Miami-Dade County Board of County Commissioners

Office of the Commission Auditor

Legislative Analysis

Economic Development & Social Services Committee

May 11, 2011
9:30 A.M.
Commission Chamber

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Miami-Dade County Board of County Commissioners
Office of the Commission Auditor

Legislative Notes
Economic Development & Social Services Committee
Meeting Agenda

May 11, 2011

Written analyses and notes for the below listed items are attached for your consideration:

Item Number(s)

1(E)2 & 1(E)3
3(C)
3(D) & 3(E)

Acknowledgements
Bia Marsellos, Legislative Supervisor
Michael Amador, Senior Legislative Analyst
Elizabeth Owens, Legislative Analyst
Mia Marin, Legislative Analyst

MIAMI-DADE COUNTY
BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR

Legislative Notes

Agenda Item:	**1(E)2 and 1(E)3**
File Number:	**110993 and 110994**
Committee(s) of Reference:	**Economic Development and Social Services Committee (EDSS)**
Date of Analysis:	**May 9, 2011**
Type of Item:	**Resolution**

Summary

These resolutions seek approval from the Board of County Commissioners (BCC) to:

- **EDSS Item 1E2 (Legistar Item No. 110993)**- Authorize the County Manager to substantially amend Multi-Year Action Plans to recapture and reallocate program funds from Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), Housing Development Action Grant (HODAG), change in scope for HOME project-Florida City Village Phase VII from homeownership to rental, and recommending that $656,000 of the $912,384.36 in reallocated CDBG go to capital and infrastructure projects impacted by the 16 percent reduction in FY 2011 CDBG funds.
- **EDSS Item 1E3-(Legistar Item No. 110994)**- Authorize a substantial amendment to the FY 2008 through FY2012 Consolidated Plan, and the FY 2011 Action Plan to reduce the County's CDBG funding by 16 percent ($2.778 million).

Background and Relevant Legislation

On March 3, 2011, the BCC, through R-179-11, approved the FY 2011 Action Plan. The FY 2011 Action Plan lists the activities to address the goals and objectives of the FY2011 Consolidated Plan which was approved by the BCC on November 4, 2010, through R-1083-10.

The FY 2011 Action Plan includes $25,289,000 for the following programs: Community Development Block Grant (CDBG), HOME, Emergency Shelter Grant (ESG) and State Housing Initiatives Partnership (SHIP).

On November 4, 2009, the BCC, through R-1284-09, approved the FY 2010 Action Plan, and on October 21, 2008, through R-1127-08, approved the FY 2009 Action Plan. On June 2, 2009, the BCC, through R-679-09, approved the FY 2009 Consolidated Plan and on July 17, 2008, through R-839-08, also approved the FY 2010 Consolidated Plan.

Recapture and Reprogram of Multi-Year Action Plans

The funds in EDSS Item 1E2 recapture and reallocate the following:

- CDBG $ 912,384.36
- HOME $4,342,956.60
- HODAG $2,817,590.00

Additionally, this item recommends a change in scope of a HOME project by Central Campesino Farmworkers Center (CCFC) – Florida City Village Phase VII from homeownership to rental. According to the County Manager's memo, a total of $1,400,365 in HOME funds was allocated to complete ten units under Phase VII of the project, but CCFC is unable to pursue the project as a for-sale homeownership project due to the current market conditions. CCFC proposes to advertise ten-single family detached rental units to current clients in the CCFC.

Furthermore, Item 1E2 recommends that $2,817,590 in HODAG funds be reallocated to the HODAG Reserve Funds. HCDC is unable to expend funds because U.S. HUD authorization to release funds is pending. This measure is being recommended by the County Executive Office (CEO), while the County works with U.S. HUD regarding the HOME expenditure requirements.

In a letter dated March 14, 2011, U.S. HUD informed the County it was in danger of missing its Commitment/Expenditure deadline for HOME funds. On April 27, 2011, the County responded to this deadline informing U.S. HUD of its intent to ensure the funds in question are committed and will be disbursed in a timely manner.

Finally, Item 1E2 recommends that $656,000 of the $912,384.36 in reallocated CDBG funds go to capital and infrastructure projects to mitigate the 16 percent reduction in CDBG funding based on the federal governments approved FY2011 budget.

Substantial Amendment to FY2008-2012 Consolidated Plan and FY2011 Action Plan
EDSS Item 1E3, amends the Consolidated Plan and the Action Plan to address an anticipated 16 percent reduction in CDBG funding due to the recently approved FY 2011 federal budget. According to CEO staff, the County has confirmed with U.S. HUD Miami Office that the reduction will occur. The 16 percent reduction of CDBG funding to the County translates into an amount totaling $2.778 million. Additionally, this item recommends the reduction across-the-board for activities originally approved for funding under the FY2011 Action Plan, except for the 40 percent set-aside for County Departments.

Furthermore, the recommendations for reduction proposed in Item 1E3, maintain the BCC-approved policies of spending 20 percent in the Neighborhood Revitalization Strategy Areas (NRSAs) and 10 percent on economic development activities. Additionally, Item 1E2, also on the same May 11, 2011, Economic Development and Social Services Committee Agenda, recommends the reallocation of prior year' CDBG funding to offset the 16 percent reduction.

In response to questions posed by the Office of Commission Auditor (OCA), CEO staff provided the following information:

> **Is the Commitment/Expenditure funds deadline the same as the cancelled HOME funds deadline that was addressed and approved by the BCC through Resolution R-198-11 and R-316-11?**
> According to CEO staff, t*he reason R-198-11 and R-316-11 was presented for BCC approval was to recapture and reallocate funds from projects that are/will be cancelled. U.S. HUD has a requirement that projects must expend at least $1 within 12 months of appropriation and*

therefore R-198-11 and R-316-11 addressed the cancellation requirement. The Commitment/Expenditure is different because the requirement states that HOME funds must be committed within two years and expended within five years.

The $656,000 being used to mitigate part of the 16% CDBG reduction, what was the funding going to be used for before the need to mitigate? According to CEO staff, t*he funds were not earmarked for any specific projects. These funds can be earmarked for eligible CDBG projects that applied through the RFA process, or previously funded and require additional funding in order to finish projects that started or fill a funding gap.*

Why is the set-aside for County Departments not subject to the 16 percent reduction? *According to CEO staff, the set-aside was not exempt for the 16 percent but rather not in proportion for each project. The 16 percent reduction adjustment for County departments still equates to $1.11 million but each project was evaluated by DHCD to preserve mandated programs.*

Prepared by: Mia B. Marin

MIAMI-DADE COUNTY
BOARD OF COUNTY COMMISSIONERS
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Legislative Notes

Agenda Item:	**3(C)**
File Number:	**110865**
Committee(s) of Reference:	**Economic Development and Social Services Committee**
Date of Analysis:	**May 6, 2011**
Type of Item:	**Resolution**
District:	**12**

Summary
This resolution authorizes Confidential Project 11-00375 to receive economic incentives from the Qualified Target Industry Refund (QTI) in an amount not to exceed $19,200.

The business is a new biomedical technology research and development company in Miami-Dade County that is considering the acquisition and remodeling/renovation of a 12,500 square foot existing building in Miami-Dade County to establish its North American research and development center and regional headquarters. The business would employ 16 new workers at its Miami-Dade County facility paying an average salary of $70,000, which is equivalent to 161 percent of the average wage in Miami-Dade County.

Current Business Incentive Programs Provided by the County and State:
According to the Office of Economic Development and International Trade (OEDIT), companies interested in relocating to or expanding in Miami-Dade County may qualify for the Targeted Jobs Incentives Fund (TJIF) program, and the Qualified Targeted Industry (QTI) program, through Miami-Dade County and the State of Florida.

Miami-Dade County Targeted Jobs Incentive Fund (TJIF)
The TJIF is designed to attract new-to-market businesses and support local business expansions. The TJIF Program works by providing cash incentives to qualifying companies in selected industries that create new above-average paying jobs and make a capital investment of at least $3 million.

State of Florida Qualified Target Industry (QTI) Tax Refund
This incentive is available for companies that create high wage jobs in targeted high value-added industries and may provide the company a tax refund of up to $3,000 per new job created. The QTI program is funded by the State of Florida (80%) and Miami-Dade County (20%).

The QTI program requires the creation of at least 10 new fulltime jobs at salary levels equal to or exceeding 115% of the State annual average wage, or $41,516. For businesses paying 150% of the State average annual wage, the incentive is increased by a $1,000 per job; and for business paying 200% of the State average annual wage, the incentive is increased by $2,000 per job. Companies that locate or expand within any of Miami-Dade County's Enterprise Zones, the tax incentive refund is increased up to $6,000 per new job created, and the minimum salary requirement may be waived.

Additional Information

Below is a QTI/TJIF Incentive Project Summary from FY 2008 through FY 2011:

Project ID	Date of Approval	QTI Resolution Number	TJIF Resolution Number	Comm. District (If Known)	Proposed Capital Investment	Total 6 Year Job Commitment	Total QTI Award	QTI County 20%	TJIF County Amount	Total County Incentive Amount
08-00207	4/8/2008	R-338-08		12	**$14,836,770**	**245**	$980,000	$196,000	$0	**$196,000**
05-00315	7/21/2009	R-1019-09		1	**$7,800,000**	**123**	$369,000	$73,800	$0	**$73,800**
08-00300	7/21/2009	R-1020-09	R-1021-09	12	**$8,090,000**	**25**	$75,000	$15,000	$87,500	**$102,500**
10-00013	10/8/2009	R-1197-09	R-1198-09	6	**$3,900,000**	**366**	$475,800	$95,160	$20,000	**$115,160**
10-00053	1/21/2010	R-29-10	-	12	**$800,000**	**125**	$162,500	$32,500	$0	**$32,500**
10-00065	4/6/2010	R-350-10	R-351-10	13 or 1	**$230,000,000**	**150**	$900,000	$180,000	$3,929,119	**$4,109,119**
10-00080	5/4/2010	R-490-10	R-491-10	6	**$42,000,000**	**35**	$320,000	$64,000	$777,167	**$841,167**
10-00228	7/20/2010	R-837-10		6	**$4,600,000**	**180**	$900,000	$90,000	$0	**$90,000**
11-00094	3/1/2011	R-161-11		12	**$9,675,000**	**45**	$270,000	$54,000		**$54,000**
Project Vital	4/4/2011		R-248-11	2	**$3,025,000**	**60**		$0	$52,869	**$52,869**
11-00375	4/28/2011	Pending		12	**$1,400,000**	**16**		$0		**$0**
Summary		**10**	**Projects**		**$326,126,770**	**1,370**	**$4,452,300**	**$800,460**	**$4,866,655**	**$5,667,115**

Source: OEDIT

Prepared by: Mia B. Marin

MIAMI-DADE COUNTY
BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR

Legislative Notes

Agenda Item:	**3(D) and 3(E)**
File Number:	110916 and 110985
Committee(s) of Reference:	Economic Development and Social Services (EDSS)
Date of Analysis:	**May 6, 2011**
Type of Item:	Resolution
District:	5

Summary

These resolutions approve the following:

- **EDSS Item 3D (Legistar Item No. 110916)-** Authorize the execution of a Joint Participation Agreement (JPA) between Miami-Dade County (County) and the City of Miami (City) to conduct a study of rail crossings as required under the United States Department of Transportation National Infrastructure Discretionary Grant Program Agreement (TIGER II Grant Agreement); and
- **EDSS Item 3E-(Legistar Item No. 110985)-** Authorize the execution of a Rail Improvement Grant and Limited Assumption Agreement between the County and the Florida East Coast Railway (FEC) relating to the Tiger II Grant Agreement.

Background

The United States Department of Transportation (U.S. DOT) is authorized to award $600 million in TIGER II Grant funds and is included in the U.S. DOT 2010 Appropriation. On October 15, 2010, U.S. DOT announced its intent to award the Port of Miami (POM) $22.767 million dollars in TIGER II grant funds to rehabilitate the existing Port rail lead, repair its bascule bridge, and construct an efficient high capacity on-Port intermodal rail facility (POM Intermodal and Rail Reconnection Project).

According to the U.S. DOT website, TIGER II grants were awarded to projects that have a significant impact on the nation, a region or metropolitan area. Furthermore, the projects awarded TIGER II grant funds demonstrate their ability to contribute to the long term economic competitiveness of the nation, improve the condition of existing transportation facilities and systems, increase energy efficiency and reducing greenhouse gas emission, improve the safety of U.S transportation facilities and/or enhance the quality of living and working environments of communities through increased transportation choices and connection.

TIGER II Grant Application for POM Intermodal and Rail Reconnection Project

Based on the TIGER II grant application, the portion of the Intermodal and Rail Reconnection project being funded by the TIGER II Grant entails three principle On-Port improvements:

- Bascule Bridge: the rehabilitation of the non-operational bascule bridge connecting the POM to the mainland;
- Rail Lines and Gantry System: Construction of the on-port lines and gantry system. This portion of the project will include by-pass rail sliding and required equipment for the on-port intermodal facility
- Intermodal Apron: Construction of an intermodal apron running parallel to the full length of the tracks.

POM Intermodal and Rail Reconnection Project Budget Figures

Tiger II Grant Construction Cost for On-Port Elements is as follows:

Bridge Reconstruction	$3,500,000
Port Intermodal Rail Line Tracks and Gantry System	$9,567,000
Port Rail Intermodal Apron	$12,000,000
Total (On-Port Improvement Costs)	$25,067,000

Funding Sources: TIGER II Grant $22,767,000; POM $2,300,000.

Cost for Off-Port Elements is as follows:

Reconstruction and Relocation of FEC Port Lead and Construction of Southwest Connection at Little River FEC Hialeah Rail Yard Track	$21,840,800
Reconfiguration and Improvements	$2,400,000
Total (Off-Port Improvement Costs)	$24,240,800

Funding Sources: FEC $21,840,800; POM $2,400,000.

Total Combined On-Port and Off-Port Cost for the POM Intermodal Rail Reconnection Project

Total (On-Port Improvement Costs)	$25,067,000
Total (Off-Port Improvement Costs)	$24,240,800
Total Project Cost On and Off Port	**$49,307,800**

Rail Improvement Grant and Limited Assumption Agreement between County and FEC-Item 3E

On March 15, 2011, the Board of County Commissioners (BCC), through R-188-11, passed an Assumption Agreement between the County and FEC, on an emergency basis, to avoid Congress to "sweep back" various federal grants that were either unspent or not yet awarded.

The Limited Assumption Agreement, being proposed through this resolution, Legislative No. 110985, will supersede the agreement approved through R-188-11. According to POM staff, the agreement provided in R-188-11 was limited in detail but served as the instrument to secure the Tiger II grant funds. The proposed agreement will commit the County to funding up to $2.4 million (Capital Asset Bond Funds) in intermodal improvements in the FEC Hialeah Rail Yard; however this commitment is contingent upon the FEC first completing $22 million in required off-Port construction under the TIGER II Grant Agreement. Additionally, the agreement contains provisions concerning its expiration, early termination and FEC liability cap reduction upon FEC completion of projects. According to the County Manager's memo, the provisions of the TIGER II Grant Agreement, the Port may not draw funds or incur expenses until the County executes an Assumption Agreement with the FEC.

JPA between Miami-Dade County and the City of Miami (City) for Study-Item 3D

This JPA will fund and authorize the City to conduct a Quiet Zone Study (Study) of 18 rail crossings for the purpose of making safety improvement and noise reductions. The Study is estimated to cost $149,933 and is funded by the County ($99,418) and the City ($50,515). The Quiet Zone is a safety element of the Port Lead which is a component of the POM Intermodal and Rail Reconnection Project included in the TIGER II Grant application. As part of the Port Lead design, the FEC will construct Quiet Zones at each street rail grade crossing. Quiet Zones are sections of the railroad corridor where train crews do not have to sound the horn at railroad crossings. The cost to create a Quiet Zone depends on the existing infrastructure at each crossing and how much infrastructure improvements are required for each. The average cost of implementing a Quiet Zone can range from $300,000-$500,000.

The Florida Department of Transportation (FDOT) and FEC has committed a total of $9 million for the implementation of the results of the Quiet Zones Study. According to POM staff, if the project cost goes beyond the $9 million, FEC is still responsible for performing the work and no County funding will be used for its implementation.

Questions

In response to questions posed by the Office of Commission Auditor (OCA), POM staff provided the following information:

- Is the JPA with the City of Miami (Legislative item No. 110916) a companion item to the Rail Improvement Grant/Limited Assumption Agreement (Legislative item No. 110985) listed in the May 11, 2011, Economic Development and Social Services Committee Agenda? *The JPA with the City is one of the associated TIGER II-related contracts. The JPA is a stand-alone item, but it makes sense that the FEC and City items are brought up and discussed together.*
- How was it determined that the County would contribute $99K and the City $50K for the Quiet Zone study? *In exchange for receiving 100% of federal funds (not sharing with the FEC), County agreed to contribute to the Off-Port project element.*
- The Rail Improvement Grant/Limited Assumption Agreement item mentions that these agreements are part of several agreements necessary for full implementation of the Port of Miami Intermodal and Rail Reconnection Project, what are the other agreements? Do the other agreements provide for the County to make additional funding commitments? If so, how much? *Unless the project increases in cost, there are no more items planned to be presented to the BCC that will obligate the County or Port to further costs. The County is obligated for $100K in the City JPA; $2.4M in the FEC Assumption Agreement; and $2.3M for equipment to be purchased under TIGER II Agreement with US DOT. The $2.5M FEC amount is reduced by $100K (Quiet Zone Study contribution by the County) to $2.4M since FEC cannot be a direct sponsor under federal regulations of the Quiet Zone Study*. **See chart below.**

Rail Improvement Grant and Limited Assumption Agreement Figures			
	Port	**FEC**	
Funding Sources	**Rail**	**Rail**	**TOTAL**
TIGER II	$22,767,000		$22,767,000
FDOT		$10,900,000	$10,900,000
FEC		$10,900,000	$10,900,000
Port	$2,300,000	$2,500,000	$4,800,000
City of Miami		$50,000	$50,000
TOTAL	**$25,067,000**	**$24,350,000**	**$49,417,000**

Source: POM

- Have there been studies conducted relating to Intermodal Rail Reconnection Project? *There were no formal studies concerning this project. A public outreach effort was conducted by the FEC using URS Corporation, which was part of the TIGER II Grant application process.*
- How much public involvement has the public had? Were there public meetings held and feedback obtained from the various homeowner associations pertaining to this project and its impact to the surrounding community? *The project had letters of support from the County, City, Downtown Development Authority (DDA), MPO, unions, major vessel operators, and numerous elected officials. The public involvement process was rather substantial and it was called a 'Community Awareness Plan.' The Community Awareness Plan identified the techniques to be used to engage the public, local government, and key stakeholders in the Florida East Coast (FEC) Railway Corridor project. The Community Awareness Plan provides a schedule of community awareness activities and identified stakeholders and various techniques by which they would be notified about the project and any scheduled meetings.*

- How old is the Intermodal and Rail Reconnection Project? *This project, as configured, was developed in mid-2010 during the TIGER II Grant application process.*
- What are the projected Operation and Maintenance costs to the County for this project? *The Off-Port rail is FEC responsibility. The On-Port rail will be a future agreement to be brought to the Board.*
- Have hours of operation for the trains been established? Will it be limited to nighttime operation hours? *The commitment to the City and DDA was that hours of operations will be determined working with the stakeholders. The system was specifically designed for the downtown environment – short trains no longer than ½ mile moving at speeds between 10 and 30 miles an hour to clear intersections quickly. Presumption is that there will be 2 black-out periods of 2 hours each during morning and evening rush hours.*

Prepared by: Mia Marin