



COMMITTEE MEMORANDUM

TO: Mayor David Dermer and Members of the City Commission

FROM: City Manager Jorge M. Gonzalez

DATE: December 6, 2006

SUBJECT: **REPORT OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE MEETING OF OCTOBER 25, 2006.**

NEW BUSINESS

1. City Center Redevelopment Agency Financial and Capital Plan.

ACTION

Chairman Saul Gross requested that the Administration perform a review of the potential to use RDA funds in lieu of other sources to fund projects located within the RDA district.

Budget & Performance Improvement Director, Kathie Brooks presented the item. Mrs. Brooks went over the Letter To Commission dated October 13, 2006 (see attached) that provides background information on the existing plans for the City Center Redevelopment Area (RDA), and provides projections of the financial impacts of the existing plans.

Chairman Saul Gross questioned whether Collins Park was classified as a Streetscape or a Garage. Mrs. Brooks clarified that it is a Garage and not a Streetscape. Chairman Saul Gross questioned if the City is going to continue to work on street ends in the RDA district.

City Manager, Jorge Gonzalez stated that right-of-way (ROW) projects include funding for all of the streets in that particular community. Chairman Saul Gross stated that he wanted to make sure that the City does not shortchange the citizens by not making all of a neighborhood's streets as aesthetically pleasant as the rest.

Commissioner Mattie Bower asked about the Collins Canal Project along Dade Boulevard. City Manager Jorge Gonzalez explained in detail how the canal project was going to be implemented. Mr. Gonzalez stated that the project expands from Alton Road all the way to 23rd Street, which turns into Indian

Creek, which is not part of RDA District. Commissioner Bower suggested that wherever possible RDA funds should be used instead of City funds to expand the project as much as possible within the RDA District.

Chairman Saul Gross asked if all of these projects were included in the Capital Budget. Mrs. Brooks confirmed that they were. Mr. Gonzalez explained that all of these projects have been included to make sure they are evaluated and that proper funding is provided to complete them.

The discussion next moved to the use of garages and parking lots around the City. The "P" lot located on Convention Center Drive received the most attention. Chairman Saul Gross, Commissioner Bower and Commissioner Steinberg all commented on the fact that the "P" lot is empty most of the time. They also agreed that this is due to the community's lack of awareness that the "P" lot is available for parking when there is not a function at the Convention Center. They asked that the City better advertise the availability of the "P" lot for parking.

Commissioner Jerry Libbin asked about the availability of RDA funds from 2004/05 and what it was expected to be in future years. Commissioner Libbin understood that based on projected tax increment revenues in the City and the County, plus resort tax, and interest earnings, less fixed expenses; the RDA should net about \$20,000,000 per year. Most of this has not been programmed beyond the next five years. Mrs. Brooks commented that this is only a projection and that it will need to be updated periodically based on actual amounts.

Commissioner Libbin added that the Capital Plan should be reviewed on a yearly basis, to re-evaluate what has been done and what is still pending for further funding.

Further discussion took place as to the many projects that should be funded by the RDA, which will expire in 2023. Projects such as street ends, Ocean Dr., Collins Avenue enhancements, and New World Symphony were mentioned.

Chairman Saul Gross questioned if the New World Symphony funding should be discussed in terms of a project to be funded by RDA or if this item should be discussed on its own. Mr. Gonzalez responded that the New World Symphony item should be discussed separately, as their request may or may not be funded from RDA funds.

City of Miami Beach resident, Neisen Kasdin expressed his understanding of the Capital Budget. He stated that by law the City must have a 5 year Capital Plan, but they can also look into adopting a 15 year capital plan as well. He spoke about the different projects and used the Bass Museum expansion as an example. He stated that the City should not expand the Bass Museum just to expand it, but because there is a programmatic approach that justifies the expansion. He stated that the same methods should be utilized when allocating funds for projects.

This item was concluded by Chairman Saul Gross requesting the Administration to perform a review of the potential to use RDA funds in lieu of other sources to fund projects located within the RDA district.

- 2. Discussion regarding proposed First Addendum to the Development Agreement between the City (Owner) and the New World Symphony (Developer), dated January 5, 2004, for the development of the 17th Street surface parking lots; said Addendum requiring the Developer to proceed with the design of the Park and certain additional improvements to be funded by the Owner, generally located within three (3) geographical areas or “zones” defined herein as Zone 1 – “The Parking Garage Zone”, Zone 2 – “The Symphony Campus Zone” and Zone 3 – “The Park Project Zone.”**

ACTION

Item was deferred to November 30, 2006 Finance & Citywide Committee Meeting.

- 3. Discussion regarding an amendment to the City Center Redevelopment plan, for the purpose of allowing funds to be used to purchase and/or renovate buildings within the RDA and make units within those buildings affordable as Workforce Housing.**

ACTION

The Committee concluded that Commissioner Libbin would present his plan conceptually to Miami Dade County in his pursuit of work force housing and advice as to the status.

Commissioner Jerry Libbin introduced the item. He had requested that the City's legal department research whether RDA could be modified to provide for affordable workforce housing.

First Assistant City Attorney, Raul Aguila explained both issues that had been researched at the direction of Commissioner Libbin and a Memorandum from the City Attorneys Office was distributed to the Committee. The 1st issue – Whether monies from the City Center RDA can be used by the City and/or RDA to implement and fund a “Workforce Housing Development Program”. The 2nd issue – What are the necessary steps to amend the City Center/Historic Convention Village Redevelopment Plan (the Plan), to implement and fund a “Workforce Housing Development Program” (the Program).

Although he introduced the Memorandum, he summarized his findings and stated that Workforce Housing would be a permissible use of RDA funds provided that the City Commission and the County approve an amendment to the City center RDA Plan which would further address the proposed Workforce Housing component. In addition to legal requirements that must be met with regard to the amendment of a plan, Mr. Aquila also recommended that guidelines for the program be developed and, finally, that any approved Work Force Housing Program must be used for projects within the RDA district.

Commissioner Mattie Bower as well as Mr. Aguila discussed the groups that benefit from affordable housing. Mr. Aguila explained that historically, Federal

sponsored and/or subsidized affordable housing programs have traditionally targeted families earning 60% or less of Area Median Income (AMI) in rental programs. In Florida, existing programs have been established, or are otherwise proposed to provide affordable and workforce housing to households with incomes ranging up to 140% of AMI.

Commissioner Libbin stated that the City has the ability to make available more housing with monies from the next 16 years of RDA earnings.

This possibility was discussed at length. Commissioner Matti Bower voiced her opposition in going to the County and modifying the RDA district to include workforce housing. She suggested that we concentrate on traditional “affordable housing” instead. Commissioner Libbin expressed that he did not see the downside of going to the County for the plan amendment and if the proposal was declined at least the issue was addressed by the City.

City Manager, Jorge Gonzalez explained that they have worked proactively to find properties for affordable housing, but the market for housing in the City of Miami Beach is not cost effective. Even the affordable housing being provided currently by the City right now, was not purchased with RDA funds.

MBCDC representative Roberto DaTorre explained that they are and have always worked to identify potential real estate for this purpose, but the cost is too high, and the City would have to subsidize these acquisitions. Mr. DaTorre suggested that maybe the City could create a program to issue vouchers from RDA monies to contribute to rent subsidies throughout the city. Mr. Aguila pointed out that RDA funds cannot be used in this manner, and must be used within the RDA, and in accordance with the City’s approved redevelopment plan.

Chairman Saul Gross pointed out that this issue has been explored in the past and that the agreement was to focus on retention of affordable housing especially for the elderly. He further stated that if the problem was affordable housing why not create affordable housing with monies available without going to the County to modify the City Center RDA plan. City Manager Jorge Gonzalez once again stated that they are always looking for properties to acquire but that most of the time the cost makes it prohibitive.

Commissioner Libbin was still adamant to take the issue of a plan amendment to the County. Mr. Gonzalez pointed out that even if the County will be open to this issue and the plan amendment to the RDA were to go forward, this issue would still have to come back to City Commission and he will be faced again with the high cost of the market as an impediment to create workforce housing.

The Committee concluded that Commissioner Libbin would present his plan conceptually to Miami Dade County in his pursuit of work force housing and advice as to the status.

- 4. Discussion regarding a better way to utilize the dollars from the Home program to get more available units online, also that information is provided regarding the current market costs and square footage costs per project.**

ACTION

Item was deferred to November 30, 2006 Finance & Citywide Committee Meeting.

- 5. Discussion regarding acquiring comparison pricing from the Fleet management Division for item C2B twelve 2007 Ford Focus vehicles, and two 2007 Toyota Prius hybrid vehicles.**

ACTION

Item was unanimously approved and passed.

Assistant City Manager, Bob Middaugh presented the item and gave a brief explanation as to why the item was on the Agenda. He stated that the Commission had directed that Internal Audit review the vehicle acquisition procurement process currently in place.

City Manager Jorge Gonzalez stated that the process the city uses for vehicle acquisition is similar to the one used by the State.

Commissioner Jerry Libbin questioned as to whether there are any better contracts available through local companies. Mr. Gonzalez answered that they currently have at their disposal multiple contracts from all over Florida including Miami.

Fleet Management Division Director, Mr. Drew Terpak gave a detailed explanation of the procurement process to the Committee.

Commissioner Richard Steinberg asked as to why we do not purchase these vehicles locally. Mr. Terpak explained that the City may only go outside of the formal procurement bidding process if the purchase is less than \$25,000.

After much discussion the Committee reviewed the process, and agreed with the City's Internal Audit Department that the process is in compliance with proper procurement policies and procedures.

Commissioner Steinberg moved the item. Commissioner Mattie Bower seconded the item. Item was unanimously approved and passed.

JMG/PDW/rs/ka