

RESOLUTION NO. 632-2018

**A RESOLUTION OF THE CHAIRPERSON AND MEMBERS OF
THE MIAMI BEACH REDEVELOPMENT AGENCY (RDA)
ADOPTING THE FIRST AMENDMENT TO THE OPERATING
BUDGET FOR THE CITY CENTER REDEVELOPMENT AREA
FOR FISCAL YEAR 2017/18.**

WHEREAS, the operating budget for the RDA City Center Redevelopment Area for FY 2017/18 was adopted on September 25, 2017, with the adoption of Resolution No. 625-2017; and

WHEREAS, pursuant to Florida Statutes Section 166.241(4)(c), the City's budget amendment must be adopted in the same manner as its original budget; and

WHEREAS, on January 26, 1993, Miami-Dade County adopted Resolution No. R-14-93, which, among other things, found the area of Miami Beach bounded on the east by the Atlantic Ocean, on the north by 24th Street, on the west by West Avenue, and on the south by 14th Lane to be a "blighted area" within the meaning of Part III of Chapter 163, Florida Statutes, and delegated to the City of Miami Beach, pursuant to Section 163.410, Florida Statutes, certain powers conferred upon the County Commission as the governing body of Dade County by Part III of Chapter 163, Florida Statutes, with regard to the Redevelopment Area, so that the City Commission, either directly or through its duly designated community redevelopment agency, could exercise such powers; and

WHEREAS, on November 16, 1993, the County and the City approved and entered into an Interlocal Agreement, by which the County delegated to the City certain redevelopment powers including, but not limited to, the creation of the Redevelopment Area and implementation of the Redevelopment Plan; and

WHEREAS, the First Amendment to the Interlocal Agreement, approved by the County Commission, through Resolution No. R-889-03, and approved by the City Commission, through Resolution No. 2003-25241, delegated to the City the power to develop and implement community policing initiatives; and

WHEREAS, the Second Amendment to the Interlocal Agreement, approved by the County Commission, through Resolution No. R-958-04, and approved by the City, through Resolution No. 2004-25560, allowed the Redevelopment Agency to refund certain bonds and provided for an annual fee of one and one-half percent to be paid to the County and City annually to defray administrative costs after debt service and all other obligations related to the bonds or future indebtedness was satisfied for the fiscal year; and

WHEREAS, the Third Amendment to the Interlocal Agreement, approved by the County Commission, through Resolution No. R-1110-14, and approved by the City Commission, through Resolution No. 2014-28835, among other things, allowed the Miami Beach Redevelopment Agency to issue \$430 million in bonds to refund existing debt and partially fund the Miami Beach Convention Center expansion and renovation project and delineated the annual administrative and operating expenditures for the Redevelopment Agency and any remaining funding to be used to retire debt early; and

WHEREAS, the Fourth Amendment to the Interlocal Agreement, approved by the County Commission on June 19, 2018, through Resolution No. R-644-18, and approved by the City on April 25, 2018, through Resolution No. 2018-30288, among other things, will add certain expenditures to the authorized expenditures of the Redevelopment Agency, allow the Redevelopment Agency to reimburse the City \$6,914,221 for construction delays and damages to the Convention Center renovation and expansion project resulting from Hurricane Irma, include proposed funding in an amount up to \$20 million to fund the Lincoln Road project, previously authorized as part of the Third Amendment, for a total project amount of up to \$40 million for the Lincoln Road project, distribute to both the County and the City, beginning in FY 2017/18, and continuing until FY 2022/23, an annual reimbursement based on each entity's proportionate share of expenditures for administration, community policing, and capital maintenance, and require that both set aside \$1.5 million of the annual reimbursement for beach re-nourishment that can be utilized to leverage State or Federal funding for beach re-nourishment projects, and utilize any excess revenues, after the foregoing distributions, for the early prepayment of debt, as originally stipulated in the Third Amendment to the Interlocal Agreement; and

WHEREAS, this proposed amendment appropriates \$18,463,619 of the RDA's excess "Trust Fund" revenues available as of FY 2016/17 of approximately \$34,940,629, pursuant to the Fourth Amendment of the Interlocal Agreement, and as set forth in the attached Exhibit "A."

NOW, THEREFORE, BE IT DULY RESOLVED BY THE CHAIRPERSON AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY, that following a duly noticed public hearing on July 2, 2018, the Chairperson and Members of the Miami Beach Redevelopment Agency hereby adopt the First Amendment to the Fiscal Year 2017/18 RDA City Center Redevelopment operating budget as set forth in this Resolution and in the attached Exhibit "A."

PASSED and ADOPTED this 2nd day of July, 2018.

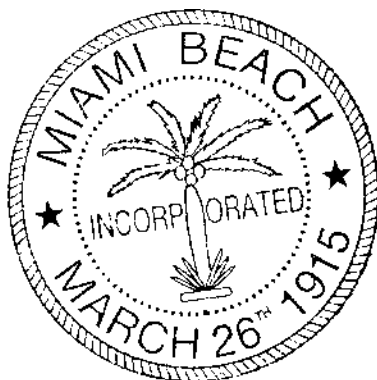
ATTEST:




Rafael E. Granado, Secretary



Dan Gelber, Chairperson



APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION



Redevelopment Agency
General Counsel

6/28/18
Date

Exhibit "A"

Miami Beach Redevelopment Agency City Center Redevelopment Area FY2017/18 Operating Budget

	FY 2017/18 Adopted	First Amendment	FY 2017/18 Amended
Revenues and Other Sources of Income			
Tax Increment - City	29,411,000		29,411,000
Proj Adjustment to City Increment	(1,913,000)		(1,913,000)
Tax Increment - County	23,986,000		23,986,000
Proj Adjustment to County Increment	(1,563,000)		(1,563,000)
1/2 Mill Children's Trust Contribution	2,570,000		2,570,000
Interest Income	150,000		150,000
Fund Balance - Retained Earnings	0	18,463,619	18,463,619
Other Income/ Adjustments	0		0
TOTAL REVENUES	52,641,000	18,463,619	71,104,619
Admin/ Operating Expenditures			
Management Fee	390,000		390,000
Office Supplies & Equipment	0		0
Other Operating	0		0
Dues & Subscriptions	0		0
Audit Fees	23,000		23,000
Professional & Related Fees	0		0
Repairs and Maintenance	151,000		151,000
Internal Services	154,000		154,000
Total Admin/ Operating Expenditures	718,000	0	718,000
Project Expenditures			
Community Policing:			
Police	4,581,000		4,581,000
Code Compliance	201,000		201,000
Capital Projects Maintenance:			-
Property Mgmt	1,553,000		1,553,000
Sanitation	3,914,000		3,914,000
Greenspace	828,000		828,000
Parks Maintenance	499,000		499,000
Total Project Expenditures	11,576,000	0	11,576,000
Reserves, Debt Service and Other Obligations			
Debt Service Cost	21,676,000		21,676,000
City Debt Service - Lincoln Rd Project	0		0
City Debt Service - Bass Museum	0		0
Reserve for County Admin Fee	337,000		337,000
Reserve for CMB Admin Fee	414,000		414,000
Reserve for Children's Trust Contribution	2,570,000		2,570,000
Set-aside for Debt Service Payoff	14,350,000		14,350,000
Transfer to FDA City Center Capital Fund	0	6,914,221	6,914,221
Transfer to Beach Renourishment Fund	0	1,500,000	1,500,000
Transfer to General Fund	0	1,079,000	1,079,000
Transfer to Pay As You - Capital Fund	0	3,773,000	3,773,000
Refund for Prior Year County Operating Expenses	0	5,197,398	5,197,398
Transfer to Convention Center Fund	1,000,000		1,000,000
Total Reserves, Debt Service and Other Obligations	40,347,000	18,463,619	58,810,619
TOTAL EXPENDITURES AND OBLIGATIONS	52,641,000	18,463,619	71,104,619
SURPLUS / (DEFICIT)	0	0	0

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Jimmy L. Morales, Executive Director
DATE: July 2, 2018

9:34 a.m. Public Hearing

SUBJECT: A RESOLUTION OF THE CHAIRPERSON AND MEMBERS OF THE REDEVELOPMENT AGENCY (RDA), ADOPTING THE FIRST AMENDMENT TO THE MIAMI BEACH REDEVELOPMENT AGENCY (RDA) OPERATING BUDGET FOR FISCAL YEAR 2017/18.

RECOMMENDATION

See Memorandum attached.

Legislative Tracking

Budget and Performance Improvement

ATTACHMENTS:

Description

- Memo - FY 2017/18 1st RDA Operating Amendment

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: July 2, 2018

SUBJECT: **A RESOLUTION OF THE CHAIRPERSON AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY (RDA), ADOPTING THE FIRST AMENDMENT TO THE OPERATING BUDGET FOR THE CITY CENTER REDEVELOPMENT AREA, FOR FISCAL YEAR 2017/18**

ADMINISTRATION RECOMMENDATION

Adopt the Resolution.

KEY INTENDED OUTCOME SUPPORTED

Ensure expenditure trends are sustainable over the long term.

ANALYSIS

The operating budget for the RDA City Center Redevelopment Area for FY 2017/18 was adopted on September 25, 2017, with the adoption of Resolution No. 625-2017.

Section 166.241(4)(c), Florida Statutes, requires that a municipality's budget amendment must be adopted in the same manner as its original budget.

RDA City Center Redevelopment Area revenue sources for FY 2017/18 include City and County Tax Increment funds, a ½ mill levy 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 estimated interest income.

RDA City Center Redevelopment Area expenditures include community policing initiatives to provide enhanced levels of staffing and services throughout the area and capital projects maintenance for repairs and maintenance of existing capital assets in the RDA. Administrative expenditures are comprised of a management fee allocated to the General Fund to pay for indirect staff support for the RDA, capital renewal and replacement projects under \$25,000, annual audit fees, and chargebacks for internal services provided.

The RDA also includes the annual debt service related to the Convention Center bonds. On December 15, 2015, the RDA issued \$286,245,000 in Tax Increment Revenue and Revenue Refunding Bonds, Series 2015A, and \$35,850,000 in Tax Increment Revenue Refunding Bonds,

Taxable Series 2015B, which financed certain costs associated with the renovation and expansion of the Miami Beach Convention Center.

4TH AMENDMENT – RDA INTERLOCAL AGREEMENT

On January 26, 1993, Miami-Dade County adopted Resolution No. R-14-93, which, among other things, found the area of Miami Beach bounded on the east by the Atlantic Ocean, on the north by 24th Street, on the west by West Avenue, and on the south by 14th Lane to be a "blighted area" within the meaning of Part III of Chapter 163, Florida Statutes, and delegated to the City of Miami Beach, pursuant to Section 163.410, Florida Statutes, certain powers conferred upon the County Commission as the governing body of Dade County by Part III of Chapter 163, Florida Statutes, with regard to the Redevelopment Area, so that the City Commission, either directly or through its duly designated community redevelopment agency, could exercise such powers.

On November 16, 1993, the County and the City approved and entered into an Interlocal Agreement, by which the County delegated to the City certain redevelopment powers, including but not limited to the creation of the Redevelopment Area and implementation of the Redevelopment Plan.

The First Amendment to the Interlocal Agreement, approved by the County Commission, through Resolution No. R-889-03, and approved by the City Commission, through Resolution No. 2003-25241, delegated to the City the power to develop and implement community policing initiatives.

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The Fourth Amendment to the Interlocal Agreement, recently approved by the County Commission on June 19, 2018, through Resolution No. R-644-18, and approved by the City on April 25, 2018, through Resolution No. 2018-30288, provided for the following:

1. Add certain expenditures to the authorized expenditures of the RDA.
2. Allow the RDA to reimburse the City \$6,914,221 for construction delays and damages to the Convention Center renovation and expansion project resulting from Hurricane Irma.
3. Include proposed funding in an amount up to \$20.0 million to fund the Lincoln Road project, previously authorized as part of the Third Amendment, for a total project amount of up to \$40.0 million for the Lincoln Road project.
4. Distribute to both the County and the City, beginning in FY 2017/18 and continuing until FY 2022/23, a reimbursement based on each entity's proportionate share of previous year expenses for administration, community policing, and capital maintenance, and require that both set aside \$1.5 million of the annual reimbursement for beach renourishment that can be utilized to leverage State or Federal funding for beach renourishment projects.

5. Utilize any excess revenues, after the foregoing distributions, for the early prepayment of debt, as originally stipulated in the Third Amendment to the Interlocal Agreement.

This proposed amendment would appropriate \$18,463,619 of the Redevelopment Agency's prior year excess "Trust Fund" revenues available as of FY 2016/17 totaling approximately \$34,940,629, pursuant to the Fourth Amendment to the Interlocal Agreement, for the subsequent items below:

1. Transfer \$6,914,221 to the RDA City Center Capital Fund (Fund 365) to reimburse the City for construction delays and damages to the Convention Center renovation and expansion project resulting from the large rain event on August 1, 2017 and Hurricane Irma.
2. Reimburse the City for year one (FY 2017/18) of six of its annual reimbursement totaling approximately \$6,352,000, of which:
 - \$1,500,000 is proposed to be transferred to a dedicated Fund to be utilized solely for beach renourishment projects in and adjacent to the City.
 - \$1,079,000 is proposed to be transferred to the City's General Fund for the repayment of U.S. Department of Housing and Urban Development (HUD) grant funds to comply with the completed Office of the Inspector General Audit.
 - \$654,734 is proposed to be transferred to the Pay As You Go – Capital Fund (Fund 302) to fund the repairs of structural and electrical deficiencies required for recertification of the Fillmore at the Jackie Gleason Theatre to conform to procedural guidelines,
 - \$3,118,266 is proposed to be transferred to the Pay As You Go – Capital Fund (Fund 302) to fund the above-ground costs for the 11th Street Flamingo Neighborhood (\$1,058,679) and West Avenue Phase II (\$2,059,587) projects that are currently appropriated and encumbered utilizing Line of Credit. It is important to note that if the General Obligation Bond is approved, these Pay As You Go dollars proposed to be appropriated to the 11th Street Flamingo Neighborhood and West Avenue Phase II projects for above-ground costs would be released and funded from the bond proceeds.
3. Reimburse the County for year one (FY 2017/18) of six of its annual reimbursement totaling \$5,197,398.

CONCLUSION

The Administration recommends that the Chairperson and Members of the Miami Beach Redevelopment Agency adopt the First Amendment to the RDA City Center Redevelopment Area operating budget for Fiscal Year 2017/18.

JLM/JW/TOS