

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 AND THE ANCHOR SHOPS AND PARKING GARAGE FOR FISCAL YEAR 2009/10

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; and

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

WHEREAS, the Executive Director recommends approval of the proposed Fiscal Year 2009/10 budgets for the City Center Redevelopment Area as well as for the Anchor Shops and Parking Garage; and

NOW, THEREFORE, BE IT DULY RESOLVED BY THE CHAIRPERSON AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY, that the Chairperson of Members hereby adopt and appropriates the operating budget for the City Center Redevelopment Area and the Anchor Shops and Parking Garage for Fiscal Year 2009/10, attached as Exhibit "A" hereto.

PASSED AND ADOPTED THIS SEPTEMBER 24TH DAY OF 2009.


CHAIRPERSON

Matti Herrera Bower

ATTEST:

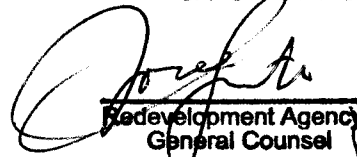


SECRETARY

Robert Parcher

JMG:KB:kob

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


**Redevelopment Agency
General Counsel**

9/15/09
Date

Condensed Title:

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 and the Anchor Shops and Parking Garage for Fiscal Year 2009/10.

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, approximately 56 percent or \$19 Million of the proposed Budget for City Center is being allocated towards new and on-going capital projects in the area as well as maintenance of capital projects funded by the RDA. Additionally, according to the 2009 Community Survey, arts, culture and the availability of public parking were among the key factors driving overall satisfaction levels. Major projects being funded through the RDA address these very priorities, including the New World Symphony Garage and Park (Lincoln Park) and the Lincoln Road – Alton to Lennox project.

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 2009/10?

Item Summary/Recommendation:

The proposed budget for the City Center Redevelopment Area for Fiscal Year 2009/10 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, pursuant to the finalization of the FY 2007/08 tax roll by the County Tax Assessor, the proposed RDA Budget reflects the County's anticipated adjustment (reduction) for overpayment of TIF during FY 2007/08, (totaling \$1,178,873 for the City's Share and \$954,605 for the County's share), representing a total decrease in TIF revenues of \$2.1 Million. 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 2009/10.

Advisory Board Recommendation:

N.A.

Financial Information:


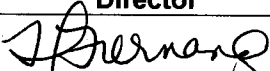
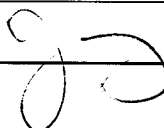
Source of Funds:	Amount	Account	Approved
1	\$34,652,694	City Center Redevelopment Area Fund	
2	\$ 3,374,589	Anchor Shops and Parking Garage Operations	
Total	\$38,027,283		

Financial Impact Summary:

City Clerk's Office Legislative Tracking:

Kent Bonde, Jose Cruz and Kathie Brooks

Sign-Offs:

RDA Coordinator	Budget Director	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: Chairperson and Members of the Miami Beach Redevelopment Agency

FROM: Jorge M. Gonzalez, Executive Director

DATE: September 24, 2009

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 AND THE ANCHOR SHOPS AND PARKING GARAGE FOR FISCAL YEAR 2009/10**

ADMINISTRATION RECOMMENDATION

Adopt the Resolution.

ANALYSIS

The proposed budget for the City Center Redevelopment Area (RDA) for Fiscal Year 2009/10 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.

Following a period of extensive growth spanning the existence of City Center, the taxable value in the Redevelopment Area is anticipated to decline for the first time in its history, largely due to the deterioration of the economy, coupled with the decline in property values. Based on the 2009 Certificate of Taxable Value from the Property Appraiser's Office, it is anticipated that value of property in City Center will decline by 7% in FY 2009/10. Based on the proposed millage rates (City - 5.6555 mills/County - 4.8739 mills), the RDA anticipates receiving \$31.4 Million in TIF revenues. However, as in previous years, the City also received correspondence from the County, advising of the finalization the tax roll for the prior year, which in the case of FY 2007/08, reflected nearly an 8 percent decrease from the preliminary valuation for the same year. Consequently, the County anticipates adjusting the FY 2009/10 TIF payment for overpayment in FY 2007/08 by \$954,605. The City's TIF payment is also anticipated to be impacted by this adjustment, by estimated \$1,178,873.

Additional sources of revenue include an estimated \$3.4 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; and an estimated \$385,000 in interest income.

Administrative Expenses total \$575,564, comprising a management fee of \$443,221 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 increase in the Management Fee allocation from last year's budget 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 only account for two percent of the total budget.

Project-related expenses account for approximately \$22.1 Million, which includes \$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 \$3 Million for maintenance of RDA capital projects. On-going and planned capital projects in City Center are projected to account for approximately \$13.2 Million in the FY 2009/10 Budget and generally include design and construction of Lincoln Park (associated with the New World Symphony project); additional funding for the municipal garage component of the New World Symphony project, to be called the Pennsylvania Avenue Garage; and additional funding required to complete improvements to Lincoln Road, between Lenox Avenue and Alton Road. An additional \$3 Million has been set as a contingency for the New World Symphony/Lincoln Park complex. Previously funded projects that are underway in City Center include 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; and, planning and design of landscaping improvements to the Botanical Garden.

The current combined debt service on the 2005 Series Bonds and the Parity Bonds accounts for approximately \$8.4 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.

The revenues and expenses associated with operations of the Anchor Shops and Parking Garage are presented as a separate schedule in order to eliminate any perception that proceeds from the facility's operations are pooled with TIF and other Trust Fund revenues. Garage revenues are projected at \$2.6 Million, with operating expenses, (including depreciation, and contractual revenue-sharing obligations with Loews), of \$2.1 Million. The retail operation is expected to generate \$696,000 in revenues, with operating expenses associated with the retail management contract and related reimbursable expenditures estimated at approximately \$60,000. Additionally, based on the previously referenced Cost Allocation Analysis, a Management Fee line item has been included in the FY 2009/10 operating expenses to address certain city-related costs associated with the operation of the facility, which were not included as part of the garage or retail operating budgets.

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 2009/10.

JMG/TH/KB/KOB

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**Miami Beach Redevelopment Agency
City Center Redevelopment Area
Proposed FY 2009/10 Operating Budget**

	FY 08/09 Budget	FY 08/09 Projected	Inc/(Dec)	FY 09/10 Budget	Budget Variance From FY 08/09
Revenues and Other Sources of Income					
Tax Increment - City @ 5.6555	\$18,345,335	\$18,345,335	\$0	\$16,946,393	(\$1,398,942)
Adjustment to City Increment for FY 2007 Tax Roll (1)	(1,111,989)	(1,111,989)	0	(1,178,873)	(66,884)
Tax Increment - County @ 4.8379 (2)	15,808,032	15,683,201	(124,831)	14,496,500	(1,311,532)
Adjustment to County Increment for FY 2007 Tax Roll (2)	(846,734)	(846,734)	0	(954,605)	(107,871)
50% Contribution from Resort Tax	3,505,500	3,460,000	(45,500)	3,460,000	(45,500)
1/2 Mill Children's Trust Contribution (3)	1,621,902	1,621,902	0	1,498,222	(123,680)
Interest Income	1,294,773	386,092	(908,681)	385,057	(909,716)
Fund Balance Reallocation: (Non-TIF)	386,922	386,922	0	0	(386,922)
Fund Balance Reallocation: (TIF)	0	0	0	0	0
TOTAL REVENUES	\$39,003,741	\$37,924,729	(\$1,079,012)	\$34,652,694	(\$4,351,047)
Admin/Operating Expenses					
Management fee, salaries & benefits	\$414,000	\$414,000	\$0	\$489,564	\$75,564
Advertising & promotion	1,000	1,000	0	1,000	0
Postage, printing & mailing	3,500	1,050	(2,450)	3,500	0
Office supplies & equipment	3,000	2,700	(300)	3,000	0
Meetings & conferences	4,000	4,000	0	4,000	0
Dues & subscriptions	1,000	950	(50)	1,000	0
Audit fees	8,500	8,500	0	8,500	0
Professional & related fees	55,000	25,933	(29,067)	55,000	0
Miscellaneous expenses	10,000	2,350	(7,650)	10,000	0
Total Admin/Operating Expenses	\$500,000	\$460,483	(\$39,517)	\$575,564	\$75,564
Project Expenses					
Community Policing	\$3,262,158	\$2,762,380	(\$499,778)	\$2,871,494	(\$390,664)
Capital Projects Maintenance (4)	2,730,856	2,730,856	0	3,050,775	319,919
NWS Project/Lincoln Park Complex Contingency	0	0	0	3,060,189	3,060,189
Transfer to Capital Projects (5)	20,319,813	20,319,814	1	13,170,050	(7,149,763)
Total Project Expenses	\$26,312,827	\$25,813,050	(\$499,777)	\$22,152,508	(\$4,160,319)
Reserve and Debt Service Obligations					
Debt Service Cost - 2005 + Parity Bonds	\$8,393,267	\$8,374,697	(\$18,570)	\$8,393,267	\$0
Current Debt Service - Lincoln Rd Project (6)	1,205,288	1,082,329	(122,959)	1,086,961	(118,327)
Current Debt Service - Bass Museum (7)	506,108	506,108	0	506,531	423
Reserve for County Admin Fee (8)	224,419	222,547	(1,872)	203,128	(21,291)
Reserve for CMB Admin Fee (9)	258,500	258,500	0	236,513	(21,987)
Reserve for Children's Trust Contribution (10)	1,603,332	1,603,332	0	1,498,222	(105,110)
Repayment-Prior Yr advances from Non-TIF funds	0	0	0	0	0
Total Reserve and Debt Service Obligations	\$12,190,914	\$12,047,513	(\$143,401)	\$11,924,622	(\$266,291)
TOTAL EXPENSES AND OBLIGATIONS	\$39,003,741	\$38,321,046	(\$682,695)	\$34,652,694	(\$4,351,046)
NET	\$0	(\$396,316)	(\$396,316)	(\$0)	(\$0)

Note #1 Adjustment for final FY 07/08 Tax Roll - per correspondence from County dated 08/04/09

Note #2 Pursuant to BCC Budget Hearing on 9/3/09

Note #3 1/2 Mill Children's Trust pmt to RDA per Interlocal

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

Proposed FY 2009/10 Anchor Shops and Parking Garage (16th Street Parking Garage) Operating Budget

	FY 08/09 Budget (1)	FY 08/09 Projected	Inc/(Dec)	FY 09/10 Budget	Budget Variance From FY 08/09
Revenues:					
Parking Operations	\$2,379,917	\$2,585,000	\$205,083	\$2,632,000	\$252,083
Retail Leasing	\$674,648	\$683,779	\$9,131	\$696,489	\$21,841
Interest Pooled Cash	\$445,687	\$46,100	(\$399,587)	\$46,100	(\$399,587)
TOTAL REVENUES	\$3,500,252	\$3,314,879	(\$185,373)	\$3,374,589	(\$125,663)
Operating Expenses:					
Parking Operations	\$1,705,306	\$1,700,768	(\$4,538)	\$1,802,864	\$97,558
Garage Use Fee (To Loews) (1)	349,417	342,000	(7,417)	355,208	5,791
Retail Leasing Management Fee	62,942	55,000	(7,942)	60,000	(2,942)
Management Fee	0	0	0	158,129	158,129
Reserve Future Capital - Parking Operations	583,194	563,832	(19,362)	375,922	(207,272)
Reserve Future Capital - Retail Operations	799,393	653,279	(146,114)	622,466	(176,927)
TOTAL EXPENSES	\$3,500,252	\$3,314,879	(\$185,373)	\$3,374,589	(\$125,663)
NET	\$0	\$0	\$0	\$0	\$0

(1) - Based on 28% of annual gross parking revenues in excess of \$1,390,000. (Includes contingency amount)