

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 2010/11

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 2010/11 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 and Members hereby adopt and appropriates the operating budget for the City Center Redevelopment Area and the Anchor Shops and Parking Garage for Fiscal Year 2010/11, attached as Exhibit "A" hereto.

PASSED AND ADOPTED THIS SEPTEMBER 20TH DAY OF 2010.


CHAIRPERSON

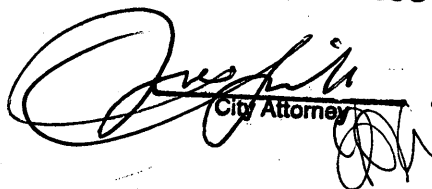
ATTEST:


SECRETARY

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


City Attorney

9/17/10
Date

MIAMI BEACH REDEVELOPMENT AGENCY ITEM SUMMARY

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 2010/11.

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 9 percent or \$3.3 Million of the proposed Budget for City Center is being allocated towards 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 Campus Expansion, and the recently completed Pennsylvania Avenue Garage and Lincoln Park.

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 2010/11?

Item Summary/Recommendation:

The proposed budget for the City Center Redevelopment Area for Fiscal Year 2010/11 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. Additionally, the revenues and expenses associated with the operations of the Anchor Shops and Parking Garage are presented as a separate schedule so as to eliminate any perception that proceeds from the Facility's operations are pooled with TIF and other Trust Fund revenues. Also, subject to the finalization of the FY 2008/09 tax roll by the County Tax Assessor, the proposed RDA Budget includes an allowance for the County's anticipated adjustment (reduction) for overpayment of TIF during FY 2008/09 (estimated at \$1.2 Million for the City's Share and \$1 Million for the County's share), representing a total decrease in TIF revenues of \$2.2 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 2010/11.

Advisory Board Recommendation:

N.A.

Financial Information:

Source of Funds:	Amount		Account
	1	\$37,229,011	City Center Redevelopment Area Fund
2	\$ 3,121,366	Anchor Shops and Parking Garage Operations	
Total	\$40,350,377		

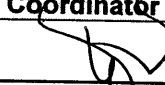



OBFI

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 20, 2010

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 2010/11**

ADMINISTRATION RECOMMENDATION

Adopt the Resolution.

ANALYSIS

The proposed budget for the City Center Redevelopment Area (RDA) for Fiscal Year 2010/11 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. Please refer to the attached Exhibit A for the proposed budget details.

Revenues

Following a period of extensive growth spanning the existence of City Center, the taxable value in the Redevelopment Area is expected to decline for a second year. This is largely due to the continuing deterioration of the economy, coupled with weakness in the real estate market. Based on the 2009 Certificate of Taxable Value from the Property Appraiser's Office, the value of property in City Center declined by 7% in FY 2009/10. Based on the Preliminary Tax Increment notice received from the County on June 30, 2010, Property values are anticipated to drop an additional 1.2% in FY 2010/11. The decline in tax base over the last two years required the City and the County to propose increases in their respective millage rates in order to maintain minimum levels of service. Based on the proposed millage rates (City - 6.2155 mills/County - 5.4275 mills), the RDA anticipates receiving \$34.4 Million in TIF revenues. However, as in previous years, the City also anticipates receiving correspondence from the County, advising of the finalization of the tax roll for the prior year, which in the case of FY 2008/09, is anticipated to reflect a decrease from the preliminary valuation for the same year. Until this final tax roll figure is available, the proposed Budget includes an allowance factor of \$1.2 Million to impact the City's share of TIF and a \$1 Million adjustment to impact the County's share.

Additional sources of revenue include an estimated \$3.6 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; and an estimated \$200,000 in interest income.

Expenditures

Project-related expenses account for approximately \$21.5 Million, which includes \$3 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 \$3.3 Million for maintenance of RDA capital projects. On-going and planned capital projects in City Center are projected to account for \$136,758 in the FY 2010/11 Budget and generally include allocations for directory signs in the City Center right-of-ways as well as improvements to Lincoln Road between Collins and Washington Avenue. Additionally, pursuant to the Grant-in-Aid Agreement between the City and the New World Symphony (NWS), executed on July 23, 2008, the RDA is required to fund a \$15 Million Grant-in-Aid obligation in connection with the construction of the NWS Campus Expansion project. 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 and the undergrounding of utilities surrounding the Park; implementation of improvements to Lincoln Road between Collins and Washington Avenues; construction of the park adjacent to the NWS Campus Expansion; and, planning and design of landscaping improvements to the Botanical Garden.

Administrative Expenses total \$1,059,197, comprising of a management fee of \$988,563 which is allocated to the General Fund to pay for direct and indirect staff support for the RDA, and \$70,634 for actual operating expenses. It should be noted that the Management Fee allocation 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 and updated August 6, 2010. It should further be noted that Administrative and Operating expenses only account for 2.8 percent of the total RDA budget.

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 to fund 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 annually. 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's administrative fees, equivalent to 1.5% of its respective TIF payment; the contribution to the City's General Fund, equivalent to 1.5% of the City's share of its TIF payment; and the remittance of the ½ mill tax levy back to the Children's Trust. The Recently reconciled City Center Operating Fund is anticipated to have a deficit of \$3.4 million as of September 30, 2010, although this is offset by surplus non-tax increment funds; as a result the overall City Center Redevelopment Area Funds is not in deficit. The RDA anticipates remitting \$2.9 million towards paying down the prior year negative balance in the RDA TIF fund.

Anchor Shops and Parking Garage

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 \$2.4 Million, with operating expenses (including

depreciation, and contractual revenue-sharing obligations with Loews), of approximately \$2 Million. The retail operation is expected to generate \$714,000 in revenues, with operating expenses associated with the retail management contract and related reimbursable expenditures estimated at approximately \$95,000. Additionally, based on the previously referenced Cost Allocation Analysis, a Management Fee line item is included in the FY 2010/11 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 2010/11.

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**Miami Beach Redevelopment Agency
City Center Redevelopment Area
Proposed FY 2010/11 Operating Budget**

	FY 07/08 Actual	FY 08/09 Actual	FY 09/10 Budget	FY 09/10 Projected	Inc/(Dec)	FY 10/11 Budget	Budget Variance From FY 09/10
Revenues and Other Sources of Income							
Tax Increment - City Millage 6.2155	\$17,690,977	\$18,345,335	\$16,946,393	\$16,946,393	\$0	\$18,377,816	\$1,431,423
Proj Adjustment to City Increment for FY 2008 Tax Roll (2)	(472,472)	(1,111,989)	(1,178,873)	(1,178,873)	0	(1,200,000)	(\$21,127)
Tax Increment - County Millage 5.4275	14,325,453	15,808,032	14,496,500	14,496,500	0	16,047,879	\$1,551,379
Proj Adjustment to County Increment for FY 2008 Tax Roll (3)	(368,517)	(961,565)	(954,605)	(954,605)	0	(1,000,000)	(\$45,395)
50% Contribution from Resort Tax	3,250,000	3,908,668	3,460,000	3,460,000	0	3,578,067	\$118,067
1/2 Mill Children's Trust Contribution (4)	1,564,051	1,366,290	1,498,222	1,498,222	0	1,225,249	(\$272,973)
Interest Income	1,980,000	56,626	385,057	385,057	0	200,000	(\$185,057)
Fund Balance Reallocation: (Non-TIF)	4,489,766	0	0	0	0	0	\$0
Other Income/Adjustments:	0	1,344	0	0	0	0	0
TOTAL REVENUES	\$42,459,258	\$37,412,741	\$34,652,694	\$34,652,694	\$0	\$37,229,011	\$2,576,317
Admin/Operating Expenses							
Management fee (salaries & benefits)	\$414,000	\$464,775	\$489,564	\$489,564	\$0	\$988,563	\$498,999
Advertising & promotion	1,000	0	1,000	0	(1,000)	0	(\$1,000)
Postage, printing & mailing	770	1,420	3,500	4,120	620	4,123	\$623
Office supplies & equipment	1,145	2,941	3,000	910	(2,090)	2,900	(\$100)
Meetings & conferences	4,000	1,799	4,000	1,350	(2,650)	1,351	(\$2,649)
Dues & subscriptions	1,101	0	1,000	1,260	260	1,260	\$260
Audit fees	8,500	0	8,500	9,000	500	9,000	\$500
Professional & related fees	59,484	57,157	55,000	49,000	(6,000)	47,000	(\$8,000)
Miscellaneous expenses	10,000	4,223	10,000	5,000	(5,000)	5,000	(5,000)
Total Admin/Operating Expenses	\$500,000	\$532,315	\$575,564	\$560,204	(\$15,360)	\$1,059,197	\$483,633
Project Expenses							
Community Policing	\$2,577,000	\$2,693,942	\$2,871,494	\$2,590,000	(\$281,494)	\$3,052,215	\$180,721
Capital Projects Maintenance (5)	2,195,000	3,456,896	3,050,775	3,249,076	198,301	3,332,673	\$281,898
NWS Project/Lincoln Park Complex Contingency	0	0	3,060,189	0	(3,060,189)	0	(\$3,060,189)
NWS Project - Grant-in-Aid	0	0	0	0	0	15,000,000	\$15,000,000
Transfer to Capital Projects (6)	24,765,746	20,319,813	13,170,050	13,170,050	0	136,758	(13,033,292)
Total Project Expenses	\$29,537,746	\$26,470,651	\$22,152,508	\$19,009,126	(\$3,143,382)	\$21,521,646	(\$630,862)
Reserve and Debt Service Obligations							
Debt Service Cost - 2005 + Parity Bonds	\$8,375,554	\$8,376,443	\$8,393,267	\$8,393,267	\$0	\$8,393,254	(\$13)
Current Debt Service - Lincoln Rd Project (7)	1,068,148	1,205,288	1,086,961	1,086,961	0	\$1,094,176	\$7,215
Current Debt Service - Bass Museum (8)	506,443	506,108	506,531	506,531	0	505,859	(\$672)
Reserve for County Admin Fee (9)	209,354	222,697	203,128	203,128	0	225,718	\$22,590
Reserve for CMB Contribution (10)	258,278	258,500	236,513	236,513	0	257,667	\$21,154
Reserve for Children's Trust Contribution (11)	1,564,051	1,366,290	1,498,222	1,498,222	0	1,225,249	(\$272,973)
Repayment-Prior Yr Fund Balance	439,684	0	0	3,158,742	3,158,742	2,946,246	2,946,246
Total Reserve and Debt Service Obligations	\$12,421,512	\$11,935,326	\$11,924,622	\$15,083,364	\$3,158,742	\$14,648,168	\$2,723,546
TOTAL EXPENSES AND OBLIGATIONS	\$42,459,258	\$38,938,292	\$34,652,694	\$34,652,694	\$0	\$37,229,011	\$2,576,317
REVENUES - EXPENSES	\$0	(\$1,525,551)	(\$0)	(\$0)	\$0	\$0	\$0

- Note #1 Based on Preliminary Tax Increment Adjustment worksheet received from MDC on 6/30/10
- Note #2 Adjustment for final FY 08/09 Tax Roll - Estimate based on prior years
- Note #3 Adjustment for final FY 08/09 Tax Roll - Estimate based on prior years
- Note #4 1/2 Mill Children's Trust pmt to RDA per Interlocal
- Note #5 Separate detail for capital maintenance items from PW
- Note #6 Reflects appropriations for CIP & PW projects
- Note #7 Payment of Lincoln Road current debt service on Sunshine State Loan
- Note #8 Payment of Bass Museum current debt service on Gulf Breeze Loan
- Note #9 County admin fee @ 1.5% of County's increment revenue
- Note #10 CMB TIF Contribution @ 1.5% of City's increment revenue
- Note #11 1/2 mill Children's Trust Contribution

Proposed FY 2010/11 Anchor Shops and Parking Garage (16th Street Parking Garage) Operating Budget

	FY 07/08 Actual	FY 08/09 Actual	FY 09/10 Budget (1)	FY 09/10 Projected	Inc/(Dec)	FY 10/11 Budget	Budget Variance From FY 09/10
Revenues:							
Parking Operations	\$2,637,917	\$2,585,000	\$2,632,000	\$2,501,135	(\$130,865)	\$2,368,000	(\$264,000)
Retail Leasing	0	683,779	696,489	699,767	3,278	714,150	17,661
Interest Pooled Cash	944,549	46,100	46,100	46,077	(23)	39,216	(6,884)
TOTAL REVENUES	\$3,582,466	\$3,314,879	\$3,374,589	\$3,246,979	(\$127,610)	\$3,121,366	(\$253,223)
Operating Expenses:							
Parking Operations	\$1,753,460	\$1,700,768	\$1,802,864	\$1,496,062	(\$306,802)	\$1,704,823	(\$98,041)
Garage Use Fee (To Loews) (1)	274,400	342,000	355,208	314,612	(40,596)	281,288	(73,920)
Retail Leasing Management Fee	53,087	55,000	60,000	61,190	1,190	95,433	35,433
Management Fee (Garage Ops)	0	0	158,129	158,129	0	189,074	30,945
Reserve Future Capital - Parking Operations	610,057	563,832	375,922	560,423	184,501	219,415	(156,507)
Reserve Future Capital - Retail Operations	891,462	653,279	622,466	656,563	34,097	631,333	8,867
TOTAL EXPENSES	\$3,582,466	\$3,314,879	\$3,374,589	\$3,246,979	(\$127,610)	\$3,121,366	(\$253,223)
NET	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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