

**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 2012/13**

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 2012/13 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 2012/13, as follows:

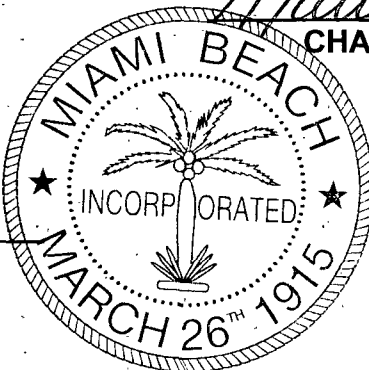
City Center Redevelopment Area	\$36,771,000
Anchor Garage Parking Operations	\$3,069,000
Anchor Garage Retail Operations	\$714,000
Pennsylvania Avenue Garage Parking Operations	\$925,000
Pennsylvania Avenue Garage Retail Operations	\$574,000

PASSED AND ADOPTED THIS SEPTEMBER 27TH DAY OF 2012.

ATTEST:

SECRETARY

KB:MS:TF:KOB



CHAIRPERSON

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

**Redevelopment Agency
General Counsel**

Date

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 2012/13.

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.

Issue:

Should the RDA Board adopt the proposed operating budgets for the City Center Redevelopment Area, the Anchor Shops and Parking Garage and the Pennsylvania Avenue Shops and Garage for Fiscal Year 2012/13?

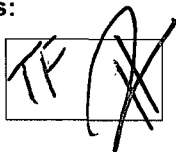
Item Summary/Recommendation:

The proposed budget for the City Center Redevelopment Area for Fiscal Year 2012/13 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. 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 2010/11, reflects a sizeable decrease from the preliminary valuation for the same year and will result in a corresponding adjustment/reduction in TIF revenues totaling \$3.5 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 budgets for the City Center Redevelopment Area, the Anchor Shops and Parking Garage and the Pennsylvania Avenue Shops and Garage for FY 2012/13.

Advisory Board Recommendation:

N.A.

Financial Information:

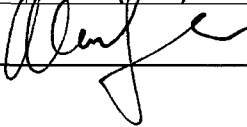
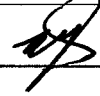
Source of Funds:		Amount	Account
	1	\$36,771,000	City Center Redevelopment Area Fund
	2	\$ 3,783,000	Anchor Shops and Parking Garage Operations
	3	\$ 1,499,000	Pennsylvania Avenue Shops and Garage Operations
OBPI	Total	\$42,053,000	

Financial Impact Summary:

City Clerk's Office Legislative Tracking:

Kent Bonde, Laura Aker and Kathie Brooks

Sign-Offs:

RDA Coordinator	Budget Director	Assistant Director (RDA)	Interim Executive Director (RDA)
KOB 	TF	MS 	KB 

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MIAMI BEACH

AGENDA ITEM 1B
DATE 9-27-12



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: Kathie Brooks, Interim Executive Director

DATE: September 27, 2012

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 2012/13.**

ADMINISTRATION RECOMMENDATION

Adopt the Resolution.

ANALYSIS

The proposed budget for the City Center Redevelopment Area (RDA) for Fiscal Year 2012/13 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.

The attached budget reflects a small reduction in Tax Increment (TIF) revenue from the Proposed Budget Book distributed on September 7, 2012 by LTC# 230-2012, as result of the Commission's action to reduce the Operating Millage from 6.1122 to 6.0909 at the first public hearing on September 12, 2012.

Revenues

Based on the 2012 Certificate of Taxable Value from the Property Appraiser's Office, the preliminary value of property in City Center is actually projected to increase by 5.4% over 2011, marking the second year in a row; 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 2010/11, reflects a sizeable decrease from the preliminary valuation for the same year and will result in a corresponding adjustment/reduction in TIF revenues totaling \$3.5 Million. Further the revised valuation for the January 1, 2012 values increased from the Miami-Dade County Property Appraiser July 1, 2012, reflects a decrease of 9% from the valuation received July 1, 2011. Thus a significant adjustment/reduction can also be expected for FY2012/13.

Additional sources of revenue include an estimated \$4.6 Million in Resort Tax contributions; a ½ mill levy in the amount of \$1.5 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 \$13,000 in interest income.

Expenditures

Project-related expenses account for approximately \$23.6 Million, which includes \$3.7 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 \$4.5 Million for maintenance of RDA capital projects. On-going and planned capital projects in City Center are projected to account for \$14.2 Million in the FY 2012/13 Budget, and generally include allocations for construction of the Collins Park Garage; additional funding for the Collins Canal enhancement project to move the curb line of Dade Boulevard further North to provide room for increased landscaping; Lincoln Road landscaping; Collins Canal seawall repair by the Botanical Garden; a reserve for improvements to Euclid Avenue (pending addition review and outreach); and aluminum streetlight pole replacement; and, improvements to Euclid Avenue. An additional \$705,000 is being proposed for capital renewal and replacement projects; including repairs and maintenance to certain City-owned projects and facilities, including the Carl Fisher Club House, the Bass Museum, the Miami City Ballet, the Anchor Garage and lighting replacement along Lincoln Road. Additionally, \$405,000 in transfers to the Pennsylvania Avenue Shops and Garage are budgeted to offset the City's costs associated with the retail and parking operations.

Administrative Expenses total \$1.4 Million, comprising a management fee of \$1,041,000 which is allocated to the General Fund to pay for direct and indirect staff support for the RDA; \$66,000 for actual operating expenses; approximately \$241,000 set aside for on-going planning and consulting work related to the Convention Center expansion master plan; and \$98,000 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 \$8.4 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 \$1.3 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 Million, with operating

expenses, (including depreciation, contractual revenue-sharing obligations with Loews and general fund administrative fees), of approximately \$2.4 Million and reserves of \$621,000. The Anchor retail operations is expected to generate \$714,000 in revenues, including interest, with operating expenses associated with the retail management contract, related reimbursable expenditures, and depreciation totaling \$158,000, as well as projected reserves of \$556,000.

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 \$1,094,000 in revenues in FY 2012/13, comprising \$520,000 in parking revenues and \$574,000 in retail income. However, since the facility is still anticipated to operate at a loss during FY 2012/13, the RDA plans to subsidize its operations through a transfer of \$405,000 to the parking operations. Expenses for the facility are budgeted at \$1.4 Million, comprising \$925,000 in direct operating costs for the garage and \$574,000 in lease term-related obligations.

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, the Anchor Shops and Parking Garage, and the Pennsylvania Avenue Shops and Garage for FY 2012/13.

KGB:MS:PAR:KOB

Attachment

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ATTACHMENT A

**Miami Beach Redevelopment Agency
City Center Redevelopment Area
FY 2012/13 Proposed Operating Budget
September 27, 2012**

	FY 09/10 Actual	FY 10/11 Actual	FY 11/12 Adopted	FY12/13 Proposed
Revenues and Other Sources of Income				
Tax Increment - City (1)	\$ 15,767,520	\$ 16,902,090	\$ 18,337,693	\$ 19,188,000
Adjustment for Prior Year Increment (2)	\$ -	\$ -	\$ (1,326,883)	\$ (1,871,000)
Tax Increment - County (1)	\$ 13,541,895	\$ 14,785,495	\$ 14,291,236	\$ 14,818,000
Adjustment for Prior Year Increment (3)	\$ -	\$ -	\$ (1,262,384)	\$ (1,636,000)
50% Contribution from Resort Tax	\$ 3,845,346	\$ 4,492,075	\$ 4,298,477	\$ 4,684,000
1/2 Mill Children's Trust Contribution (4)	\$ 1,498,222	\$ 1,474,830	\$ 1,487,121	\$ 1,575,000
Interest Income	\$ 16,315	\$ 9,291	\$ 179,000	\$ 13,000
Fund Balance Renewal and Replacement	\$ -	\$ -	\$ 1,370,981	\$ -
Other Income/Adjustments:	\$ 10,026	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 34,679,324	\$ 37,663,781	\$ 37,375,241	\$ 36,771,000
Admin/Operating Expenses				
Management fee (salaries & benefits)	\$ 489,564	\$ 989,700	\$ 1,010,901	\$ 1,041,000
Postage, printing & mailing	\$ 3,544	\$ 2,858	\$ 4,123	\$ 3,000
Office supplies & equipment	\$ 2,828	\$ 3,583	\$ 3,810	\$ 4,000
Meetings & conferences	\$ 812	\$ 788	\$ 1,351	\$ 1,000
Dues & subscriptions	\$ 1,120	\$ 12	\$ 1,260	\$ 2,000
Professional & related fees	\$ 79,189	\$ 76,291	\$ 260,000	\$ 250,000
Repairs & Maintenance	\$ -	\$ -	\$ 84,857	\$ 98,000
Miscellaneous expenses (Int Svcs)	\$ -	\$ -	\$ 105,998	\$ 47,000
Total Admin/Operating Expenses	\$ 577,057	\$ 1,073,232	\$ 1,472,300	\$ 1,446,000
Project Expenses				
Community Policing 168-1124	\$ 2,453,667	\$ 2,753,374	\$ 3,413,695	\$ 3,741,000
Capital Projects Maintenance:				
Property Management: 168-9964	\$ 1,114,823	\$ 990,358	\$ 1,061,006	\$ 1,143,000
Sanitation: 168-9965	\$ 1,979,746	\$ 2,092,146	\$ 2,661,686	\$ 2,593,000
Greenspace: 168-9966	\$ -	\$ -	\$ 622,896	\$ 763,000
Sub-Total Cap Projects Maintenance:	\$ 3,094,569	\$ 3,082,504	\$ 4,345,588	\$ 4,499,000
NWS Project/Lincoln Park Complex Contingency	\$ -	\$ -	\$ -	\$ -
NWS Project - Grant-in-Aid	\$ -	\$ 15,000,000	\$ -	\$ -
Transfer to Penn Garage Parking	\$ -	\$ -	\$ 48,801	\$ 405,000
Transfer to Penn Garage Retail	\$ -	\$ -	\$ 347,112	\$ -
Transfer to Capital (6)	\$ 13,170,050	\$ 1,107,946	\$ 13,541,301	\$ 14,943,000
Total Project Expenses	\$ 18,718,286	\$ 21,943,824	\$ 21,696,497	\$ 23,588,000
Reserve and Debt Service Obligations				
Debt Service Cost - 2005 + Parity Bonds	\$ 8,479,358	\$ 8,498,087	\$ 8,393,816	\$ 8,415,000
Current Debt Service - Lincoln Rd Project (7)	\$ 1,086,961	\$ 1,094,176	\$ 1,103,367	\$ 785,000
Current Debt Service - Bass Museum (8)	\$ 506,531	\$ 505,859	\$ 502,747	\$ 503,000
Reserve for County Admin Fee (9)	\$ 203,128	\$ 221,782	\$ 195,433	\$ 198,000
Reserve for CMB Contribution (10)	\$ 236,513	\$ 253,531	\$ 255,162	\$ 261,000
Reserve for Children's Trust Contribution (11)	\$ 1,506,169	\$ 1,474,856	\$ 1,487,121	\$ 1,575,000
Reserve for Collins Park Parking Garage	\$ -	\$ -	\$ 2,268,800	\$ -
Repayment-Prior Yr Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Reserve and Debt Service	\$ 12,018,660	\$ 12,048,292	\$ 14,206,444	\$ 11,737,000
TOTAL EXPENSES AND OBLIGATIONS	\$ 31,314,003	\$ 35,065,348	\$ 37,375,241	\$ 36,771,000
REVENUES - EXPENDITURES	\$ 3,365,321	\$ 2,598,433	\$ (0)	\$ -

ATTACHMENT A (continued)

Anchor Shops and Parking Garage (16th Street Parking Garage) - Proposed FY 2012/13 Operating Budget

PARKING OPERATIONS: (Rounded)

	FY 09/10 Actual	FY 10/11 Actual	FY 11/12 Adopted	FY 12/13 Proposed
Revenues:				
Parking Operations (463-8000)	\$ 2,707,650	\$ 2,368,000	\$ 2,885,000	\$ 3,049,000
Interest Pooled Cash	\$ 20,964	\$ 14,796	\$ 23,581	\$ 20,000
TOTAL REVENUES	\$ 2,728,614	\$ 2,382,796	\$ 2,908,581	\$ 3,069,000
Operating Expenses:				
Parking Operations (463-1990)	\$ 960,220	\$ 1,202,017	\$ 1,773,125	\$ 1,338,000
Garage Use Fee (To Loews)	\$ 363,364	\$ 471,918	\$ 408,800	\$ 463,000
Parking Management Fee to General Fund	\$ 158,129	\$ 189,074	\$ 206,221	\$ 197,000
Capital Maintenance - Parking Operations	\$ -	\$ -	\$ 520,435	\$ 621,000
Reserve & Future Renewal & Replacement /Depreciation	\$ 450,824	\$ 450,824	\$ -	\$ 450,000
TOTAL EXPENSES	\$ 1,932,537	\$ 2,313,833	\$ 2,908,581	\$ 3,069,000
NET	\$ 796,077	\$ 68,963	\$ -	\$ -

RETAIL OPERATIONS: (Rounded)

	FY 09/10 Actual	FY 10/11 Actual	FY 11/12 Adopted	FY 12/13 Proposed
Revenues:				
Retail Leasing (465-8000)	\$ 704,335	\$ 714,150	\$ 714,150	\$ 708,000
Interest Pooled Cash	\$ 13,334	\$ 9,202	\$ 3,852	\$ 6,000
TOTAL REVENUES	\$ 717,669	\$ 723,352	\$ 718,002	\$ 714,000
Operating Expenses:				
Retail Leasing Property Management Fee (465-1995)	\$ 60,631	\$ 76,917	\$ 62,720	\$ 52,000
Retail Internal Service Expenses	\$ 33,523	\$ 50,683	\$ 41,129	\$ 51,000
Capital Maintenance - Retail Operations	\$ -	\$ 45,591	\$ -	\$ 100,000
Reserve & Future Renewal & Replacement /Depreciation	\$ 30,853	\$ 55,396	\$ 614,153	\$ 511,000
TOTAL EXPENSES	\$ 125,007	\$ 228,587	\$ 718,002	\$ 714,000
NET	\$ 592,662	\$ 494,765	\$ -	\$ -

Pennsylvania Avenue Garage and Shops - Proposed FY 2012/13 Operating Budget

PARKING OPERATIONS: (Rounded)

	FY 09/10 Actual	FY 10/11 Actual	FY 11/12 Budget	FY 12/13 Proposed
Revenues (467-8000):				
Parking Operations	\$ -	\$ 478,583	\$ 521,400	\$ 520,000
Transfer from RDA Operations - Parking	\$ -	\$ -	\$ 48,801	\$ 405,000
Interest Pooled Cash	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ -	\$ 478,583	\$ 570,201	\$ 925,000
Expenditures (467-1996):				
Parking Operations	\$ -	\$ 300,727	\$ 453,677	\$ 534,000
Parking Base Rent (1)	\$ -	\$ 23,552	\$ 23,552	\$ 23,000
Parking Admin Fee (2)	\$ -	\$ 39,716	\$ 47,604	\$ 47,000
Parking Base Fee (3)	\$ -	\$ 30,073	\$ 45,368	\$ 53,000
Future Renewal & Replacement /Depreciation	\$ -	\$ 268,316	\$ -	\$ 268,000
TOTAL EXPENSES	\$ -	\$ 662,384	\$ 570,201	\$ 925,000
NET	\$ -	\$ (183,801)	\$ 0	\$ -

RETAIL OPERATIONS: (Rounded)

	FY 09/10 Actual	FY 10/11 Actual	FY 11/12 Budget	FY 12/13 Proposed
Revenues (466-8000):				
Retail Leasing	\$ -	\$ -	\$ 292,763	\$ 574,000
Transfer from RDA Operations - Retail	\$ -	\$ -	\$ 347,112	\$ -
Interest Pooled Cash	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ -	\$ -	\$ 639,875	\$ 574,000
Expenditures (466-1997):				
Retail Base Rent (4)	\$ -	\$ -	\$ 276,448	\$ 278,000
Retail Admin Fee (5)	\$ -	\$ -	\$ 26,729	\$ 53,000
Additional Base Rent (6)	\$ -	\$ -	\$ -	\$ 51,000
Leasing Commissions	\$ -	\$ -	\$ 326,698	\$ -
Savings/Contingency	\$ -	\$ -	\$ 10,000	\$ 192,000
TOTAL EXPENSES	\$ -	\$ -	\$ 639,875	\$ 574,000
NET	\$ -	\$ -	\$ -	\$ -