

**North Miami CRA
RFP No. 2006-01
Addendum Number 1**

As of 2:00 PM on September 15, 2006, the following sets of questions were received by the CRA. Our answers to them are reflected below in blue.

I - Are you willing to entertain a Swap on this opportunity?

The CRA will entertain proposals that incorporate swaps as an Alternative Structure if:

- 1) the respondent, as required, has provided a fixed interest rate for the entire term of the LOC assuming no prepayment penalty,
- 2) the CRA is not a party to an ISDA agreement (i.e. the CRA is “blind” to the swap transactions) and
- 3) Breakage costs, if any, are clearly identified and the method for calculation is fully described.

II - As a follow-up to our call, would you please let me know on the following points:

1. Latest interim financial statements available. – See Financial Statements attached. Also budget information can be found on the CRA’s website: www.northmiamicra.org.
2. Response date - section B states Friday 9/22/06 3 pm, and section IV states 9/25/06 2 pm. Please confirm correct due date and time. – The response deadline is Monday, September 25, 2006 at 3:00 PM.

III - Following are initial questions I have regarding the North Miami CRA RFP:

- Does this issue qualify as a Tax-Exempt issue? - No. The transaction is fully taxable.
- Has the development agreement between North Miami CRA and North Miami Housing, Ltd been completed? – No, it has not be completed nor will it be prior to the RFP submission date.
- Can you provide sales demand figures on the 136 units? – They are not available at this time nor will they be prior to the RFP submission date.
- Can you please explain the Miami Dade TIF refund found in the table? The Miami-Dade County’s tax increment that is generated within the CRA that is west of US 1, contractually, return to the County at the end of each fiscal year.

IV - Additional questions related to North Miami CRA:

- Will we be able to get full financials of the CRA? I would like to see if any TIF revenues are already obligated. See attached Financial Statements.
- What is the timeframe of the long-term bond issue? The long-term bond issue is planned to be completed in time to repay the line of credit.

- Would our Bank have an opportunity to pursue bond issue opportunities via our Securities arm? [If the transaction can be structured as a line of credit, yes.](#)
- Are the soft second mortgages *mentioned the same as the* Loan Subsidy Program? – [Yes.](#)

V – Additional set of questions:

1) Is this borrowing taxable? - [Yes.](#)

2) The 2nd page of the RFP, specifically B.1, it is indicated that the deadline is 3:00pm EDT, September 22, 2006. This seemingly conflicts with page 7, specifically Section IV, where a deadline of September 25, 2006 at 2:00PM EDT is identified as the bid deadline. Please clarify which is correct. – [The Deadline in September 25, 2006 at 3:00 PM.](#)

3) On page 5, Section G.2, my interpretation is that a proposed variable rate "only" alternative to a fixed rate is acceptable. Is my interpretation accurate? – [Variable rate debt is acceptable as an alternative so long as a fixed rate is also proposed.](#)

4) On page 5, Section G.3, the initial interest payment is scheduled to commence on April 1, 2006. Is the correct date April 1, 2007? - [Correct, the date should be April 1, 2007.](#)

5) Has the CRA prepared its own audited financial statements outside of the City's CAFR? If so, I would like to obtain them and didn't locate them on the CRA's website. If not, I would like to gain access to the internally prepared statements, if available. – [See the attached Financial Statements.](#)

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY

**FINANCIAL STATEMENTS
COMPILED**

June 30, 2006

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY

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NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
615 NE 124TH AVENUE
NORTH MIAMI, FLORIDA 33161

MANAGEMENT'S COMPILATION REPORT

We have compiled the accompanying balance sheets of the North Miami Community Redevelopment Agency as of June 30, 2006, and the related statements of revenues, expenditures and changes in fund balances (actual compared to budget) for the periods then ended. A compilation is limited to presenting in the form of financial statements information that is the representation of management.

Management has elected not to include certain accruals that are under review and are intended to be posted at fiscal year end, and as disclosed in the accompanying notes to the financial statements. The accompanying notes to the financial statements are not intended to make all disclosures required by generally accepted accounting principles.

These financial statements are a management report. Certain information when represented as audited financial statements may appear differently, but the results are intended to be the same.

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY

August 10, 2006
North Miami, Florida

**NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
CONSOLIDATED
BALANCE SHEET
June 30, 2006**

ASSETS AND OTHER DEBITS

ASSETS:

Equity in Pooled Cash and Investments	\$	1,909,099	
Cash - Operating		<u>178,737</u>	
TOTAL ASSETS AND OTHER DEBITS			\$ <u><u>2,087,836</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Advances from Other Governments:		-	
Long-Term Debt:		<u>-</u>	
Total Liabilities			<u>-</u>

FUND BALANCE AND OTHER CREDITS

Fund Balances:			
Current Year Excess (Deficiency) of Revenues Over Expenditures	\$	<u>2,087,836</u>	
Total Fund Balance and Other Credits			<u>2,087,836</u>

TOTAL LIABILITIES AND FUND BALANCE			\$ <u><u>2,087,836</u></u>
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SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY

CONSOLIDATED
STATEMENT OF REVENUES AND EXPENDITURES
BUDGETED AND ACTUAL

FOR SIX MONTH PERIOD ENDING JUNE 30, 2006

	Revised Budget	Actual - YTD	Variance Favorable (Unfavorable)
REVENUES			
Tax Increment Revenues:			
City of North Miami	1,461,825	1,461,825	-
Miami-Dade County	1,003,500	1,003,500	-
Other:			
Interest and Earnings	-	40,396	40,396
Miscellaneous Income	-	20	20
Total Revenues	<u>2,465,325</u>	<u>2,505,741</u>	<u>40,416</u>
EXPENDITURES			
Personnel Services:			
Salaries & Wages	357,839	260,660	97,179
Fringe Benefits	90,561	20,501	70,061
Total Personnel Services	<u>448,400</u>	<u>281,161</u>	<u>167,239</u>
Operating Expense:			
Professional Services	533,800	271,873	261,927
Other Services	1,000	2,837	(1,837)
Insurance	16,105	7,539	8,566
Marketing and Promotion	50,000	14,982	35,018
Printing and Reproduction	10,000	3,696	6,304
Communications	12,000	4,134	7,866
Leases and Rentals	45,500	16,950	28,550
Repair & Maintenance	-	750	(750)
Supplies	2,000	6,459	(4,459)
Utilities	-	9	(9)
Non-Local Travel	10,000	458	9,542
Local Meetings and Schools	-	523	(523)
Dues and Memberships	20,000	1,720	18,280
Total Operating Expenses	<u>700,405</u>	<u>331,929</u>	<u>368,476</u>
Capital Outlay:			
Office Furniture	8,000	3,257	4,743
Computer Equipment	8,000	3,828	4,172
Other Office Equipment	2,000	1,177	823
Total Capital Outlay	<u>18,000</u>	<u>8,263</u>	<u>9,737</u>
TOTAL OPERATING EXPENDITURES	<u>1,166,805</u>	<u>621,352</u>	<u>545,453</u>
OTHER EXPENDITURES			
Service Charge-County Administrative Fee	15,053	15,053	-
Refunds-County Tax Increment Payment (Partial)	781,468	-	(781,468)
TOTAL OTHER EXPENDITURES	<u>796,521</u>	<u>15,053</u>	<u>(781,468)</u>
TOTAL EXPENDITURES	<u>1,963,326</u>	<u>636,405</u>	<u>(236,015)</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>501,999</u>	<u>1,869,336</u>	<u>276,431</u>
OTHER FINANCING SOURCES (USES)			
City Advance:			
Proceeds from Advance	250,000	218,500	31,500
Repayments on Advance	-	-	-
Loan Proceeds:			
TIF Line of Credit Loan Proceeds	300,000	-	300,000
Operating Transfers In (Out):			
General Fund	1,065,740	1,065,740	-
Capital Projects Fund	(1,065,740)	(1,065,740)	-
Debt Service Fund	-	-	-
Total Other Financing Sources (Uses)	<u>550,000</u>	<u>218,500</u>	<u>331,500</u>
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>1,051,999</u>	<u>2,087,836</u>	<u>607,931</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
GENERAL FUND
BALANCE SHEET
June 30, 2006**

ASSETS AND OTHER DEBITS

ASSETS:

Equity in Pooled Cash and Investments	\$	1,080,172	
Cash - Operating		<u>178,737</u>	
TOTAL ASSETS AND OTHER DEBITS	\$		<u><u>1,258,909</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Advances from Other Governments:		<u>-</u>	
Total Liabilities			<u>-</u>

FUND BALANCE AND OTHER CREDITS

Fund Balances:			
Current Year Excess (Deficiency) of Revenues Over Expenditures	\$	<u>1,258,909</u>	
Total Fund Balance and Other Credits			<u>1,258,909</u>

TOTAL LIABILITIES AND FUND BALANCE	\$		<u><u>1,258,909</u></u>
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SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY

**GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGETED AND ACTUAL**

FOR SIX MONTH PERIOD ENDING JUNE 30, 2006

	<u>Revised Budget</u>	<u>Actual - YTD</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Tax Increment Revenues:			
City of North Miami	1,461,825	1,461,825	-
Miami-Dade County	1,003,500	1,003,500	-
Other:			
Interest and Earnings	-	40,396	40,396
Miscellaneous Income	-	20	20
Total Revenues	<u>2,465,325</u>	<u>2,505,741</u>	<u>40,416</u>
EXPENDITURES			
Personnel Services:			
Salaries & Wages	205,660	185,201	20,459
Fringe Benefits	19,000	7,484	11,516
Total Personnel Services	<u>224,660</u>	<u>192,685</u>	<u>31,975</u>
Operating Expense:			
Professional Services	233,800	140,441	93,359
Other Services	1,000	755	245
Insurance	16,105	7,539	8,566
Marketing and Promotion	10,000	200	9,800
Printing and Reproduction	10,000	3,696	6,304
Communications	12,000	4,134	7,866
Leases and Rentals	45,500	16,950	28,550
Repair & Maintenance	-	750	(750)
Supplies	2,000	6,426	(4,426)
Non-Local Travel	10,000	458	9,542
Local Meetings and Schools	-	523	(523)
Dues and Memberships	20,000	1,720	18,280
Total Operating Expenses	<u>360,405</u>	<u>183,592</u>	<u>176,814</u>
Capital Outlay:			
Office Furniture	8,000	3,257	4,743
Computer Equipment	8,000	3,828	4,172
Other Office Equipment	2,000	1,177	823
Total Capital Outlay	<u>18,000</u>	<u>8,263</u>	<u>9,737</u>
TOTAL OPERATING EXPENDITURES	<u>603,065</u>	<u>384,539</u>	<u>218,526</u>
OTHER EXPENDITURES			
Service Charge-County Administrative Fee	15,053	15,053	-
Refunds-County Tax Increment Payment (Partial)	781,468	-	(781,468)
TOTAL OTHER EXPENDITURES	<u>796,521</u>	<u>15,053</u>	<u>(781,468)</u>
TOTAL EXPENDITURES	<u>1,399,586</u>	<u>399,592</u>	<u>(562,942)</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>1,065,739</u>	<u>2,106,149</u>	<u>603,358</u>
OTHER FINANCING SOURCES (USES)			
City Advance:			
Proceeds from Advance	250,000	218,500	31,500
Repayments on Advance	-	-	-
Operating Transfers In (Out):			
General Fund	-	-	-
Capital Projects Fund	(1,065,740)	(1,065,740)	-
Debt Service Fund	-	-	-
Total Other Financing Sources (Uses)	<u>(815,740)</u>	<u>(847,240)</u>	<u>31,500</u>
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>249,999</u>	<u>1,258,909</u>	<u>634,858</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY

**CAPITAL PROJECTS FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGETED AND ACTUAL**

FOR SIX MONTH PERIOD ENDING JUNE 30, 2006

	<u>Revised Budget</u>	<u>Actual - YTD</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Other:			
Interest and Earnings	-	-	-
Miscellaneous Income	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Personnel Services:			
Salaries & Wages	190,179	75,460	114,719
Fringe Benefits	33,561	13,016	20,545
Total Personnel Services	<u>223,740</u>	<u>88,476</u>	<u>135,264</u>
Operating Expense:			
Professional Services	300,000	131,432	168,568
Other Services	-	2,082	(2,082)
Marketing and Promotion	40,000	14,782	25,218
Supplies	-	33	(33)
Utilities	-	9	(9)
Total Operating Expenses	<u>340,000</u>	<u>148,337</u>	<u>191,663</u>
Capital Outlay:			
Office Furniture	-	-	-
Computer Equipment	-	-	-
Other Office Equipment	-	-	-
Vehicle Purchase	-	-	-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Capital Projects:			
Rucks Park	450,000	-	450,000
Area-Wide Business Assistance	200,000	-	200,000
Downtown Business Assistance	100,000	-	100,000
Total Capital Projects	<u>750,000</u>	<u>-</u>	<u>750,000</u>
Debt Service:			
Borrowing Costs	50,000	-	50,000
Interest Payment	2,000	-	2,000
Total Debt Service	<u>52,000</u>	<u>-</u>	<u>52,000</u>
TOTAL OPERATING EXPENDITURES	<u>1,365,740</u>	<u>236,813</u>	<u>1,128,927</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(1,365,740)</u>	<u>(236,813)</u>	<u>(1,128,927)</u>
OTHER FINANCING SOURCES (USES)			
Loan Proceeds:			
TIF Line of Credit Loan Proceeds	300,000	-	300,000
Operating Transfers In (Out):			
General Fund	1,065,740	1,065,740	-
Capital Projects Fund	-	-	-
Debt Service Fund	-	-	-
Total Other Financing Sources (Uses)	<u>1,365,740</u>	<u>1,065,740</u>	<u>300,000</u>
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>-</u>	<u>828,927</u>	<u>(828,927)</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
June 30, 2006

NOTE 1 – The North Miami Community Redevelopment Agency is a newly formed entity created under Florida Statutes, Chapter 163, Part III. Its first year of operations commenced on October 1, 2005 with Fiscal Year 2005/06. At the October 1, 2005 commencement of the fiscal year, the Agency had no assets and no recognized liabilities.

NOTE 2 – Prior to the establishment of the Agency, the City of North Miami incurred costs over the three years preceding fiscal 2006 for the planning, organization and establishment of the Agency. These costs, preliminarily estimated at \$750,000, are under review by Agency staff. It is the Agency's intent to recognize supportable costs at the 2006 fiscal year end as long term debt, and make provision in future years for the repayment of this debt to the City of North Miami.

North Miami Community Redevelopment Agency

**General Fund
Schedule of Administrative Operating Expenditures
Budget to Actual
As of June 30, 2006**

	Revised Budget	Actual - YTD	Variance Favorable (Unfavorable)
EXPENDITURES			
Personnel Services:			
Salaries and Wages			
Regular Salaries & Wages			
Executive Director	-	7,308	(7,308)
Assistant Director	101,472	60,617	40,855
Special Projects Manager	47,567	37,360	10,207
Administrative Assistant	38,000	-	38,000
Other Salaries & Wages			
Executive Director	198,000	147,743	50,257
Expense Allowance	10,800	7,633	3,167
Allocated Salaries & Wages	(190,179)	(75,460)	(114,719)
Subtotal-Salaries & Wages	<u>205,660</u>	<u>185,201</u>	<u>20,459</u>
Fringe Benefits			
Pension - Employer Contribution	27,835	9,093	18,742
FICA/MD - Employeeer	14,308	9,334	4,975
Health/Dental Insurance	-	1,781	(1,781)
Life/Disability Insurance	900	-	900
Mileage, Tolls and Parking Fees	-	70	(70)
Other Benefits	9,518	-	9,518
Unemployment Compensation	-	224	(224)
Allocated Fringe Benefits	(33,561)	(13,016)	(20,545)
Subtotal-Fringe Benefits	<u>19,000</u>	<u>7,484</u>	<u>11,516</u>
Total-Personnel Services	<u>224,660</u>	<u>192,685</u>	<u>31,975</u>
Operating Expenditures:			
Materials and Services			
Professional Services			
Accounting & Auditing	10,000	825	9,175
Legal Services	70,000	72,689	(2,689)
Management Services	40,000	36,323	3,678
Financial Services	20,000	18,006	1,994
Community Outreach Services	23,800	7,109	16,691
Other Professional Services	70,000	5,490	64,510
Subtotal-Professional Services	<u>233,800</u>	<u>140,441</u>	<u>93,359</u>
Other Services			
Finance & Bank Charges	1,000	30	970
Licenses and Permit Fees	-	25	(25)
Other Current Services	-	700	(700)
Subtotal-Other Services	<u>1,000</u>	<u>755</u>	<u>245</u>
Insurance	<u>16,105</u>	<u>7,539</u>	<u>8,566</u>
Subtotal-Insurance	16,105	7,539	8,566
Marketing and Promotion			
Marketing	10,000	200	9,800
Subtotal-Marketing & Promotions	<u>10,000</u>	<u>200</u>	<u>9,800</u>
Printing and Reproduction	<u>10,000</u>	<u>3,696</u>	<u>6,304</u>
Subtotal-Printing & Reproduction	10,000	3,696	6,304

North Miami Community Redevelopment Agency

**General Fund
Schedule of Administrative Operating Expenditures
Budget to Actual
As of June 30, 2006**

	Revised Budget	Actual - YTD	Variance Favorable (Unfavorable)
Communications			-
Advertising & Notices	4,000	315	3,685
Postage and Delivery	2,000	87	1,913
Telephone/DSL/Cable TV	6,000	2,137	3,863
Cell Phone/Beeper	-	1,090	(1,090)
Internet/WEB Services	-	505	(505)
Subtotal-Communications	<u>12,000</u>	<u>4,134</u>	<u>7,866</u>
Leases and Rentals			-
Office Rental	45,500	16,547	28,953
Equipment Rental	-	403	(403)
Other Rental	-	-	-
Subtotal-Leases & Rentals	<u>45,500</u>	<u>16,950</u>	<u>28,550</u>
Repair & Maintenance			-
Computer Maintenance	-	510	(510)
Equipment R&M	-	240	(240)
Subtotal-Repair & Maintenance	<u>-</u>	<u>750</u>	<u>(750)</u>
Supplies:			-
Office Supplies	-	4,187	(4,187)
Operating Supplies	2,000	1,082	918
Data Processing Supplies/Software	-	1,020	(1,020)
Books, Manuals & Subscriptions	-	137	(137)
Subtotal-Supplies	<u>2,000</u>	<u>6,426</u>	<u>(4,426)</u>
Other Operating Expenses			-
Non-Local Travel and Per Diem:			-
Conferences	-	458	(458)
Schools and Training	10,000	-	10,000
Subtotal-Non-Local Travel	<u>10,000</u>	<u>458</u>	<u>9,542</u>
Local Meetings & Schools	-	523	(523)
Subtotal-Local Meetings & Schools	<u>-</u>	<u>523</u>	<u>(523)</u>
Dues and Memberships	20,000	1,720	18,280
Subtotal-Dues & Memberships	<u>20,000</u>	<u>1,720</u>	<u>18,280</u>
Total Operating Expenses	<u>360,405</u>	<u>183,592</u>	<u>176,814</u>
Capital Outlay - Operating:			-
Office Furniture	8,000	3,257	4,743
Computer Equipment	8,000	3,828	4,172
Other Office Equipment	2,000	1,177	823
Total Capital Outlay	<u>18,000</u>	<u>8,263</u>	<u>9,737</u>
TOTAL OPERATING EXPENDITURES	<u>603,065</u>	<u>384,540</u>	<u>218,526</u>

North Miami Community Redevelopment Agency

Capital Projects Fund
 Schedule of Projects Operating Expenditures
 Budget to Actual
As of June 30, 2006

	Revised Budget	Actual - YTD	Variance Favorable (Unfavorable)
EXPENDITURES			
Personal Services:			
Salaries and Wages			
Allocated Salaries & Wages	190,179	75,460	114,719
Subtotal-Salaries & Wages	190,179	75,460	114,719
Fringe Benefits			
Allocated Fringe Benefits	33,561	13,016	20,545
Subtotal-Fringe Benefits	33,561	13,016	20,545
Total-Personnel Services	223,740	88,476	135,264
Operating Expenditures:			
Materials and Services			
Professional Services			
Legal Services	150,000	60,075	89,925
Management Services	-	28,541	(28,541)
Real Property Services	35,000	42,815	(7,815)
Other Professional Services	115,000	-	115,000
Subtotal-Professional Services	300,000	131,432	168,568
Other Services			
Licenses and Permit Fees	-	2,082	(2,082)
Subtotal-Other Services	-	2,082	(2,082)
Marketing and Promotion			
Special Events	40,000	14,782	25,218
Subtotal-Marketing & Promotions	40,000	14,782	25,218
Supplies:			
Operating Supplies	-	33	(33)
Subtotal-Supplies	-	33	(33)
Utilities			
Electric	-	9	(9)
Subtotal-Utilities	-	9	(9)
Total Operating Expenses	340,000	148,337	191,663
TOTAL OPERATING EXPENDITURES	563,740	236,813	326,927