

NORTH COMMUNITY REDEVELOPMENT AGENCY

FY 2007-08 Annual Activity Report And Independent Audited Financial Statements For the Year Ended September 30, 2008

ACKNOWLEDGEMENTS

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY BOARD OF COMMISSIONERS

Honorable Kevin A. Burns	Board Chair
Councilman Michael R. Blynn	Board Member
Councilman Jacques Despinosse	Board Member
Councilman Scott Galvin	Board Member
Councilwoman Marie Erlande Steril	Board Member

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY ADVISORY COMMITTEE

Michael McDearmaid	Committee Chair	Armando Vidal	Committee Vice-Chair
Clint Bower	Committee Member	David Rosemond	Committee Member
Blanca Cobo	Committee Member	Duke Sorey	Committee Member
Roseline Philippe	Committee Member	Mark Wolin	Committee Member
Carol Preger	Committee Member	VACANT	Committee Member
Clark Reynolds	Committee Member	VACANT	Committee Member

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY EXECUTIVE STAFF

Tony E. Crapp, Sr.	CRA Executive Director
Steven W. Zelkowitz	CRA Board Attorney
Honorable City Clerk Frank Wolland	CRA Board Secretary

Chapter 163, Part III of the Florida Statutes requires each Community Redevelopment Agency (CRA) to provide to its governing body by March 31 of each year, an annual report on its activities for the preceding fiscal year. Chapter 163, Part III of the Florida Statutes also requires each Community Redevelopment Agency (CRA) to provide an annual audit report to its governing body for inclusion in the governing body's annual audit for the preceding fiscal year. Copies of these reports are provided to each contributing taxing authority. This report and the attached audited financial statements is submitted in fulfillment of that requirement and to provide information to the public.

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AGENCY

FY 2007 – 08 Annual Activity Report
And
Independent Audited Financial Statements
For the Year Ended September 30, 2008

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SECTION I:

FY 2007 – 08
ANNUAL ACTIVITY REPORT

The CRA's governing Board of Commissioners is comprised of the Honorable Mayor and Members of the City Council of the City of North Miami. In addition, the CRA has a 12-member Advisory Committee that is appointed by the governing board.

CRA's are a common governmental tool for redevelopment in Florida, and they operate on a budget generated by the increase in property tax revenue within the area. Once the CRA is established, a percentage of the increase in real property taxes goes to the CRA. This tax increment is used to fund and finance the redevelopment projects outlined in the Community Redevelopment Plan.



Artist rendering of Biscayne Landing

It is important for a CRA to get catalytic development projects underway to foster the increase in tax revenue. For the North Miami CRA the construction of Biscayne Landing will be the “economic engine” that drives the increase in property taxes to fund the redevelopment of the blighted areas of the City. Biscayne Landing is a 193-acre master planned community underway on the City's former landfill site. The expected property tax increment over the next 30 years (i.e. 2005-2035) from the estimated \$3 billion of construction at Biscayne Landing will generate the resources that will allow a variety of programs dealing with affordable housing, economic development, infrastructure and capital improvements, and other aspects of

the physical and human development within the CRA boundaries.

The CRA's adopted Redevelopment Plan provides a blueprint for the implementation of programs, projects and activities that will serve to stimulate the revitalization of the redevelopment area. The North Miami CRA's Redevelopment Plan contains the following key goals:

- To eliminate the conditions of blight that exist in the redevelopment area.
- To implement the redevelopment program in a manner that balances residential, commercial, environmental, recreational, economic, and aesthetic elements.
- To develop affordable housing for low and moderate-income persons and families.
- To phase out obsolete structures, land use conflicts and non-conforming land uses while enhancing the residential, commercial and civic land uses.
- To create a viable central business place for retail trade, finance, real estate, services, civic and cultural activities and tourism.

- To provide for safe, convenient, effective and efficient motorized and alternative means transportation systems that are intricately related to the proposed land use patterns and improves the level of mobility of the areas within the CRA boundaries.
- To encourage diversified commercial and light industrial land uses that will provide for a more constant level of employment activity.
- To increase the quantity and enhance the quality of commercial, industrial and housing development adding substantially to the tax base of Miami-Dade County, the City of North Miami and the Redevelopment Area.

Organizational Development

The CRA was fully created through appropriate City and County legislation in June 2005 and started its operations in August 2005, led by a consulting Executive Director, assisted by two full-time staff members (i.e. Assistant Director and Special Projects Manager), two consultants, and a “launch team” including the CRA Board Attorney, Bond Counsel and Financial Advisor. After several months sharing space with the City of North Miami’s Purchasing Department, the CRA secured its own office location. The first task for CRA staff was to organize the process and procedures for the CRA Board meetings that commenced on August 9, 2005. Next, a CRA Advisory Committee was established and operating rules were prepared and adopted. The CRA Advisory Committee held its initial meeting on February 9, 2006.



The CRA Board and Executive Staff at a regular monthly CRA Board Meeting

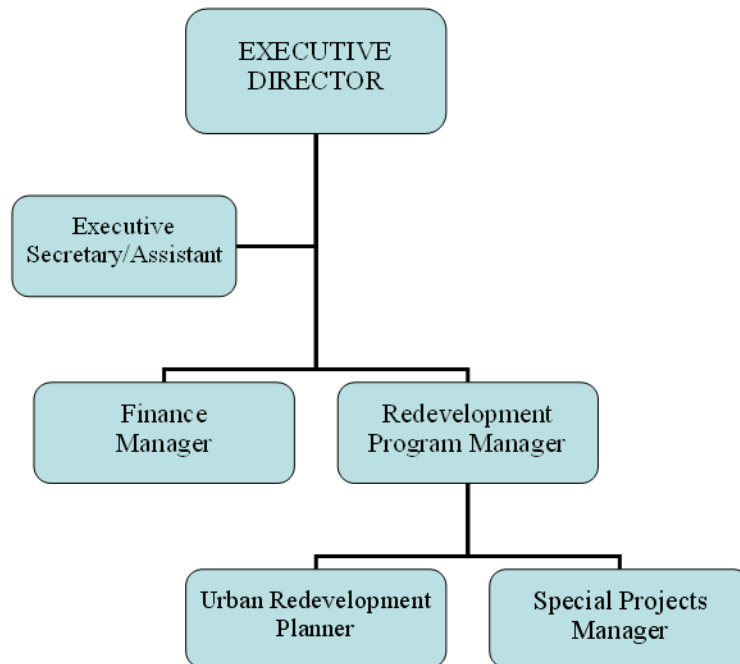
On June 5, 2006 the permanent CRA Executive Director, Tony E. Crapp, Sr. was hired and continued the implementation of the vision embodied in the Redevelopment Plan under the direction of the CRA Board and with the support of a staff comprised of one full-time Special Projects Manager and two consultants in the areas of CRA Operations/Financial Management and Community Outreach.



CRA Advisory Committee Meeting

Through an extensive process that commenced in April 2007 with the discussion and determination of 2007-08 budget priorities with the CRA Advisory Committee and the CRA Board, the CRA's 2007-08 budget in the amount of \$14,253,424 was adopted on September 25, 2007 for submission to Miami-Dade County for review and approval which occurred on February 19, 2008. In adopting the 2007-08

budget the CRA Board continued to endorse the Executive Director's staffing plan for implementation that would create the following organizational structure for the CRA's staff:



As of September 2008 the staffing of the CRA continues to include an Executive Director, Finance Manager, Special Projects Manager and Executive Secretary/Assistant. The recruitment process to fill the positions of Redevelopment Program Manager and/or Urban Redevelopment Planner may be implemented during the FY 2008-09 fiscal year based on workload requirements.

During FY 2007-08 there were twelve (12) meetings of the CRA Advisory Committee, some nineteen (19) meetings of the CRA Board, and two (2) joint meetings/workshops of the CRA Board and the CRA Advisory Committee through September 30, 2008.

**North Miami Community Redevelopment Agency Advisory Committee Members
Serving during FY 2007-08**

Clark Reynolds	Committee Chair	Michael McDearmaid	Committee Vice-Chair
Blanca Cobo	Committee Member	David Rosemond	Committee Member
Inez Couch	Committee Member	Duke Sorey	Committee Member
Judy Feldman	Committee Member	Bill Valentine	Committee Member
Dr. Smith Joseph	Committee Member	Armando Vidal	Committee Member
Roseline Phillippe	Committee Member	Mark Wolin	Committee Member

Programs, Objectives, and Accomplishments

Affordable Housing – At the heart of the CRA’s mission is the provision of affordable housing for the residents of the City of North Miami. The CRA is continuing to make progress toward the development of the Pioneer Gardens affordable housing development. Pioneer Gardens will be comprised of 136 new residential condominiums, and represents just one aspect of the CRA’s overall affordable housing effort, which includes the rehabilitation of existing homes, providing purchase subsidy assistance to first-time homebuyers, preserving apartments as affordable rental housing and building new homes.



Pioneer Gardens land prepared for development

The Pioneer Gardens development site is an approximately 6.2 acre property, located between NE 137th and 139th Streets, and NE 4th and 5th Avenues, near the North Miami Senior High School (Home of the Pioneers), with easy access to NE 135th Street and 6th Avenue. In January, 2006, the site formerly known as Ruck’s Park was conveyed to the CRA by the City and was cleared of debris and trees and fenced off. An original development agreement was signed by the North Miami CRA and the project’s developer, North Miami Housing (now known as the Urban Residential Development Group) on October 17, 2006. Due to delays in the construction of the project due to unforeseen site and environmental conditions an amended development agreement was executed on March 6, 2008 that projected a revised construction completion date of June, 2010 subject to the remediation of the site for development. During FY 2007-08 the CRA has funded the implementation of an asbestos remediation action plan for the clean up of the site under the review of the Miami-Dade County Department of Environmental Resources Management (DERM). As the result of the successful completion of Phase I of the plan that required the removal of asbestos contaminated soil in April 2008 and subject to the successful completion of ongoing further due diligence involving soil and groundwater testing and remediation, the CRA anticipates that the Pioneer Gardens development could be under construction in early 2009 and be completed by the end of 2010.



Artist Rendering of Pioneer Gardens Residential Condominiums

On the financing side, the CRA successfully issued a request for proposals for a \$10.7 million line of credit, which will help to fund project development costs and purchase subsidies for eligible homebuyers. Miami-Dade County approved the CRA's request for authorization to enter into the proposed line of credit

on December 19, 2006. The CRA executed the line of credit agreement with Regions Bank on January 23, 2007. To date the line of credit remains fully available to the CRA with no funds drawn-down during FY 2007-08. The CRA budget for FY 2008-09 will include a proposed draw down of funds to facilitate the development of the project. The project developer is actively pursuing construction financing and is also preparing a proposed final development budget for the CRA's consideration prior to the start of construction as required pursuant to the terms of the development agreement.

In addition to the Pioneer Gardens affordable housing development, the CRA is offering affordable assistance for First-Time Home Purchase, Single Family Home Rehabilitation and Affordable Rental Housing. The CRA conducted an open registration period for its affordable housing programs during the period from April 9, 2007 – May 8, 2007. This open registration process resulted in some 713 registrations for affordable housing assistance as follows: 537 – First Time Home Purchase Assistance, 168 – Purchase of Housing Units in Pioneer Gardens at North Miami, 129 – Single Family Home Rehabilitation Assistance, and 173 – Affordable Rental Assistance. The CRA has contracted with the Housing Partnership of North Miami to assist with the housing registration and follow-up intake process to assess the needs, eligibility and qualifications of the registrants for these housing assistance programs. The CRA provides repayable subsidy assistance in an amount of up to \$50,000 to eligible and qualified residents for First Time Home Purchase and for Single Family Home Rehabilitation.

The CRA identified the initial group of approximately fourteen (14) eligible and qualified residents to be assisted with First Time Home Purchase subsidies in November 2007. In addition, the CRA identified the initial group of approximately ten (10) eligible and qualified existing homeowners to be assisted with Single-Family Home Rehabilitation subsidies in November 2007. During FY 2007-08 the CRA has provided homebuyer assistance funds in the amount of \$200,000 to assist four (4) families in becoming homeowners for the first time. It is anticipated that two (2) additional first-time homebuyers will be closing on their home purchases in October 2008. In addition the CRA is presently working with four (4) eligible homeowners to confirm the availability of sufficient CRA and other funds for the rehabilitation of their existing homes in accordance with a scope of work that includes mandatory life and safety improvements in addition to homeowner requested upgrades. It is fully anticipated that subject to the availability of sufficient funding, these homes will be rehabilitated during FY 2008-09.

To further its effort to implement catalytic affordable housing initiatives, the CRA effective August 1, 2007 entered into a multi-year lease/purchase agreement for the purchase of the Bel House Apartments complex comprised of two (2) buildings with a total of sixty-five (65) units that the CRA plans to rehabilitate to federal Housing Quality Standards and preserve as affordable rental housing stock. Funding for the implementation of the lease/purchase

agreement became available upon the County's approval of the CRA's FY 2007-08 budget on February 19, 2008 . Since the approval of the FY 2007-08 budget the CRA has proceeded to enter into a development agreement dated June 20, 2008 and a management agreement dated June 20, 2008 relative to the rehabilitation of the 45-unit east apartment building and the day-to-day management/operation of the 20-unit west apartment building. Relative to the pending rehabilitation activity the CRA's developer partner has engaged an architectural firm through a professional services agreement to prepare design specifications for a scope of rehabilitation work as agreed to between the CRA and the owners of the Bel House Apartments pursuant to the terms of the lease/purchase agreement. It is anticipated that the final scope of work and the associated construction specifications will be completed in December 2008 and that the work will be put to bid to general contractors and awarded by April 2009. The rehabilitation of the 45-unit building is expected to be completed by June 30, 2009 with occupancy beginning in July/August 2009. Funding in the amount of \$1.1 million is included in the CRA FY 2008-09 budget to fund the estimated rehabilitation cost.

Commercial Corridor Improvement Program - As part of its mission to eliminate blighting conditions in the City of North Miami and to promote economic development, the CRA

continues to be committed to improving the general condition of the City's main commercial corridors within the CRA Boundaries - NE 125th Street, NE 6th Avenue, West Dixie Highway, and NW 7th Avenue. The initial implementation of the Commercial Corridor Improvement Program (CCIP) was funded in the CRA 2005-06 budget and was kicked off with the Pressure Cleaning of the sidewalks in downtown North Miami in August 2006. In addition to pressure cleaning, during 2005-06 the CRA took steps to improve the overall appearance of downtown that included the removal of bulky concrete street furniture



Pressure cleaning of sidewalks on NE 6th Ave

that did nothing more than clutter the sidewalks, along with the removal of damaged trees along NE 125th Street that were a hazard to businesses and motorists.



Helping in the effort to keep North Miami clean

Litter along commercial streets and sidewalks gives a negative impression and can greatly affect the economic development of an area. In North Miami matters were made worse by unsightly litter containers with cracked lids and an old design. In 2005-06 the CRA funded the purchase and installation of 53 modern, colorful trash cans

throughout the downtown area. The CRA, in partnership with the City's Business Development Board, continues to work on public outreach and signage to help educate the public, reduce the incidence of littering, and to foster pride in keeping the downtown and other commercial corridors clean.



The North Miami CRA dedicated 'Clean Team'

The continuation of the Commercial Corridor Improvement Program was funded in the FY 2006-07 budget in the amount of \$550,000 and is further funded in the FY 2008-09 budget in the amount of \$400,000. This funding continues to support (1) a full-time, three-person Clean Team responsible for pressure cleaning of sidewalks, litter control, graffiti removal and other pro-active clean-up activities within the CRA district; and (2) a full-time, dedicated Code Enforcement Officer for an Enhanced Code Enforcement Program within the CRA boundaries with an emphasis on the commercial corridors.



Enhanced Code Enforcement Program Officer



Commercial Rehabilitation and Beautification Programs - Improvements to the facades of commercial buildings help local businesses attract new customers and can have a significant impact on the marketability of the surrounding area, while reducing the incidence of slum and/or blighting conditions in the CRA boundaries. In order to enhance the City's commercial corridors, the North Miami CRA is providing grants up to 100% to rehabilitate and beautify commercial buildings. There are two complementary programs to serve different but equally important groups - the property owners as well as business owners/tenants. Through Commercial Rehabilitation Grants the CRA provides funding in an amount up to \$80,000 to cover up to 50% of total project costs; and through Commercial Beautification Grants the CRA provides funding in an amount up to \$15,000 to cover 100% of total improvement costs. In FY 2007-08 the CRA budget included total funding in the amount of \$894,000 for these Commercial Grants. Since the inception of this grant program through 9/30/08, some ten (10) Commercial Rehabilitation Grants in the amount of \$733,757 have been approved, and thirty-two (32) Commercial Beautification Grants have been approved in the amount of \$424,235. The FY 2008-09 budget includes a funding allocation of \$1,089,220 for continued support of active grant projects and new funding opportunities.



Commercial Beautification Grant Example: Nanay – 659 NE 125 ST



Commercial Beautification Grant Example: AAA TV– 13050 W Dixie Hwy



Commercial Rehabilitation Grant Example- Royal Castle – 12490 NW 7 Avenue

CRA Supported City Efforts – During FY 2006-07 CRA supported the City of North Miami’s successful effort in November 2006 to amend its Charter to remove height and density limitations from the charter and to have height and density governed by the City comprehensive development plan, prepare a new Comprehensive Development Master Plan (CDMP), and to rewrite its Land Development Regulations (i.e. Zoning Code). The CRA also supported the City’s request for inclusion of the approximately 193-acre Biscayne Landing master planned development in the Miami-Dade County State-designated Enterprise Zone. The request was approved by the County Commission on September 2, 2008 and by the State of Florida on November 13, 2008 with an effective date as of September 1, 2008. The amended Enterprise Zone designation is effective until December 31, 2015.

The City's proposed new CDMP was approved for transmittal to the State of Florida Department of Community Affairs by the City Council on July 25, 2007. Based on the resolution of comments received from the State the City Council adopted the City of North Miami EAR-based Comprehensive Development Master Plan and Map Amendments on December 11, 2007. On December 27, 2007 the City adopted CDMP was transmitted to the Florida Department of Community Affairs with copies sent to the Department of State, Department of Environmental Protection, Department of Transportation, South Florida Regional Planning Council, South Florida Water Management District, and Miami-Dade County. On February 18, 2008 the State of Florida Department of Community Affairs published in the Miami Herald the Notice Of Intent to find the Amendment to the Comprehensive Plan for the City of North Miami In Compliance with State requirements. The City's new Zoning Code, which will implement the new CDMP, is expected to be completed and approved by the spring of 2009.



www.NorthMiamiCRA.org

On February 18, 2008 the State of Florida Department of Community Affairs published in the Miami Herald the Notice Of Intent to find the Amendment to the Comprehensive Plan for the City of North Miami In Compliance with State requirements. The City's new Zoning Code, which will implement the new CDMP, is expected to be completed and approved by the spring of 2009.

Community Outreach –The Executive Director has continued to make presentations at numerous meetings, workshops, television and radio programs to get the community involved in the process and increase awareness of the CRA's programs. The CRA has retained a Creole-speaking community relations adviser and translator to help in meetings and to translate key documents. The CRA also has a website that serves as a resource to the community, providing up-to-date information and documentation for all CRA activities. The CRA staff is dedicated to an open and inclusive redevelopment process that includes outreach to, and participation of all stakeholders. All are invited to become engaged in North Miami's Redevelopment program, to help the CRA shape North Miami's Tomorrow.

Other Highlights- In addition to the progress reported above, the CRA notes the following additional initiatives, accomplishments and plans.

- Members of the CRA Advisory Committee members attended the 2007 Annual Conference of the Florida Redevelopment Association held at Daytona Beach, FL in October, 2007.
- In December 2007 a Strategic Alliance Memorandum (SAM) was entered into among the U.S. Small Business Administration, the City of North Miami, and the CRA. Through this agreement the SBA, City and CRA will work together in the spirit of cooperation and open communications with the primary goal of meeting the needs of the small business community.
- The CRA published the annual schedule for the 2008 meetings of the CRA Board and the CRA Advisory Committee on January 6, 2008.

- The CRA prepared and made available to the public via required public notice advertisement the FY 2006-07 Annual Activity Report as of March 31, 2008.
- Members of the CRA Board attended the Spring Convention of the International Council of Shopping Centers (ICSC) in May, 2008.
- The CRA in partnership with the City of North Miami has prepared, approved and submitted to the County proposed amendments to the adopted Redevelopment Plan to (1) modify the Affordable Housing Policy, and (2) add an element to the plan to support the implementation of community policing innovations. The proposed amendments were reviewed and approved by the County TIF Committee on August 4, 2008 and approved pursuant to a public hearing before the Board of County Commissioners on October 21, 2008.
- The CRA is planning to prepare a proposal for the issuance of TIF Revenue Bonds or Revenue Anticipation Notes in the approximate amount of up to \$50-\$70 million to facilitate the implementation of catalytic capital improvement projects and to provide funding for strategic land and property acquisitions to promote redevelopment and the construction of affordable housing. The CRA's strategy for the proposed bond issuance will take into account the recent State Supreme Court decision in the case of Strand vs. Escambia County that was issued on September 18, 2008 reversing its prior decision on September 6, 2007 that suggested referendum requirements for the approval of TIF pledged long-term debt.

North Miami Community Redevelopment Agency

Tax Increment Schedule

Table 1 below provides the FY 2007-08 Schedule of Current Year Actual Tax Increment Revenue. For the two contributing taxing authorities -- Miami-Dade County and the City of North Miami -- it shows the net taxable value of real property within the boundaries of the CRA, the incremental change in taxable value from the 2004 base year when compared to the current year, and the current year adopted operating millage rates for each taxing authority.

TABLE 1

North Miami Community Redevelopment Agency
FY 2007-08 Schedule of Current Year Actual Tax Increment Revenue

	Base Year 2004	Adopted FY 2007-08
Net Taxable Value – Miami-Dade County	\$ 870,434,294	\$ 1,586,871,505
Excluded Taxable Value (Western Portion of CRA)	<u>(855,698,241)</u>	<u>(1,489,539,138)</u>
Net Adjusted Taxable Value – Miami-Dade County	\$ 14,736,053	\$ 97,332,367
Current Year Increment – Miami-Dade County		\$716,437,211
Excluded Increment (Western Portion of CRA)		<u>(633,840,897)</u>
Current Year Adjusted Increment – Miami-Dade County		\$ 82,596,314
Net Taxable Value – City of North Miami	\$ 879,399,850	\$1,602,661,496
Current Year Increment – City of North Miami		\$ 723,261,646
Current Year Tax Increment Revenue @95% From:		
Miami-Dade County		\$ 3,142,882
Less Miami-Dade County TIF Refund		(2,783,266)
City of North Miami		<u>4,668,354</u>
Total Net Tax Increment Revenue		<u>\$ 5,027,970</u>
Current Year Property Tax Millage Rates For:		
Miami-Dade County		4.5796
City of North Miami		6.7943

Table 2 below provides a Schedule of Historical Tax Increment Revenue Receipts from inception to Fiscal Year Ending 2008.

TABLE 2

North Miami Community Redevelopment Agency
Schedule of Historical Tax Increment Revenue Receipts as of Fiscal Year Ending 9/30/08

Year Ending	Contributing Taxing Authority	Net Taxable Value	Net TIF Revenue	Cumulative Net TIF Revenue
FY 2008	Miami-Dade County	\$ 82,596,314	\$ 359,616	\$ 795,309
	City of North Miami	723,261,646	4,668,354	10,122,488
			<u>\$5,027,970</u>	<u>\$10,917,797</u>

Provided in **Section II** that follows is the Independent Audited Financial Statements for Fiscal Year Ending 2008.

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SECTION II:

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