

*C.R.A. Monthly Meeting*

*February 10<sup>th</sup>, 2014  
5:30 P.M.*



The Monthly CRA Meeting of the City of North Miami was held in Council Chambers of City Hall on Monday, February 10<sup>th</sup>, 2014, beginning at 5:30 P.M.

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

***I. CALL TO ORDER / ROLL CALL***

Vice-Chair Galvin: Call the North Miami Community Redevelopment Agency Board meeting of Monday, February the 10<sup>th</sup> to order. Mayor Lucy Tondreau is out sick this evening. So we'll move through the agenda as quickly as possible.

Board Member Steril: You mean Chairperson?

Vice-Chair Galvin: Chairperson, correct. We'll...is there not a pledge of allegiance on this agenda? All rise for the Pledge of Allegiance. Thank you, you may be seated. Mr. Deputy City Clerk, will you please call the roll.

ROLL CALL	Board Member Galvin	Here
	Board Member Steril	Here
	Board Member Bien-Aime	Here
	Board Member Keys	Here

Mr. Louis: Chair, we have a quorum.

***I. APPROVAL OF AGENDA***

Vice-Chair Galvin: Thank you very much. Are there any additions or deletions to tonight's agenda?

Executive Director Johnson: Good evening Vice-Chair and Board Members. No, there are none. The agenda is as presented.

Vice-Chair Galvin: All right, thank you very much.

***II. APPROVAL OF MINUTES***

Vice-Chair Galvin: Is there a motion to approve the minutes from our December 9<sup>th</sup>, 2013 meeting?

Board Member Bien-Aime: So moved.

Vice-Chair Galvin: Moved by Board Member Bien-Aime, is there a second?

Board Member Steril: Second.

Vice-Chair Galvin: Second by Board Member Steril. I want to say Council person. All in favor say Aye. AYE. Any opposed? All right items for action. Our first item this evening is the 2014 Board Calendar.

Executive Director Johnson: Good evening this item in the last meeting, this is not actually for an approval. We just wanted to present this to this Board. You had indicated that you wanted the meetings to be the second Monday of each month. We wanted to...for you to at least see the dates, so that you can see them as they would be for the remainder of the calendar year. Just to draw your attention it goes...when it gets to June you'll see it jumps to August. But that's just simply to say there's a recess in August. The...but however the July meeting because of the recess, we will move that to the first Monday instead of the second Monday.

Board Member Bien-Aime: Of which month?

Executive Director Johnson: For the month of July.

Board Member Bien-Aime: Okay before the Council...

Executive Director Johnson: Before the...actually before you take the recess.

Board Member Bien-Aime: We're going to have Council on Tuesday?

Executive Director Johnson: We will have a Council meeting that Tuesday and that will be the last one.

Vice-Chair Galvin: Does that means we're going to announce our meeting monthly?

Executive Director Johnson: Yes.

Board Member Steril: If we have items on the agenda.

Vice-Chair Galvin: I might make a request. If we're going to go and have a stand-alone meeting where we have to clear our night to be here...

Board Member Steril: That's a bad decision anyway.

Vice-Chair Galvin: I agree but let's not then get in the habit of just cancelling it, cancelling it, cancelling it because I think we had a stretch during 2013 where we didn't meet very often. If we're going to be talking about renewing our CRA and wanting the County to support us. The fact that we're not meeting I think undermines that. So let's make sure we have agenda items because we've got staff members working through the month. Let's talk about whatever it is that we need to talk about. And only cancel if there's just really some overwhelming reason to do so.

Board Member Steril: Mr. Chair may I?

Vice-Chair Galvin: Yes.

Board Member Steril: My first comment and for the first time, it's not they don't have anything to do at the administration point of view. But it's just that they don't have any items to take decisions on. And I think that the...when we make the decision to separate the CRA from the Council, to me that was emotional action. Because that we...I think that was the first meeting for the year or with the new Council and it happened during the Budget. And usually with the CRA even when we had a lot of money, the Budget season what we used to do is, we'll have special meetings to discuss the Budget. But however because that we go over time, it lapse on the Council meeting time. So we feel that on my God, that's going to happen all the time, it's not. If we take the history of the CRA, usually we only have one item per agenda. And having us cancel or clear all agendas on Monday which probably going to be very upset with staff thinking that they're not going their job. Because they're not bringing us items, to me just because they don't have agenda items to discuss. So I would suggest that the best to thing to do because if we're going to meet on Tuesday anyways, even if we don't have anything to say, just to say how is the CRA doing, we can come an hour before then. But to come just on Monday's or having even the constituent clear their schedule when we don't have anything to discuss. I think that was a bad decision. So I still have my motion if you guys allow me to take it back on Tuesday. But if we have any long item or if we have the Budget to have a special meeting on Monday or any other days. But just to have the CRA from now on every Monday knowing that we're not going to meet every Monday, I think it's kind of like dysfunctional. That was my point.

Vice-Chair Galvin: So the Board Member made a motion to move our meetings back to the...what were we doing the second Tuesday of every month?

Board Member Steril: One second Tuesday every month except with the amendment that if there's a long item that we call a special meeting for the CRA, which we're entitled to do.

Vice-Chair Galvin: Is there a second to that motion?

Board Member Keys: I would second that.

Vice-Chair Galvin: All right thank you Council...Board Member Keys. Anybody else want to discuss this item of moving it back to Tuesdays?

Board Member Bien-Aime: I will not be in favor of that. The first time when we vote on it it's because when we have our Council on Tuesday, sometime we have so many appointments and coming on Tuesday I think it's better for me. To be there on Monday before Council and the next day I have the regular Council meeting instead of having the CRA at the same time. And I'm not in favor of that.

Vice-Chair Galvin: Anybody else wish to discuss the matter? The motion has been made and seconded. All those in favor of moving our meetings back to the second Tuesday of every month say Aye. AYE. Those opposed? No. Measure passes 3-1. And now we move onto Agenda Item 2, extending the life of the CRA process. Mr. CRA Director.

Executive Director Johnson: Yes we ask Mr. Zelkowitz to give his presentation so that this Board would understand that we are actively moving forward. So we wanted him to discuss the redevelopment plan and the...what it would mean with the amendment and the extension. Because this Board will be actively...moving forward we have the Budget set. But it's very important that we get this last component done. Being that we will actively be doing this over the next few weeks including presenting our Budget, we wanted you to understand what these activities involve and what would be required of us. The consultant is out of the country but...

Board Member Steril: That's what I was about to ask.

Executive Director Johnson: Yes. Dr. Schneidmann is out of the country but because of the fact we're going to be presenting our Budget and we're actively moving forward we wanted to have that at this meeting because it seems crucial. So I turn it over to our CRA Attorney Mr. Steve Zelkowitz, who's going to do a presentation.

Mr. Zelkowitz: Thank you Mr. Executive Director. I've passed out copies of a Power Point and with your indulgence I'm going to go to the podium and present that to you. Basically it is a presentation of the legal process to amend your redevelopment plan and extend the life of the CRA. Good evening Chair and Board members of the North Miami CRA. My name is Steven Zelkowitz, I'm your CRA Attorney. Our consultant Dr. Schneidmann is out of the country. He's in Japan where he often goes and lectures on redevelopment and City planning issues. So in his place and I

can certainly not replace Frank. I can only take his place for the evening. I'm going to present to you a Power Point entitled North Miami CRA Redevelopment Plan Amendment and Extension. So the first question that we want to answer is, why. Why do we need to amend our redevelopment plan and why do we need to extend the life of this community redevelopment agency? When back in 2005 when this CRA was created and Mr...Dr. Schneidmann, excuse me. Was its first Executive Director and I was here at your attorney, we had a lengthy negotiation process with the County including Tony Crapp. Who at that time was an Assistant County Manager. CRA's are typically given a grant of the delegation of authority for 30 years when they approve their plan. But the County at that point only wanted to give this CRA five years. And the reason for that is, they wanted to see a track record. They wanted to see you do some projects and get Biscayne Landing underway and then they would extend the life of the CRA. We fought them hard on that. You know my position was, give us the 30 years and if we don't do anything in five years, then you know we'll come back in front of you and we'll talk about it. In the end as usual the County was able to get their way. So in our relationship with the County we have an interlocal agreement that was done back in 2005, it's a tri-party agreement between the County, the City and the CRA. And that is the agreement that initially said that we have only five years, which would have taken us to 2010. In the interim when the CRA was contemplating the Pioneer Gardens Affordable Housing Project, a line of credit was entered into and approved by the Dade County Board of County Commissioners. And they extended the life of the CRA at that point for another 10 years. So now we have a sunset date of September 30<sup>th</sup>, 2016. And that's how we got there. There's a resolution that was done back in 2006, which gave us the extension that is similar to the extension we're going to be seeking now with the County. The need to amend the plan itself, you're familiar with the plan. The plan is really based on the Biscayne Landing project that was originally proposed back in 2005. We had a one for one affordable housing requirement. As you all may recall, that is all changed now with the new Biscayne Landing project. We want to talk about after my presentation perhaps some new projects. So in order to publicly fund those projects and have a plan that addresses our current needs, we would need to amend the plan. You need to amend the plan to extend the life as well. So what we need to do is basically go to the County, extend the plan and amend our redevelopment plan. So then the next question is, how long can we extend our life for? Based upon the Florida Statutes, we can extend the life of this CRA for another 30 years from the time we approve the plan amendment or even another 40 years. Because we fall into the category of CRA's that was created after July 1<sup>st</sup> of 2002. The reason for the 30 or the 40 years basically is, if you're going to bond and the typically repayment of a bond, the term is 30 years. So that's why they want to give you the opportunity to have enough life to repay a bond. So depending upon what projects we're going to propose, how we're going to fund them when we go to the County we're probably going to ask for another 30 or 40 years. So in order to get the life extended we have to have some new projects. We have to have a financing plan and so you need to understand in which I'm sure you already do. Basically what is a community redevelopment project, basically it's almost anything that serves a public purpose. For a

CRA these include the installation, construction or reconstruction of streets, utilities, parks, playgrounds. You can have public/private type projects where you're going to participate in let's say a hotel development, parking garages, educational facilities such as the Johnson & Wales or FIU. And the private...some of the public areas of these private projects such as banquet facilities, parking garages, lobbies and other infrastructure improvements can be paid for with your tax increment funds. We also can do what are called area wide improvements, which you've done in the past. Your swale projects that we funded with the CRA funds in the past are also part of the statutory scheme contemplates. So the question then becomes, what can we spend of our TIF on? So there's basically three things that Florida Statutes say you can't spend the money on. One of those is the construction expansion of administrative buildings for public bodies unless the taxing authority which in this case is the County, agrees with the financing or unless the construction is contemplated as part of the Community Policing Innovation. So in English what that means is, you can't use your TIF to build a New City Hall unless the County says you can use your TIF to build a New City Hall. You can use your TIF to build let's say a Police Station or a Police Substation or a Police type facilities because those don't fall in that category. You can use the TIF to build let's say a parking garage or something in connection with the New City Hall but not the administrative building itself unless the taxing authority agrees with you and that is the County. You cannot use the TIF to fund any publicly owned capital improvements or projects if they were scheduled within three years of the approval of the redevelopment plan by the governing body. Now in English what that means is, you all have a CIP Plan. So if we approve this amendment to the Redevelopment Plan let's say in June, if there are things in your CIP that are supposed to be done in the next three years, we can't use the TIF to fund those. The example that we had in the past that we ran into an issue was your new water plant. And you wanted to use TIF money, you wanted to bond but that was in your CIP at the time so we had to wait. And lastly of course you can't use your TIF for general government operating expenses unrelating to carrying out the Redevelopment Plan. So in other words, the TIF cannot be used to pay the salaries let's say of City employees on City business. It can obviously pay for CRA employees doing their jobs but we can't use it for general overhead expenses. So with that is the background. How do you amend your redevelopment plan? For us there's two paths we have to take. One, you have some statutory requirements under Florida law. As we all know, the CRA is a creature of statute. And then we have our process, our local process that involves the City, the County and the CRA itself. So first you know we'll just talk briefly about the statutes that you have to follow. Chapter 163, Section 163.361 basically says you can amend your plan upon the recommendation of the CRA. So when this Board says we want to amend the plan, we go forward, we adopt some plan amendments, we send them off to the City and the County then for approval. So this is the Board that initiates the process as you know. What we need to do if we're going to amend the plan to expand the boundaries, which is something you may want to discuss and talk about. And obviously extending the time certain, we have to discuss that with the governing body, which is the County. We're already doing that, so we're following the statutory requirement in that respect. If

you're going to change the boundaries to the CRA to have to do a new finding of necessity. The finding of necessity is the study that says this area that you want to include in your CRA is either slum or blighted. That's how we got to have a CRA in the first place. We had a big finding of necessity that was prepared that said these areas are some of blighted in accordance with the statutory criteria and that's when we got to the County. They adopted that, they approved it and you got your CRA. Obviously you're going to have a public hearing and that gets noticed in the newspaper. And then this Body will approve the Redevelopment Plan Amendment. And then like I said, we send it off to the City for its approval. The process, the local process is basically a five step process. You have this Board as I just mentioned approving the Redevelopment Plan Amendment then we send it to the Council where you all will sit in your role as Council members and consider it. Then we send it to the County and that's I think where the real work is going to begin. The County has something called the TIF committee, it's the Tax Increment Financing Committee. Every year our budget goes to that committee. It is a committee comprised of County department heads such as Public Works, Planning & Zoning, Office of Management & Budget. And they review the budget or the plan amendment whatever it is that affects the CRA. And once they approve it, they send it on. As you know the County Commissioners a number of years ago created a committee system where everything goes to a committee before it goes to the Board of County Commissioners. Items that deal with CRA's go to the Internal Management and Fiscal Responsibility Committee. So once we go to the TIF, we go to the IMFR committee and then we finally get to the Board of County Commissioners who will then approve our amendment and our extension. And then we will be on our way. So with that in mind that's the legal process that we have to go through. I'm happen to answer any questions you might have on that.

Vice-Chair Galvin: All right Board members, any questions?

Board Member Keys: When do we do this? What is the timing for this?

Mr. Zelkowitz: The timing to do this is wholly within your discretion. I mean if you ask me how long it would probably take. I would think it be a six to nine month process. I mean the actual plan amendment, amended plan has to be drafted. Someone has to do that. You know Dr. Schneidmann has been engaged to basically advise you on I believe some (inaudible) matters you know and meet with the County officials and start the process. But the real meat and potatoes is the revised redevelopment plan.

Board Member Keys: We have to give Dr. Schneidmann the...we have to vote to have Dr. Schneidmann proceed?

Mr. Zelkowitz: The amended redevelopment plan is something Staff could draft. It's something Dr. Schneidmann can draft...

Board Member Keys: I'm not talking about that. I'm saying, do we have as a Board have to take a vote to go ahead and ask Staff and/or Dr. Schneidmann to proceed with the amendment, correct?

Mr. Zelkowitz: Yes. I mean I think what we'll hear perhaps from Staff is that at some point we need to have a workshop. We need to discuss projects that will go into the new plan. We would need to discuss how we intend to fund those projects in the plan, public funds, private funds, combination. And then once we have a vision for what we want to do for the next 30 years, we'll have someone put pen to paper, draft that and then we bring it back for approval.

Board Member Keys: Question to Mr. Johnson. Do we have plans to start working to create this vision and a workshop? What is the timing for this?

Executive Director Johnson: Yes. Well actually the fact that we having the discussion tonight is a part of that planning process. We wanted to educate this Board as to where we are. First of all the prior Board has already approved the process to extend the CRA. That was approved by the prior Mayor and Council. Now that we're moving forward to extend it, the next phase that we did is that we hired Dr. Schneidmann who was help facilitate the extension of that. What is being said here tonight, we have to have a plan. What is it that you would like to build? What improvements would you like to make? Because when we go before the County, we want to have...these are the projects that this Board would like to see. So what Mr. Zelkowitz is doing tonight is simply saying, now is the time that we need to start identify. The next process is what capital improvement projects in the CRA would you like to see? I give you an example on, right now the CRA gets about \$700,000.00 a year, which is impossible with the fact that we have Biscayne Landing is a part of the TIF money. That once that started your CRA is going to get more money. But if we didn't do anything at Biscayne Landing, if you bonded out \$500,000.00 of that 700 that we know we've been getting over the next 30 years, that's \$15 million dollars. Of course you have to reduce it because there's interest that a bank would charge you. But that right there is already...we know we have at least a \$10 million dollar project that we should be identifying by the fact that we're moving forward. And of course as we project what the new TIF money could be, we need to identify other capital improvement projects that we need to identify over that 30 year period. So if the CRA...right now if it goes up to \$2 million dollars a year, if you extend that for 30 years, that's \$60 million dollars of projects. If you were to bond that out and a bank says your CRA is going to get \$2 million dollars for the next 30 years. And you go 30 times that two, that's \$60 million. You may only get really 50 out of that but you need to...this Board has to identify what projects you want to do. We have to start that process now, now that you're being educated tonight because this Board has to identify and approve. That is the amending of our capital improvement. So that when we go to the County we at least...this Body has agreed and identified what projects we're going to do.

Board Member Keys: So you said our next step is to set a workshop to...

Executive Director Johnson: Absolutely.

Board Member Keys: ...identify projects.

Executive Director Johnson: Exactly.

Vice-Chair Galvin: Thank you Board member. Board Member Steril you had questions?

Board Member Steril: Yes indeed. Here's my concern. We need to identify projects.

Executive Director Johnson: Correct.

Board Member Steril: I understand the process of bonding the \$700,000 that we're having every year. And I heard that you also mentioned Biscayne Landing tax increment if it ever, never, ever, ever happens. Biscayne Landing is part of the CRA right now?

Mr. Zelkowitz: That is correct. In fact that is the only part of the CRA where we retain the County's portion of the TIF. As you recall there was a negotiation with the County on that as well. You have geographically I would say probably the largest CRA percentage wise.

Board Member Steril: And it's a problem for me. I have a problem with the boundary of the CRA but take into consideration where the money is coming from, I don't think we can get out of it. My concern is that not that the CRA doesn't have money or bring money enough to make an impact but it's just because that we have such a large CRA for the amount of revenue that we have is really, really, really hard to make an impact. But from what I remember the reason that we have the CRA is because we know that Biscayne Landing was not about to pump us a lot of money. But unfortunately it didn't happen but it remain the same, the boundary remain the same. So...go ahead.

Executive Director Johnson: In that comment the strategy could be, if you have no Biscayne Landing, which we do. But let's just say things don't materialize as quick as we want to. We know that sometime in the future it will but just by itself you know that without Biscayne Landing on an average the budget has been about \$700,000.00. The market is coming back slowly but so if you said, we don't want to do the entire seven, we want to do \$500,000.00. The boundaries are what they are. This Board can look at that as an advantage because if you bond that money out, you can do your project wherever in that area you desire to do.

Vice-Chair Galvin: I'm going to jump in. Where is all this discussion of bonding of money coming?

Executive Director Johnson: It doesn't. It's just a forecast of what...the reason why...

Vice-Chair Galvin: Do I hear a motion to give Staff authority to bond money during this process?

Executive Director Johnson: Well we're not asking to bond.

Board Member Steril: We're not there yet. I'm not there.

Executive Director Johnson: We're asking that once we extend the CRA, I will be coming back to this Board to ask you to give me permission to go out and find out how much we could bond and what banks would give us money.

Vice-Chair Galvin: Why do we want to bond money? Why?

Executive Director Johnson: Because if you extend the CRA, which you have given us approval to do.

Vice-Chair Galvin: Right, just use the income coming off of Biscayne Landing to do new sidewalks. To do new projects, why do we need to bond for construction?

Board Member Bien-Aime: From what I understand we're just...

Vice-Chair Galvin: Question posed by the Chair. Why are you talking about bonding money this evening?

Executive Director Johnson: Theoretically if you only got \$700,000.00 a year, it shows very minimal impact to the eye. You're doing a sidewalk here...

Vice-Chair Galvin: But why would we spend more than we have? Why would we commit the taxpayers of this City to bond money to do projects that we don't have the revenue for? If we're only making \$700,000.00 a year, let's only spend \$700,000.00 a year.

Executive Director Johnson: That would be a decision of this Board.

Vice-Chair Galvin: All right. The Chairman is asking right now, is there a motion to give Staff authority to move forward on bonding projects? Is there a motion? Seeing none, is there a motion...

Board Member Steril: We're not there yet.

Vice-Chair Galvin: No, no, no. Because I'm not going to waste your time and our time with talking about bonding projects if we're not going to be serious about how we're going to pay for it all. If...Mr. Director, have you had discussions with members of this Board about bonding projects prior to tonight?

Executive Director Johnson: No.

Vice-Chair Galvin: So then we've not...

Executive Director Johnson: That's how CRA's work.

Vice-Chair Galvin: You're talking about the gentleman who was here in 2005 when the CRA was put together. I have not missed a single meeting before or after that. I know exactly where you're coming from. I've heard many rumors that we're talking about bonding money to build a New City Hall. That we're bonding money to...I mean even today Mr. Swerdlow called me today and asked me about bonding. I've not had any discussions with you about bonding. The Chairman is going to ask for a motion right now or we're going to just turn the page and move forward. Is there a motion on the floor to allow Staff to move forward with bonding of future projects?

Board Member Bien-Aime: Mr. Chair?

Vice-Chair Galvin: Is there a motion?

Board Member Bien-Aime: Mr. Chair, you don't own the floor. I want to talk.

Vice-Chair Galvin: But I'm glad to see the floor to you after I hear whether or not there's a motion. Is there a motion? Seeing none, no authority is granted moving forward to bond any projects. Board Member Bien-Aime.

Board Member Bien-Aime: Can I talk now? You just said and I heard the attorney for the CRA said in order for us to move forward with the CRA and asking for an extension we need projects. Is that correct?

Executive Director Johnson: Correct.

Board Member Bien-Aime: We need projects and I talked to you before and I talked to a lot of people about the CRA. \$500,000.00 cannot do anything. We need money. And from what I've been talking to people and Mr. Chair need to understand, you're not the only one on this Body asking questions and talking about bond and talking about other things. I've been talking about that.

Vice-Chair Galvin: Do you realize that bonding means borrowing?

Board Member Bien-Aime: I understand what that means.

Vice-Chair Galvin: We can still do projects. We can still do sidewalks.

Board Member Bien-Aime: Mr Chair \$500,000.00 cannot do projects. We need to move the City forward. But that's not what we're talking about. We're talking about identifying projects.

Vice-Chair Galvin: Right. Housing is a project. Sidewalks are projects. Landscaping is projects. I'm sorry, Councilwoman Steril.

Board Member Bien-Aime: Mr. Chair. We're talking about identifying projects. Like me I'm giving you an example. In my district by talking to people, a couple of friends, a couple of people who understand the City. We've been talking about projects for millions. And what I'm going to ask the Council is to direct the City Manager and all the Staff members to find a way to bring us money in order to realize some of the projects that I have. And maybe I don't know if you have projects, you said \$500,000.00 can do sidewalks, you said \$500,000.00 can do housing. I have projects that cost more than \$500,000.00. And I'm going to bring it to the Council. That means you're not the only one on that Body about projects and about identifying money.

Vice-Chair Galvin: Thank you Councilman. I'm just going to call people Councilperson because it gets to cumbersome. The problem with bonding is that we don't have an agreement with Biscayne Landing, Oleta Partners currently. That project is stalled. When there's nothing happening out there, there's no more money coming to this CRA. If we want to get things moving, we need to make sure our Staff as a City Council is talking to Biscayne Landing and making some sort of arrangement. To bond projects means to borrow money. If we're going to borrow money, I'm not comfortable with that. Because we need to be spending what we make.

Board Member Steril: But there's no motion. Why are we discussing something that we don't have a motion on?

Vice-Chair Galvin: Is there anything further Mr. Zelkowitz?

Board Member Keys: Can I ask one more question?

Vice-Chair Galvin: Sure, Board Member Keys.

Board Member Keys: I just want to bring this up in the beginning of discussions and Councilwoman...Board Member Steril, you made a comment you weren't happy with the size of the CRA; you were uncomfortable. And I was curious as to what your discomfort is because this is the only time we can discuss it amongst ourselves. But I do have...I want to bring up a point. That we've been talking about Biscayne Landing, Biscayne Landing. Our City...the City of North Miami has some fiscal problems where we're not...we don't have abundance of cash. And we're talking about Biscayne Landing is our golden goose. That once they start building, they're going to start producing improvements and we're going to have tax dollars. If I'm not mistaken, all of the tax dollars from Biscayne Landing and we're talking millions and millions and millions of dollars, that all goes to the CRA. And I have a problem with that because there's so many things that the CRA cannot do. So what we're looking at is our future tax dollars from Biscayne Landing doesn't go to the City, doesn't go to our operating expenses. None of it goes to a large portion of my district and Councilman Galvin's district. There's no money on the east side or the properties that are not in the CRA for improvements. And I think we need to address the fact that all of Biscayne Landings tax dollars cannot go just to the CRA. Our City needs tax dollars from Biscayne Landings going forward. And this is something we need to address or I don't even know if I can be in favor of going forward with the CRA if we're not going to get any money to the City coffers. Because the City gives up the money and even though we get all the money from the County, we're not getting money that we need to operate our City. And I think that's something we're going to have to address very soon. Mr. Chair.

Vice-Chair Galvin: Absolutely. Councilwoman Steril.

Board Member Steril: The internal management board, is it an advisory board to the Board of Commissioners?

Mr. Zelkowitz: Yes. I think you're referring to the Internal...

Board Member Steril: It's a long sentence.

Mr. Zelkowitz: Yeah, yeah, yeah. The Internal Management and Fiscal Responsibility Committee is a committee comprised and I apologize for not clarifying...of County Commissioners. That is a smaller committee, I think seven of the 13 and they hear these items. And then they make a recommendation to either send it to the full board or not to send it to the full board.

Board Member Steril: So they're a stand-alone board?

Mr. Zelkowitz: I'm sorry?

Board Member Steril: They're a stand-alone board.

Mr. Zelkowitz: Yes, they're a stand-alone committee of County Commissioners. The County went to this system, I don't know five or seven years ago.

Board Member Steril: I remember there was a time...I think with the budget that they did not allow the budget for a very long time to go before the board that we had to start lobbying.

Mr. Zelkowitz: Yes Commissioner Heyman was the Chair of that board for a number of years and...

Board Member Steril: I thought it was a different board.

Mr. Zelkowitz: We had...committee, excuse me. And we had some issues there.

Board Member Steril: Yeah that's all. I just wanted to clarify it.

Board Member Keys: Can Mr. Zelkowitz address my question about future taxes of Biscayne Landing and the fact that all tax dollars were going to the CRA and not to the operating expenses, general fund of our City. So even those people and businesses over on Biscayne Landing don't get any tax dollars spent over there.

Mr. Zelkowitz: And it's a somewhat complicated question and answer. The way the tax increment financing works for CRAs, you have a base year. So our base year for our CRA is 2005. So this CRA receives the increment. So when that tax amount from the year 2005 increases, you have your base year and then in 2006 it went up. So this little piece of it going up comes to the CRA.

Board Member Keys: It started at 0 taxes because the City owned it.

Mr. Zelkowitz: Well the City owns it but you know my recollection from the first lease, which I was involved in. I was not involved in the second lease. There was a pilot payment to the City. A payment in lieu of taxes. I don't know if you're still getting that from Biscayne Landing.

Board Member Keys: I don't believe so.

Vice-Chair Galvin: Not for another couple of years.

Mr. Zelkowitz: Okay.

Board Member Keys: We're getting a small...five years from now we will be getting a small million or a million and a half dollar rental payment. But we're talking millions of dollars in taxes.

Mr. Zelkowitz: Well we can certainly...the increment, yes. So what the answer to your question is, the increase in taxes if it was 0 in the base year of 2005 and you increase it, then all of those tax revenues actually...well 95% would come to the City. The City side and the County side.

Board Member Keys: And then it goes to the CRA?

Board Member Steril: Not the entire. There's a portion that comes to the CRA. Is it the entire 95%?

Mr. Zelkowitz: For everything east of Biscayne Boulevard...west of Biscayne Boulevard 95% of the City's portion of the taxes comes to the CRA. The portion for the area west of Biscayne Boulevard that's the County's portion gets refunded to them every year. Cause they were not about to give up pretty much all of their tax...60% of their tax revenue because your CRA is about 60% of your geographical area.

Board Member Keys: But speaking just the tax dollars coming...the future tax dollars coming from Biscayne Landing...actually the existing tax dollars cause we started at 0. All tax dollars from Biscayne Landing go directly to our CRA.

Mr. Zelkowitz: 95%.

Board Member Keys: Go to the City to be given to the CRA. So none of the tax dollars that we are receiving from Biscayne Landing now or in the future go to the operating funds of our City.

Vice-Chair Galvin: They should but we do blur the line. We do use CRA money to pay for half the cost of MOCA this, half the cost of concerts.

Board Member Keys: What about operating improvements in the non-CRA district? We have no funds for that.

Mr. Zelkowitz: When it comes time to amend your CRA plan, I would presume that there may be a negotiation between the CRA and the City as to how much of the increment that this City is willing to give up so to speak from Biscayne Landing. And you can certainly expect the County to also renegotiate their position as well.

Board Member Bien-Aime: In the extension that we're talking about projects. At the same time can we change the boundary? Let's say we have the Biscayne Landing, I'm just giving you an example. Let's say we change it, half goes to the City and half goes to the CRA. When we're doing the boundary, if we redo the map...

Board Member Steril: But that's not going to be good for you though. You're going to get less money.

Board Member Bien-Aime: No but the concern of Councilwoman Keys. If we use all that money 95% of that money goes only to the CRA. If we change the boundary, let's say we say (inaudible). A part goes to the CRA, the rest goes to the City. The boundary of the CRA is including Biscayne...no. It's including Biscayne Landing. What I'm asking is, if we redo the boundary...

Board Member Steril: Biscayne Landing?

Board Member Bien-Aime: Exactly. If we redo the boundary now we know 95% of a part of it is going to go to the CRA. The other part just because it's not in the boundary, this one is going to go to the City. Can we do that in the extension of the plan to extend the life of the CRA?

Vice-Chair Galvin: We can do anything we want if the County agreed to it. Here's the question I'm hearing and I've heard both my Councilmembers to my left tonight discuss moving the boundary of the CRA. Are you specifically...no?

Board Member Bien-Aime: (Inaudible – simultaneous discussion) concern of Councilwoman Keys.

Board Member Steril: May I?

Vice-Chair Galvin: I take a little bit exception with what Councilwoman Keys said. I actually like the boundaries of the CRA. It's everything west of Biscayne, which is an area that needs to be improved. That's why I've wholeheartedly...I think almost always supported...

Board Member Steril: That was an introduction to...because if you remember, I always have problems with the size of the CRA, the way that we spend money. If we have \$20 million dollars or \$5 million or \$1.00, we tend to spend like a penny, a penny there then we never see the impact of the CRA. That was my introduction to understand that. Although we have a big CRA, we cannot do everything in one year just because we \$500,000. We have to focus on...even with \$10 million dollars. You cannot say that you have a CRA 95% or 60% of the City. We think that with \$10 million dollars we're just going to cover everything. And I'm not fighting for a

district. But we have two or three big projects, we know that will benefit the City in long term. So either my district or whomever district it is but it's a CRA project. So we have to focus on project instead of saying okay, if we have \$500,000 spend \$200,000 in my district, \$100,000 here, 50 there, 50 here, so we'll never see the impact. So that was my concern in terms of the boundary.

Vice-Chair Galvin: Sure but the only way to change that is to bond the money. To bond the money to borrow from a bank to get a bunch of money upfront and make a big splash.

Board Member Steril: I totally disagree with...

Vice-Chair Galvin: And my worry is, if we bond money that something happens at Biscayne Landing and suddenly they're not providing the revenue stream that we want them to. And if we've bonded, we've committed to the banks that this is what we're going to do. So we're basically taking out a loan and if Biscayne Landing dies, if Michael Swerdlow rips up the contract and walks away and we're in court for the next 10 years, we've now bonded saying that we're going to recognize that revenue stream. I'm very, very uncomfortable that we would bond the project...that we would bond the project and then try to build a new City Hall.

Board Member Bien-Aime: Mr. Chair. If we want to have a discussion about bond, bond, where we're going to find the money, let's have it another day. Then everyone...we can direct the City Manager. We can ask...

Vice-Chair Galvin: If I'm hearing a motion. Is there a motion to set up a bonding workshop with the Staff, with the community?

Board Member Bien-Aime: Not for the CRA about everything. I will move the motion.

Board Member Steril: Yeah there is a motion.

Vice-Chair Galvin: Here's where we're not premature. I heard from Michael Swerdlow today, yesterday and he was complaining about all the discussions that are going on about bonding. More than one person has come back to me and said, oh I hear you're building a new City Hall and you're going to bond the project to do it. I don't like that there are discussions going on that this Board has not approved. If you want to bond and build a new City Hall, build new parks facilities, whatever you want to do, get approval here first. We need to stop with the secondary discussions that are going on without this body discussing it and without us voting to approve it. And if you want to clarify it, get Mr. Swerdlow in the room so he can tell me why he was concerned yesterday about bonding. We've not ever had that conversation before. If there are no

motions tonight to give you directions to bond, I consider this a mood point. We need to not be here still tonight talking about issues that haven't been approved. So I'll ask one more time. Is there a motion to give Staff approval to move forward with discussions on bonding projects?

Board Member Steril: That's a second one?

Board Member Bien-Aime: For the CRA?

Vice-Chair Galvin: For the CRA.

Board Member Bien-Aime: Or the City?

Vice-Chair Galvin: For the CRA, this is the CRA Board. Hearing none, all future discussions until it's approved by this body should halt and not go forward. Am I clear? Is this body clear, no discussions about using CRA money to bond projects?

Board Member Steril: Correct.

Board Member Bien-Aime: Mr. Chair.

Vice-Chair Galvin: Yes sir.

Board Member Bien-Aime: Any member of the Council is free to discuss anything with Staff or anybody. Now it's not official that this body authorize like the City Manager or the CRA Coordinator to engage in any discussion about bonding. But me as a Councilmember, I can discuss anything like that with my City Manager, with anybody.

Board Member Steril: You don't have to ask permission.

Vice-Chair Galvin: You understand why then we're sending mixed signals. If we're saying there's to be no discussion because there was no motion and was no vote but you can have the discussion.

Board Member Bien-Aime: Mr. Chair there's something. I've been talking about bond not for the CRA. I'm talking about the City.

Vice-Chair Galvin: All I'm talking about is the CRA.

Board Member Bien-Aime: Okay, no CRA. No I'm not talking about the CRA. I wasn't talking about bond for the CRA.

Vice-Chair Galvin: Mr. Swerdlow called me yesterday complaining about the CRA money being bonded. And he said but I don't even have an agreement with you. How can you be bonding CRA money when...

Board Member Bien-Aime: I don't know where he got that from.

Executive Director Johnson: (Inaudible – simultaneous discussion) Mr. Swerdlow should be weighted accordingly.

Vice-Chair Galvin: I just want to make it abundantly clear that this CRA is not in the process of discussing bonding CRA money for anything at this stage.

Executive Director Johnson: Mr. Vice-Chair, I have to say this to you. My position as the CRA Director is to present what Mr. Zelkowitz did. In order for us to have capital improvement projects, to identify...during the extension of the CRA, we have to identify the projects. In looking at how CRAs working and looking along the spirit of what Board Member Steril just stated, the City without Biscayne Landing has been getting several hundred thousand a year. If we want to be effective, we can do it two ways, which I will come back to this Board and present to you whether it's in a workshop of your possibilities. Here are your projects, you could take \$500,000 and you can go 100 this district, 100 that district, 100 district and these projects for CRA won't get funded. Or here's another method of doing it. Fairly it's my fiduciary responsibility to let you know of all the possibilities. So although we're not discussing bonding, I will let you know all of your possibilities. And I will tell you that traditional when you bond...when you extend the CRA, without Biscayne Landings you're going to get several hundred thousand a year. And I'm going to let you know what that means and what you can and cannot do with it. To give you all the information. I will be coming back and asking you, here's what your avenues are. Would you want me to explore or would you not want me to explore. I have to do that in some sort of date to give you all of the information. So no, it hasn't been discussed for CRA but I will tell you, when you extend the CRA and if you have no Biscayne Landing, you have an opportunity to get several million dollars. I have to come back to you and let you know. You can either find one project like Board Member Steril or you can continue to spend it in each district.

Vice-Chair Galvin: If Biscayne Landing is dead and gone. If Biscayne Landing is frozen for whatever reason for the next five years, you're saying that there's a way that this CRA could still realize money?

Executive Director Johnson: We do every year. We haven't had Biscayne Landing and we still get several hundred thousand a year.

Vice-Chair Galvin: Well okay I'm not trying to be particular about the Oaks versus Biscayne Landing. I consider one the same project.

Executive Director Johnson: Without Biscayne Landing what we've been acquiring without Biscayne Landing is several hundred thousand a year.

Vice-Chair Galvin: Okay so the several hundred thousand a year that we will continue to recognize, even if it's frozen worst case scenario. How would we then be able to get more money off of that?

Executive Director Johnson: Because what I would then come back once you do capital improvements, I would say if you're getting \$500,000 a year cause what the CRA is now. The situation is, this Board says we're only getting \$500,000 a year. If you extend the CRA for 30 years and...

Vice-Chair Galvin: We borrow against that money.

Executive Director Johnson: You can take the \$500,000...

Vice-Chair Galvin: Isn't that bonding?

Executive Director Johnson: That's bonding.

Vice-Chair Galvin: Okay so we're having discussions about bonding but you're not anymore. No more CRA discussion about bonding. Here's the thing...

Board Member Steril: You're having the conversation. Nobody else. You're asking him questions. You're having the discussion.

Vice-Chair Galvin: That's the thing. He's telling me we're not going to have discussions about bonding. But then he says, he's planning to have discussions about bonding.

Board Member Bien-Aime: About projects he want to do.

Vice-Chair Galvin: Then please Mr. Manager, if you're going to borrow against the revenue, how is that not bonding?

Executive Director Johnson: Vice-Chair what I'm simply saying is, is that I will at some point and time have to let you know what your options are. Whether...what is the desire of this Board. Do you want to take that money and just spend it and boost districts every year where you see very minimal impact or do you want to do something big? And I would let you know...

Vice-Chair Galvin: So you're saying, do we want to spend more than we make or do we want to spend what we made?

Board Member Steril: Whatever that you want to do.

Board Member Bien-Aime: Its projects. We have to bring...

Vice-Chair Galvin: This is such a leading set of questions.

Executive Director Johnson: It's just simple options. I have to give you what your options are.

Vice-Chair Galvin: But if this body is not giving you permission tonight to discuss bonding, to go anywhere further with bonding, stop. The direction...

Board Member Bien-Aime: Mr. City Manager, a question. Now in order to move forward with the extension of the CRA, one of the main issues now is for us or you guys to identify projects. Is that correct?

Executive Director Johnson: Correct.

Board Member Bien-Aime: Okay, that's it.

Vice-Chair Galvin: But only projects that fall within the amount of money that we're going to make. So if we're only going to make \$500,000 a year for the next 10 years...

Board Member Bien-Aime: We're talking about projects. We're not talking about funds.

Vice-Chair Galvin: You can't talk about projects without funds.

Board Member Bien-Aime: Exactly. When I come with the projects for the City, then the City Manager is going to tell me whether or not we have the money.

Board Member Steril: May I Mr. Chair?

Vice-Chair Galvin: You can have all those discussions you want. But do not have any discussions about bonding CRA money. Against borrowing against the CRA money until this body gives you that direction.

Executive Director Johnson: I understand it clearly.

Vice-Chair Galvin: Chairwoman Steril. Chairwoman Keys.

Board Member Keys: I just want to go back and be redundant that I'm concerned that we get no tax...the City receives no tax dollars from Biscayne Landing in the future to operate our City. This year we sold...we got \$20 million dollars. We've used about \$3 million this year to balance our budget. Our budget had a shortfall. We took Biscayne Landing money and we balanced our budget. I believe you used a million and a half or so last year to balance your budget. We are almost out of that money. There's \$2 million dollars left. After next year if we use another \$2 million dollars there's no more money for another few years from Biscayne Landing. We are not going to be able to balance our budget.

Board Member Steril: Really?

Board Member Keys: That is correct.

Board Member Bien-Aime: That's why we need to identify the money and identify some strong projects for the City instead of wasting that money every year.

Vice-Chair Galvin: The City needs to stop dipping into Biscayne Landing money to balance its budget. The City needs to be from the City and the CRA needs to be from the CRA. I'm tired of blurring the lines.

Board Member Keys: Do you not think we should be getting tax dollars from Biscayne Landing ever?

Vice-Chair Galvin: None. CRA money should be going...the CRA money coming off of Biscayne Landing...I was here in 2005. The CRA money coming off of Biscayne Landing was supposed to relieve the slum and blight in the CRA district, which is west of Biscayne Boulevard.

Board Member Keys: And no tax dollars...

Vice-Chair Galvin: Nothing, zip, zero, nada. We've gotten lazy. We've balanced our books by reaching over across the line. We need to stop that. No more money for concerts. No more money for anything. This is my opinion. The CRA needs to fund projects in the CRA, whether it be housing, whether it be landscaping, whether it be sidewalks, whatever. And the City needs to fund the City. No Staff members, no projects, nothing blurred.

Board Member Keys: I would take exception because when we have Biscayne Landing...

Board Member Steril: Are we having budget?

Board Member Keys: No this is important because this is the tax dollars.

Board Member Bien-Aime: We can discuss that tomorrow night. We have Council tomorrow.

Board Member Keys: But this the CRA money. And you're saying you want every tax dollar to go into the CRA for projects. But when Biscayne Landing is built and we have another 5,000 units and we have all of these stores, we are going to have an impact. We are going to have more Staff. We're going to have more Police. We are going to have more Code Officers. We're going to have a bigger expense and what you're saying is none of the tax dollars from there are going to operate that 184 acres. We've got to take tax dollars from Biscayne Landing.

Vice-Chair Galvin: If you want to talk about that when the project rebounds then maybe you talk about it when the project rebounds. Right now there's nothing happening out there.

Board Member Keys: But we're getting ready to redo our CRA and this is the time to address it.

Vice-Chair Galvin: So I would say that Staff should negotiate some wiggle room. That when the project rebounds you've got the opportunity to address it. But right now I just don't think money should be spent east of the Boulevard now.

Board Member Keys: I'm not talking east of the Boulevard.

Vice-Chair Galvin: That's the only area that's not in the CRA.

Board Member Keys: No I'm talking about operating expenses of our Staff, of our Staff for the entire City. The additional Staff and impact that Biscayne Landing is going to have on us. That is going to cost. I'm not talking physical improvements.

Vice-Chair Galvin: But the CRA...the CRA is small right now. The Staff is small right now.

Board Member Keys: I'm talking about the City, our City is broke.

Vice-Chair Galvin: Let's say in 10 years Mr. Prudent...Mr. Prudent can theoretically be overseeing grounds crews that are cleaning up graffiti. He could be overseeing any number of housing things. There's more that the CRA can do. I don't want us to take CRA money and have it paying for stuff that's Citywide. I guess we see the CRA a little differently but I'm...

Board Member Bien-Aime: It's two things we're talking about. And Councilwoman Keys don't want all the money from Biscayne Landing to go to the CRA.

Board Member Keys: Correct. We need some of those tax dollars to go in the General Fund to do our operating.

Board Member Bien-Aime: How can we do that? Can we just change that 95%, say 50% goes to the CRA, the other goes to the City?

Executive Director Johnson: Board Member Bien-Aime, we'll do that now. What happens is back a few years ago and the CRA would continue to do that is that once the CRA we found certain things that the City was paying for, the CRA started to pay for. And believe it or not that reduced the General Fund budget. And once it does that that does leave money for areas that are not funded by the CRA.

Board Member Keys: But you have to be very careful cause the County is very strict on Staff...well we've had to back off because...

Executive Director Johnson: You're absolutely correct. That's why because they wanted to see more brick and mortar. But if your CRA is up and going and if it's doing what it's supposed to do, it relieves your General Fund because the other boundaries are surviving off of your CRA. Which then leaves your tax dollars that you're now getting in for your areas that are not covered by the CRA.

Board Member Bien-Aime: If I understand, let's say we need sidewalks. Instead of using the General Fund to do the sidewalk CRA do the sidewalk. It's still the City.

Vice-Chair Galvin: And then the money that would have been spent General Fund is now freed up for non-CRA areas. That's the beauty of our CRA and why it made so much sense 10 years ago. Because we would use the revenue to fix up the areas that needed to be fixed up. And then other monies are freed up to spend non-CRA.

Board Member Bien-Aime: We just cannot use the money for public facilities like City Hall and things like that?

Executive Director Johnson: According to the law. And so what hurt everything was two things, the economy and Biscayne Landing not taking off. We do see a rebound. So this item...the purpose of this item tonight was to basically...there's nothing to vote on. But we needed to do the presentation so that you can understand that

in moving forward, it would be crucial for the County to know what projects we intend to do by extending the CRA.

Vice-Chair Galvin: And this is the reason why our CRA should meet every single month. Let's not have a repeat of 2013 where we met four times. Let us meet every month. We clearly have a lot to talk about. Is there any further discussion from the Council?

Board Member Bien-Aime: No.

Board Member Steril: Move to adjourn.

Vice-Chair Galvin: Is there any further discussion from Staff? There's a motion to adjourn. All in favor say Aye. AYE. Motion made to adjourn by Councilwoman Steril. All in favor say Aye. AYE. Those opposed?

Board Member Steril: That was a long hour and five minutes. That's a lot of talking. Is that a good time? You sure know how to manage your time.