

**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 2008/09**

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 2008/09 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 2008/09, attached as Exhibit "A" hereto.

PASSED AND ADOPTED THIS SEPTEMBER 17TH DAY OF 2008.


CHAIRPERSON

Matti Herrera Bower

ATTEST:

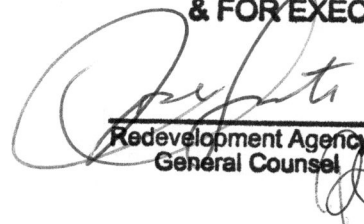

SECRETARY

Robert Parcher

JMG:TH:kob

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


Redevelopment Agency
General Counsel

9/12/08
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 2008/09.

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 \$23 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 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 2008/09?

Item Summary/Recommendation:

The proposed budget for the City Center Redevelopment Area for Fiscal Year 2008/09 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 2006/07 tax roll by the County Tax Assessor, the proposed RDA Budget reflects the County's anticipated adjustment (reduction) for overpayment of TIF during FY 2006/07, (totaling \$1,111,989 for the City's Share and \$846,734 for the County's share), representing a total decrease in TIF revenues of \$1,958,723. 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 2008/09.

Advisory Board Recommendation:

N.A.

Financial Information:

Source of Funds:


OBPI

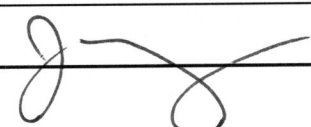
	Amount	Account	Approved
1	\$39,003,741	City Center Redevelopment Area Fund	
2	\$ 3,500,252	Anchor Shops and Parking Garage Operations	
Total	\$42,503,993		

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

AGENDA ITEM 13
DATE 9/17/08



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 17, 2008

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 2008/09**

ADMINISTRATION RECOMMENDATION

Adopt the Resolution.

ANALYSIS

The proposed budget for the City Center Redevelopment Area (RDA) for Fiscal Year 2008/09 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 only anticipated to increase by 3.4% in FY 2008/09, largely as a result of cooling market conditions and only one significant residential project coming on line. Based on the proposed millage rates (City - 5.6555 mills/County - 4.8733 mills), the RDA anticipated receiving \$34.1 Million in TIF revenues. However, on August 7, 2008, the City received correspondence from the County advising of the finalization of the FY 2006/07 tax roll, reflecting a 5% decrease from the preliminary valuation for the same year. Consequently, the County anticipates adjusting the FY 2008/09 TIF payment for overpayment in FY 2006/07. (The City's TIF payment is anticipated to be reduced by \$1,111,989 and County's by \$846,734, for a total reduction of \$1,958,723).

Additional sources of revenue include an estimated \$3.5 Million in Resort Tax contributions; a ½ mill levy in the amount of \$1.6 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 \$1.3 Million in interest income.

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 \$26.3 Million, comprising \$3.2 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 \$2.7 Million for maintenance of RDA capital projects.

On-going and planned capital projects in City Center are projected to account for approximately \$20.3 Million in the FY 2008/09 Budget and generally include design and construction of the City's share of improvements related to the New World Symphony Project (Garage, 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; planning and design costs associated with the Botanical Garden; 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 \$8.4 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 \$1.7 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 presented in a separate schedule for approval by the RDA Board. Garage revenues are projected at \$2.6 Million, with operating expenses, (including depreciation and contractual revenue-sharing obligations with Loews), of \$2.0 Million. The retail operation is expected to generate \$862,000 in revenues, comprising approximately \$675,000 in actual rent proceeds (after taxes) and approximately \$187,000 in interest income on pooled cash. Operating expenses associated with the retail management contract and related reimbursable expenditures is estimated at approximately \$63,000.

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 2008/09.

JMG/TH/KB/KOB

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**Miami Beach Redevelopment Agency
City Center Redevelopment Area
Proposed FY 2008/09 Operating Budget**

08/30/2008

	FY 07/08 Budget	FY 07/08 Projected	Inc/(Dec)	FY 08/09 Budget	Budget Variance From FY 07/08
Revenues and Other Sources of Income					
Tax Increment - City @ 5.6555	\$17,690,977	\$17,690,977	\$0	\$18,345,335	\$654,358
Adjustment to City Increment for FY 2006 Tax Roll (1)	(775,664)	(472,472)	303,192	(1,111,989)	(336,325)
Tax Increment - County @ 4.8733	14,326,704	14,325,453	(1,251)	15,808,032	1,481,328
Adjustment to County Increment for FY 2006 Tax Roll (1)	(604,999)	(368,517)	236,482	(846,734)	(241,735)
50% Contribution from Resort Tax	3,205,500	3,250,000	44,500	3,505,500	300,000
1/2 Mill Children's Trust Contribution (2)	1,564,051	1,564,051	(0)	1,621,902	57,851
Interest Income	2,000,000	1,980,000	(20,000)	1,294,773	(705,227)
Fund Balance Reallocation: (Non-TIF)	4,489,766	4,489,766	(0)	386,922	(4,102,844)
Fund Balance Reallocation: (TIF)	0	0	0	0	0
TOTAL REVENUES	\$41,896,335	\$42,459,258	\$562,923	\$39,003,741	(\$2,892,594)
Admin/Operating Expenses					
Management fee	\$414,000	\$414,000	\$0	\$414,000	\$0
Advertising & promotion	1,000	1,000	0	1,000	0
Postage, printing & mailing	3,500	770	(2,730)	3,500	0
Office supplies & equipment	3,000	1,145	(1,855)	3,000	0
Meetings & conferences	4,000	4,000	0	4,000	0
Dues & subscriptions	1,000	1,101	101	1,000	0
Audit fees	8,500	8,500	0	8,500	0
Professional & related fees	55,000	59,484	4,484	55,000	0
Miscellaneous expenses	10,000	10,000	0	10,000	0
Total Admin/Operating Expenses	\$500,000	\$500,000	\$0	\$500,000	\$0
Project Expenses					
Community Policing	\$2,993,417	\$2,577,000	(\$416,417)	\$3,262,158	\$268,741
Capital Projects Maintenance (3)	2,195,000	2,195,000	0	2,730,856	535,856
Transfer to Capital Projects (4)	24,234,167	24,765,746	531,579	20,319,813	(3,914,354)
Total Project Expenses	\$29,422,584	\$29,537,746	\$115,162	\$26,312,827	(\$3,109,757)
Reserve and Debt Service Obligations					
Debt Service Cost - 2005 + Parity Bonds	\$8,375,554	\$8,375,554	\$0	\$8,374,697	(\$857)
Current Debt Service - Lincoln Rd Project (5)	1,068,148	1,068,148	0	1,205,288	137,140
Current Debt Service - Bass Museum (6)	506,443	506,443	0	506,108	(335)
Reserve for County Admin Fee (7)	205,826	209,354	3,528	224,419	18,593
Reserve for CMB Admin Fee (8)	253,730	258,278	4,548	258,500	4,770
Reserve for Children's Trust Contribution (9)	1,564,051	1,564,051	0	1,621,902	57,851
Repayment-Prior Yr advances from Non-TIF funds	0	439,684	439,684	0	0
Total Reserve and Debt Service Obligations	\$11,973,751	\$12,421,512	\$447,761	\$12,190,914	\$217,162
TOTAL EXPENSES AND OBLIGATIONS	\$41,896,335	\$42,459,258	\$562,923	\$39,003,741	(\$2,892,595)
NET	\$0	\$0	\$0	\$0	\$1

Note #1 Est. Adjustment for final FY 06/07 Tax Roll - per County Memorandum dated 08/04/08

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

Proposed FY 2008/09 Anchor Shops and Parking Garage (16th Street Parking Garage) Operating Budget

	FY 07/08 Budget (1)	FY 07/08 Projected	Inc/(Dec)	FY 08/09 Budget	Budget Variance From FY 07/08
Revenues:					
Parking Operations	\$2,424,631	\$2,637,917	\$213,286	\$2,637,917	\$213,286
Retail Leasing	633,562	944,549	310,987	862,335	228,773
TOTAL REVENUES	\$3,058,193	\$3,582,466	\$524,273	\$3,500,252	\$442,059
Operating Expenses:					
Parking Operations	\$1,826,174	\$1,753,460	(\$72,714)	\$1,705,306	(\$120,868)
Garage Use Fee (To Loews) (2)	222,516	274,400	51,884	349,417	126,901
Retail Leasing Mgt Agreement	59,000	53,087	(5,913)	62,942	3,942
Reserve Future Capital - Parking Operations	375,941	610,057	234,116	583,194	207,253
Reserve Future Capital - Retail Operations	574,562	891,462	316,900	799,393	224,831
TOTAL EXPENSES	\$3,058,193	\$3,582,466	\$524,273	\$3,500,252	\$442,059
NET	\$0	\$0	\$0	\$0	\$0

(1) - FY 07/08 Retail Revenue budget didn't account for interest income on pooled cash

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