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NORTH MIAMI BEACH •
community
redevelopment
agency



Fiscal Year 2005-2006 Annual Report

Presented herein is the Fiscal Year 2005-2006 Annual Report for the North Miami Beach Community Redevelopment Agency (NMB CRA). The Report has been prepared in accordance with Section 356 (3)(c), Florida Statutes, and the Interlocal Cooperation Agreement among the NMB CRA, the City of North Miami Beach and Miami-Dade County. The document contains a report of the NMB CRA's activities for the fiscal year and a financial statement of its assets, liabilities, income and operating expenses as of September 30, 2006.



In September 2004, the North Miami Beach City Council declared that there was a need to create a Community Redevelopment Agency to eliminate and prevent blight conditions and to promote sound growth within a specified portion of the City (Finding of Necessity). In December 2004, the Miami-Dade County Commission ratified that finding and authorized the City to create a CRA and to prepare a Community Redevelopment Plan (Plan) for the area. During 2005, the Plan was approved by the NMB CRA Board, the City Council and the County Commission.

Background of the North Miami Beach CRA

The CRA area consists of 468 acres and is located generally north and south of NE 163 Street (S.R. 826) from NE 8 Avenue to Biscayne Boulevard, with portions that extend north along NE 19 Avenue to the City Hall complex, north along West Dixie Highway to NE 175 Street, and south along West Dixie Highway to NE 154 Street. The area contains commercial, institutional, recreational and multi-family residential uses. There are very few single-family houses in the district.



North Miami Beach CRA FY 2006 Activities

FY 2006 was the first year of full operations for the North Miami Beach Community Redevelopment Agency (NMBBCRA). The total FY 2006 budget for the NMBBCRA was \$463,958. The primary objective of the FY 2006 activities was to prepare for the more substantive opportunities made possible by the much larger tax increment revenues the Agency would be receiving in FY 2007. The Agency's activities in FY 2006 were focused on organizational matters, program preparations and public infrastructure analysis. In those areas, the Agency made substantial progress in its first year.

progress

A Few Elements Implemented in 2006

- Facilitated the appointment and initial meetings of a Redevelopment Advisory Board that has helped frame the CRA's program priorities.
- Funded an Infrastructure Master Plan that analyzed water, sewer and drainage improvements needed to support future development.
- Funded an Urban Design Plan to better define the character and density of future redevelopment in the district. (Study is underway.)
- Arranged for two bank loans to provide financing for property acquisition and street reconstruction.
- Established a financial incentive program to attract and support new private development.



Redevelopment Advisory Board

In July, the North Miami Beach City Council adopted an ordinance that created a Redevelopment Advisory Board for the purpose of seeking advice concerning redevelopment activities from a board composed of residents, property owners and business persons. The primary responsibility of the Redevelopment Advisory Board is to provide advice to the Board of the North Miami Beach Community Redevelopment Agency, which is composed of the Mayor and City Council.

In January 2006, the City Council appointed the seven members and two alternates of the Redevelopment Advisory Board. During FY 2006, the Advisory Board met four times (February, March, May and August). The primary focus of the meetings was to establish priorities among the programs delineated in the CRA's Community Redevelopment Plan. The Advisory Board unanimously agreed that the emphasis during the first few years should be on activities that most directly support new construction, in that new construction will generate increased tax increment revenue that later will be available for other programs and activities contained in the Community Redevelopment Plan.

Specifically, the Board identified three priorities - street improvements, property acquisition to facilitate future development, and financial incentives to stimulate new development. The Board further agreed that some form of long-term debt should be arranged to fund the capital improvements and property acquisition, and that a mechanism should be established for development incentives.

Infrastructure Analysis

In March 2006, the City of North Miami Beach, on behalf of the NMBBCRA and in accordance with the parties' Interagency Services Agreement, contracted with a civil engineering consulting firm to prepare a long-range master plan for water, sewer and drainage improvements in the CRA district.

The consultant's report identified the water, sewer and drainage improvements that would be needed based on the long-range buildout of the district. The information and data will be used to schedule and design needed improvements in response to new private development projects. The cost data will serve as input in the preparation of the CRA's future 5-year budgets and the determination of the need for long-debt financing to implement the utilities and drainage improvements.

Bank Loans

The NMBBCRA made arrangements for the long-term credit financing for property acquisition and public capital improvements. The two bank loans provide flexibility during the first 24 months as to when the CRA draws down the funds. During the first 24 months, they are interest-only loans. After that period, the loan repayments include principal and interest with an 18-year term with a fixed interest rate. Collateral is limited to a lien on the CRA's annual tax increment revenue. The credit facilities do not require a secondary pledge by either the City or County.

The NMBBCRA closed on the two bank loans in January 2007. One will be used for public capital improvements, primarily street reconstruction. A loan for that purpose would be tax-exempt. The other credit facility would be used for property acquisition to be able to facilitate future private development. That loan would be taxable.

Development Incentive Program

The NMBBCRA Community Redevelopment Plan, as approved by the CRA Board, City Council and the Board of County Commissioners, authorizes the NMBBCRA to provide financial incentives to attract and support new private development. In June 2006, the NMBBCRA Board adopted a Policy Resolution providing the framework for a development incentive program.

The basic structure of the program is that after the development project is completed and on the tax rolls, the CRA will use a portion of the tax increment revenue generated by the project itself to make the incentive payment to the developer. The total amount of the incentive will be negotiated based on a percentage of the estimated taxable value of the project. The total payment will be divided into a series of annual installments so that a portion of the project's initial TIF payments is available each year for other CRA activities elsewhere in the district. After the initial installment payment period is concluded, all of the TIF generated by the project will be available for other CRA activities.

This innovative approach to development incentives offers several advantages...

- There is no debt involved. The CRA does not need to borrow any money to make the incentive payments.
- The NMBCRA will have no money at risk. The CRA will not be making any payments upfront nor will there be any interim or progress payments.
- Payment of the incentive will not affect other CRA activities. The incentive is due only after the project begins to pay the incremental property taxes. The payment will be made with what constitutes totally new money to the CRA.
- It is strictly a performance-based incentive program. In order to receive the incentive, the developer must complete the project according to the approved plans; there must be a Certificate of Completion from the City's Chief Building Official; and the new taxable value must appear on the tax rolls.

During FY 2006, the CRA entered negotiations with a developer for the first project to be considered for this development incentive program. Shown here is a rendering of the proposed project named *Sky Plaza*, which is a mixed-use office and retail /commercial building.



Non-CRA Funded Improvements in the District

Although not funded by the NMBCRA, there was other important progress made in the CRA district in FY 2006...

Hanford Boulevard

Hanford Boulevard (NE 164 Street) is the primary street within the Fulford City Center portion of the CRA district. The street extends from NE 15 Avenue east to West Dixie Highway (NE 22 Avenue). The City is reconstructing the entire length with wide sidewalks, decorative streetlights, shade trees, paver-textured crosswalks and on-street parking. All work will be completed by March 2007. The City is funding the project with the proceeds of an \$8 million revenue bond issue not related to the NMBCRA.





Corona Del Mar

Corona Del Mar is a predominately low-to-moderate income multi-family residential neighborhood south of NE 163 Street in the CRA district. The City completed improvements to all the streets in Corona Del Mar in 2006. The City funded the improvements with a portion of the proceeds from a citywide general obligation bond issue.

The City also finished improvements to a neighborhood park located in Corona Del Mar named Silverman Park. The sources of funding included a grant from the County's Safe Neighborhoods Park Bonds and the Building Better Communities general obligation bonds.



development

Aqua Vista Townhouses

A project of 95 new townhouses located along the Snake Creek Waterway was completed during FY 2006. The project will significantly enhance the housing mix in the CRA district. The total taxable value of over \$25 million will appear for the first time on the 2007 tax roll, significantly increasing the CRA's tax increment revenues beginning with FY 2008.



Budget Summary

Source of Revenue

North Miami Beach Community Redevelopment Agency
Summary Statement of Revenues for FY 2006

Tax Increment Revenues	City of North Miami Beach	\$253,980
	Miami-Dade County	\$196,863
Interest		\$13,115
Total Revenues		\$463,958

The primary funding source available to the NMBCRA is tax increment revenue, which is a unique financing tool for cities and counties to leverage both public and private investment in designated redevelopment areas. The amount of the tax increment each year is based on the increase in property values. The taxable value of all real property in the district is determined for the year in which the CRA was created, known as the "base year" value. Taxing authorities that contribute to the tax increment fund continue to receive ad valorem revenues (a.k.a. property tax revenues) based on that base year value. However, ad valorem revenues from the increases in property values, referred to as "tax increment," are deposited into the Community Redevelopment Agency Fund and are dedicated for use within the CRA district.

The base year for the NMBCRA is the 2004 tax roll. The amount of tax increment revenue for FY 2005-2006 is based on the increase in property values from the 2004 tax roll to the 2005 tax roll. The tax millage rates set by both the City and the County are applied to that increase to determine the tax increment revenue.



The following presents the tax increment revenue calculations of the Miami-Dade County and City of North Miami Beach payments to the CRA for Fiscal Year 2005-2006.

	County	City
2005 Property Taxable Value	\$274,238,179	\$274,677,754
2004 Property Taxable Value	\$238,724,265	\$239,031,444
Tax Increment Value	\$35,513,914	\$35,646,310
County Payment @ 5.835 mills	\$196,863	
City Payment @ 7.5 mills	\$253,980	
Total Tax Increment Revenues	\$450,843	

The reason that the City's taxable values are higher than the County's is because the City currently does not have the Senior Exemption.

Use of Revenue

North Miami Beach
Community Redevelopment
Agency Summary Statement of
Expenditures for FY 2006

	Economic Environment
Salaries and Related	\$141,443
Professional Services (Consultants)	
	Civil Engineering Services (Streets, Water, Sewer, Drainage) \$116,435
	Urban Planning Services \$96,555
	Real Estate Appraisal \$750
	WI-FI Research \$13,000
Legal Services	\$3,412
Repay City Advance to CRA	\$8,600
Administrative Payment to County	\$2,953
Miscellaneous Operating Expenses	\$7,182
Total Expenditures	\$387,310
Carryover to FY 2007	\$73,628
Total Use of Revenues	\$463,958

North Miami Beach Community Redevelopment Agency
Fiscal Year 2006 Annual Report

Financial Statements

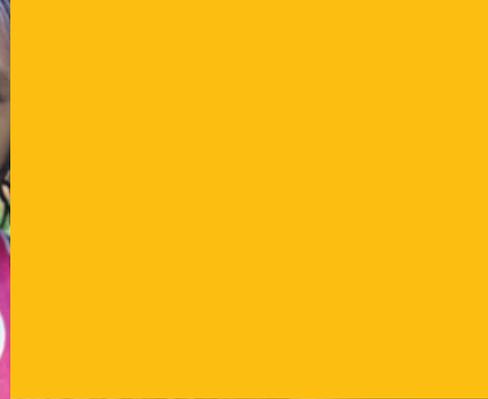
For financial reporting purposes, the North Miami Beach Community Redevelopment Agency is considered a component unit of the City of North Miami Beach and therefore is included in the City's annual financial audit. Accordingly, the Financial Statements included herein for the CRA are taken from the City's un-audited Comprehensive Annual Financial Report (CAFR) for the fiscal year ending September 30, 2006. The CAFR is currently under its annual independent audit review and will be issued within State mandated timelines. This CRA Annual Report for the fiscal year ending September 30, 2006, has been prepared in accordance with Section 163.356(3)(c).

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds Fiscal Year Ended September 30, 2006

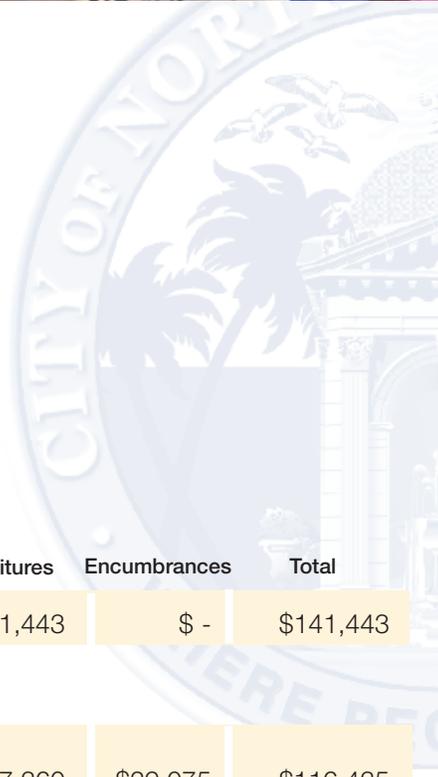
Combining Balance Sheet Nonmajor Governmental Funds September 30, 2006

	Special Revenue CRA
Assets	
Pooled cash and investments	\$212,168
Prepaid costs	\$295
Total assets	\$212,463
Liabilities and Fund Balances	
Liabilities	
Vouchers payable and accrued liabilities	\$9,421
Due to other funds	\$71,315
Total liabilities	\$80,736
Fund balances	
Reserved - Prepaid costs	\$295
Unreserved, undesignated	\$131,432
Total fund balances	\$131,727
Total liabilities and fund balances	\$212,463

Revenues	Special Revenue CRA
Intergovernmental	\$196,863
Interest	\$13,115
Total revenues	\$209,978
Expenditures (current)	
General government	\$229,321
Public services	\$21,901
Total expenditures	\$251,222
(Deficiency) of revenues	
Over expenditures	(\$41,244)
Other financing sources (uses)	
Operating Transfers in	\$253,980
Operating Transfers out	(\$1,094)
Total other financing sources (uses)	\$252,886
Excess of revenues	
Over expenditures and other financing sources (uses)	\$211,642
Fund balances, beginning	(\$79,915)
Fund balances, ending	\$131,727



NMBCRA Annual Report
 Economic Environment
 September 30, 2006



	YTD Expenditures	Encumbrances	Total
Salaries & related	\$141,443	\$ -	\$141,443
Professional services (consultants)			
Civil engineering services (streets, water, sewer, drainage)	\$87,360	\$29,075	\$116,435
Urban planning services	\$4,555	\$92,000	\$96,555
Real estate appraisal	\$750	\$ -	\$750
WI-FI research	\$6,500	\$6,500	\$13,000
Legal services	\$3,413	\$ -	\$3,413
Administrative payment to county	\$2,953	\$ -	\$2,953
Miscellaneous operating expenses	\$5,343	\$1,839	\$7,182
Total expenditures & encumbrances	\$252,316	\$129,414	\$381,730
Repay city advance to CRA	\$8,600	\$ -	\$8,600
Carryover to FY 07	\$73,628	\$ -	\$73,628
Total	\$334,544	\$129,414	\$463,958



CITY OF NORTH MIAMI BEACH

MAYOR

Raymond F. Marin

COUNCIL MEMBERS

Kenneth A. Defillipo

Philippe Derosé

Jay R. Chernoff

David L. Templer

Myron Rosner

John Patrick Julien

COMMUNITY REDEVELOPMENT ADVISORY BOARD

Mark Antonio

Robert V. Kriebs

David Laurenzo

Linda A. Mason

Deborah A. Miller

Norman C. Powell

David J. Stockman

Gustavo Lumer

Boris Moroz



Community Redevelopment Agency
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