

A RESOLUTION OF THE CHAIRPERSON AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY ADOPTING AND APPROPRIATING THE FIRST AMENDMENT TO THE FISCAL YEAR 2010/11 OPERATING BUDGET FOR THE CITY CENTER REDEVELOPMENT AREA AND THE ANCHOR SHOPS AND PARKING GARAGE FOR ITEMS THAT ARE OVER-BUDGET; AND, RETROACTIVELY ADOPTING AND APPROPRIATING THE BUDGET FOR THE PENNSYLVANIA AVENUE SHOPS AND PARKING GARAGE FOR FISCAL YEAR 2010/11.

WHEREAS, the City Center Redevelopment Area Budget for Fiscal Year 2010/11 was prepared and adopted with the overall City budget by detailed line item on September 20, 2010; and

WHEREAS, the Administration had completed an analysis of revenues and expenses for the fiscal year ended September 30, 2011 for the City Center Redevelopment Area; the Anchor Shops and Parking Garage and the Pennsylvania Avenue Shops and Parking Garage, reflected in Exhibit A attached hereto;

WHEREAS, although, overall, the actual expenditures for City Center Redevelopment Area Budget for Fiscal Year 2010/11 are below the adopted budget; certain expenditure categories are over budget, thereby requiring a budget amendment as the budget was adopted at a detailed level; and

WHEREAS, the Pennsylvania Avenue Garage and Shops opened during Fiscal Year 2010/11. Revenues and expenses for the facility were not adopted as part of the Fiscal Year 2010/11 Budget; and

WHEREAS, during fiscal year 2010/11, the Pennsylvania Avenue Parking Garage generated \$478,583 in revenues and incurred \$394,068 in related operating expenses for the facility; and

WHEREAS, in order to address instances where actual expenditures for line items exceeded budget for the reasons described in the related commission memorandum, the Executive Director recommends adopting a First Amendment to the FY 2010/11 Operating Budget for the City Center Redevelopment Area and the Anchor Shops and Parking Garage as detailed in and retroactively adopting the Budget for the Pennsylvania Avenue Shops and Garage for FY 2010/11.

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 appropriate the first amendment to the Fiscal Year 2010/11 operating budget for the City Center Redevelopment Area, and the Anchor Shops and Parking Garage for the items that are over budget; and, retroactively adopting and appropriating the budget for the Pennsylvania Avenue. Shops and Garage for FY 2010/11 as follows:

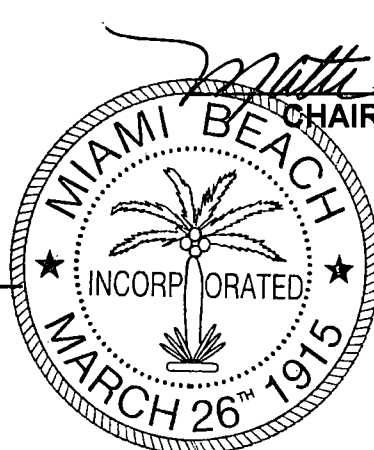
Table 1. City Center RDA Fiscal Year 2010/11	
Additional Revenue Appropriation	
½ Mill Children's Trust Contribution	\$249,581
Additional Expenditure Appropriation	
Children's Trust Contribution	\$249,581
Management Fee	\$750
Professional (Legal) Fees	\$23,903
Debt Service Cost 2005+ Parity Bonds	\$104,833
Anchor Shops and Parking Garage Fiscal Year 2010/11	
Additional Expenditure Appropriation	
Garage Use Fee (to Loews)	\$78,837
Renewal and Replacement	\$96,274

Table 2. Pennsylvania Ave. Shops and Parking Garage Fiscal Year 2010/11	
Revenues	
Parking Operations	\$478,583
Total Revenues	\$478,583
Expenditures	
Parking Operations	\$300,727
Parking Base Fee	\$30,073
Garage Ground Lease	\$23,552
Garage Management Fee	\$39,716
Total Expenses	\$394,068
Net	\$84,515

PASSED AND ADOPTED THIS 11TH DAY OF JANUARY 2012.

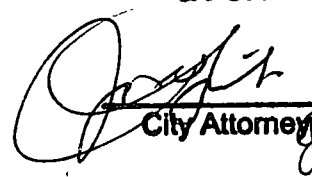
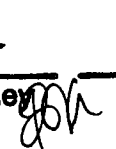
ATTEST:


SECRETARY




CHAIRPERSON

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


City Attorney  **Date** 1-5-12

JMG:HF:KB:JC:KOB

Condensed Title:

A Resolution of the Chairperson and Members of the Miami Beach Redevelopment Agency adopting the First Amendment to the FY 2010/11 Operating Budgets for the City Center Redevelopment Area, the Anchor Shops and Parking Garage and adopting the Budget for the Pennsylvania Avenue Shops and Garage for FY 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 50 percent of actual expenditures in FY 2010/11 were allocated towards capital expenditures including new capital projects and renewal, maintenance and replacement of existing RDA capital infrastructure.

Issue:

Should the RDA Board adopt the proposed first amendment to the FY 2010/11 Operating Budgets for the City Center Redevelopment Area, the Anchor Shops and Parking Garage, as well as adopt the Budget for the Pennsylvania Avenue Shops and Garage for FY 2010/11?

Item Summary/Recommendation:

The year-end budget to preliminary actual comparisons for the RDA reflect that there is an operating budget surplus of \$669,452 (1.8%) in the RDA, overall. However, because the RDA budget was adopted at a category level, a budget amendment is required to address certain expenditure categories that are over budget. Similarly, garage revenues at the Anchor Garage in FY 2010/11 came in approximately \$709,000 greater than budget, which is more than sufficient to offset the resulting \$78,837 increase in revenue-sharing obligations with Loews, to cover lower than expected retail revenues (due to the loss of a tenant earlier in the year) and unanticipated but necessary renewal and replacement costs totaling \$96,274 (e.g. HVAC replacement for three retail tenants, elevator repairs). The Pennsylvania Avenue Garage opened during Fiscal Year 2010/11 and revenues and expenses for the facility were not adopted as part of the FY 2010/11 budget. The parking garage generated \$478,583 in revenues in FY 2010/11, which more than adequately covers the \$394,068 in related operating expenses for the facility.

In order to address instances where actual expenditures for budgeted categories exceeded the adopted budget for the reasons described in the related commission memorandum, the Administration recommends adopting a First Amendment to the FY 2010/11 Operating Budget for the City Center Redevelopment Area and the Anchor Shops and Parking Garage, and retroactively adopting the Budget for the Pennsylvania Avenue Shops and Garage for FY 2010/11.

Advisory Board Recommendation:

N.A.


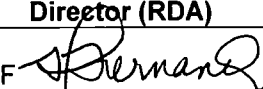

Financial Information:

Source of Funds:		Amount	Account
	1		
	2		
OBPI			

City Clerk's Office Legislative Tracking:

Kent Bonde, Laura Aker and Kathie Brooks

Sign-Offs:

RDA Coordinator	Budget Director	Assistant Director (RDA)	Executive Director (RDA)
KOB	KB 	HF 	JMG 

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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: January 11, 2012

SUBJECT: **A RESOLUTION OF THE CHAIRPERSON AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY ADOPTING AND APPROPRIATING THE FIRST AMENDMENT TO THE OPERATING BUDGET FOR THE CITY CENTER REDEVELOPMENT AREA AND THE ANCHOR SHOPS AND PARKING GARAGE FOR ITEMS THAT ARE OVER-BUDGET; AND, RETROACTIVELY ADOPTING AND APPROPRIATING THE BUDGET FOR THE PENNSYLVANIA AVENUE SHOPS AND PARKING GARAGE FOR FISCAL YEAR 2010/11.**

ADMINISTRATION RECOMMENDATION

Adopt the Resolution.

ANALYSIS

The year-end budget to preliminary actual comparisons for the RDA are presented in Exhibit A. Highlights are provided below. These comparisons show that there is an operating budget surplus of \$669,452 (1.8%) in the RDA, overall. However, because the RDA budget was adopted at a category level, a budget amendment is required to address certain expenditure categories that are over budget.

In addition, it is recommended that a budget of \$394,068 is retroactively adopted to cover operating expenses at the Pennsylvania garage, which opened during fiscal year 2010/11.

Operating Budget - Revenues

Overall, revenues in the RDA are \$518,956 over budget. This is primarily due to increased contributions from the Resort Tax fund, which is based on 50% of the 1% Resort Tax revenues collected. Contributions from the Children's Trust are also above budget, although this is directly offset by the remittance of the ½ mill tax levy back to the Children's Trust. Additionally, the "other income/adjustments" line item reflects the inclusion of rent proceeds from the Miami City Ballet; these revenues are in turn used to offset capital maintenance costs related to the facility.

The overall increase in revenues is partially offset by continued declines in interest earnings and increased adjustments to the City and County tax increment from 2008.

Operating Budget - Expenditures

The total admin/operating expenditures are estimated at \$150,496 below approved budget. However, management fees (including salaries and benefits) are slightly above budget due to the final actual salary costs of staff that provides administrative support to the RDA, as well as professional (legal) fees

incurred in connection with unanticipated settlement-related costs on prior-year RDA projects. Debt service costs were also above budget; this amount is the difference between the initial transfer to the RDA debt service fund and the actual amount that is required to be paid.

Anchor Shops and Parking Garage

Garage revenues at the Anchor Garage in FY 2010/11 came in approximately \$709,000 greater than budgeted. This is more than sufficient to offset the resulting \$78,837 increase in revenue-sharing obligations to the Loews. Retail revenues only came in slightly below forecast, despite the loss of a tenant earlier in the year. However, the additional overall revenue is more than sufficient to cover unanticipated and necessary renewal and replacement costs totaling \$96,274. These generally included the replacement of three of the tenant's HVAC systems and elevator repairs.

Pennsylvania Avenue Shops and Garage

The Pennsylvania Avenue Garage and shops opened during fiscal year 2010/11. Revenues and expenses for the facility were not adopted as part of the FY 2010/11 Budget. During fiscal year 2010/11, the parking garage generated \$478,583 in revenues and incurred \$394,068 in related operating expenses for the facility.

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. Expenditures for the garage include ground lease rent payments, an administrative fee (consistent with that of the Anchor Garage) and the Parking Department's operational fee.

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 amends the operating budgets for the City Center Redevelopment Area, and the Anchor Shops and Parking Garage; and the adopts the budget for the Pennsylvania Avenue Shops and Garage for FY 2010/11.

JMG/HF/KB/LA/KOB
Attachment

Exhibit A.
Miami Beach Redevelopment Agency
City Center Redevelopment Area
Adopted FY 2010/11 Adopted Operating Budget to Actual

	FY 08/09	FY 09/10	FY 10/11	FY 10/11	Budget Variance From FY 10/11
	Actual	Budget	Budget	Actual	Adopted
Revenues and Other Sources of Income					
Tax Increment - City Millage 6.2155	\$18,345,335	\$16,946,393	\$18,377,816	\$18,377,816	\$0
Proj Adjustment to City Increment for FY 2008 Tax Roll (2)	(1,111,989)	(1,178,873)	(1,200,000)	(1,475,726)	(\$275,726)
Tax Increment - County Millage 5.4275	15,808,032	14,496,500	16,047,879	16,047,879	\$0
Proj Adjustment to County Increment for FY 2008 Tax Roll (3)	(961,565)	(954,605)	(1,000,000)	(1,262,384)	(\$262,384)
50% Contribution from Resort Tax	3,908,668	3,460,000	3,578,067	4,492,075	\$914,008
1/2 Mill Children's Trust Contribution (4)	1,368,290	1,498,222	1,225,249	1,474,830	\$249,581
Interest Income	58,626	385,057	200,000	9,291	(\$100,709)
Fund Balance Reallocation: (Non-TIF)	0	0	0	0	\$0
Other Income/Adjustments:	1,344	0	0	84,186	\$84,186
TOTAL REVENUES	\$37,412,741	\$34,852,694	\$37,229,011	\$37,747,987	\$518,956
Admin/Operating Expenses					
Management fee (salaries & benefits)	\$464,775	\$489,564	\$988,563	\$989,313	\$750
Advertising & promotion	0	1,000	0	0	\$0
Postage, printing & mailing	1,420	3,500	4,123	2,858	(\$1,265)
Office supplies & equipment	2,941	3,000	2,900	2,195	(\$705)
Meetings & conferences	1,799	4,000	1,351	12	(\$1,339)
Dues & subscriptions	0	1,000	1,260	788	(\$472)
Audit fees	0	8,500	9,000	5,388	(\$3,613)
Professional & related fees	57,157	55,000	47,000	70,903	\$23,903
Miscellaneous expenses	4,223	10,000	5,000	1,388	(\$3,612)
Total Admin/Operating Expenses	\$532,315	\$575,564	\$1,059,197	\$1,072,844	\$13,647
Project Expenses					
Community Policing	\$2,693,942	\$2,871,494	\$3,052,215	\$2,746,495	(\$305,720)
Capital Projects Maintenance (5)	3,456,886	3,050,775	3,332,673	3,127,883	(\$204,790)
NWS Project/Lincoln Park Complex Contingency	0	3,060,189	0	0	\$0
NWS Project - Grant-in-Aid	0	0	15,000,000	15,000,000	\$0
Transfer to Capital Projects (6)	20,319,813	13,170,050	138,758	136,758	\$0
Total Project Expenses	\$26,470,651	\$22,152,508	\$21,521,646	\$21,011,136	(\$510,510)
Reserve and Debt Service Obligations					
Debt Service Cost - 2005 + Parity Bonds	\$8,376,443	\$8,393,267	\$8,393,254	\$8,498,087	\$104,833
Current Debt Service - Lincoln Rd Project (7)	1,205,288	1,086,961	\$1,094,176	\$1,094,176	\$0
Current Debt Service - Bass Museum (8)	506,108	506,531	505,859	505,859	\$0
Reserve for County Admin Fee (9)	222,697	203,128	225,718	221,782	(\$3,936)
Reserve for CMB Contribution (10)	258,500	236,513	257,667	253,531	(\$4,136)
Reserve for Children's Trust Contribution (11)	1,366,290	1,498,222	1,225,249	1,474,855	\$249,606
Repayment-Prior Yr Fund Balance	0	0	2,948,246	2,946,246	\$0
Total Reserve and Debt Service Obligations	\$11,935,326	\$11,924,622	\$14,648,168	\$14,984,536	\$336,368
TOTAL EXPENSES AND OBLIGATIONS	\$38,938,292	\$34,652,694	\$37,229,011	\$37,078,515	(\$150,496)
REVENUES - EXPENSES	(\$1,525,551)	(\$0)	\$0	\$669,452	\$669,452

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 pric

Note #3 Adjustment for final FY 08/09 Tax Roll - Estimate based on pric

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 Stat

Note #8 Payment of Bass Museum current debt service on Gulf Breeze

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

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

	FY 08/09	FY 09/10	FY 10/11	FY 10/11	Budget Variance From FY 10/11
	Actual	Budget (1)	Budget	Actual	Adopted
Revenues:					
Parking Operations	\$2,585,000	\$2,632,000	\$2,368,000	\$3,077,007	\$709,007
Retail Leasing	683,779	698,489	714,150	704,365	(\$9,785)
Interest Pooled Cash	46,100	46,100	39,216	23,998	(\$15,218)
TOTAL REVENUES	\$3,314,879	\$3,374,589	\$3,121,366	\$3,805,370	\$684,004
Operating Expenses:					
Parking Operations	\$1,700,768	\$1,802,864	\$1,704,823	\$1,313,809	(\$391,014)
Garage Use Fee (To Lowes) (1)	342,000	355,208	281,288	360,125	\$78,837
Retail Leasing Management Fee	55,000	60,000	95,433	76,917	(\$18,516)
Management Fee (Garage Ops)	0	158,129	189,074	189,074	\$0
Renewal and Replacement Anchor Shops	0	0	0	96,274	\$96,274
Reserve Future Capital - Parking Operations	563,832	375,922	219,415	0	(\$219,415)
Reserve Future Capital - Retail Operations	653,279	622,466	631,333	0	(\$631,333)
TOTAL EXPENSES	\$3,314,879	\$3,374,589	\$3,121,366	\$2,036,199	(\$1,085,167)
NET	\$0	\$0	\$0	\$1,769,171	\$1,769,171

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

FY 2010/11 Pennsylvania Ave. Shops and Parking Garage Operating Budget

	FY 08/09	FY 09/10	FY 10/11	FY 10/11	Budget Variance From FY 10/11
	Actual	Budget	Budget	Actual	Adopted
Revenues:					
Parking Operations	\$0	\$0	\$0	\$478,583	\$478,583
TOTAL REVENUES	\$0	\$0	\$0	\$478,583	\$478,583
Operating Expenses:					
Parking Operations	\$0	\$0	\$0	\$300,727	\$300,727
Parking Base Fee	\$0	\$0	\$0	\$30,073	\$30,073
Garage Ground Lease	\$0	\$0	\$0	\$23,552	\$23,552
Garage Management Fee	\$0	\$0	\$0	\$39,716	\$39,716
TOTAL EXPENSES	\$0	\$0	\$0	\$394,068	\$394,068
NET	\$0	\$0	\$0	\$84,515	\$84,515