



## **AGENDA**

### **NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY REGULAR BOARD MEETING**

Tuesday, September 9, 2008  
5:30 P.M.

**NORTH MIAMI CITY HALL – COUNCIL CHAMBERS  
776 N.E. 125<sup>TH</sup> STREET, SECOND FLOOR**

- I. CALL TO ORDER – Pledge of Allegiance; Roll Call**
- II. APPROVAL OF MINUTES – August 26, 2008**
- III. ITEMS FOR REVIEW AND/OR ACTION**



### **AFFORDABLE HOUSING EFFORTS**

- NEW HOUSING CONSTRUCTION**
- HOMEBUYER PURCHASE ASSISTANCE**
- SINGLE FAMILY HOME REHABILITATION**
- AFFORDABLE RENTAL HOUSING**
- OTHER**



## COMMERCIAL & ECONOMIC DEVELOPMENT PROGRAMS

- COMMERCIAL GRANTS
- OTHER



## CAPITAL IMPROVEMENTS & INFRASTRUCTURE



## ADMINISTRATIVE & OTHER

### TAB 1

Workshop and Public Hearing on FY 2008-09 Proposed Preliminary Budget (Attachment)

### TAB 2

Status Update regarding the CRA Advisory Committee discussion regarding absences by CRAAC members during FY 2007-08 (No Attachment) – **Continuation of Discussion from 8/26/08**

Note: The CRAAC discussed this subject during its meeting on June 30, 2008 and considered the following motion as advisement to the CRA Board:

To request that the CRA Executive report to the CRA Board the automatic resignation of Dr. Smith Joseph as a member of the CRAAC due to a record reflecting seven (7) non-consecutive absences from regular meetings

Approved 7-0



## COMMUNITY OUTREACH

### IV. REPORTS

- A. Board Member Reports
  - Chair Kevin A. Burns
  - Member Michael R. Blynn
  - Member Jacques Despinosse
  - Member Scott Galvin
  - Member Marie Erlande Steril
  
- B. CRA Attorney
  
- C. Executive Director
  
- D. Next Special Board Meeting – Wednesday, September 24, 2008 at 6:00 p.m. at City Council Chambers

Next Advisory Committee Meeting – Monday, September 15, 2008 at 6:00 p.m. at CRA Office, 615 NE 124<sup>th</sup> Street  
[Note: This meeting has been re-scheduled from Monday, September 1, 2008 due to the Labor Day Holiday]

### V. ADJOURNMENT

**Note:** Two or more members of the City Council/CRA Board of Commissioners and/or other elected or appointed public officials may be present at this meeting. If any person decides to appeal any decision made with respect to any matter considered at this public meeting or hearing, he/she will need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. If you desire auxiliary services to assist in viewing or hearing the meetings, or reading meeting agendas and minutes, please contact the Office of the CRA Secretary at (305) 895-9817.

## SUMMARY MINUTES

### REGULAR COMMUNITY REDEVELOPMENT AGENCY MEETING

August 26, 2008

A regular meeting of the Chairman and Members of the Community Redevelopment Agency (CRA) Board was held in the North Miami Council Chambers of City Hall on Tuesday, August 26, 2008, beginning at 5:30 p.m.

(Phonetic spelling of each speaker's name may be used throughout the minutes unless correct spelling is known.)

Note: The actual agenda and all backup materials for each CRA Board meeting and CRA Advisory Committee meeting can be found at: [www.NorthMiamiCRA.org](http://www.NorthMiamiCRA.org)

Flag salute led by Tony Crapp, Sr.

#### ROLL CALL

Board Member Marie Erlande Steril	Here
Board Member Scott Galvin	Here
Chairman Kevin A. Burns	Here
Board Member Jacques Despinosse	Here
Board Member Michael R. Blynn	Here

#### Additions, Deletions or Withdrawals

The CRA Executive Director supplements to Agenda Item V.

#### APPROVAL OF MINUTES:

Regular Meeting – Tuesday, July 8, 2008, approved by Board

#### ITEMS FOR REVIEW AND/OR ACTION

I. **TAB 1 – STATUS UPDATE REGARDING SITE/ENVIRONMENTAL REMEDIATION FOR THE PIONEER GARDENS AFFORDABLE HOUSING DEVELOPMENT**

The Executive Director gave a brief report to the Board regarding the site/environmental remediation for Pioneer Gardens Affordable

Housing Development. The Executive Director explained tasks that needed to be completed for approvals required site assessment of the underground storage tank area, involving soil sampling and delineation of the area where the tank was found required by DERM and due diligence assessment, involving soil and ground water sampling and delineation of areas noted in Phase II environmental site assessment. The Executive Director advised most of the sampling has been completed and lab results would be forthcoming. Board discussion. The Executive Director advised a meeting would be scheduled with WASA to further mitigate the force main. The Executive Director anticipated completion of these items by the next Board Meeting in September.

**II. TAB 2 – STATUS UPDATE REGARDING THE PROPOSED SCOPE OF REHABILITATION FOR THE BEL HOUSE APARTMENTS EAST BUILDING**

The Executive Director gave a brief report to the Board regarding proposed scope of rehabilitation for the Bel House Apartments east building. The Executive Director advised Belington and Gomez Architects are on board to design the scope of rehabilitation work including the design of the roof repair/replacement. The Executive Director advised the recommendation to engage a roof inspector as an independent third party to protect the interest of the CRA and to ensure proper completion of the roof replacement activity. Cost estimates received are \$91,500 for Belington and Gomez Architects and \$6,300 for an independent roof inspector.

John Dellagloria, representing the owners, gave a brief report to the Board explaining eventually the CRA's portion will be credited to the ultimate purchase price.

Joe Garino, Urban Residential Development Group, Ltd gave a brief report to the Board regarding the independent roof inspector is needed to give an extra layer of protection. Board discussion.

**III. TAB 3 – PROPOSED CHANGES TO THE CRA AFFORDABLE HOUSING PROGRAM REQUIREMENTS PER THE PENDING AMENDMENT TO THE REDEVELOPMENT PLAN**

The Executive Director reviewed proposed changes and advised the recommendations were presented to the CRA Advisory Committee and were supported by the CRA Advisory Committee. Board

discussion. The Executive Director explained the residency requirements would be waived for essential services personnel as defined by the City of North Miami.

**IV. TAB 4 – CRA FINANCIAL STATUS REPORT AS OF JUNE 30, 2008**

The Executive Director gave a brief report to the Board regarding the CRA's financial activities, revenues and expenditures and reviewed budget to actual comparison chart as of June 30, 2008.

**V. TAB 5 – FY 2008-09 PROPOSED PRELIMINARY BUDGET**

The Executive Director presented a detailed review of fiscal year 2008-09 proposed preliminary budget. The Executive Director advised the CRA Board that the special meeting scheduled for September 24<sup>th</sup>, for consideration of adopting the final budget, will need to be followed up with a Special City Council Meeting to adopt the Resolution approving the FY 08-09 budget so the budget can be moved forward to the County. Board discussion. The CRA Board scheduled a budget workshop at the next regular meeting on September 9, 2008.

**VI. TAB 6 – STATUS UPDATE REGARDING THE CRA ADVISORY COMMITTEE DISCUSSION REGARDING ABSENCES BY CRAAC MEMBERS DURING FY 2007-08**

The Executive Director reviewed absences of the CRA Advisory Committee Members. The CRA Advisory Committee recommended reinstatement of Committee Member Duke Sorey, by a vote of 7-0, since absences were due to a medical condition. The CRA Advisory Committee recommended accepting the automatic resignation of Committee Member Dr. Smith Joseph, since the Advisory Committee did not receive any indication as to why Dr. Smith was absent.

Board Member Blynn moved to accept the recommendation to reinstate Advisory Committee Member Sorey, seconded by Board Member Despinosse; passed unanimously.

Board Member Steril will communicate with her appointee, Dr. Joseph. Board discussion.

Mr. Zelkowitz advised if the Board wanted to include 2 excused absences in the bylaws, the bylaws would need to be amended. Mr. Zelkowitz will check with the City Attorney to compare what is done for absences with City Boards.

**VII. REPORTS**

A. Board Members

(NONE)

B. CRA Attorney

Mr. Zelkowitz advised the Supreme Court should be coming back soon with a revised opinion in the Strand case.

C. Executive Director

(NONE)

D. Next Regular Board Meeting: Tuesday, September 9, 2008, at 5:30 p.m. at North Miami City Council Chambers

Next Advisory Committee Meeting – Monday, September 15, 2008 at 6:00 p.m. at CRA Office, 615 NE 124<sup>th</sup> Street [Note: This meeting has been re-scheduled from Monday, September 1, 2008, due to the Labor Day Holiday]

**ADJOURNMENT**

Meeting adjourned at 6:54 p.m.

**MEMORANDUM**

Date: September 4, 2008

To: Honorable Chairman and Members  
CRA Board of Commissioners

From: Tony E. Crapp, Sr., Executive Director

Subject: **FY 2008-09 Proposed Preliminary Budget**

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It is recommended that the CRA Board further review and consider the FY 2008-09 Proposed Preliminary Budget during its upcoming meeting on 9/09/08. To facilitate your review and consideration of the FY 2008-09 budget request several schedules are attached for your information and will be referenced in the body of this memorandum. To begin, please note that **Attachment A** entitled Revised Draft NMCRA Proposed Preliminary FY 2008-09 Budget is an updated version of the schedule that has been used to delineate and discuss the FY 2008-09 budget priorities and revenue/expense re-cap with comparative budget summaries and detailed comments and descriptions regarding proposed allocations for CRA projects, programs and initiatives. This attachment has been reviewed with regard to the discussions of relative budget priorities during the various budget priority discussions that have taken place with the CRA Advisory Committee and the CRA Board over the past few months. In addition to Attachment A please find the following supporting attachments as listed below:

- **Attachment B** – NMCRA Tax Increment Financing (TIF) Revenue Projection for the FY 2008-09
- **Attachment C** – NMCRA FY 2008-09 Proposed Personnel Services Expenses and Cost Allocation
- **Attachment D** – NMCRA FY 2008-09 Proposed Operating Expenses and Capital Outlay
- **Attachment E** – NMCRA FY 2008-09 Proposed Debt Service Expenses

Please be advised that since the CRAAC meeting on 6/30/08 and the CRA Board meeting on 7/8/08 both the City and Miami-Dade County have set the dates for the required two (2) public hearings on their tentative millage rates and budgets. The County public hearings are scheduled for September 4<sup>th</sup> and 18<sup>th</sup>, and the City public hearings are scheduled for September 8<sup>th</sup> and 22<sup>nd</sup>, 2008. The tentative millage rates established by the City and County are 7.5000 and 4.8733 respectively. After these City and County public hearings have been completed, it is expected that the CRA Board and then the City Council will take final action on the CRA FY 2008-09 budget on September 24<sup>th</sup>, 2008. The CRA's FY 2008-09 Final Budget will be submitted to Miami-Dade County by September 30, 2008 for further review and approval.

**In addition, please note that the CRA received a letter from Miami-Dade County on 8/6/08 that provides updated FY 2008-09 estimates of the County's TIF revenue payment, County TIF refund and administrative fee. The Attachment A exhibit has been adjusted as needed to reflect these most current estimates. Moreover, further adjustments have been made pursuant to the review and confirmation of proposed City funding allocations and the CRA Board discussion on 8/26/08 relative to a more conservative timetable for the**



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### **completion of the rehabilitation and the re-occupancy of the 45-unit Bel House east apartment building.**

#### **FY 2008-09 Proposed Revenues**

The FY 2008-09 Proposed Preliminary Budget anticipates a total of **\$15,469,690** in available revenues from the following sources: **\$8,500,000** in combined TIF revenue payments from the City of North Miami and Miami-Dade County respectively; **\$2,606,440** in Carry Forward revenue resulting from the under expenditure of the FY 2007-08 budget; **\$2,250,000** in revenue that is anticipated to be drawn down from the CRA's Line of Credit with Region's Bank – these funds will be used to fund expected expenditures in the amount of \$250,000 for homebuyer training and purchase assistance services for the 136-unit Pioneer Gardens affordable housing development and \$2,000,000 for the payment of that portion of the developer fees that are expected to be earned during the construction of Pioneer Gardens from January – September of 2009 (the construction is expected to start in approximately January 2009 and be completed in the Summer of 2010); **\$200,000** in estimated interest earnings on the CRA's bank accounts; **\$413,250** in projected rental income to the CRA pursuant to a five-year lease/purchase agreement for the 65-unit Bel House Apartments complex that was executed effective August 1, 2007 and which is subject to the County's approval of the CRA's annual budgets through FY 2011-12 to provide the funding for the required lease/purchase payments and operating expenses. Please note that the revenue projection assumes the ongoing occupancy of the 20-unit west building over a 12 month period and the projected occupancy of the 45-unit east building over a **6 month** period assuming the completion of the planned rehabilitation by **3/31/09** and occupancy commencing in **April 2009**; **\$1,250,000** in proceeds from an anticipated bank loan to be secured by or on behalf of the CRA to fund the rehabilitation of 45 of the Bel House Apartment units at an approximate cost of \$1,087,000 and to provide funds for the payment of developer fees in the estimated amount of \$163,000 for the management and oversight of the rehabilitation work; and **\$250,000** in revenues from an anticipated funding advance from the City of North Miami which will be used to fund the CRA's operating expenses excluding required debt service pending the approval of the CRA's FY 2008-09 budget by the County and the receipt of the TIF revenue payments from the City and County by December 31, 2008.

#### **FY 2008-09 Proposed Expenditures**

The FY 2008-09 Proposed Preliminary Budget includes total estimated expenses of **\$15,469,690**. Attachment C provides a detailed schedule in support of the estimated total personnel expenses of **\$750,000**, which includes salaries of \$544,735 for a total of six (6) staff positions, and fringe benefits in the amount of \$187,655 or 34% of the salary appropriation. Attachment D provides a detailed schedule of operating expenses totaling **\$621,000** and capital outlay expenses totaling **\$30,000**. The operating expenses include \$390,000 for the engagement of a variety of professional services that will be needed to support the CRA in the implementation of the various projects, programs and initiatives during FY 2008-09. A detailed schedule of the anticipated legal and professional services is included in the attachment. Other significant operating expenses include the following: \$50,000 for office space rental which includes approximately \$20,000 in anticipation of increased rent during the second quarter of the fiscal year in the event of a possible relocation of the CRA office to more adequately sized space which was deferred in the current fiscal year; \$25,000 for Sponsorships and Contributions in support of events that are consistent with the mission and purpose of the CRA and which leverage CRA resources; \$35,000 for Marketing which includes promotion of the CRA and community outreach through newsletters, radio and television productions, special events, promotional materials, etc.; \$50,000 for local and out-of-town travel which includes attendance at professional conferences, workshops, and meetings involving CRA staff, and the five (5) members of the CRA Board and the twelve (12) members of the CRA Advisory Committee. The

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proposed capital outlay expenses total \$30,000 and include anticipated expenditures for office furniture, computer equipment, and other office equipment related to the possible relocation of the CRA offices and the filling of vacant staff positions. The proposed debt service expenses totaling **\$152,000** are detailed in Attachment E and provide the funding that would be necessary to meet the CRA's obligations for the repayment for funds drawn down and the continued availability of the balance the CRA's \$10.7 million Line of Credit with Region's Bank; and the payment obligations for an anticipated bank loan to be acquired to fund the proposed rehabilitation of the Bel House Apartments which are being acquired by the CRA through a multi-year lease/purchase agreement which is more specifically described below.

Additional expenditures include required payments pursuant to the terms of the Interlocal Agreement among the CRA, City of North Miami and the County. These payments include a County Administrative Fee that is charged at a rate of 1.5% of the County TIF payment and a refund to the County of the TIF revenue generated from that portion of the CRA boundaries that is west of Biscayne Boulevard. For FY 2008-09 the payment for the County Administrative Fee is in the estimated amount of **\$51,705** and the payment for the TIF Refund is in the estimated amount of **\$2,301,098**. In addition, the proposed expenses include the repayment of the anticipated City funding advance in the estimated amount of **\$250,000**.

As of September 1, 2008 the proposed FY 2008-09 available funding for Capital Projects reflected above totaling **\$11,313,887** is allocated for the following programs, projects and initiatives as described in column #6 of Attachment A:

- **Economic Development Assistance and Incentive Fund** that includes additional funding to continue the CRA's Commercial Grants Program. The total proposed funding allocation of **\$1,300,000** includes - **\$1,089,220** for Commercial Rehabilitation and Commercial Beautification Grants, **\$115,780** to provide the 80% funding support for the City Economic Development Specialist. The funding for both the Commercial Rehabilitation and Commercial Beautification grants is allocated to address blighted conditions with a focus in the commercial corridors located (1) on NW 7<sup>th</sup> Avenue, (2) on West Dixie Highway/NE 6<sup>th</sup> Avenue, and (3) in the Downtown area along 125<sup>th</sup> Street. In addition to the new funding for this program, the proposed allocation includes an estimated \$694,000 in encumbered carry forward funds that represent commercial grants that were awarded in prior years and which will be expended in FY 2008-09. In addition to the funding for Commercial Grants, the total funding in the Economic Development Assistance and Incentive Fund includes - \$35,000 for the CRA's share to continue funding for Micro-Business USA to provide a North Miami Entrepreneurial Training & Micro-Loan Program on a 50%/50% basis with the City of North Miami, and \$60,000 to continue funding for the Dynamic Community Development Corporation (CDC) to provide business outreach services, economic development workshops and business/job fairs serving the CRA district.
- **Commercial Corridor Improvement Program** includes funding for the continued implementation of the Code Enforcement Enhancement Program, the Clean Team that provides services including pressure cleaning of sidewalks and enhanced litter control. The total proposed funding allocation is **\$400,000**. This allocation includes continued funding for a three-person Commercial Corridor Clean Team - **\$285,249**; a CRA Code Enforcement Officer - **\$67,925**; and **\$46,826** as a contingency for program service enhancements.

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- **Pioneer Gardens Affordable Housing Development** --- The total proposed allocation is \$3,300,000 to support the continued development of this 136-unit residential condominium. This funding includes: \$2,000,000 in developer fee payments; \$250,000 for homebuyer training and purchase assistance to support the sale of the 136 housing units; \$25,000 for legal fees and professional services; \$25,000 for special auditing services (e.g. inspector general); and \$1.0M to fund the repayment of a funding advance in the amount of \$462,247 that was received from the City in FY 2007-08 and additional costs for site environmental testing/remediation expenses.
- **Affordable Housing – Residential Rehabilitation Program for Homeowners** --- The total proposed allocation is \$275,000.
- **Affordable Housing – Homebuyer Subsidies for the purchase of homes** (excluding the Pioneer Gardens housing development) --- The total proposed allocation is \$550,000.
- **Downtown Development Master Plan**, including NW 7<sup>th</sup> Avenue, urban design standards, etc. --- The total proposed allocation is \$100,000.
- **Strategic Land/Property Acquisitions** – The proposed allocation is **\$1,166,862** for the purchase or option of land and/or property that could be used for the development of affordable housing or to facilitate catalytic redevelopment activity.
- **Neighborhood Improvements** – The proposed allocation is \$650,000 that will be used to fund additional capital improvements and beautification efforts that will leverage funding by the City of North Miami.
- **Lease/Purchase Acquisition of the Bel House Apartments** – The proposed allocation is **\$660,000** which will be used to fund the estimated second year costs pursuant to a lease/purchase agreement between the CRA and the property's owners that is intended to result in the CRA's purchase of the property within five (5) years from the August 1, 2007 effective date of the agreement. The \$660,000 will be used as follows: \$480,000 for the payment of the required lease payments to the owner in the approximate amount of \$40,000 per month; and the **\$180,000** balance of the funding will be used to cover operating expenses and property management fees.
- **Rehabilitation of the Bel House Apartments** – The total proposed funding is \$1,250,000. Of this amount an estimated \$1,087,000 will be used for the rehabilitation of 45 of the total 65 apartment units that are currently vacant due to damage from a roof collapse that occurred in September 2006. The balance of approximately \$163,000 will be used to pay the developer's fee for the management and oversight of the rehabilitation work.

**Please note that the total proposed funding in the amount of \$1,250,000 exceeds the previously estimated amount of \$977,500. In addition, as part of the approval of the CRA's FY 2007-08 budget by Miami-Dade County, the CRA has authorization to obtain the proposed rehabilitation loan with the source of repayment being the pledge of the Bel House rental income as the source of pledged non-TIF revenue. The increased estimated loan amount will be obtained subject to the same repayment conditions.**

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- **Academic/Internship Program for High School Students** – The proposed funding allocation is \$100,000 and will be used to provide support funding for this program that will offer a 10-month program of academic training and work experience in urban economic development and city and regional planning for approximately 10-12 North Miami Senior High School students. The program includes a required one-month summer internship with a stipend of \$1,000 per student. It is anticipated that this program will involve a partnership that includes, but is not limited to, Miami-Dade Public Schools, Florida International University, the City of North Miami, the CRA, and Biscayne Landing.
- **North Miami Community ID Retail Study** - \$70,000 is allocated for this project, which was approved by the CRA Board on 7/8/08 pursuant to a proposal submitted by the Buxton Company.
- **New City Water Plant Debt Service** - \$1.0M is allocated for this project on an annual basis for a time period to be determined subject to the annual appropriation of funds in the CRA budget. This funding supports the issuance of debt to construct this capital project.
- **MOCA Expansion** - \$250,000 is allocated for this project on an annual basis for a time period to be determined subject to the annual appropriation of funds in the CRA budget. This funding is for A&E/design services related to constructing the addition to the building that houses the Museum of Contemporary Art (MOCA).

**Please note that the proposed funding allocations for the New City Water Plant and the MOCA Expansion projects have been reviewed by the CRA Attorney in consultation with the City Attorney for a legal determination to confirm the CRA's ability to provide the indicated funding support for these projects with consideration to the requirements of the following section of Florida Statutes:**

### **163.370 Powers; counties and municipalities; community redevelopment agencies.—**

(3) The following projects may not be paid for or financed by increment revenues:

(a) Construction or expansion of administrative buildings for public bodies or police and fire buildings, unless each taxing authority agrees to such method of financing for the construction or expansion, or unless the construction or expansion is contemplated as part of a community policing innovation.

(b) Installation, construction, reconstruction, repair, or alteration of any publicly owned capital improvements or projects if such projects or improvements were scheduled to be installed, constructed, reconstructed, repaired, or altered within 3 years of the approval of the community redevelopment plan by the governing body pursuant to a previously approved public capital improvement or project schedule or plan of the governing body which approved the community redevelopment plan unless and until such projects or improvements have been removed from such schedule or plan of the governing body and 3 years have elapsed since such removal or such projects or improvements were identified in such schedule or plan to be funded, in whole or in part, with funds on deposit within the community redevelopment trust fund.

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(c) General government operating expenses unrelated to the planning and carrying out of a community redevelopment plan.

**With regard to this section of the statute the CRA requested confirmation that the New City Water Plant and MOCA Expansion projects were not included in any approved public capital improvement or project schedule or plan of the City of North during the period starting June 7, 2005 and ending June 7, 2008. Based on their review, the CRA and City attorneys have determined that the proposed \$1M funding allocation for the New City Water Plant project is not allowable under the statute and that the proposed \$250,000 funding allocation for the MOCA Expansion project is permitted. This subject and the possible reallocation of the proposed allocation for the New City Water Plant will be further discussed during the upcoming CRA budget workshop on September 9, 2008.**

- Funding in the total amount of \$242,025 is included to support the following City departmental budget requests per the City Manager's recommended FY 2008-09 City Budget:

1. CMO – Redevelopment Project Support	\$84,026
2. IT – Web/PTV Station Manager for Channel 77	17,101
3. Purchasing – Buyer Position Support	23,113
4. Police – Holiday Enforcement Action Team	39,360
5. Water & Sewer – Conservation Program	12,500
6. MOCA – Jazz at MOCA Monthly Concert Series	65,925
	<hr/>
	\$242,025

## **CRA Debt Issuance**

In the effort to generate a substantial sum of additional funds that can be used to accelerate the implementation of significant redevelopment capital projects and to implement a program of strategic land acquisition and assembly, the CRA is in the process of preparing a financial strategy and proposal for the issuance of long-term debt through the bonding of the CRA's future TIF revenue stream. The form of debt issuance will be either through Revenue Anticipation Notes (RANs) or TIF revenue bonds in the approximate amount of \$40 - 50 million. Pending further and more specific guidance from the Florida Supreme Court relative to Strand v. Escambia County and related cases concerning CRA issuance of long-term debt, it is anticipated that a proposal will be completed and a request made to the County by the spring of 2009 for approval of the anticipated debt issuance in accordance with the requirements of the CRA Interlocal Agreement with the County and the City of North Miami, and in compliance with the applicable provisions of Chapter 163 of Florida Statutes. With regard to the disposition of the CRA's existing debt, a portion of the new debt issuance will be used to refund the CRA's existing Line of Credit in the amount of \$10.7 million.

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## **FY 2007-08 Proposed Amended Budget**

Please note that column #3 in Attachment A as of 8/14/08 reflects adjustments for a Proposed Amended FY 2007-08 Budget. The adjustments would serve to more accurately reflect the CRA's estimated revenues and plan of expenditure for FY 2007-08. On the revenue side, the proposed adjustment reflects the inclusion of the \$462,247 in funds advanced from the City of North Miami to the CRA to fund environmental remediation costs for the Pioneer Gardens housing development site. On the expense side, the proposed adjustments reflect the following: (1) the addition of \$462,247 for the cost of environmental remediation for the Pioneer Gardens site; (2) reduction of the estimated expense for the Residential rehabilitation Program from \$500,000 to \$267,363; (3) increase in the estimated cost for Homebuyer Subsidies from \$625,000 to \$675,000; (4) reduction of the estimated cost for Developer/Owner Incentive funding from \$160,000 to \$52,500; (5) increase in the estimated cost for Strategic Land/Property Acquisitions from \$488,863 to \$629,000; and (6) increase the estimated cost for the Underground Placement of FPL lines from \$200,000 to \$350,000.

**As the result of the recommended adjustments detailed above, the FY 2007-08 budget is being increased from the adopted amount of \$14,253,424 to \$14,715,671. It is recommended that the FY 2007-08 Proposed Amended Budget be approved along with the FY 2008-09 Proposed Preliminary budget.**

## **Next Steps for Budget Review and Approval**

It is recommended that the CRA Board consider and approve the FY 2008-09 Proposed Final Budget during its meeting on September 24, 2008 following the prior review of the proposed final budget by the CRAAC during its September meeting. The Board's final budget approval will take into consideration the result of any adjustments to the millage rates finally adopted by the County and the City during their respective second budget hearings on September 18, 2008 and September 22, 2008. Following the approval by the CRA Board, the City Council's approval will be requested during a Special Meeting on September 24, 2008 following the CRA Board meeting, and the CRA's FY 2008-09 Adopted Final Budget will be transmitted to Miami-Dade County to be processed for review and approval as soon as possible thereafter to meet their September 30, 2008 deadline for submission. The CRA will provide the annual progress report required by the County and will also provide any additional budgetary information or detail that may also be requested to facilitate the County's review and approval of the CRA's FY 2008-09 Adopted Final Budget.

**ATTACHMENT A REVISED DRAFT NMCRA PROPOSED PRELIMINARY FY 2008-09 BUDGET**

(1) CRA Projects, Services & Programs:	(2) Amended FY 2006-07 Budget	(3) Adopted Final FY 2007-08 Budget	(4) Amended FY 2007-08 Budget	(5) FY 2007-08 Projection	(6) Proposed FY 2008-09 Preliminary Budget	(7) Comments relative to the FY 2008-09 Budget
<b>(A) Economic Development Assistance and Incentive Fund</b> <ul style="list-style-type: none"> <li>• Commercial Rehabilitation Program</li> <li>• Commercial Beautification Program</li> <li>• Carryover funds</li> <li>• % of Cost for the City Econ. Dev. Specialist</li> <li>• Micro-Business USA – North Miami Entrepreneurial Training &amp; Micro-loan Program</li> <li>• Dynamic CDC – Business Outreach Services</li> </ul>	857,500 [480,000] [315,000]  [62,500]	1,041,777 [240K + 12K = 252K] [135K + 7K = 142K]  [500,000] [66,394]	1,041,777	316,394	1,300,000   [694,000] [115,780]  [35,000] [60,000]	Reimb. to City is at 80% of total cost vs. 50% in FY 2007-08
<b>(B) Commercial Corridor Improvement Program</b>	550,000	375,000	375,000	335,000	400,000	Includes funding to City for: Public Works – 285,249 Code Enforce. – 67,925
<b>(C) Pioneer Gardens (Ruck's Park) Affordable Housing Development</b> <ul style="list-style-type: none"> <li>• Land Clearing</li> <li>• Homebuyer Counseling and Credit Qualifying</li> <li>• Debt Service (Funding from CRA LOC)</li> <li>• Legal Fees/Prof. Svcs.</li> <li>• Developer's Fee to NMH (Funding from the CRA LOC)</li> <li>• Special Audit (Inspector General)</li> <li>• Construction Mgt. Services</li> <li>• Site/Environmental Conditions</li> </ul>	1,738 71,414 -0- 75,000 -0- 25,000  	2,255,000 [250,000]  [25,000] [1,880,000] [25,000]  [75,000]	2,717,247 [250,000]  [25,000] [1,880,000] [25,000]  [75,000]	487,247	3,300,000   [250,000]  [25,000]  [2,000,000]  [25,000]   [1,000,000]	Includes funds to repay funding advances from the City during FY 07-08 (e.g. \$462,247.81 as of 5/29/08)
<b>(D) Residential Rehabilitation Program for homeowners</b>	342,565	500,000	267,363	-0-	275,000	5 homes @\$50K + support costs
<b>(E) Homebuyer Subsidies for purchase of homes (excluding Pioneer Gardens at North Miami)</b>	200,000	625,000	675,000	200,000	550,000	10 homebuyers @\$50K + support costs
<b>(F) Developer/Owner incentive funding for affordable housing units (excluding Pioneer Gardens at North Miami)</b>	500,000	160,000	52,500	50,000		
<b>(G) Downtown Development Master Plan, including NW 7<sup>th</sup> Avenue and including exploration of a WIFI access system as a downtown/citywide enhancement</b>	150,000	50,000	50,000	-0-	100,000	
<b>(H) CRA Contribution for re-write of the City Zoning Code</b>	100,000					
<b>(I) CRA Contribution for update of the City CDMP</b>	80,000					
<b>(J) Citywide Water and Sewer Impact Fee Study</b>	25,000					
<b>(K) Repayment of CRA creation expenses (est. at \$783K) to the City</b>	450,000	333,000	333,000	332,737		
<b>(L) Strategic Land/Property Acquisitions</b>	330,000 Acq. of duplex at Pioneer Gardens site	488,863	629,000	629,000	1,166,862	
<b>(M) MOCA Expansion Support</b>		500,000	500,000	500,000		
<b>(N) Neighborhood Beautification</b>		650,000 – District 4	650,000 – District 4	650,000	650,000	
<b>(O) Lease/Purchase of the Bel House Apartments</b>		650,000	650,000	650,000	720,000	
<b>(P) Rehab of Bel House Apts</b>		977,500	977,500 (?)	-0-	1,250,000	Includes funds for Rehab. Work est. at \$1,087,000 & the 15% Developer's Fee est. at \$163,000
<b>(Q) Underground Placement of FPL lines on NE 8<sup>th</sup> Avenue from approx. NE 131 – 135 Street</b>		200,000	350,000	350,000		
<b>(R) Repayment of Ruck's Park I project costs to the City</b>		315,625	315,625	315,625		
<b>(S) Academic/Internship Program - \$62,500 request</b>		51,250	51,250	45,000	100,000	
<b>(T) IT – Citywide WiFi Access Pts. - \$60K request</b>		30,000	30,000	30,000		
<b>(U) P&amp;R - North Miami Stadium Field Re-Surfacing - \$600K request</b>		500,000	500,000	500,000		
<b>(V) New Water Plant Debt Service</b>					1,000,000	
<b>(W) MOCA Expansion A&amp;E/design services</b>					250,000	Per CRA Board & CRAAC budget workshop discussion on 5/5/08
<b>(X) North Miami Community ID Retail Study</b>					70,000	Per CRA Board approval on 7/8/08

**ATTACHMENT A REVISED DRAFT NMCRA PROPOSED PRELIMINARY FY 2008-09 BUDGET**

(1) Revenue and Expense Re-Cap	(2) Amended FY 2006-07 Budget	(3) Adopted Final FY 2007-08 Budget	(4) Amended FY 2007-08 Budget	(5) FY 2007-08 Projection	(6) Proposed FY 2008-09 Preliminary Budget	(7) Comments relative to the FY 2008-09 budget
<b>City Dept. 08-09 Supplementals</b>						
(1) CMO –Redev. Project Support					84,026	Per City Council Budget Workshop discussions on 5/8/08 & 7/7/08 and discussion with City Manager on 7/24/08
(2) IT – Web/PTV Station Manager for Channel 77					17,101	
(3) Purchasing – Buyer Position					23,113	
(4) Police – Holiday Enforcement Action Team					39,360	
(5) Water & Sewer – Conservation Program					12,500	
(6) MOCA – Jazz Music Monthly Concert Series					65,925	
<b>Total</b>	<b>\$3,758,217</b>	<b>\$ 9,703,015</b>	\$10,165,262	\$5,391,003	\$11,313,887	
<b>Revenue</b>						
TIF Revenue	6,643,650	7,811,236	7,811,236	7,811,236	8,500,000	<b>\$5.3M – City \$3.2M – County</b>
Prior Year Carryover	<b>616,853</b>	2,534,688	2,534,688	<b>3,008,979</b>	2,606,440	
Other – LOC	-0-	<b>2,130,000</b>	2,130,000	-0-	2,250,000	\$2M – 50% Dev. Fee \$.250M – 50% Marketing
Other – City Advance for operations	218,500	250,000	250,000	218,500	250,000	
Other – City Advance for Pioneer Gardens			462,247 (?)	462,247 (?)		Advance for site and environmental remediation
Other – Interest	<b>265,000</b>	250,000	250,000	180,000	200,000	
Other – Misc.	240			500		West: \$10K x 12 months = \$120K East: \$52.5K x 6 months = \$315K
Other- Bel House Apts. Rents		300,000	300,000	90,000	413,250	\$435,000 x 95% = \$413,250
Other – Rehab Loan for Bel House Apts		977,500	977,500 (?)	-0-	1,250,000	
<b>TOTAL REVENUE</b>	<b>\$7,744,243</b>	<b>\$14,253,424</b>	\$14,715,671	\$11,771,462	\$15,469,690	
<b>Expenses</b>						
Personnel	698,433	725,000	725,000	441,200	750,000	Assumes filling of existing vacant positions and increased cost
Operating	510,910	615,000	615,000	265,000	621,000	Assumes relocation of the CRA offices and increased cost
Capital Outlay	25,000	15,000	15,000	2,500	30,000	Capital cost for office relocation and increased staffing level
Debt Service	55,733	115,000	115,000	16,410	152,000	Includes debt service payments for the LOC with Regions Bank and the Bel House rehab. loan
County Administrative Fee	39,770	47,143	47,143	47,143	51,705 (@ 1.5% of Gross County TIF Revenue)	
County TIF Refund	2,437,680	2,783,266	2,783,266	2,783,266	2,301,098	
City Advance Repayment	218,500	250,000	250,000	218,500	250,000	
Reserve/Contingency						
<b>Sub-Total Expenses</b>	<b>3,986,026</b>	<b>4,550,409</b>	4,550,409	3,774,019	4,155,803	
<b>TOTAL Balance Remaining for Project and Program Allocations</b>	<b>\$3,758,217</b>	<b>\$ 9,703,015</b>	\$10,165,262	\$ 7,997,443	\$11,313,887	



**ATTACHMENT B**

**North Miami CRA Tax Increment Financing (TIF) Revenue Projection for the FY 2008-09 Budget**

	(A) Base Taxable Property Value (TV) (2004)	(B) FY 2005-06	(C) FY 2006 -07	(E) FY 2007-08	(F) FY 2008-09
(1) City of North Miami (CNM)	1,917,218,123	2,282,812,349 (+19%)	2,789,812,593 (+22%)	3,235,296,000 (+16%)	
(2) CNM CRA Area TV	869,122,633 879,399,850 (r) – per City	1,050,153,621 (+21%)	1,375,439,542 (+31%)	1,602,661,496 (per City) (+17%)	1,662,825,105 (+3.8%)
<b>(3) CNM CRA Area TV Increment</b>		181,030,988	506,316,909	723,261,646 (per City)	783,425,255 (per City prelim. Est. as of 7/24/08)
(4) CNM Property Tax Millage Rate		8.500	8.300	6.7943	7.1960 (per City Budget Est. as of 8/6/08) (7.5000 per City Council on 7/8/08)
(5) CNM TIF Revenue Payment @95%		\$1,461,825	\$3,992,309	4,668,354	<b>5,355,652</b> (Budget Projection is \$5.3M)
(6) Property Taxes paid to CNM by BL @ 95%		\$296,266	\$306,130	\$298,886	
(7) Miami-Dade County (MDC) CRA Area TV	869,122,633 870,434,294 (r) – per County	1,050,153,621 (+21%)	1,366,163,674 (+30%)	1,586,871,505 (per County) (+16%)	1,649,963,952 (per County) (+4.0%)
<b>(8) MDC CRA Area TV Increment</b>		181,030,988	497,041,041	716,437,211 (per County)	779,529,658 (per County) (+8.8%)
(9) MDC Property Tax Millage Rate		5.835	5.615	4.5796	4.8733 (per BCC on 7/17/08)
(10) MDC Gross TIF Revenue Payment w/o Refund @95%		1,003,500	2,651,341	3,142,882 (per County) (3,116,946 + 25,936)  Note: \$25,536 is an increase for the 2005 adjusted taxable value	3,446,984 (Budget Projection is \$3.2M)  (3,608,038 – 161,954) [Note: \$161,954 is a reduction for the 2006 adjusted taxable value]
(11) Total City and MDC Gross TIF Payments @95% (5+10)		\$2,465,325	\$6,643,650	\$7,811,236	8.5M per Budget Projection
(12) 20% Administrative Exp. Cap		493,065	1,328,730	1,562,247	
(13) MDC Excluded TV for Refund	854,708,441 855,698,241 (r) – per County	995,684,889 (+16%)	1,311,694,942 [Final=1,252,903,298] (+32%)	1,489,539,138 (per County) (+13.6%)	1,421,614,824 (-4.6%)
<b>(14) MDC Incremental Excluded TV for Refund</b>		140,976,448 (78%)	456,986,501 (92%)	633,840,897	
(15) MDC Adjusted Net TV (7-13)	14,414,192	54,468,732	54,468,732	97,332,367	
(16) MDC Incremental Adjusted Net TV (15 -15A)		40,054,540	40,054,540	82,918,175	
(17) Total TV of Biscayne Landing Site (Folio # 06-2221-034-0010)		36,689,336	38,824,414	43,990,843	
(18) TIF Revenue Refunded to MDC		\$781,468	\$2,437,680	2,783,266 (per County) (2,757,601 + 25,665)	2,301,098 (per County) (2,619,987 – 318,889) [Note: \$318,889 is a reduction for the 2006 refund overpayment]
<b>(19) MDC Net TIF Revenue Payment after Refund (10-18)</b>		\$222,032	\$213,661	<b>\$359,616</b>	
(20) Property Taxes paid to MDC by BL @ 95%		\$203,378	\$207,099	\$201,460	
<b>(21) Total City and Net MDC TIF Revenue Payments (11-18) or (5+19)</b>		\$1,683,857	\$4,205,970	\$5,027,970	\$6.2M per Budget Projection
(22) Total Budgeted Operating Expenses (excluding Debt Service, County Admin. Fee, County TIF Refund, and City Advance Payment)		1,166,805	1,220,919	1,355,000	
<b>(23) Balance of TIF Revenue available for Projects, Programs and Debt Service</b>		\$517,052	\$2,985,051	\$3,672,970	

# ATTACHMENT C

## NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY FY 2008-09 PROPOSED PERSONNEL SERVICES EXPENSES AND COST ALLOCATION

	<u>FY 2008/09</u>	<u>Staff Allocation Plan</u>		
	<u>Personnel</u>	<u>Admin.</u>	<u>Project</u>	<u>%</u>
	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Rate (1)</u>
<b><u>Personnel Services</u></b>				
<b>Regular Salaries</b>				
Executive Director	204,575	102,288	102,287	50%
Redevelopment Program Manager	95,000	23,750	71,250	75%
Finance Manager	78,220	39,110	39,110	50%
Urban Redevelopment Planner	70,000	-	70,000	100%
Special Projects Manager	56,940	28,470	28,470	50%
Executive Secretary	40,000	40,000	-	0%
Subtotal – Salaries (2)	544,735	233,618	311,117	
Expense Allowance – Exec. Dir.	6,000	3,000	3,000	
Total Taxable Earnings	<u>\$550,735</u>	<u>236,618</u>	<u>314,117</u>	
<b>Fringe Benefits</b>				
FICA/Medicare – Employer (5)	35,410			
Health/Dental Insurance (3)	85,000			
Life/Disability Insurance (4)	10,000			
Worker’s Compensation Insurance (5)	2,770			
Pension – Employer Contribution (6)	54,475			
Subtotal – Benefits	\$187,655			
Contingency	11,610			
<b>Total Personnel Services</b>	<b><u>\$750,000</u></b>			

**NOTES:**

- (1) 2008/09 Staff Rate Allocated to Project Operating Expenses.
- (2) Budgeted Regular Salary projections for staff positions filled as of 9/30/08 include a reserve for an up to 3% salary adjustment.
- (3) CRA will pay 100% of the annual cost for Health and Dental insurance coverage through the City of North Miami up to \$12,000 for each eligible full-time employee, with the cost for the Executive Director being paid 100% by the CRA as per contract. (e.g. 5 employees x \$12K = \$60K; and 1 employee x \$25K = \$25K for most expensive City coverage option for budgeting purposes).
- (4) CRA will pay 100% benefit for the Executive Director as per contract, and will pay 100% of the cost for life insurance coverage in the amount of 1 times the employee’s gross annual salary for all other full-time employees.
- (5) CRA cost of required employer contributions and insurance coverage. Employer’s FICA contribution is estimated at 6.5% of the salary appropriation.
- (6) CRA will pay 100% of the cost based on a contribution of 10% of the gross salary for each employee



**ATTACHMENT D**

	Adopted <u>FY 2007-08</u>	Proposed <u>FY 2008-09</u>	<u>FY 2008-09</u>	
			<u>Admin.</u>	<u>Project</u>
Other Oper. Expenses:				
Travel				
Conferences	25,000	30,000	30,000	
Meetings	<u>15,000</u>	<u>20,000</u>	<u>20,000</u>	
	40,000	50,000	50,000	
Local Meetings & Schools	2,000	2,000	2,000	
Mileage, Tolls & Parking Fees	1,000	1,000	1,000	
Dues & Memberships	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	
Subtotal – Other Oper. Exp.	48,000	58,000	58,000	
<b>Total Operating Expenses</b>	<b>\$615,000</b>	<b>\$621,000</b>		
 <u>Capital Outlay</u>				
Office Furniture	7,000	15,000		15,000
Computer Equipment	5,000	10,000		10,000
Other Office Equipment	<u>2,500</u>	<u>5,000</u>		<u>5,000</u>
<b>Total Capital Outlay</b>	<b>\$ 15,000</b>	<b>\$30,000</b>		<b>15,000</b>
 TOTAL OPER. EXP. & CAPITAL OUTLAY	 \$630,000	 \$651,000		

**NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY  
FY 2008-09 PROPOSED SCHEDULE OF LEGAL AND PROFESSIONAL SERVICES**

	<u>FY 2008/09</u> Contractual <u>Budget</u>	<u>FY 2008/09</u> Admin.                  Project <u>Budget</u> <u>Budget</u>	
<u>Legal and Professional Services</u>			
Accounting & Auditing (1)	10,000	10,000	-
Legal Services (2)	100,000	67,500	32,500
Financial Advisory Services (3)	30,000	7,500	22,500
Bond Counsel Services (4)	20,000	5,000	15,000
Community Outreach Services (5)	40,000	10,000	30,000
Other Professional Services (6)	190,000	10,000	180,000
	<hr/>	<hr/>	<hr/>
Total – Professional Services	390,000	110,000	280,000

**NOTES:**

- (1) Services to be provided by Sanson Kline as per contractual for year number two to conduct the FY 2007-08 independent audit.
- (2) Services to be provided by Gray Robinson, PA per contractual agreement.
- (3) Services to be provided by First Southwest per contractual agreement.
- (4) Services to be provided by Squire Sanders per contractual agreement.
- (5) Services to be provided by Guylene Berry per contractual agreement.
- (6) Services to be provided by a variety of professional consultants to be selected as needed to address the following anticipated needs for professional services.

<u>Professional Service</u>	<u>Est. Total</u>	<u>Admin.</u>	<u>Project</u>
Affordable Housing Dev.	50,000		50,000
Property Appraisals	25,000		25,000
Real Estate Advisory	15,000		15,000
Redevelopment Planning	50,000		50,000
Architectural/Engineering	25,000		25,000
Misc./Other (Retreat, etc.)	25,000	10,000	15,000
Total	190,000	10,000	180,000

## ATTACHMENT E

### NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY FY 2008-09 PROPOSED DEBT SERVICE EXPENSES

#### A. Debt Service Expense – Region’s Bank Line of Credit (LOC)

- (1) Interest payments on the LOC are due on 4/1 and 10/1 of each year at 5.79% per annum on the amount of the LOC that has been drawn down as of each date. During FY 2008-09 it is assumed that of the expected draw down of \$2,250,000 (e.g. \$2,000,000 for developer fees and \$250,000 for the marketing, homebuyer training and purchase assistance services related to the Pioneer Gardens housing development project) no funds will have been drawn down as of 10/1/08 and that some \$1,000,000 for developer fees and \$250,000 for marketing and homebuyer services will be drawn down as of 4/1/09.

<u>Date</u>	<u>Est. Amount Drawn Down</u>	<u>Debt Service Payment Due</u>
10/1/08	-0-	\$ -0-
04/1/09	1M + 250K = 1.250M	\$ 36,188

$$\begin{aligned}
 &1.250\text{M} \times 5.79\% \text{ per annum} = \\
 &72,375 \text{ for 12 months} \times \\
 &.5 \text{ for 6 months} = 36,188
 \end{aligned}$$

- (2) The LOC also has an Availability Fee charge of 0.15% (15 basis points) per annum on the portion of the principal amount of the Note that has not been drawn down as of each such date. The fee is due on each Interest Payment Date (e.g. on 4/1 and 10/1 of each year).

<u>Date</u>	<u>Est. Amount Not Drawn</u>	<u>Debt Service Payment Due</u>
10/1/08	10,758,300	\$ 8,069
04/1/09	9,508,300	\$ 7,132

$$\begin{aligned}
 &10,758,300 \times .15\% \text{ per annum} = \\
 &16,137 \text{ for 12 months} \times \\
 &.5 \text{ for 6 months} = 8,069
 \end{aligned}$$

$$\begin{aligned}
 &9,508,300 \times .15\% \text{ per annum} = \\
 &14,263 \text{ for 12 months} \times \\
 &.5 \text{ for 6 months} = 7,132
 \end{aligned}$$

- (3) Total 1 + 2 above = 36,188 + (8,069 + 7,132) = \$51,389 = Round up to \$52,000 for budget purposes

## ATTACHMENT E

### B. Debt Service Expense – Bank Rehabilitation Loan for Bel House Apts.

The budget assumes that the CRA will secure either directly or indirectly through the owner of the Bel House Apartments a bank loan to fund the rehabilitation of the 45 units in the east building of the Bel House Apartments complex. The bank loan will be in the total amount of approximately \$1,250,000 comprised of an estimated \$1,087,000 for rehabilitation costs and an estimated \$163,000 for the 15% developer fee that would be due to the Urban residential Development Group (f/k/a North Miami Housing) for managing the rehabilitation construction.

The debt service requirement relative to this loan during FY 2008-09 assumes that the loan will be an interest-only loan at an interest rate of approximately 8.00% (note that the Bel House Apts. has an interest-only bank loan in place at an interest rate of 5.50% through the current owners). The FY 2008-09 debt service requirement is estimated as follows:

$$\$1,250,000 \times 8.00\% = \$100,000$$

$$\text{Total Debt Service Expense} = \text{A+B} = 52,000 + 100,000 = \$152,000$$