Condensed Title:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING THE FIRST AMENDMENT TO THE CITY OF MIAMI BEACH CAPITAL BUDGET FOR FISCAL YEAR (FY) 2008/09

Key Intended Outcome Supported:

Increase Community Satisfaction with City Services

Supporting Data (Surveys, Environmental Scan, etc.): Based on the 2007 community survey, recently completed capital projects were highly rated by the community. However, they are also a major driver of perceptions of value of services for tax dollars paid, whether the City is better or worse than a few years ago, and overall quality of life. Road conditions and storm drainage are capital-related areas still identified as key areas of focus.

Issue:

Should the Commission amend the City of Miami Beach FY 2008/09 Capital Budget?

Item Summary/Recommendation:

Of the total of $180,305,770 approved in the Adopted Capital Budget for FY 2008/09, approximately $22 million in proposed new water and sewer bonds, $39.1 million in proposed new stormwater bonds, $22.9 million in Parking Bonds, and $18.6 million in South Pointe Financing were anticipated for FY 2008/09 but were not appropriated pending anticipated issuance of the financing as part of a multi-year financing plan. In total, approximately $45.4 million for water projects, $4.9 million for sewer projects, and $94.65 million for stormwater projects were anticipated to be preliminarily financed though a line of credit that would ultimately be replaced by water, sewer and stormwater bonds issued over a series of years beginning in FY 2009/10. Under this approach, the City intended to first seek a line of credit which will allow the City to have the necessary funding capacity to enter into new projects, while allowing the City more time to both build the necessary rate capacity to issue additional tax-exempt bonds through rate increases and also spend down the current committed but unspent bond proceeds.

The issuance for the line of credit in Water and Sewer and Stormwater as well as the Parking Bonds and South Pointe financing for the South Pointe Sewer Pump Station anticipated for Fiscal Year 2008/09 has been impacted by the destabilization and lack of liquidity of the financial markets. This has slowed the process of accessing funding although the City is currently working with its Financial Advisors and actively pursuing credit lines. The most immediate need to keep infrastructure projects moving forward is $7,140, 847 ($4,539,017 stormwater related and $2,601,830 water and sewer related). To fund these needs, the appropriations below are recommended to substitute for the "Future Bonds" identified in the Adopted Capital Budget for FY 2008/09 until such time as financing can be put in place. It proposed that when the City is able to issue Stormwater Bonds that the Stormwater Operating Funds will be reimbursed. To allow reimbursement from future bonds, the Commission must declare the intent of the City to reimburse itself and, therefore, to preserve this option appropriate language is provided in the related resolution.

Advisory Board Recommendation:

Financial Information:

Source of Funds:		Amount	Account
	1	$1,200,793	Water & Sewer Bond 2000S Interest
	2	$1,401,037	Water & Sewer Gulf Breeze 2006 Interest
	3	$ 950,207	Stormwater Bonds 200S Interest
	4	$ 421,275	Stormwater Bonds 2000S
	5	$3,167,535	Stormwater Operating Funds (Advance)
OBPI	Total	$7,140,847	

Financial Impact Summary:

City Clerk's Office Legislative Tracking:

Sign-Offs:

Department Director	Assistant City Manager	City Manager
KGB		

MIAMIBEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: February 25, 2009

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING THE FIRST AMENDMENT TO THE CITY OF MIAMI BEACH CAPITAL BUDGET FOR FISCAL YEAR (FY) 2008/09 AND DECLARING THE INTENT OF THE CITY TO ISSUE DEBT OF THE CITY TO REIMBURSE ITSELF FOR FUNDS ADVANCED FOR CERTAIN STORMWATER EXPENSES**

ADMINISTRATION RECOMMENDATION

Adopt the Resolution.

BACKGROUND

Planning for capital improvements is an ongoing process; as needs change within the City, capital programs and priorities must be adjusted. The Capital Improvement Plan ("CIP") serves as the primary planning tool for systematically identifying, prioritizing and assigning funds to critical City capital development, improvements and associated needs, and the City's annual capital budget represents the first year of that plan.

Of the total of $180,305,770 approved in the Adopted Capital Budget for FY 2008/09, approximately $22 million in proposed new water and sewer bonds, $39.1 million in proposed new stormwater bonds, $22.9 million in Parking Bonds, and $18.6 million in South Pointe Financing were anticipated for FY 2008/09 but were not appropriated pending anticipated issuance of the financing as part of a multi-year financing plan. In total, approximately $45.4 million for water projects, $4.9 million for sewer projects, and $94.65 million for stormwater projects were anticipated to be preliminarily financed though a line of credit that would ultimately be replaced by water, sewer and stormwater bonds issued over a series of years beginning in FY 2009/10. Under this approach, the City intended to first seek a line of credit which will allow the City to have the necessary funding capacity to enter into new projects, while allowing the City more time to both build the necessary rate capacity (debt service coverage) to issue additional tax-exempt bonds through rate increases and also spend down the current committed but unspent bond proceeds. Further this approach provides the City with more time to refine the cost estimates for the water, sewer, stormwater and parking projects anticipated for FY 2008/09.

ANALYSIS

The issuance for the line of credit in Water and Sewer and Stormwater as well as the Parking Bonds and South Pointe financing for the South Pointe Sewer Pump Station anticipated for Fiscal Year 2008/09 has been impacted by the destabilization and lack of liquidity of the financial markets. This has slowed the process of accessing funding although the City is currently working with its Financial Advisors and actively pursuing credit lines. Nonetheless, the administration remains committed to the goal of keeping the infrastructure projects moving forward.

The financing requirements related to Parking Operations were addressed for the short term in December as part of the approval for the Sunset Harbor Parking Garage. Below are the anticipated funding timeline requirements for the remaining projects.

ROW PROJECTS - FUNDING NEEDS
AS OF 1/30/2009

	TOTAL AMOUNT NEEDED TO ADVANCE		
NORMANDY SHORES	NOW - IN CONSTRUCTION	$	3,447,000
NORMANDY ISLE	NOW - IN CONSTRUCTION	$	555,679
VENETIAN ISLAND BPC	NOW - ITB	$	2,925,928
STAR ISLAND ENHANCEMENTS	NOW - DESIGN	$	25,000
NAUTILUS	NOW - IN CONSTRUCTION	$	187,240
SOUTH POINTE BOOSTER PUMP STATION	APRIL 2009 - ITB	$	18,603,498
BAYSHORE BPB - LOWER NORTH BAY ROAD	APRIL 2009 - ITB	$	3,211,259
OCEANFRONT PHASE II	APRIL 2009 - ITB	$	896,066
SANITARY SEWER MANHOLE REHAB	JUNE 2009 - ITB	$	1,000,000
LA GORCE	JULY 2009 - ITB	$	5,918,054
BAYSHORE BPC - LAKE PANCOAST	JULY - ITB	$	2,491,829
FLAMINGO BID PACK A.	JULY 2009 - DESIGN	$	1,897,000
FLAMINGO BID PACK C.	JULY 2009 - DESIGN	$	1,897,000
WEST AVE/BAY ROAD	JULY 2009 - DESIGN	$	1,647,000
BAYSHORE BPA - CENTRAL	AUGUST 2009 - ITB	$	24,100,489
NORTH SHORE	AUGUST 2009 - ITB	$	9,517,000
BISCAYNE POINT	OCTOBER 2009 - ITB	$	9,738,840
STAR ISLAND ENHANCEMENTS	OCTOBER 2009 - ITB	$	1,005,000
SUNSET ISLANDS 1 & 2	FEBRUARY 2010 - ITB	$	1,102,000
COOLINS AVE MAIN:SP DRIVE TO 72nd	JUNE 2010 - RFQ	$	1,400,000
SUNSET & VENITIAN ISLANDS FORCE MAIN	JUNE 2010 - ITB	$	2,500,000
PALM & HIBISCUS ISLANDS	NOVEMBER 2010 - ITB	$	4,706,210
FLAMINGO BID PACK A.	JANUARY 2011 - ITB	$	20,827,454
FLAMINGO BID PACK C.	JANUARY 2011 - ITB	$	21,167,434
WEST AVE/BAY ROAD	JANUARY 2011 - ITB	$	19,992,322
BAYSHORE BPD - SUNSET III & IV	2013 - ITB	$	2,810,579
TOTALS:		$	163,569,881

ITB - INVITATION TO BID

RFQ- REQUEST FOR QUALIFICATIONS

As can be seen from the table, the most immediate need is for $7,140,847, of which $4,539,017 is stormwater related and $2,601,830 is water and sewer related. In order to fund these needs, the following appropriations are recommended to substitute for the "Future Bonds" identified in the Adopted Capital Budget for FY 2008/09 until such time as financing can be put in place:

Water and Sewer Bonds 2000S Interest	$ 1,200,793
Water & Sewer Gulf Breeze 2006 Interest	1,401,037
Sub-total	$ 2,601,830
Stormwater Bonds 2000S Interest	$ 950,207
Stormwater Bonds 2000S	421,275
Stormwater Operating Fund (Advance)	3,167,535
Sub-total	$ 4,539,017
Total	$ 7,140,847

It is proposed that when the City is able to issue Stormwater Bonds that the Stormwater Operating Funds will be reimbursed. To allow reimbursement from future bonds, the Commission must declare the intent of the City to reimburse itself and, therefore, to preserve this option appropriate language is provided in the related resolution.

The City is continuing to pursue financing alternatives and will continue to evaluate project timing and needs on a case by case basis.

CONCLUSION:

The Administration recommends adoption of the attached Resolution, which amends the Capital Budget for FY 2008/09 and declares the intent of the City to issue debt of the City to reimburse itself for funds advanced for certain stormwater expenses.

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING THE FIRST AMENDMENT TO THE CITY OF MIAMI BEACH CAPITAL BUDGET FOR FISCAL YEAR (FY) 2008/09, AND DECLARING THE INTENT OF THE CITY TO ISSUE DEBT OF THE CITY TO REIMBURSE ITSELF FOR FUNDS ADVANCED FOR CERTAIN STORMWATER EXPENSES

WHEREAS, of the total of $180,305,770 approved in the Adopted Capital Budget for FY 2008/09, approximately $22 million in proposed new water and sewer bonds, $39.1 million in proposed new stormwater bonds, $22.9 million in Parking Bonds, and $18.6 million in South Pointe Financing were anticipated for FY 2008/09 but were not appropriated pending anticipated issuance of the financing as part of a multi-year financing plan;

WHEREAS, in total, approximately $45.4 million for water projects, $4.9 million for sewer projects, and $94.65 million for stormwater projects were anticipated to be preliminarily financed though a line of credit that would ultimately be replaced by water, sewer and stormwater bonds issued over a series of years beginning in FY 2009/10; and

WHEREAS, the City intended to first seek a line of credit which will allow the City to have the necessary funding capacity to enter into new projects, while allowing the City more time to both build the necessary rate capacity (debt service coverage) to issue additional tax-exempt bonds through rate increases and also spend down the current committed but unspent bond proceeds; and

WHEREAS, the issuance for the line of credit in Water and Sewer and Stormwater as well as the Parking Bonds and South Pointe financing for the South Pointe Sewer Pump Station anticipated for Fiscal Year 2008/09 has been impacted by the destabilization and lack of liquidity of the financial markets; and

WHEREAS, the destabilization of the financial markets have prevented the City from availing itself of any financing to date; and

WHEREAS, this has slowed the process of accessing financing although the City is currently working with its Financial Advisors and actively pursuing credit lines; and

WHEREAS, , there is an immediate need for $7,140, 847 that had been approved as funded by financing in the Adopted FY 2008/09 Capital Budget, of which $4,939,017 is stormwater related and $2,601,830 is water and sewer related; and

WHEREAS, it is recommended that these immediate needs be substituted by alternative sources of funding in order to keep these projects moving until such time as financing can be put in place; and

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that they hereby amend the Capital Budget to replace previously approved funding through future bonds in the Adopted City of Miami Beach/Miami Beach Redevelopment Agency Capital Budget for Fiscal Year 2008/09 as shown below:

Projects:

Project	Stormwater Component	Water & Sewer Component
NORMANDY SHORES	$ 3,438,180	$ 8,820
NORMANDY ISLE	$ 198,006	$ 357,673
VENETIAN ISLAND BPC	$ 710,611	$ 2,215,317
STAR ISLAND ENHANCEMENTS	$ 25,000	$ -
NAUTILUS	$ 167,220	$ 20,020
Total	$ 4,539,017	$ 2,601,830

Funding:

Water and Sewer Bonds 2000S Interest	1,200,793
Water & Sewer Gulf Breeze 2006 Interest	1,401,037
Total	$2,601,830

Stormwater Bonds 2000S Interest	$950,207
Stormwater Bonds 2000S	$421,275
Stormwater Operating Fund (Advance)	3,167,535
Total	$4,539,017

BE IT FURTHER RESOLVED, that the City declares its official intent to issue tax-exempt debt in the aggregate principal amount of approximately $3,200,000, the proceeds of which will, to the extent permissible under the Internal Revenue Code of 1986, as amended (the Code), be used to reimburse the City for the above operating funds advanced by the City for the stormwater projects described above. This resolution is intended as a declaration of official intent under the Code.

PASSED AND ADOPTED THIS _25_ DAY OF __February, 2009.

MAYOR

Attest:

CITY CLERK

APPROVED AS TO FORM & LANGUAGE & FOR EXECUTION

City Attorney 2/20/09 **Date**