, (totaling \$775,664 for the City's Share and \$604,999 for the County's share), representing a decrease in revenues of \$539,674 from the initial proposed Budget schedule. 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 and the Anchor Shops and Parking Garage for FY 2007/08.

Advisory Board Recommendation:

N.A.

Financial Information:

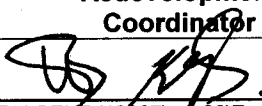
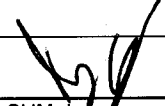
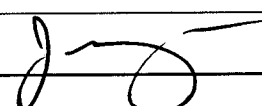
Source of Funds:	Amount	Account	Approved
 OBPI	1	\$41,896,335	City Center Redevelopment Area Fund
	2	\$ 3,392,689	Anchor Shops and Parking Garage Operations
	Total	\$45,289,024	

Financial Impact Summary:

City Clerk's Office Legislative Tracking:

Kent Bonde, Jose Cruz and Kathie 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 26, 2007

SUBJECT: **A RESOLUTION OF THE CHAIRMAN AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY, ADOPTING AND APPROPRIATING THE OPERATING BUDGETS FOR THE CITY CENTER REDEVELOPMENT AREA AND THE ANCHOR SHOPS AND PARKING GARAGE FOR FISCAL YEAR 2007/08**

ADMINISTRATION RECOMMENDATION

Adopt the Resolution.

ANALYSIS

The proposed budget for the City Center Redevelopment Area (RDA) for Fiscal Year 2007/08 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 32 percent increase in FY 2006/07 and is estimated to have increased by 19% in FY 2007/08, as a result of new commercial and residential developments coming on line as well as revaluations of existing properties throughout the area. Had the same millage rates that were adopted in FY 2006/07 (City - 7.374 mills/County - 5.615) been applied to FY 2007/08, it would have resulted in Tax Increment (TIF) revenues of approximately \$40 Million. Instead, on account of the rollback requirements mandated by the State Legislature, the corresponding reductions in City and County millage (City - 5.655 mills/County - 4.58 mills) are anticipated to only generate \$32 Million in TIF revenues, representing a reduction of almost \$8 Million. It should be noted, that subsequent to the final adoption of Miami-Dade County's Budget on September 20th and based on the finalization of the FY 2005/06 tax roll by the County Tax Assessor, the proposed RDA Budget schedule for City Center reflects the County's anticipated adjustment (reduction) for overpayment of TIF during FY 2005/06, (totaling \$775,664 for the City's Share and \$604,999 for the County's share). This represents a decrease in revenues of \$539,674 from the initial proposed RDA Budget.

Other sources of revenue include an estimated \$3.1 Million in Resort Tax contributions; a ½ mill levy in the amount of \$1.5 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 \$2 Million in interest income and a fund balance reallocation or \$4.4 Million from non-TIF funding sources.

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 \$5.1 Million, comprising \$2.9 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 \$2.2 Million for maintenance of RDA capital projects. On-going and planned capital projects in City Center are projected to account for approximately \$24.2 Million in the FY 2007/08 Budget and generally includes planning and design of the City's share of improvements related to the New World Symphony Project (Garage, Park and surrounding infrastructure components); construction of streetscapes throughout City Center; construction of Collins Park, including the restoration of the Rotunda; implementation of improvements to Lincoln Road, between Collins and Washington Avenues; design development for improvements to the Little Stage Theater; and an allocation to address remaining close-out requirements at the Colony Theater. Additionally, the RDA continues to coordinate with CIP on planning, budgeting and implementing infrastructure improvements throughout City Center.

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.

It should be noted that historically, revenues and expenses associated with operations of the Anchor Shops and Parking Garage were included as line items in the RDA Budget for approval. In order to eliminate any perception that proceeds from the Facility's operations were pooled with TIF and other Trust Fund revenues, they are being presented in a separate schedule for approval. Approximately \$3.4 Million is being projected 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. Total direct and indirect costs associated with operating the parking and retail components of Facility are also anticipated at \$3.4 Million, which includes combined operating contingencies totaling \$343,000.

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 budgets for the City Center Redevelopment Area and the Anchor Shops and Parking Garage for FY 2007/08.

JMG/TH/KB/KOB

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Exhibit "A"

**Miami Beach Redevelopment Agency
Proposed Operating Budget FY 2007/2008
City Center Redevelopment Area**

	<u>Budget Amount \$</u>	<u>Percent of Total %</u>
Rev 9-21-07		
Revenues and Other Sources of Income:		
Tax Increment - City @ 5.655	\$17,690,977	
Adjustment for Final FY 05/06 Tax Roll - City Increment (1)	(775,664)	
Tax Increment - County @ 4.580	\$14,326,704	
Adjustment for Final FY 05/06 Tax Roll - County Increment (1)	(604,999)	
50% Contribution from Resort Tax	3,205,500	
1/2 Mill Children's Trust Contribution (2)	\$1,564,051	
Interest Income	\$2,000,000	
Fund Balance Reallocation Renewal & Replacement Reserve	\$45,000	
Fund Balance Reallocation: (Non-TIF)	\$4,444,766	
Fund Balance Reallocation: (TIF)	\$0	
TOTAL REVENUES:	<u>\$41,896,335</u>	100%
 Admin/Operating Expenses :		
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:	<u>\$500,000</u>	1%
Project Expenses:		
Community Policing	\$2,993,417	
Reserve for Replacement - Lincoln Rd Light Fixtures	\$45,000	
Capital Projects Maintenance (3)	\$2,150,000	
Transfer to Capital Projects (4)	\$24,234,167	
Total Project Expenses:	<u>\$29,422,584</u>	70%
Reserve and Debt Service Obligations:		
Debt Service Cost - 2005 + Parity Bonds	\$8,375,554	
Current Debt Service - Lincoln Rd Project (5)	\$1,068,148	
Current Debt Service - Bass Museum (6)	\$506,443	
Reserve for County Admin Fee (7)	\$205,826	
Reserve for CMB Admin Fee (8)	\$253,730	
Reserve for Children's Trust Contribution (9)	\$1,564,051	
Total Reserve and Debt Service Obligations:	<u>\$11,973,751</u>	29%
 TOTAL EXPENSES AND OBLIGATIONS:	 <u>\$41,896,335</u>	 100%
 Excess/(Deficiency):	 (\$0)	 0%

Note #1 Adjustment for final FY 05/06 Tax Roll as confirmed by County Office of Strategic Business Management on 9/20/07

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

Note #3 Separate detail for capital maintenance items from PW

Note #4 Reflects appropriations for CIP & PW projects

Note #5 Payment of Lincoln Road current debt service on Sunshine State Loan

Note #6 Payment of Bass Museum current debt service on Gulf Breeze Loan

Note #7 County admin fee @ 1.5% of County's increment revenue

Note #8 CMB Admin Fee @ 1.5% of City's increment revenue

Note #9 1/2 mill Children's Trust Contribution

Exhibit "B"

Anchor Shops and Parking Garage (16th Street Parking Garage) Projection of Revenues and Expenses - Fiscal Year 2007/2008

Revenues:

Parking Operations	\$2,184,700
Garage Use Fee (From Loews) (1)	\$580,000
Retail Leasing	\$633,562
Total Revenues:	<u>\$3,398,262</u>

Operating Expenses:

Parking Operations	\$1,794,168
Garage Use Fee (To Loews) (2)	\$802,516
Retail Leasing Mgt Agreement	\$59,000
Property Tax	\$400,000
Operating Contingency - Parking Operations	\$168,016
Operating Contingency - Retail Operations	\$174,562
Total Expenses:	<u>\$3,398,262</u>

Excess (Deficiency)

\$ -

(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
and 28.0% of revenues in excess of \$1,390,000.