

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 , THE ANCHOR SHOPS AND PARKING GARAGE AND THE PENNSYLVANIA AVENUE SHOPS AND PARKING GARAGE FOR FISCAL YEAR 2013/14

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

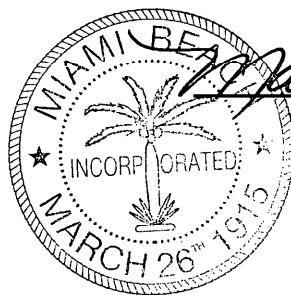
WHEREAS, the proposed budgets for the Anchor Shops and Parking Garage and the Pennsylvania Avenue Shops and Garage have been included as separate schedules to the City Center Redevelopment Area Budget, reflecting projected revenues and operating expenses for the fiscal year; and

WHEREAS, the Executive Director recommends approval of the proposed Fiscal Year 2013/14 budgets for the City Center Redevelopment Area, as well as for the Anchor Shops and Parking Garage and the Pennsylvania Avenue Shops and 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, the Anchor Shops and Parking Garage and the Pennsylvania Avenue Shops and Garage for Fiscal Year 2013/14, as follows:

City Center Redevelopment Area	\$43,000,000
Anchor Garage Parking Operations	\$3,130,000
Anchor Garage Retail Operations	\$857,000
Pennsylvania Avenue Garage Parking Operations	\$961,000
Pennsylvania Avenue Garage Retail Operations	\$550,000

PASSED AND ADOPTED THIS SEPTEMBER 30TH DAY OF 2013.



Mattie H. Brown
CHAIRPERSON

ATTEST:

[Signature]
SECRETARY

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION

[Signature] 9/27/13
Redevelopment Agency
General Counsel Date

KB:MS:

Condensed Title:

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, the Anchor Shops and Parking Garage and the Pennsylvania Avenue Shops and Garage for Fiscal Year 2013/14.

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 53 percent or \$19.5 million of the proposed Budget for City Center is being allocated towards capital expenditures including new capital projects, renewal and replacement, and maintenance of existing RDA capital infrastructure.

Item Summary/Recommendation:

The proposed budget for the City Center Redevelopment Area for Fiscal Year 2013/14 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 as well as the Pennsylvania Avenue Shops and Garage are presented as separate schedules so as to eliminate any perception that proceeds from the Facility's operations are pooled with TIF and other Trust Fund revenues.

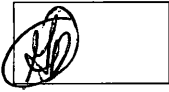
Based on the 2013 Certification of Taxable Value from the Property Appraiser's Office, the preliminary value of property in City Center is projected to increase by 7.3% over 2012. However, as in previous years, the City has received correspondence from the County, advising of the finalization of the tax roll for the prior year, which in the case of FY 2011/12, reflects a slight decrease from the preliminary valuation for the same year and will result in a corresponding adjustment/reduction in TIF revenues totaling \$168,000 for 2013/14 vs \$3.5 million for 2012/13. Additional sources of revenue include an estimated \$5.4 million in Resort Tax contributions; a ½ mill levy in the amount of \$1.8 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 \$25,000 in interest income. The proposed FY 2013/14 City Center Redevelopment Area Budget of \$43,000,000 is \$94,000 less than the proposed budget recommended by the Executive Director on September 11, 2011. This decrease is a result of a reduction in the Citywide millage rate of .0275 by the Mayor and Commission at its workshop held September 23, 2013.

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 budgets for the City Center Redevelopment Area, the Anchor Shops and Parking Garage and the Pennsylvania Avenue Shops and Garage for FY 2013/14.

Advisory Board Recommendation:

N.A.

Financial Information:



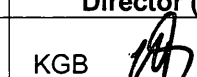
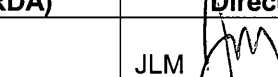
Source of Funds:		Amount	Account
	1	\$43,000,000	City Center Redevelopment Area Fund
	2	\$ 3,995,000	Anchor Shops and Parking Garage Operations
	3	\$ 1,511,000	Pennsylvania Avenue Shops and Garage Operations
OBPI	Total	\$48,506,000	

Financial Impact Summary:

City Clerk's Office Legislative Tracking:

Max Sklar, Georgette Daniels and John Woodruff

Sign-Offs:

	RDA Coordinator	Budget Director	Assistant Director (RDA)	Executive Director (RDA)
MAS		JW 	KGB 	JLM 

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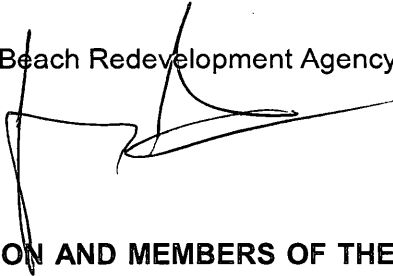


MIAMI BEACH

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: Jimmy L. Morales, Executive Director 

DATE: September 30, 2013

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, THE ANCHOR SHOPS AND PARKING GARAGE AND THE PENNSYLVANIA AVENUE SHOPS AND GARAGE FOR FISCAL YEAR 2013/14.**

ADMINISTRATION RECOMMENDATION

Adopt the Resolution.

ANALYSIS

The proposed budget for the City Center Redevelopment Area (RDA) for Fiscal Year 2013/14 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 Attachment A for the proposed budget details.

Revenues

Based on the 2013 Certification of Taxable Value from the Property Appraiser's Office, the preliminary value of property in City Center is projected to increase by 7.3% over 2012, marking the third year in a row values have increased; values seem to be back on the rise, following two years of decline. However, as in previous years, the City has received correspondence from the County, advising of the finalization of the tax roll for the prior year, which in the case of FY 2011/12, reflects a slight decrease from the preliminary valuation for the same year and will result in a corresponding adjustment/reduction in TIF revenues totaling \$168,000 for 2013/14 versus \$3.5 million for 2012/13.

Additional sources of revenue include an estimated \$5.4 million in Resort Tax contributions; a ½ mill levy in the amount of \$1.8 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 \$25,000 in interest income.

Expenditures

Project-related expenses account for approximately \$28 million, which includes \$4.2 million to be allocated for community policing initiatives in the City Center to continue providing enhanced levels of staffing and services throughout the area, and \$4.9 million for maintenance of RDA capital

projects. On-going and planned capital projects in the City Center are projected to account for \$18.4 million in the FY 2013/14 Budget, and include allocations for construction of the Collins Park Garage, the Bass Museum Interior Expansion and Lincoln Road Master Plan Study. This also includes \$1.556 million as a transfer to cover prior capital fund balance deficits.

An additional \$287,000 is being proposed for capital renewal and replacement projects; including repairs and maintenance to certain City-owned projects and facilities, including the Anchor Garage and Colony Theater. Additionally, \$305,000 in transfers to the Pennsylvania Avenue Shops and Garage are budgeted to offset the RDA's costs associated with the retail and parking operations.

Administrative Expenses total \$2 million, comprising a management fee of \$1,043,000 which is allocated to the General Fund to pay for direct and indirect staff support for the RDA; \$61,000 for actual operating expenses; approximately \$629,000 set aside for on-going planning and consulting work related to the Convention Center expansion master plan; and \$25,000 for capital renewal and replacement projects under \$25,000. 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. It should further be noted that Administrative and Operating expenses only account for less than four percent (4%) of the total budget, which is well below the 20% threshold level established (and permitted) in the Interlocal Agreement between the City and the County.

The current combined debt service on the 2005 Series Bonds and the Parity Bonds accounts for approximately \$8.5 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 \$1.3 million.

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; and the corresponding 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 revenues and expenses associated with operations of the newly opened Pennsylvania Avenue Shops and Garage and the Anchor Shops and Parking Garage are presented as separate schedules in order to eliminate any perception that proceeds from the facilities' operations are pooled with TIF and other Trust Fund revenues:

Anchor Shops and Parking Garage

Garage revenues at the Anchor Garage are projected at approximately \$3.1 million, with operating expenses, (including depreciation, contractual revenue-sharing obligations with Loews and general fund administrative fees), of approximately \$2.6 million and reserves of \$72,000. The Anchor retail operations is expected to generate \$857,000 in revenues, including interest, with operating expenses associated with the retail management contract, related reimbursable expenditures, and depreciation totaling \$116,000, as well as projected reserves of \$741,000.

Pennsylvania Avenue Shops and Garage

In consideration of the fact that the Pennsylvania Avenue Shops and Garage was built by the RDA on City-owned property, the operation of the facility has been structured in the form of a ground lease between the City and the RDA, providing terms for both the Garage and Retail operations.

The garage operations include base rent and an administrative fee, consistent with that of the Anchor Garage, Parking's operational fee, and revenue sharing between the City and the RDA. The Retail operations also include base rent and an administrative fee, as well as a retail lease rate based on 2010 retail market cap rates. The retail operations also include revenue sharing between the City and the RDA.

Based on estimates of the garage's current-year operating results, and taking into consideration the successful execution of a lease agreement with Penn 17, LLC., for the entire retail space, the facility is anticipated to generate \$1,500,000 in revenues in FY 2013/14, comprising \$656,000 in parking revenues and \$550,000 in retail income. However, since the facility is still anticipated to operate at a loss during FY 2013/14, the RDA plans to subsidize its operations through a transfer of \$305,000 to the parking operations. Expenses for the facility are budgeted at \$1.5 Million, comprising \$900,000 in direct operating costs for the garage and \$611,000 in lease term-related obligations.

CONCLUSION

The proposed FY 2013/14 City Center Redevelopment Area Budget of \$43,000,000 is \$94,000 less than the proposed budget recommended by the Executive Director on September 11, 2011. This decrease is a result of a reduction in the citywide millage rate of .0275 by the Mayor and Commission at its workshop held September 23, 2013. This millage reduction decreases the TIF revenues paid to the City Center Redevelopment Area by the City of Miami Beach. This reduction in revenues was offset by a reduction in the expenditure line "Reserve for Future Capital Projects."

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, the Anchor Shops and Parking Garage, and the Pennsylvania Avenue Shops and Garage for FY 2013/14.

JLM/KGB/MS

Attachment

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**Miami Beach Redevelopment Agency
City Center Redevelopment Area
Proposed FY 2013/14 Operating Budget**

	FY 10/11	FY11/12	FY 2012/13	FY 13/14 Proposed	Budgeted Variance
	Actual	Actual	Adopted	Budget	From FY 12/13
Revenues and Other Sources of Income					
Tax Increment - City	\$ 18,377,816	\$ 18,337,693	\$ 19,188,000	\$ 19,934,000	\$ 746,000
Proj Adjustment to City Increment	(1,475,726)	(1,756,457)	(1,871,000)	(94,000)	1,777,000
Tax Increment - County	16,047,879	14,291,236	14,818,000	15,992,000	1,174,000
Proj Adjustment to County Increment	(1,262,384)	(1,367,157)	(1,636,000)	(74,000)	1,562,000
50% Contribution from Resort Tax	4,492,075	4,925,168	4,684,000	5,386,000	702,000
1/2 Mill Children's Trust Contribution	1,474,830	1,481,004	1,575,000	1,831,000	256,000
Interest Income	9,291	8,278	13,000	25,000	12,000
Fund Balance Reallocation: (Non-TIF)	-	-	-	-	-
Fund Balance Renewal and Replacement	-	-	-	-	-
Other Income/Adjustments:	-	5,196	-	-	-
TOTAL REVENUES	\$ 37,663,781	\$ 35,924,961	\$ 36,771,000	\$ 43,000,000	\$ 6,229,000
Admin/Operating Expenses					
Management fee (salaries & benefits)	\$ 941,524	\$ 952,889	\$ 976,000	\$ 1,043,000	\$ 67,000
Salaries and Benefits	-	\$59,601	\$65,000	155,000	90,000
Advertising & promotion	-	-	-	50,000	50,000
Postage, printing & mailing	81	-	3,000	3,000	-
Office supplies & equipment	2,548	2,269	4,000	4,000	-
Other Operating	-	-	-	1,000	1,000
Meetings & conferences	12	-	1,000	1,000	-
Dues & subscriptions	788	795	2,000	2,000	-
Licences & Taxes	-	-	-	-	-
Audit fees	20,260	20,260	9,000	21,000	12,000
Professional & related fees	56,031	175,373	241,000	629,000	388,000
Repairs and Maintenance	-	31,489	98,000	25,000	(73,000)
Miscellaneous expenses	5,000	33,938	47,000	27,000	(20,000)
Total Admin/Operating Expenses	\$ 1,026,244	\$ 1,276,614	\$ 1,446,000	\$ 1,961,000	\$ 515,000
Project Expenses					
Community Policing 168-1124	\$ 2,754,374	\$ 3,411,726	\$ 3,741,000	\$ 4,195,000	\$ 454,000
Capital Projects Maintenance:				\$ -	\$ -
Property Mgmt: 168-9964	990,358	1,013,473	\$1,143,000	1,176,000	33,000
Sanitation: 168-9965	2,092,146	2,560,468	\$2,593,000	3,020,000	427,000
Greenspace: 168-9966	-	506,242	\$763,000	832,000	69,000
NWS Project/Lincoln Park Complex Contingency	-	-	-	-	-
NWS Project - Grant-in-Aid	15,000,000	-	-	-	-
Transfer to Penn Garage Parking	75,622	48,801	405,000	305,000	(100,000)
Transfer to Penn Garage Retail	26,448	347,112	-	-	-
Transfer to Renewal and Replacement	-	-	705,000	\$67,000	(638,000)
Transfer to Capital Projects	136,758	13,541,301	14,238,000	18,443,000	4,205,000
Total Project Expenses	\$ 21,075,706	\$ 21,429,123	\$ 23,588,000	\$ 28,038,000	\$ 4,450,000
Reserve and Debt Service Obligations					
Debt Service Cost - 2005 + Parity Bonds	\$ 8,393,254	\$ 8,548,105	\$ 8,415,000	\$ 8,550,000	\$ 135,000
Current Debt Service - Lincoln Rd Project	1,094,176	1,103,366	\$785,000	825,000	40,000
Current Debt Service - Bass Museum	505,859	502,746	503,000	547,000	44,000
Reserve for County Admin Fee	221,782	193,861	198,000	239,000	41,000
Reserve for CMB Contribution	253,531	248,719	261,000	283,000	22,000
Reserve for Children's Trust Contribution	1,474,830	1,481,004	1,575,000	1,831,000	256,000
Reserve for Collins Park Parking Garage	-	1,451,823	-	-	-
Repayment-Prior Yr Fund Balance	2,946,246	-	-	342,000	342,000
Reserve for Future Projects	-	-	-	384,000	384,000
Total Reserve and Debt Service	\$ 14,889,679	\$ 13,529,624	\$ 11,737,000	\$ 13,001,000	\$ 1,264,000
TOTAL EXPENSES AND OBLIGATIONS	\$ 36,991,628	\$ 36,235,361	\$ 36,771,000	\$ 43,000,000	\$ 6,229,000
REVENUES - EXPENSES	\$ 672,153	\$ (310,400)	\$ -	\$ -	\$ -

Proposed FY 2013/14 Anchor Shops and Parking Garage Operating Budget

	FY 10/11 Actual	FY11/12 Actual	FY 2012/13 Adopted	FY 13/14 Proposed Budget	Variance
Revenues:					
Parking Operations	\$ 2,368,000	\$ 3,079,821	\$ 3,049,000	\$ 3,130,000	\$ 81,000
Retail Leasing	714,150	615,016	\$708,000	847,000	139,000
Interest Pooled Cash	39,216	13,897	\$26,000	18,000	(8,000)
TOTAL REVENUES	\$ 3,121,366	\$ 3,708,734	\$ 3,783,000	\$ 3,995,000	\$ 212,000
Operating Expenses:					
Parking Operations	\$ 1,652,841	\$ 1,264,875	\$ 2,025,000	\$ 2,078,000	\$ 53,000
Garage Use Fee (To Loews)	471,918	440,241	463,000	507,000	44,000
Garage Repairs and Maintenance	-	-	-	37,000	37,000
Retail Leasing Property Management Fee	76,917	62,619	52,000	-	(52,000)
Retail Leasing Repair & Maintenance	-	-	-	32,000	32,000
Retail Internal Service Charges	96,274	66,109	35,000	19,000	(16,000)
Retail Operations Depreciation	55,396	55,396	55,000	55,000	-
Management Fee to General Fund	189,074	196,740	223,000	224,000	1,000
Parking Operations Management Fee	189,074	196,740	223,000	224,000	1,000
Retail Leasing Management Fee to GF	-	-	14,000	10,000	(4,000)
Transfer to Renewal and Replacement	-	-	182,000	220,000	38,000
Transfer to Capital Projects	-	-	-	-	-
Reserve for Future Capital - Parking Operations	-	223,962	358,000	72,000	(286,000)
Reserve for Future Capital - Retail Operations	-	-	376,000	741,000	365,000
TOTAL EXPENSES	\$ 2,542,420	\$ 2,309,942	\$ 3,783,000	\$ 3,995,000	\$ 212,000
REVENUES - EXPENSES	\$ 578,946	\$ 1,398,792	\$ -	\$ -	\$ -

Proposed FY 2013/14 Pennsylvania Ave Shops and Garage Operating Budget

	FY 10/11 Actual	FY11/12 Actual	FY 2012/13 Adopted	FY 13/14 Proposed Budget	Variance
Revenues:					
Parking Operations	\$ 478,583	\$ 618,961	\$ 520,000	\$ 656,000	\$ 136,000
Retail Leasing	-	147,123	574,000	550,000	(24,000)
Retail Transfer from RDA Operations	-	347,112	-	-	-
Parking Transfer from RDA Operations	102,070	346,000	405,000	305,000	(100,000)
Interest Pooled Cash	-	492	-	-	-
TOTAL REVENUES	\$ 580,653	\$ 1,459,688	\$ 1,499,000	\$ 1,511,000	\$ 12,000
Operating Expenses:					
Parking Operations Expenditures	\$ 300,727	\$ 723,029	\$ 802,000	\$ 822,000	\$ 20,000
Parking Admin/Base Fee	73,768	45,368	53,000	55,000	2,000
Garage Ground Lease	23,552	23,552	23,000	23,000	-
Parking Base Rent	23,552	23,552	\$23,000	23,000	-
Add'l/Percentage Rent	-	-	\$0	-	-
Garage Management Fee	-	\$47,604	\$47,000	61,000	14,000
Retail Additional Base Rent	-	\$15,592	\$278,000	229,000	(49,000)
Retail base Rent	-	\$276,448	51,000	136,000	85,000
Retail Admin Fee	-	11,137	-	-	-
Depreciation	-	\$11,851	-	-	-
Leasing Commissions	-	303,400	-	-	-
Admin Fee (GF)	-	3,864	\$53,000	51,000	(2,000)
Contingency	-	-	\$192,000	134,000	(58,000)
TOTAL EXPENSES	\$ 398,047	\$ 1,461,845	\$ 1,499,000	\$ 1,511,000	\$ 12,000
REVENUES - EXPENSES	\$ 182,606	\$ (2,157)	\$ -	\$ -	\$ -