

City of Miami

Southeast Overtown / Park West

COMMUNITY REDEVELOPMENT AGENCY



Annual Report

FY 2012-2013



Creating Opportunities for Community Empowerment

**City of Miami
Southeast Overtown/ Park West
Community Redevelopment Agency**

**Annual Report
and Financial Statements
(Per Chapter 163.356- 3(c) F.S.)**

March 31, 2014

**Clarence Woods
Executive Director**

**Cornelius Shiver
Assistant Director**

www.miamicra.com/seopwcra





On behalf of the Southeast Overtown/Park West Community Redevelopment Agency (“CRA”) we are pleased to submit the Annual Progress Report and Financial Statements for the fiscal year ending in September 30, 2013. The CRA is committed to eliminating slum and blight and encouraging growth within the Southeast Overtown/Park West Redevelopment Area. Throughout Fiscal Year 2013, the CRA’s Board of Commissioners and its administration continued to support major projects, programs and initiatives that aim to strengthen and redevelop the Overtown and Park West communities.

This Annual Report will showcase many of the redevelopment initiatives and programs that the CRA provides to its residents, stakeholders and business owners in furtherance of its redevelopment goals and objectives set forth in the 2009 Southeast Overtown/Park West Community Redevelopment Plan. Most notable is our continued effort to increase affordable and workforce housing in the Redevelopment Area. In 2013, the CRA was successful in obtaining approval for the issuance of bonds up to \$60,000,000. The approval of this bond financing will allow our agency to finance various redevelopment projects, including the renovation of existing housing located in two of the largest multi-family residential developments in area, Town Park Village and Town Park South.

Other significant accomplishments for FY 2013 include allocating additional funding to build a state-of-the-art gymnasium at the Theodore Gibson Park and rehabilitating the historic Ebenezer Methodist Church in order to convert the property into a multi-purpose community center for use by the public and to house the CRA-supported Hospitality and Culinary Institute. Looking ahead, I am confident that the CRA, working in close partnership with the residents and dedicated community stakeholders, will continue to achieve our mission of making the Redevelopment Area the best place to live, work and play.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Clarence Woods III". The signature is stylized and fluid.

Clarence Woods III
Executive Director



Southeast Overtown / Park West Community Redevelopment Agency Board Members

The CRA's Board of Commissioners is comprised of the five Commissioners of the Miami City Commission. Meetings of the CRA Board are open to the public and are held on a monthly basis. The current Board of Commissioners are:



Keon Hardemon
Chairperson
Commissioner, District 5



Wilfredo "Willy" Gort
Vice-Chair
Commissioner, District 1



Marc Sarnoff
Board Member
Commissioner, District 2



Frank Carollo
Board Member
Commissioner, District 3



Francis Suarez
Board Member
Commissioner, District 4

BOUNDARIES OF THE REDEVELOPMENT AREA

The Redevelopment Area is approximately 650 acres and is located mainly in the northwestern section of the Central Business District and is bounded on the East by Biscayne Boulevard, on the North by I-395, on the West by I-95 and on the South by NW 5th Street and then again by the Metro-rail on the West, NW 1st Street on the South and Miami Ave on the East, and then again NW 5th Street on the South.

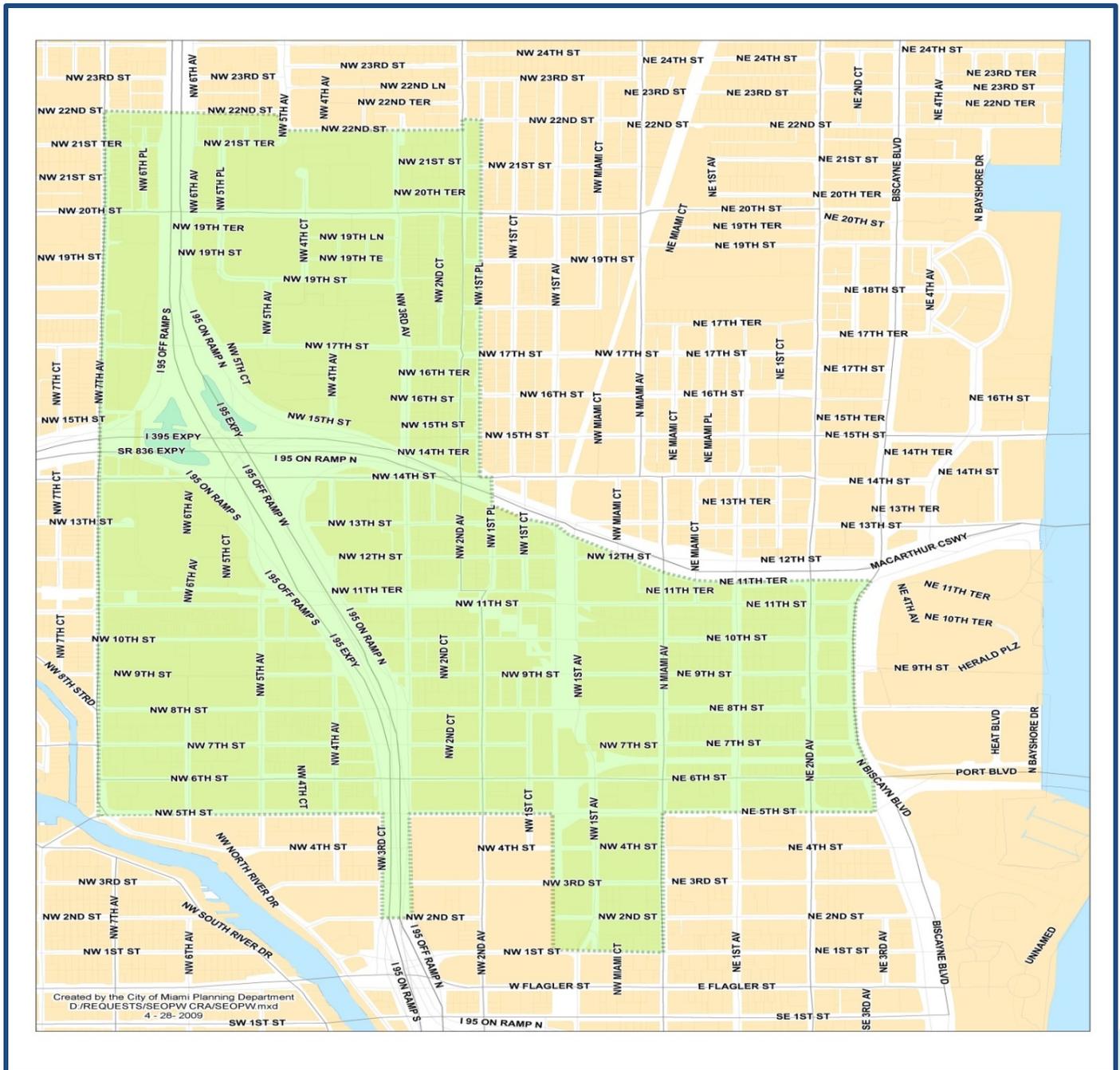


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I. Introduction:

This Annual Report is prepared in accordance with Section 163.356(3) (c), Florida Statutes, on or before March 31st of each year, with the governing body that created the CRA. The Annual Report must include the CRA's activities for the preceding fiscal year, financial statement setting forth the CRA's assets, liabilities, income and operating expenses as of the end of the CRA's fiscal year.

II. Purpose and Mission:

The purpose of the Southeast Overtown/Park West Community Redevelopment Agency ("CRA") is to undertake redevelopment activities that would facilitate the elimination of slum and blight. Such activities include, but are not limited to, infrastructure upgrades, façade improvements, and economic development incentive programs to attract new businesses to the Redevelopment Area, and the promotion and support of job creating initiatives to preserve and enhance the tax base of the Overtown and Park West neighborhoods.

The CRA's mission is to foster an enhanced quality of life for residents and stakeholders in the Redevelopment Area by reducing negative confluences and increasing opportunities for economic growth within the community.

III. CRA Staff

Executive Director	Clarence E. Woods, III
Assistant Director	Cornelius Shiver
Chief Financial Officer	Miguel A. Valentin
Director of Architecture & Development	Brian Zeltsman
Marketing Coordinator	Jonelle Adderley
Grant Administrator	Xavier Vega
Executive Assistant to the Director	Percilla Kelsey
Compliance Officer / Office Manager	Stephanie Manrique
Business Development / Job Coordinator	Nathaniel Jones
Administrative Assistant	Andrea Smith
Quality Assurance Site Manager	Reynaldo Diaz
Community Liaison	Martha Whisby
Office Assistant	Antonette English

IV. COMMUNITY REDEVELOPMENT PLAN

The 2009 Southeast Overtown/Park West Community Redevelopment Plan (“Plan”) sets forth the redevelopment goals, objectives and principles anticipated to eradicate the conditions of slum and blight throughout the Southeast Overtown/ Park West Redevelopment Area. The Plan sets forth the following six goals:

- Preserving historic buildings and community heritage
- Expanding the tax base through the use of planning principles
- Creating infill housing, diversity in housing and retaining affordable housing
- Creating jobs within the community
- Improving the quality of life for residents in the Redevelopment area

The Plan identifies fourteen (14) guiding principles aimed to facilitate the achievement of the aforementioned Redevelopment Goals.

- Principle 1:** The community as a whole has to be livable. Land uses and transportation systems must be coordinated with each other.
- Principle 2:** The neighborhood has to retain access to affordable housing even as the neighborhood becomes more desirable to households with greater means.
- Principle 3:** There must be a variety in housing options.
- Principle 4:** There must be variety in employment opportunities.
- Principle 5:** Walking within the neighbor must be accessible, safe and pleasant.
- Principle 6:** Local cultural events, institutions and businesses are to be promoted.
- Principle 7:** The City and County must provide access to small parks and green spaces of an urban character.
- Principle 8:** Older buildings that embody the area’s cultural past should be restored.
- Principle 9:** New and rehabilitated buildings must respond to our climate and reflect the community’s cultural heritage.
- Principle 10:** Streets and buildings must be attractive.
- Principle 11:** 24-hour environments should be encouraged.
- Principle 12:** Identifiable neighborhood centers are to be established in a distributed pattern within Overtown and Park West.
- Principle 13:** The zoning and other development regulations must be reworked to yield the results envisioned in this Community Redevelopment Plan.
- Principle 14:** Restore a sense of community and unify the area culturally.

The CRA’s Board of Commissioners has authorized various redevelopment activities in furtherance of the aforementioned goals and principles.

1. ECONOMIC DEVELOPMENT

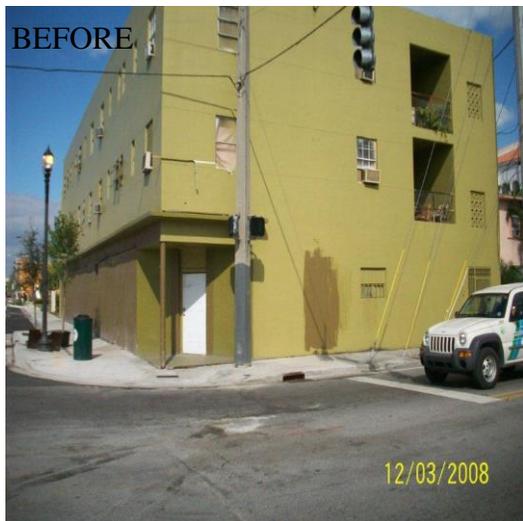
In order for the communities of Overtown and Park West to achieve its full potential, it is important to address and improve the neighborhood economy and expand the economic opportunities of residents and stakeholders. In 2013, the CRA continued to issue grants to new and existing businesses throughout the Redevelopment Area for a variety of activities, including technical assistance, architectural services and construction. Said grants focused on the revival and expansion of the local business community to provide goods, services and jobs to area residents, and to attract visitors to the area by highlighting its historic significance and vibrant culture.



Conceptual Rendering of Block 56, provided by All Aboard Florida.

Block 56-All Aboard Florida Project Development

On September 12, 2013 the Board of Commissioners approved All Aboard Florida –Stations NW Sixth Street as the developer of a large scale commercial project on Block 56. The proposed project will consist of 112,500 square feet of retail, office and /or commercial space and include 250 parking spaces for use by the general public. The development will connect the neighborhood to the newly emerging multi-model transportation hub commonly known as All Aboard Florida that will connect downtown Miami to other South and Central Florida cities.



Carver Apartment and Shoppes at 801 NW 3rd Avenue. Completion anticipated in March of 2014.

The CRA also funded and supported several new and existing commercial developments that were in various stages of planning, design and/or construction at the close of 2013. Examples of the aforementioned can be seen in the following:

Carver Apartments and Shoppes

What was once a vacant eye-sore, has now transformed into the new gateway for the Historic Folk-Life District. The *Carver Apartments and Shoppes*, located at 801 NW 3rd Avenue is a mixed-use development consisting of affordable residential units and commercial retail space on the ground floor. The project is owned and managed by Mt. Zion Developments, Inc., a local community development corporation.

New Arena Square North and South

The *New Arena Square North and South* complex is a mixed-use development that has undergone significant rehabilitation over the years. The CRA provided funding to renovate the commercial units on the ground floor provides local entrepreneurs with new opportunities to house and or expand their business operations. In consideration for the improvements, the property owner agreed to record a restrictive covenant on the property providing that the rent assessed to commercial tenants remain affordable for a period of five years. This provides commercial tenants with an opportunity to build and enhance their respective businesses without risk of rising overhead costs for the foreseeable future.

On September 30, 2013, the Board of Commissioners approved a \$50,000 grant to Harba Foods, Inc., an existing business at New Arena Square, to expand its business to include service for coffee and deli sandwiches. This expansion is expected to be completed in 2014. The Board of Commissioners also provided a \$50,000 grant to Italian Ice by Denise, a new business to the area, for the build out of a retail bay at New Arena Square. Italian Ice by Denise is expected to open in 2014.



Overtown Shopping Plaza

The CRA envisions the *Overtown Shopping Plaza*, located at 1490 NW 3rd Avenue as becoming a viable neighborhood center for residents to shop and dine. On March 25, 2013, the Board of Commissioners passed and adopted a resolution to expend \$1,350,000 to renovate the existing property to attract commercial tenants. Renovations to the building will include the installation of new storefront windows, doors and canopies, as well as upgrades to the roof and interior of the plaza.

The location currently houses Regions Bank, the sole banking institution within the Redevelopment Area, the City of Miami's Overtown Neighborhood Enhancement Team offices and the temporary offices of the CRA and Overtown Resource Center. In preparation for new tenants, the CRA also approved a grant initiative to provide up to \$500,000 for tenant improvement grants to perspective tenants. The site is expected to undergo construction in 2014 and is projected to house a local grocery store.



Tenant Wrap Around Building Rehabilitation Program

In collaboration with the Downtown Miami Partnership, the CRA established the Wrap-Around Building Rehabilitation Program which provides owners of commercial and retail facilities with project funding assistance of up to 75% (not to exceed \$65,000) for repairs, upgrades and signage for active commercial structures throughout the Redevelopment Area. In FY 2013, the following sites were upgraded with assistance from the program: People's Barbecue located at 360 NW 8th Street received new signage, impact windows and doors and exterior paint for a total cost of \$37,879. Jackson Soul food Restaurant and Harba Foods Grocery Store received new signage at a total cost of \$6870.



People's Barbecue at 360 NW 8th Street

2. HOUSING DEVELOPMENT

In Fiscal year 2013, the CRA continued to support housing initiatives that improved living conditions in the Redevelopment Area. These initiatives include renovations to the existing housing stock and the development of new projects for varied income ranges, including the development of “workforce” housing through partnerships with employers located in and surrounding the communities. To ensure that affordable housing is retained within CRA-supported residential development projects, the CRA has also incorporated specific income requirements within the development agreements for said projects.

REHABILITATION OF MULT-FAMILY HOUSING

155 Northwest 10th Street

This 9-unit residential building at 155 NW 10th Street, Miami, Florida was in need of major repairs in order to accommodate residential occupancy. On October 29, 2012, the Board of Commissioners authorized the issuance of a grant, in an amount not to exceed \$300,000 for the rehabilitation of the property. In exchange for receipt of the grant, the property owner agreed to execute and record a restrictive covenant limiting the monthly rental amounts to be assessed to tenants to 60% of area medium income in Miami-Dade County, with said individuals paying no more than 30% of their income as rent for the lease of a residential unit at the property. This project is in the permitting phase and is scheduled to be completed in 2014.



Building at 155 NW 10th Street before construction

Renovation of Town Park North –Grant

Town Park Plaza North is a residential housing complex built in 1973, and consists of 20 buildings and 168 condominium units (“Town Park Plaza North”). The condition of Town Park Plaza North poses significant risk of health and safety to its occupants, and in turn, extensive rehabilitation is needed, as evidenced by structural cracks, unsecured railings, deteriorating plumbing, rotting wood, and outdated electrical wiring.

On October 24, 2013, the Board of Commissioners authorized the issuance of a grant, in an amount not to exceed \$3,333,000, to Town Park Plaza North for the renovation and rehabilitation of residential units and commons areas at Town Park North. A competitive solicitation was issued in order to select the most qualified contractor and the selection of the contractor for the project is expected to occur in April 2014.

Renovation of Town Park South and Village

Town Park Plaza South consists of 116 cooperative apartment units in a 17 building complex constructed in 1971. Town Park Village No. 1 consists of 151 cooperative apartments units in a 20 building complex constructed in 1970. Both developments were initially subsidized through the U.S. Department of Housing and urban Development Federal Housing Administration (“HUD”) and made subject to a Regulatory Agreement.

Both developments are owned and operated by their respective Associations as a cooperative housing development. The Associations are currently receiving Project Based Section 8 Housing Assistance Payment pursuant a contract between the Associations and HUD. Both Town Park Plaza South and Town Park Village are suffering from longstanding deferred maintenance, structural, plumbing, and electrical problems and life safety issues and is contributing to slum and blight in the Redevelopment Area. In turn, such conditions contribute slum and blight in the Redevelopment Area. On January 28, 2013, the Board of Commissioners authorized the Executive Director to enter into grant agreements with Town Park Plaza South, Inc. and Town Park Village No. 1, Inc. for grants in the amount of \$3,333,333.33 each for the rehabilitation of the developments. Funding for these grants is conditioned on the SEOPW CRA’s ability to issue bonds.



NEW CONSTRUCTION PROJECTS:

Poinciana Village Phase II

On June 27, 2013, the CRA issued a Request for Proposals for Phase II of the Poinciana Village Condominiums Project on Block 46. The new construction project will consist of 250 new residential units and 10,000 square feet of ground floor commercial space, recreational facilities and amenities.

The project will also entail limited renovations to the existing units at Poinciana Village. The 64 unit Poinciana Village Condominium is currently a leasehold Condominium. As part of the Agreement the Developer will be responsible for working with the Condominium Association to convert the leasehold condominiums into a fee simple condominium thereby benefitting the unit owners and making the 64 unit condominiums more viable and self-sustaining. The CRA has committed to fund \$ 500,000 of pre-development expenses, of which \$83,000 will be utilized by the Developer to make needed repairs to the existing Poinciana Village.



Island living Apartments

Island Living, located at 1201 NW 3rd Avenue is a new construction project planned for the heart of the historic Overtown Commercial Corridor. The eight story building will consist of 70 affordable housing units and 5,000 square feet of commercial space. The development will also feature pedestrian friendly walkways, a playground area for children, green space and parking. At least 50% of the units will be dedicated to households with incomes that do not exceed 60% of the Area Median income for Miami-Dade County (“AMI”). The remaining units are dedicated to households with income not to exceed 120% of the AMI. The CRA anticipates funding a portion of this project from the bonds authorized to be issued.



St. Johns Overtown Plaza Apartments

St. Johns Overtown Plaza Apartments, located at 1327 NW 3rd Avenue is a new construction project consisting of 90 affordable housing units and 8,000 square feet of commercial space. The development will include a daycare center that will be open to the public. At least 50% of the units will be dedicated to households with incomes that do not exceed 80% of the AMI. The CRA anticipates funding a portion of this project from the bonds authorized to be issued.



Courtside Family Apartments

Courtside Family Apartments (Phase I) is a new construction project located on the SW corner of NW 17th Street and NW 4th Avenue (adjacent to the Culmer Center). The development will consist of 84 affordable housing units with a mix of one, two and three bedroom units. 100% of the units will be dedicated to households with incomes that do not exceed 60% of the AMI. The CRA anticipates funding a portion of this project from the bonds authorized to be issued.



The Plaza at the Lyric

The Plaza at the Lyric is a new construction project planned for Block 25 in the Folk Life Village, located at 919 NW 2nd Avenue. The mixed-use development will consist of 158 affordable housing units and 8,000 square feet of new commercial space. Amenities in the project will include a tot lot, fitness center, and library and offices community space. 50 % of the units will be dedicated to households at or below 60 % of the AMI. The CRA anticipates funding a portion of this project from the bonds authorized to be issued.



Block 45- Overtown Gateway Partners LLC

On September 12, 2013 the Board of Commissioners approved Overtown Gateway Partners LLC as the developer of Block 45. The development is designed to transform the Overtown neighborhood into a vibrant district offering a wide range of options to live, work and play. The mixed-use development will consist of up to 400 residential apartments incorporating affordable housing for the surrounding workforce and an international hotel containing no less than 125 rooms. The development will also include 50,000 square feet of office space, 30,000 square feet of commercial space containing restaurants, supper clubs and amenities, and 150 parking spaces available to the general public.



3. INFRASTRUCTURE UPGRADES

The CRA continues to improve upon the public infrastructure throughout the Redevelopment Area, including the development of new parking facilities, special lighting, landscaping and pedestrian amenities that will help encourage existing businesses to expand and new businesses to relocate to the Redevelopment Area and improve the quality of life for residents.



Public Parking

The CRA continues to invest in the development of public parking to support businesses within the Redevelopment area. To date, the CRA has already constructed three public surface parking lots along the historic NW 3rd Avenue Business Corridor. In, 2013 the Board of Commissioners authorized the expenditure of \$60,000 for the construction of a temporary parking lot at 276 NW 9 Street to support the newly rehabilitated Carver Apartment and Shoppes mixed-use development. The Board of Commissioners also authorized a \$60,000 grant to the Longshoremen of Dade County, Inc. (“ILA”) for the construction of a temporary parking lot at 832 NW 2nd Avenue to support businesses along the NW 2nd Avenue “Entertainment” Corridor.

Public Plaza at the Lyric Theater

In preparation for the expansion of the Lyric Theater, the Board of Commissioners approved funding in an amount not to exceed \$ 185,000 to renovate and install The Lyric Plaza which, sits adjacent to the historic Lyric Theater .This will provide a venue for outdoor performances, events and a farmers market. The renovation of the Lyric Plaza will include the installation of a drainage system, installation of decorative pavers, landscaping, lighting and planters.

Development of Regional Impact (DRI), Increment III:

The CRA engaged the services of The Curtis Group to prepare Increment III of the Master Development Order for the Southeast Overtown/Park West Development of Regional Impact (“SEOPW DRI”). The SEOPW DRI is used as a planning tool to determine the public infrastructure improvements required to accommodate future planned developments, and to develop and implement a mitigation program to alleviate any potential negative impacts arising from those developments. The resulting SEOPW DRI development program will serve to establish the total amount of development that can be located anywhere within the DRI boundaries, subject to local land development regulations. The SEOPW DRI analysis is essential to new businesses looking to locate within the Redevelopment Area as the information on the existing area-wide conditions and projected improvements and timeline is readily available at no direct cost to developers and investors and provides a prospective view of the projected build-out of the area. On September 26, 2013, the Miami City Commission passed Ordinance No. 13406 which amended and supplemented the Miami Code of Ordinances by adding and updating language related to Increment III Development Order and Amendment to the Southeast Overtown/Park West DRI Master Development Order.



4. HISTORIC PRESERVATION

In furtherance of the CRA's plan to preserve older buildings that embody the areas culture and history, the CRA continued to identify and support the renovation and adaptive reuse of historic structures throughout the Redevelopment Area.

Chapman House Repairs and Upgrades

On September 24, 2012, the Board of Commissioners authorized the expenditure of funds in the amount of \$33,000 for improvements and repairs to the Historic Chapman House, located on the campus of Booker T. Washington Senior High School at 1200 NW 6th Avenue. The improvements to the building included painting, new awnings, new restroom fixtures on the second floor and repairs to the security system.



Black Archives Historic Lyric Theater Welcome Center Complex

The Black Archives Historic Lyric Theater Welcome Center Complex, located at 819 NW 2nd Avenue is owned and operated by the Black Archives, History and Research Foundation of South Florida, Inc. The Lyric Theater is currently undergoing an expansive renovation that will include the Black Archives' offices and its Archives, additional office space, multi-purpose rooms, dance studios and a new state-of-the-art theater. As a complement to the expansion, the Board of Commissioners authorized a grant on July 25, 2013 in the amount of \$66,000 for the installation of visual equipment at the Lyric Theater necessary for film screening and other related activities. The Lyric Theater is expected to open in April 2014. Once completed, the new center will be available for performance arts shows, art exhibitions, youth and educational programming, presentations and archival research



Ebenezer Methodist Church

On October 24, 2013, the Board of Commissioners accepted a \$900,000 grant from the U.S. Department of Commerce's Economic Development Administration (EDA) to rehabilitate the historic Ebenezer Methodist Church at 300 NW 11th Street. The funds awarded by the EDA will be used to fund the interior demolition and rehab of the former church building into a multipurpose community center for use by the newly expanded Hospitality and Culinary Institute operated by Miami Dade College. The Hospitality and Culinary Institute, which is currently funded by the SEOPW CRA, provides job readiness training and hospitality industry job fairs and referral services to residents in Overtown on a monthly basis. Once completed, the building will include a banquet facility for public and private events, a culinary catering kitchen and incubator for startup food businesses, as well as a tutoring center. The project is currently in the permitting phase and is scheduled to begin construction in 2015.



5. PARKS AND OPEN SPACES

Theodore R. Gibson Park & Gymnasium

The CRA's Redevelopment Plan provides that "the provision of adequate community facilities and services is essential in order to complement redevelopment activities proposed for Overtown. In furtherance of the Plan's goals and objectives, the SEOPW CRA sought to undertake the renovation of Theodore R. Gibson Park at 401 NW 12th.

The state-of-the-art sports complex includes: a new football/baseball field with artificial turf, upgraded sports lighting, covered bleachers and a press box. The park also features a new recreation building incorporating a fitness center, a new Olympic size swimming pool, kids play area, walking paths, and an open air plaza for the Overtown community to enjoy. From 2009 to 2013, the CRA has allocated funding for the upgrades and improvements of Gibson Park, with \$600,000 allocated on April 29, 2013 for the design and construction of an indoor gymnasium, and for \$1,000,000 for additional updates requested by the Overtown community. Notably, the CRA was successful in facilitating a private donation of an additional \$1,000,000 to be used towards the project.



6. QUALITY OF LIFE INITIATIVES

The physical appearance and sense of security of a community has a direct correlation to the type and quality of development projects, real estate values, and economic potential for the area. The Redevelopment Area has suffered from conditions of slum and blight that include abandoned and unsecured structures, neglected and sparse landscaping, and deferred property maintenance on residential and commercial structures, undeveloped and overgrown lots. These conditions are exacerbated by the real and perceived criminal activities occurring within the area, including homicides, prostitution and illicit drug-trafficking. To this end, the CRA has undertaken a series of redevelopment activities to address these conditions in a holistic manner.

ShotSpotter Flex Gunfire Alert Services Pilot Program:

The CRA's 2008 Finding of Necessity determined that there is a significant level of criminal activity occurring throughout the Redevelopment Area. In an effort to reduce crime in the Redevelopment Area, The CRA has implemented several security measures that include improved street lighting, and the demolition and or securing of abandoned buildings. In 2013, the Board of Commissioners authorized the expenditure of funds in the amount of \$75,000 for the installation of the Shot Spotter Flex Gunfire Alert and Analysis service as a pilot program in the Redevelopment area. The program entails the installation of microphones and motion sensors on light poles and buildings to pick up on gunshots and other loud sounds and report the exact location to law enforcement authorities in order to assist in the apprehension of responsible parties, and the mitigation of future crime in the area. This pilot program is meant to improve public safety by ultimately reducing and preventing violent gun crimes that adversely impact the quality of life for residents in the Redevelopment Area.

Overtown Beautification Team

The Overtown Beautification Team provides residents with on the job training in the area of property maintenance and landscape services; while maintaining a clean and inviting appearance in the Redevelopment Area. The training program serves to improve the physical appearance of the community by providing opportunities for the CRA to market the area to prospective redevelopers and commercial tenants. In fiscal year 2013, the program trained 42 individuals through the anti-litter and beautification program and placed 36 individuals in employment and/ or enrollment in education training programs. A significant benefit of this program was the reduction of illegal trash dumping within the community.



7. JOB TRAINING INITIATIVES

Overtown Business Resource Center

On July 25, 2013, the Board of Commissioners provided an \$80,000 grant to Neighbors and Neighbors Association, Inc. (“NANA”) to operate the Overtown Business Resource Center, Small Business Incubator and Development Program and the Community Workers Training Program. The Business Incubator and Development program, currently located at 1490 NW 3rd Avenue, Suite provides office space and direct technical assistance to small businesses within the Redevelopment Area. Participants in the Business incubator and development program have access to various business related workshops and training, computer use and Wi-Fi access, business advice and technical assistance.

Since its opening in May 2013, the Overtown Resource Center has serviced an average of 150 Overtown residents and businesses a month and all seven of its incubator spaces are currently occupied. The Community Workforce Training Program consists of employment screening, placement and referrals of local residents seeking to obtain gainful employment.



Hospitality and Culinary Institute



The CRA continues to provide job training to residents within the Redevelopment Area in the hospitality industry. On October 24, 2013 the Board of Commissioners, approved a \$300,000 grant for the continued operation of the Hospitality Institute Job Training and Job Placement Program. The Hospitality Institute, managed and operated by Miami Dade College provides job and soft skill training to residents within the Redevelopment Area seeking employment in the hospitality industry. Each quarter, participants embark in a three-day training program focused on enhanced customer service skills, employment in the hospitality industry, financial literacy, life skills, resume writing, successful interviewing and proper attire. At the completion of each training program a job fair is held for new and existing graduates. The Hospitality Institute recently expanded its program to include Basic Culinary Skills Training.

The Basic Culinary Skills program is offered to those who successfully completed the Job Readiness Program and includes a 12-week training course held at Miami Dade College Culinary Institute. In 2013, The Hospitality Institute also established an intensive 8-week “Hands on Training” program which provides individuals with “Front of the House” procedures and skills and a 3-Year Safe Staff Food Handling Certification. To date, 730 participants have received said certification. At the end of the 2013 calendar year, approximately 765 job seekers participated in the Hospitality training program. 365 individuals have been placed into employment in the Greater Miami hospitality industry and 65 individuals successfully completed the Culinary Program and are now employed as prep cooks and kitchen assistants with employers throughout South Florida. The CRA was also awarded a \$900,000 grant from the U.S. Economic Development Agency to rehabilitate the historic Ebenezer Methodist Church in Overtown for use by the newly expanded Institute.

Suited for Success

On October 24, 2013 the Board of Commissioners authorized the issuance of a \$50,000 grant to Suited for Success, Inc. to underwrite costs associated with the provision of training and other employment support services to job seekers from the redevelopment area. Suited for Success, a non-profit organization, offers career guidance, technology skills training, job-search support and professional attire to at-risk women, men and youth within the Redevelopment Area. At the end of the 2013 calendar year, approximately 1,214 job seekers participated in the program, and 582 participants obtained employment as a result of services provided.

Miami Film Life Center

In January 2013, the CRA provided a \$300,000 grant to Film Life Inc., for the operation and programming of the Miami Film Life Center and Film Institute Job Training Program (“MFLC”) in Historic Overtown. The MFLC is located at the historic Chapman House, and provides film training programs and networking opportunities to residents within the Redevelopment Area. The MFLC also serves as an employment resource center for qualified film professionals seeking opportunities in South Florida. During its first year in operation, the center increased its membership to 809 by holding various workshops and master classes for residents within the Redevelopment Area. The Master Class workshops were conducted by reputable professionals with significant experience in the film industry such as Eriq LaSalle, known for his portrayal of Dr. Peter Benton on the NBC smash medical drama “ER” and Malcolm D. Lee, director of the recent box office hit “The Best Man.” In furtherance of its mission to enhance awareness and accessibility of film and filmmaking to residents in Overtown, the MLFC also held four independent film screenings that were open to the public.



Summer Youth Training Institute



program, youth received internships which exposed them to useful work experience and the opportunity to learn new skills in the aforementioned concentrations.

The CRA seeks to support career development programs for youth that improve career decision-making skills, promote interviewing skills and other job related skills. On June 24, 2013, the Board of Commissioners approved a grant in an amount not to exceed \$155,000 to Urgent, Inc. for the 2013 Summer Youth Training Institute. The 6-week summer training program provided approximately 40 youth in the Redevelopment Area with training and work experience in one of the four concentrations: Film, Arts, Culture and Entrepreneurship. Throughout the

8. ARTS & CULTURE

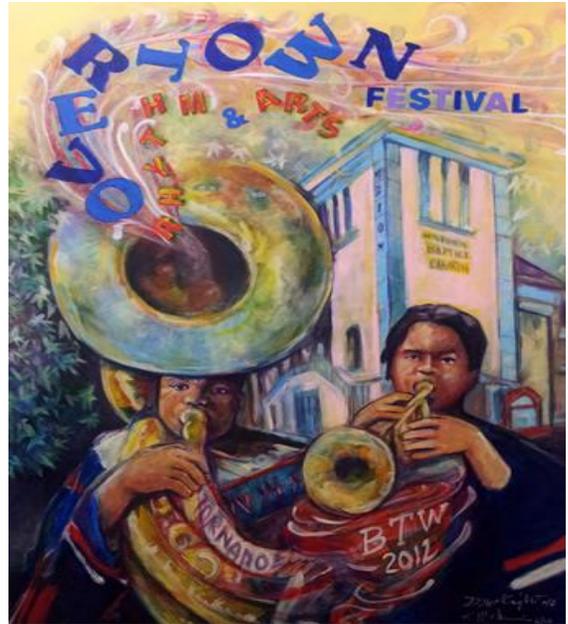
The CRA sponsored several festivals and events with the goal of marketing the Overtown community and attracting new patrons to the area.

Folklife Fridays

In 2013, the CRA continued its funding of *Folklife Fridays*, a monthly open-air marketplace and festival that is held the first Friday of each month on the 9th Street Pedestrian Mall in Overtown.

Overtown Rhythm and Arts Festival

On March 25, 2013, the Board of Commissioners authorized a \$50,000 grant to the Overtown Rhythm and Arts Festival, Inc., a non-profit corporation, to underwrite costs associated with the 2013 Overtown Rhythm and Arts Festival held in June. During the month of June, commonly known as Black Music Month, the CRA sponsored the 3rd annual *Overtown Rhythm and Arts Festival*. During the event, festivalgoers enjoyed local cuisine and musical acts from R&B song writer Q Parker, Jazz vocalist Nicole Henry, internationally renowned Jazz trumpeter Melton Mustafa and the Booker T. Washington Marching Band. The event was held on the historic NW 3rd Avenue Business Corridor and provided an economic boost to the local businesses along the Corridor.



American Black Film Festival



On March 25, 2013 the Board of Commissioners authorized the issuance of a \$50,000 grant to Film Life, Inc. to underwrite costs associated with the 2013 American Black Film Festival. As part of the 2013 Black Film Festival, the CRA hosted its 4th annual *American Black Film Festival (ABFF) Community Showcase*, highlighting local businesses from the redevelopment area and showcasing films produced by local and emerging filmmakers from the City of Miami. The weeklong ABFF community activities included the ABFF Youth Filmmakers Program, in which 20 students from the redevelopment area had the opportunity to meet and greet with celebrities and filmmakers and participate in various filmmaking workshops. The 2013 ABFF culminated on Sunday, June 23, 2013 with The Films over Miami Showcase. The event which was hosted by Miss Jill Tracey, of Hot 105 featured short films from Miami's emerging filmmakers. The Films Over Miami showcase was followed by the anticipated red carpet screening of the Overtown community film project movie "Playin For Love," written and produced by actor Robert Townsend. The ABFF-SEOPW CRA Community Showcase was initially

launched in 2009 with the goal of promoting Miami's local film industry talents and the SEOPW CRA redevelopment areas to prospective investors and festival attendees

Monthly Spoken Word and Live Music Series "Expressions"

Ward Rooming House

On March 25, 2013, the CRA authorized the issuance of a \$50,000 grant to the Black Archives History & Research Foundation of South Florida, Inc., to assist with the continued operation of the Historic Ward Rooming House Gallery Cultural Tourist Center in Overtown. In 2013, the Historic Ward Cultural Tourist Gallery hosted three exhibitions, which featured "20 Years of the African American History Calendar from 1994 to Present, Miami's Overtown: The Harlem of the South" and a dual exhibition with the Harlem 125th Street Bid on Culture Banner Exhibition.



As a complement to the programming at the Ward Rooming House, The Black Archives launched a successful monthly spoken word and live music series entitled, "Expressions, An Evening of Spoken Word & Live Jazz" at the Historic Ward Rooming House Gallery. Hosted by local poet Rebecca "Butterfly" Vaughn's, the spoken word showcase attracted over 200 guests at its monthly events and featured the sights, sounds and tastes of Overtown. Through "Expressions," the Black Archives has created several employment opportunities for local residents. Every month, the organization hires 15 to 20 residents from the local community to manage the parking, security, housekeeping, set-up and breakdown of the program. Additionally, the event has garnered support from the Knight Foundation as a 2013 grant recipient of the Knights Arts Challenge.

V. **PRESERVATION AND ENHANCEMENT OF TAX BASE**

The Southeast Overtown/Park West Redevelopment Area experienced a nine percent (9%) increase in assessed value, with the 2012 Tax Roll reflecting \$929,997,146 in assessed value, and the 2013 Tax Roll reflecting \$1,013,027,544. Furthermore, the 2009 expanded boundaries experienced for the first time a positive revenue flow in FY 2013 since its inception.

FY 2012-SEOPW CRA Current Year Actual Tax Increment Revenue

	<u>1982 Original Boundaries</u>	<u>2009 Expanded Boundaries</u>
Preliminary 2012 assessed value of Tax Increment District	\$1,013,027,544	\$112,347,563
Taxable value in Base Year – 1983	(\$78,305,502)	(94,245,513)
Value of Increment	\$934,722,042	\$18,102,050
(City of Miami) Revenue	\$6,722,942	\$130,198
(Miami Dade County) Revenue	\$4,176,642	\$80,886
(City) Increase (reduced) for 2010 adjustment (detailed below)*	(\$775,170)	\$0
(County) Increase (reduced) for 2010 adjustment (detailed below)	(\$548,246)	\$0
Net Revenue payable to CRA – City of Miami – Tax Millage Rate 7.5710	\$5,947,772	\$130,198
Net Revenue Payable to CRA Miami-Dade County-Tax Millage Rate 4.7035	\$3,628,396	\$80,886
*2010 Adjustment Detail		
Final 2010 Tax Roll	\$953,046,998	\$0
Preliminary 2009 Tax Roll	\$1,059,376,024	\$0
Revision per Value Adjustment Board	(\$106,329,026)	\$0
(City) Actual 2010 Millage	7.6740	7.6740
(County) Actual 2010 Millage	5.4275	5.4275
(City) Adjustment	(\$775,170)	\$0
(County) Adjustment	(\$548,246)	\$0



V. FINANCIAL STATEMENTS

**CITY OF MIAMI SOUTHEAST OVERTOWN PARK
WEST COMMUNITY REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Basic Financial Statements

September 30, 2013

(With Independent Auditor's Report Thereon)

**CITY OF MIAMI SOUTHEAST OVERTOWN PARK
WEST COMMUNITY REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

September 30, 2013

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Independent Auditor's Report



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Independent Auditor's Report

The Board of Directors
City of Miami Southeast Overtown Park
West Community Redevelopment Agency:

Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities and each major fund of the City of Miami Southeast Overtown Park West Community Redevelopment Agency (the Agency), a component unit of the City of Miami, Florida (the City), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency as of September 30, 2013, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 21 through 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2013 on our consideration of the Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting.

Sanson Kline Jacomina Landee & Hamarra, LLP

December 11, 2013

Management's Discussion and Analysis

**CITY OF MIAMI SOUTHEAST OVERTOWN
PARK WEST COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Miami, Florida)**

Management's Discussion and Analysis - Unaudited

September 30, 2013

This section of the City of Miami Southeast Overtown Park West Community Redevelopment Agency (the Agency) financial statements presents management's analysis of the financial performance for the fiscal year ended September 30, 2013. This discussion addresses whether or not the Agency as a whole is better off or worse off as a result of this year's activities.

Overview

The purpose of the Agency is to eliminate blight and slum conditions within the redevelopment area of the Agency, pursuant to the redevelopment plans of the Agency for new residential and commercial activity in the Southeast Overtown area.

The Agency's primary source of revenue is tax-increment funds. This revenue is computed by applying the operating tax rate for the City and the County, multiplied by the increased value of property located within the boundaries of the redevelopment areas of the Agency, over the base property value, minus 5%. Both the City and the County are required to fund this amount annually without regard to tax collections or other obligations.

On August 6, 2007, the City, County and The Children's Trust (the Trust) entered into an Interlocal Agreement with the Agency, whereby the Agency would receive from the Trust, on an annual basis, tax increment revenues derived from the imposition of a half-mil tax levied by the Trust against real property located within the redevelopment district (referred to as Trust revenues). The agency agreed to use the Trust revenues for debt service on, and other obligations relating to, existing debts of the Agency only after all other available tax increment revenues have been exhausted for such purpose, and to remit to the Trust on the last day of the Agency's fiscal year, all of the Trust revenues that are not needed for debt service on, or other obligations relating to, existing debts of the Agency.

Further, the Agency's policy is set by a board of directors comprised of the five members of the City commission and are separate, distinct and independent from the governing body of the City; and its management plan is executed by a small professional staff led by its executive director.

Financial Highlights

The assets of the Agency exceeded its liabilities at the close of its most recent fiscal year by \$34,854,866. Of this amount, \$7,007,616 was invested in capital assets net of related debt, resulting in an excess of \$27,847,250 (unrestricted net position) available to meet the Agency's obligations to citizens in the Southeast Overtown area.

At the close of the current fiscal year, the Agency's governmental funds reported combined ending fund balances of \$27,960,526, an increase of \$1,243,701 in comparison with the prior year.

Overview to the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

**CITY OF MIAMI SOUTHEAST OVERTOWN PARK
WEST COMMUNITY REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Management's Discussion and Analysis - Unaudited

September 30, 2013

In addition, the Agency reports, as required supplementary information, a budget to actual comparison and notes to the required supplementary information.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business (i.e. economic resources and measurement focus). The statement of net position presents information on all of the Agency's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating. The statement of activities presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements may be found on pages 9 and 10 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Agency are categorized as governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Agency maintains two individual governmental funds during fiscal year 2013. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Special Revenue Fund and Debt Service Fund.

The basic governmental fund financial statements can be found on pages 11 and 12 of this report.

**CITY OF MIAMI SOUTHEAST OVERTOWN PARK
WEST COMMUNITY REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Management's Discussion and Analysis - Unaudited

September 30, 2013

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 13 to 20 of this report.

Budgetary Highlights

The Agency adopts an annual budget on an individual fund basis. Budgetary comparison schedules have been provided for the General Fund and Special Revenue Fund to demonstrate compliance with the budget on pages 21 and 22, respectively, of this report.

The following is a brief review of the significant variances between the original budget and the final budget, as well as the significant variances between the final budget and actual amounts, for the Special Revenue Fund (please see budget to actual comparison on page 21):

- The change in the original budget to the final budget for tax increment revenues was a result of the higher than originally anticipated payout from the City and County.
- The change in the original budget to the final budget for community redevelopment expenditures was a result of the anticipated decrease in such expenditures from that amount originally budgeted.
- The significant variance between the final budget and actual amounts reported for tax increment revenues was a result of the higher than anticipated payout from the City and County.
- The significant variance between the final budget and actual amounts reported for community redevelopment expenditures is a result of redevelopment projects that either did not commence yet or were not yet completed as planned.

Financial Analysis

Government-wide Analysis

Our analysis of the financial statements of the Agency begins below. The Statement of Net Position and the Statement of Activities report information about the Agency's activities that will help answer questions about the position of the Agency. A comparative analysis is shown below.

A summary of the Agency's net position is presented in Table A-1 and a summary of changes in net position is presented in Table A-2.

Table A-1
Summary of Net Position

	Fiscal Year <u>2013</u>	Fiscal Year <u>2012</u>
Current assets	\$ 28,907,418	\$ 28,028,362
Interest receivable	9,927	-
Capital assets, net	<u>8,716,480</u>	<u>8,434,989</u>
Total assets	<u>37,633,825</u>	<u>36,463,351</u>

**CITY OF MIAMI SOUTHEAST OVERTOWN PARK
WEST COMMUNITY REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Management's Discussion and Analysis - Unaudited

September 30, 2013

Table A-1 (continued)
Summary of Net Position

	Fiscal Year <u>2013</u>	Fiscal Year <u>2012</u>
Current liabilities	956,819	1,566,537
Non-current liabilities	<u>1,822,140</u>	<u>2,754,888</u>
Total liabilities	<u>2,778,959</u>	<u>4,321,425</u>
Net position:		
Net investment in capital assets	7,007,616	5,556,125
Restricted for debt service	-	1,225,984
Unrestricted	<u>27,847,250</u>	<u>25,359,817</u>
Total net position	<u>\$ 34,854,866</u>	<u>\$ 32,141,926</u>

- Current assets increased in the current year mainly as a result of the increase in equity in pooled cash, which ultimately is a result of the positive change in net position in the current year.
- Current liabilities decreased in the current year as a result of the timing of accounts payable accruals reported in the current year.
- Non-current liabilities decreased in the current year as a result of the payoff of the outstanding balance on the Series 1990 revenue bonds.
- A portion of the Agency's net position in the current year (\$7,007,616) reflects its net investment in capital assets (e.g. furniture and equipment, infrastructure and land), less any related outstanding debt used to acquire those assets. These assets are not available for future spending.
- Another portion of the Agency's net position in the prior year (\$1,225,984) represents resources that were subject to external restrictions on how they may be used. Since the Series 1990 revenue bonds were paid off, there is not net position restricted for debt service in the current fiscal year.
- The remaining portion of the Agency's net position in the current year (\$27,847,250) represents resources that are unrestricted and available for any lawful use by the Agency.

Table A-2
Summary of Changes in Net Position

	Fiscal Year <u>2013</u>	Fiscal Year <u>2012</u>
Revenues:		
Intergovernmental:		
Operating	\$ -	\$ 1,131,314
Charges of services:		
Parking fees	57,878	-
General revenues:		
Tax increment revenue	10,233,367	8,501,547
Interest revenue	44,032	56,868
Other	65,386	14,840
Net unrealized loss on fair value of investments	<u>(144,258)</u>	<u>-</u>
Total revenues	<u>10,256,405</u>	<u>9,704,569</u>

**CITY OF MIAMI SOUTHEAST OVERTOWN PARK
WEST COMMUNITY REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Management's Discussion and Analysis - Unaudited

September 30, 2013

Table A-2 (continued)
Summary of Changes in Net Position

	Fiscal Year <u>2013</u>	Fiscal Year <u>2012</u>
Expenses:		
General government	1,037,692	1,617,628
Community redevelopment	6,456,048	6,308,017
Interest on long-term debt	<u>49,725</u>	<u>109,438</u>
Total expenses and transfers	<u>7,543,465</u>	<u>8,035,083</u>
Change in net position	2,712,940	1,669,486
Net position, beginning of year	<u>32,141,926</u>	<u>30,472,440</u>
Net position, end of year	<u>\$ 34,854,866</u>	<u>\$ 32,141,926</u>

- Intergovernmental revenue decreased in the current year as a result of the City of Miami Omni and Midtown Community Redevelopment Agencies no longer contributing to the Agency.
- Tax increment revenue increased in the current year as a result of the increase in the payout by the City and the County.
- General government expenditures decreased in the current year as a result of the separation of the City of Miami Omni and Midtown Community Redevelopment Agencies' management operations from the Agency.
- Community redevelopment expenditures decreased in the current year as a result of the decrease in project activity from the prior year.

Individual Fund Analysis

The fund balance for the Special Revenue Fund increased from \$25,490,841 at September 30, 2012 to \$27,960,526 at September 30, 2013. Fund balance for the Debt Service Fund decrease from \$1,225,984 at September 30, 2012 to \$0 at September 30, 2013.

Since the Agency only has governmental funds/activities, the changes in fund balance also explain the increases in net position. The following are key factors in the changes in fund balances for 2013:

- The increase in fund balance in the Special Revenue Fund was mainly due to the positive change in net position of \$2,469,685 during the year.
- The decrease in fund balance in the Debt Service Fund was mainly due to the payoff of the Series 1990 revenue bonds in the current fiscal year.

Capital Assets

As of September 30, 2013, the Agency's investment in capital assets, net of accumulated depreciation, amounted to \$8,716,480, increasing from \$8,434,989 as of September 30, 2012.

**CITY OF MIAMI SOUTHEAST OVERTOWN PARK
WEST COMMUNITY REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Management's Discussion and Analysis - Unaudited

September 30, 2013

Summary of Capital Assets
(Net of Accumulated Depreciation)

	Fiscal Year <u>2013</u>	Fiscal Year <u>2012</u>
Land	\$ 4,690,818	\$ 4,267,007
Furniture and equipment	37,277	39,746
Infrastructure	<u>3,988,385</u>	<u>4,128,236</u>
Total capital assets	\$ <u>8,716,480</u>	\$ <u>8,434,989</u>

Additional capital asset information can be found on page 16 of this report.

Debt Management

As of September 30, 2013, the Agency had a loan outstanding in the amount of \$1,708,864 compared to \$2,878,864 of special obligation bonds and loan outstanding as of September 30, 2012. The bonds were paid off during the fiscal year 2013. No additional debt was issued during fiscal year 2013.

Additional long-term debt information can be found on pages 17 and 18 of this report.

Requests for Information

This financial report is designed to provide a general overview of the Agency's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, 1490 NW 3rd Avenue, Suite 105, Miami, Florida 33136.

Basic Financial Statements

**CITY OF MIAMI SOUTHEAST OVERTOWN PARK
WEST COMMUNITY REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Statement of Net Position

September 30, 2013

	<u>Governmental Activities</u>
Assets	
Equity in pooled cash	\$ 28,907,418
Interest receivable	9,927
Capital assets (net of accumulated depreciation):	
Land	4,690,818
Furniture and equipment	37,277
Infrastructure	<u>3,988,385</u>
Total assets	<u>37,633,825</u>
Liabilities	
Accounts payable and accrued liabilities	510,703
Due from other government	446,116
Non-current liabilities:	
Due in more than one year:	
Notes payable	1,708,864
Compensated absences	<u>113,276</u>
Total liabilities	<u>2,778,959</u>
Net Position	
Net investment in capital assets	7,007,616
Unrestricted	<u>27,847,250</u>
Total net position	<u>\$ 34,854,866</u>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF MIAMI SOUTHEAST OVERTOWN PARK
WEST COMMUNITY REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Statement of Activities

Year ended September 30, 2013

	<u>Governmental Activities</u>
Expenses:	
General government	\$ 1,037,692
Community redevelopment	6,456,048
Interest on long-term debt	<u>49,725</u>
Total expenses	<u>7,543,465</u>
Program revenues:	
Charges for services:	
Parking fees	<u>57,878</u>
Net expense	<u>(7,485,587)</u>
General revenues:	
Tax increment revenue	10,233,367
Other	65,386
Interest	44,032
Net unrealized loss on fair value of investments	<u>(144,258)</u>
Total general revenues	<u>10,198,527</u>
Change in net position	2,712,940
Net position - beginning of the year	<u>32,141,926</u>
Net position - end of the year	<u>\$ 34,854,866</u>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF MIAMI SOUTHEAST OVERTOWN PARK
WEST COMMUNITY REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Balance Sheet

Governmental Funds

September 30, 2013

	<u>Special revenue</u>	<u>Debt service</u>	<u>Total governmental funds</u>
Assets			
Equity in pooled cash	\$ 28,907,418	-	28,907,418
Interest receivable	<u>9,927</u>	-	<u>9,927</u>
Total assets	<u>\$ 28,917,345</u>	<u>-</u>	<u>28,917,345</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ 510,703	-	510,703
Due to other government	<u>446,116</u>	-	<u>446,116</u>
Total liabilities	<u>956,819</u>	<u>-</u>	<u>956,819</u>
Fund balances:			
Committed	26,944,268	-	26,944,268
Assigned	<u>1,016,258</u>	-	<u>1,016,258</u>
Total fund balances	<u>27,960,526</u>	<u>-</u>	<u>27,960,526</u>
Total liabilities and fund balances	<u>\$ 28,917,345</u>	<u>-</u>	<u>28,917,345</u>

Amounts reported for governmental activities in the statement of net position consist of:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	8,716,480
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Notes payable	(1,708,864)
Compensated absences	<u>(113,276)</u>
Net position of governmental activities	<u>\$ 34,854,866</u>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF MIAMI SOUTHEAST OVERTOWN PARK
WEST COMMUNITY REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year ended September 30, 2013

	Special revenue	Debt service	Total governmental funds
Revenues:			
Tax increment revenues	\$ 10,233,367	-	10,233,367
Parking fees	57,878	-	57,878
Other	65,386	-	65,386
Interest	44,032	-	44,032
Net unrealized loss on fair value of investments	(144,258)	-	(144,258)
Total revenues	10,256,405	-	10,256,405
Expenditures:			
Current:			
General government	1,055,440	-	1,055,440
Community redevelopment	6,737,539	-	6,737,539
Debt service:			
Principal	-	1,170,000	1,170,000
Interest	-	49,725	49,725
Total expenditures	7,792,979	1,219,725	9,012,704
Excess (deficiency) of revenues over (under) expenditures	2,463,426	(1,219,725)	1,243,701
Other financing sources (uses):			
Transfers in	6,259	-	6,259
Transfers out	-	(6,259)	(6,259)
Total other financing sources (uses)	6,259	(6,259)	-
Net change in fund balances	2,469,685	(1,225,984)	1,243,701
Fund balances - beginning	25,490,841	1,225,984	26,716,825
Fund balances - ending	\$ 27,960,526	-	27,960,526
Net change in fund balances - total governmental funds			1,243,701

Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt provides current financial resources to governmental funds, while repayments on long-term debt consumes the current financial resources of governmental funds:

Payment of principal on long-term debt 1,170,000

Items reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds:

Decrease in compensated absences 17,748

The governmental fund reported capital outlays as expenditures, however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation

Expenditures for capital assets	461,931	
Less: depreciation expense	(180,440)	281,491
Change in net position of governmental activities		\$ 2,712,940

The accompanying notes are an integral part of the basic financial statements.

**CITY OF MIAMI SOUTHEAST OVERTOWN PARK
WEST COMMUNITY REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Notes to Basic Financial Statements

September 30, 2013

1. Summary of Significant Accounting Policies

This summary of the City of Miami Southeast Overtown Park West Community Redevelopment Agency (the Agency) significant accounting policies is presented to assist the reader in interpreting the basic financial statements. The policies are considered essential and should be read in conjunction with the basic financial statements.

The accounting policies of the Agency conform to accounting principles generally accepted in the United States of America applicable to governmental units. This report, the accounting systems and classification of accounts conform to standards of the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

A. Reporting Entity

The Agency was established in 1983, by the City of Miami, Florida (the City) under the provisions of Section 163, Florida Statutes. The purpose of the Agency is to eliminate blight and slum conditions within the redevelopment area of the Agency pursuant to the redevelopment plans of the Agency for new residential and commercial activity in the Southeast Overtown area. The board of directors of the Agency is comprised of the five members of the City commission and are separate, distinct and independent from the governing body of the City.

The City entered into Interlocal Cooperation Agreements, dated March 31, 1982, with Miami-Dade County, Florida (the County) and related ordinances of the City and County whereby tax increment revenue collected by the parties would be paid to the Agency and used in accordance with the approved budgets of the redevelopment plans and terms and conditions of the Interlocal Agreements for the benefit of the Agency.

For financial reporting purposes, the Agency is a component unit of the City and is thus included in the City's comprehensive annual financial report as a blended component unit.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the Agency. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The Agency does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**CITY OF MIAMI SOUTHEAST OVERTOWN PARK
WEST COMMUNITY REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Notes to Basic Financial Statements

September 30, 2013

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the *current financial resource measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Agency reports the following major governmental funds:

- The *Special Revenue Fund* accounts for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted for specified purposes. Specifically, this fund reports tax increment revenue collected from the City, County and The Children's Trust; and
- The *Debt Service Fund* accounts for the accumulation of resources for, and the payment of, bond principal and interest. This fund will no longer exist in fiscal year 2014.

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Equity in Pooled Cash

The Agency's cash, other than described below, is pooled together with the City's cash. All such cash is reflected as equity in pooled cash on the Agency's statement of net position and governmental funds balance sheet.

E. Capital Assets

Capital assets, which include property, plant, and equipment are reported in the applicable governmental type activities column in the government-wide financial statements. Capital assets are defined by the Agency as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

**CITY OF MIAMI SOUTHEAST OVERTOWN PARK
WEST COMMUNITY REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Notes to Basic Financial Statements

September 30, 2013

E. Capital Assets (continued)

Capital assets of the Agency are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Furniture and equipment	5
Infrastructure	5-35

F. Fund Equity / Net Position

Fund equity

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent, as follows:

- Nonspendable fund balance - amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted fund balance - amounts that are restricted to specific purposes when constraints placed on the use of resources are either by (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- Committed fund balance - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority.
- Assigned fund balance - amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- Unassigned fund balance - amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purpose within the general fund.

When both restricted and unrestricted amounts are available for use, it is the Agency's practice to use restricted resources first. Additionally, the Agency would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance.

Net position

The government-wide financial statements utilize a net position presentation. Net position can be categorized as net investment in capital assets, restricted, or unrestricted. The first category represents capital assets, less accumulated depreciation and net of any outstanding debt associated with the acquisition of capital assets. Restricted net position represent amounts that are restricted by requirement of debt indenture or enabling legislation. Unrestricted net position represents the net position of the Agency which are not restricted for any project or purpose.

G. Long-term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

**CITY OF MIAMI SOUTHEAST OVERTOWN PARK
WEST COMMUNITY REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Notes to Basic Financial Statements

September 30, 2013

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

2. Cash Deposits

At September 30, 2013, the Agency's cash consisted of equity in pooled cash of \$28,907,418. The Agency's funds participate in the City's pool on a dollar equivalent and daily transaction basis. Interest income (which includes unrealized gains and losses) is distributed monthly based on a monthly average balance.

Custodial Credit Risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. In addition to insurance provided by the Federal Deposit Insurance Corporation (FDIC), deposits are held in banking institutions approved by the State of Florida, State Treasurer to hold public funds. Under the Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", the State Treasurer requires all qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

4. Capital Assets

Capital asset activity for the fiscal year ended September 30, 2013 was as follows:

	Balance September 30, 2012	Transfers/ Additions	Transfers/ Deletions	Balance September 30, 2013
Capital assets, not being depreciated:				
Land	\$ 4,267,007	423,811	-	4,690,818
Total capital assets, not being depreciated	<u>4,267,007</u>	<u>423,811</u>	-	<u>4,690,818</u>
Capital assets, being depreciated:				
Furniture and equipment	153,407	7,879	-	161,286
Infrastructure	9,421,369	30,241	-	9,451,610
Total capital assets, being depreciated	<u>9,574,776</u>	<u>38,120</u>	-	<u>9,612,896</u>
Less accumulated depreciation for:				
Furniture and equipment	113,661	10,348	-	124,009
Infrastructure	5,293,133	170,092	-	5,463,225
Total accumulated depreciation	<u>5,406,794</u>	<u>180,440</u>	-	<u>5,587,234</u>
Total capital assets, being depreciated, net	<u>4,167,982</u>	<u>(142,320)</u>	-	<u>4,025,662</u>
Total capital assets (net of accumulated depreciation)	<u>\$ 8,434,989</u>	<u>281,491</u>	-	<u>8,716,480</u>

During fiscal year 2013, depreciation expense in the amount of \$180,440 was charged to Community Redevelopment.

**CITY OF MIAMI SOUTHEAST OVERTOWN PARK
WEST COMMUNITY REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Notes to Basic Financial Statements

September 30, 2013

5. Long-Term Obligations

The changes in the long-term obligations for the year ended September 30, 2013 are summarized as follows:

	Balance September <u>30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	Balance September <u>30, 2013</u>	Amount due within one year
Community Redevelopment					
Revenue Bonds, Series 1990	\$ 1,170,000	-	(1,170,000)	-	-
Gran Central Loan	1,708,864	-	-	1,708,864	-
Compensated absences	<u>131,024</u>	-	<u>(17,748)</u>	<u>113,276</u>	-
Total long-term obligations	<u>\$ 3,009,888</u>	<u>-</u>	<u>(1,187,748)</u>	<u>1,822,140</u>	<u>-</u>

A description of each obligation is as follows:

(a) On November 8, 1990, the City issued \$11,500,000 aggregate principal amount of Community Redevelopment Revenue Bonds, Series 1990, maturing through 2015, with interest rates ranging from 7.15% to 8.5%. These bonds are secured by a pledge of guaranteed entitlement revenue received from the State of Florida and the tax increment revenue amounts received from the City and County on the Southeast Overtown/Park West Community Redevelopment area. The proceeds of the bonds were used mainly to refinance a \$5,958,000 Section 108 HUD promissory note, to reimburse the City for moneys advanced to the Agency by the City in an amount not to exceed \$750,000, and to finance the acquisition and clearing of certain real property and the construction of certain infrastructure improvements within the Southeast Overtown/Park West Community Redevelopment Area defined in the Phase I Development Programs of the Agency's Interlocal Agreement and related resolutions of the City and County.

During fiscal year 2013, the Agency made payment on the remaining outstanding principal balance and accrued interest.

(b) On January 20, 1988, the City entered into a loan agreement with the Gran Central Corporation (GCC) to finance 50% of the cost to acquire a parcel of property within the SEOPW CRA Area and relocate and widen Northwest First Avenue between Northwest First Street and Northwest Eighth Street. The loan, in the amount of \$1,708,864, does not bear interest and is payable from tax increment funds received from the City and County within a designated area defined in the loan documents on a junior and subordinate basis to the lien granted to holders of the \$11,500,000 Community Redevelopment Revenue Bonds, Series 1990. GCC is to be fully repaid by the year 2008 with annual payments to be made to the extent funds are generated by tax increment revenue within the designated area, as defined in the loan document, is available after required payments for the Series 1990 Bonds debt service and any requirement of the reserve fund or reserve product, as defined in the Series 1990 Bond indenture. GCC has subsequently been acquired by another company (referred to as the "predecessor company"), which has taken over the loan.

The loan became due during fiscal year 2008. However, management believes that since no tax increment funds have been generated within the designated area, as defined in the loan documents, no payment on the loan is required, and will only become due when any such tax increment funds have been generated within the designated area.

**CITY OF MIAMI SOUTHEAST OVERTOWN PARK
WEST COMMUNITY REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Notes to Basic Financial Statements

September 30, 2013

5. Long-Term Obligations (continued)

Debt authorized, but unissued

As of September 30, 2013, the Agency has authorized but has not issued an amount not to exceed \$60,000,000 of tax increment revenue bonds to finance or refinance the acquisition and construction of community redevelopment projects in the redevelopment area of the Agency.

6. Fund Balances

At September 30, 2013, the Agency reported the following governmental fund balances:

- Committed fund balance - these amounts can only be used for specific purposes pursuant to constraints imposed by the Board of the Agency. The items cannot be removed unless the Board removes it in the same manner it was implemented.
- Assigned fund balance - these amounts are approved and constrained by the Agency's intent to be used for specific purposes, but are neither restricted nor committed.

Below is a table of fund balance categories and classifications, by fund, at September 30, 2013:

	Special Revenue	Debt Service
Committed to community development	\$ 26,944,268	-
Assigned to community development	1,016,258	-
Total	\$ 27,960,526	-

7. Tax Increment Revenue

The Agency's primary source of revenue is tax-increment funds. This revenue is computed by applying the operating tax rate for the City and the County, multiplied by the increased value of property located within the boundaries of the redevelopment areas of the Agency, over the base property value, minus 5%. Both the City and the County are required to fund this amount annually without regard to tax collections or other obligations.

On August 6, 2007, the City, County and The Children's Trust (the Trust) entered into an Interlocal Agreement with the Agency, whereby the Agency would receive from the Trust, on an annual basis, tax increment revenues derived from the imposition of a half-mil tax levied by the Trust against real property located within the redevelopment district (referred to as Trust revenues).

The Agency agreed to use the Trust revenues for debt service on, and other obligations relating to, existing debts of the Agency only after all other available tax increment revenues have been exhausted for such purpose, and to remit to the Trust on the last day of the Agency's fiscal year, all of the Trust revenues that are not needed for debt service on, or other obligations relating to, existing debts of the Agency. As of September 30, 2013, the Agency recorded an amount due to the Trust totaling \$446,116.

**CITY OF MIAMI SOUTHEAST OVERTOWN PARK
WEST COMMUNITY REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Notes to Basic Financial Statements

September 30, 2013

8. Parking Lease Revenue

On February 23, 1988, the City and the Department of Off-Street Parking (DOSP), a discretely presented component unit of the City, entered into an agreement whereby DOSP leased certain lots surrounding the Miami Arena. The term of the lease agreement was for a period of five years, which commenced on June 1, 1988 and expired on June 1, 1993. DOSP paid the City \$500,000 upon signing the lease agreement and agreed to pay annually as rent eighty-five percent (85%) of gross revenue earned net of operating expenses incurred on the operations of the leased lots for each respective lease year.

On October 20, 1993, the City and DOSP entered into an agreement to extend the lease term of the original agreement, which expired on June 1, 2000. Currently, the City and DOSP have extended the lease agreement to an undetermined amount of time. All of the lots leased to DOSP are within the limits of the Southeast Overtown district, and therefore, the City allocates all moneys received from DOSP to the Southeast Overtown district. During 2013, the Agency recorded \$57,878 in parking lease revenue.

9. Special Benefit Plans

(a) 401(a) Deferred Compensation Plan

All employees, including executives and general employees, of the Agency are eligible, after one year of service, to join the ICMA Retirement Trust 401(a) Deferred Compensation Plan (the Plan). The Plan agreement requires the Agency to contribute 8% of each executive employee's earnable compensation, and 5% of each general employee's earnable compensation. Contributions by executive and general employees are not required. Participants may withdraw funds at retirement or upon separation based on a variety of payout options. The following information relates to the Agency's participation in the 401(a) Deferred Compensation Plan:

Current year's payroll for executive employees	\$ 91,000
Current year's payroll for general employees	349,361
Current year's employer contributions for:	
Executive employees (8% rate)	11,772
General employees (5% rate)	16,949

(b) 457(b) Deferred Compensation Plan

All employees, including executives and general employees, of the Agency are eligible to join the United States Conference of Mayors 457(b) Deferred Compensation Plan (the Plan). The Plan agreement requires the Agency to contribute 5% of each executive employee's earnable compensation, and is not required to contribute to general employee participants. Contributions by executive and general employees are not required. Participants may withdraw funds at retirement or upon separation based on a variety of payout options. The following information relates to the Agency's participation in the 457(b) Deferred Compensation Plan:

Current year's payroll for executive employees	\$ 91,000
Current year's employer contributions for:	
Executive employees (5% rate)	4,725

**CITY OF MIAMI SOUTHEAST OVERTOWN PARK
WEST COMMUNITY REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Notes to Basic Financial Statements

September 30, 2013

10. Commitment and Contingencies

- (a) The Agency is contractually obligated for approximately \$21.3 million at September 30, 2013, for construction projects.
- (b) During 2010, the Agency committed to provide a grant to Camillus House for the construction of a new facility at an amount not to exceed \$10 million. The grant, which is being funded by tax increment revenues, is payable at \$2 million per year over a five year period from fiscal year 2011 through fiscal year 2016.
- (c) The Agency is a defendant in several legal actions. The outcome of these actions cannot be determined at this time. Management believes that any liability from these actions will not have a material effect on the Agency's financial condition.
- (d) During fiscal year 2010, the Agency entered into a grant agreement with the City, with two subsequent amendments during fiscal year 2012, in an amount not to exceed \$8 million, plus interest of approximately \$6.1 million, for the renovation of Gibson Park. Payments on the grant will be made through fiscal year 2030, and are pledged by tax increment funds.

11. New Pronouncements Issued

The following pronouncements were implemented in the current year financial statements of the Agency:

- GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* - this statement improves financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position.

The following pronouncements have recently been issued by the GASB, but will not have a material impact on future financial statements of the Agency:

- GASB Statement 65, *Items Previously Reported as Assets and Liabilities*, which will be effective for the fiscal year ending September 30, 2014.
- GASB Statement 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*, which will be effective for the fiscal year ending September 30, 2014.
- GASB Statement 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*, which will be effective for the fiscal year ending September 30, 2014.
- GASB Statement 68, *Accounting and Financial Reporting for Pensions- an amendment of GASB Statement No. 27*, which will be effective for the fiscal year ending September 30, 2015.
- GASB Statement 69, *Government Combinations and Disposals of Government Operations*, which will be effective for the fiscal year ending September 30, 2015.
- GASB Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, which will be effective for the fiscal year ending September 30, 2014.
- GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which will be effective for the fiscal year ending September 30, 2015.

12. Subsequent events

The Agency evaluated subsequent events through December 11, 2013, the date the financial statements were available to be issued.

Required Supplementary Information

**CITY OF MIAMI SOUTHEAST OVERTOWN PARK
WEST COMMUNITY REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Budgetary Comparison Schedule - Special Revenue Fund

(Required Supplementary Information - Unaudited)

Year ended September 30, 2013

	<u>Budgeted amounts</u>		<u>Actual</u>	Variance with final budget - positive (negative)
	<u>Original</u>	<u>Final</u>		<u>(negative)</u>
Revenues:				
Tax increment revenues	\$ 9,500,886	9,787,251	10,233,367	446,116
Parking fees	-	-	57,878	57,878
Other	-	165,691	65,386	(100,305)
Interest	-	-	44,032	44,032
Net unrealized loss on fair value of investments	-	-	(144,258)	(144,258)
Total revenues	<u>9,500,886</u>	<u>9,952,942</u>	<u>10,256,405</u>	<u>303,463</u>
Expenditures:				
Current:				
General government	1,472,936	1,602,328	1,055,440	546,888
Community redevelopment	34,404,366	33,841,455	6,737,539	27,103,916
Total expenditures	<u>35,877,302</u>	<u>35,443,783</u>	<u>7,792,979</u>	<u>27,650,804</u>
Excess (deficiency) of revenues over (under) expenditures	(26,376,416)	(25,490,841)	2,463,426	27,954,267
Other financing sources (uses):				
Transfers in	-	-	6,259	6,259
Net carryover fund balance	26,376,416	25,490,841	-	(25,490,841)
Total other financing sources (uses)	<u>26,376,416</u>	<u>25,490,841</u>	<u>6,259</u>	<u>(25,484,582)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	2,469,685	<u>2,469,685</u>
Fund balances - beginning			25,490,841	
Fund balances - ending			<u>\$ 27,960,526</u>	

The note to the required supplementary information is an integral part of this schedule.

**CITY OF MIAMI SOUTHEAST OVERTOWN PARK
WEST COMMUNITY REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Note to Required Supplementary Information

September 30, 2013

1. Budgetary Policy

The Agency adopts an annual budget for the operations of the Special Revenue Fund and Debt Service Fund. In accordance with generally accepted accounting principles, budgetary comparison information is disclosed only for the Special Revenue Fund.

The budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Budgetary control is maintained at the fund level.

Other Reports



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**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters Based
on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

The Board of Directors
City of Miami Southeast Overtown Park
West Community Redevelopment Agency:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the City of Miami Southeast Overtown Park West Community Redevelopment Agency (the Agency) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated December 11, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sanson Kline Jacomino Landee & Hamarra, LLP

December 11, 2013



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**Management Letter in Accordance with the
Rules of the Auditor General of the State of Florida**

The Board of Directors
City of Miami Southeast Overtown Park
West Community Redevelopment Agency:

We have audited the financial statements of the City of Miami Southeast Overtown Park West Community Redevelopment Agency (the Agency), a Component Unit of the City of Miami, Florida, as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated December 11, 2013.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditors' Reports on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports, which are dated December 11, 2013, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which are not included in the aforementioned auditor's reports:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report not otherwise addressed in the auditor's report pursuant to Section 10.557(3)(b)2., Rules of the Auditor General. Corrective actions have been taken to address findings and recommendation made in the preceding annual financial audit report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our current year audit, we determined that the Agency complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our current year audit, we did not have any such recommendations.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, fraud, illegal acts, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our current year audit, we did not have any such findings.

- Section 10.554(1)(i)5., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Such disclosures are made in note 1 to the Agency's financial statements.
- Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our current year audit, we determined that the Agency did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)6.b., Rules of the Auditor General, requires that we determine whether the annual financial reports for the Agency for the fiscal year ended September 30, 2013, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2013. The Agency does not file a separate report with the State of Florida Department of Financial Services. The financial operations of the Agency are included in the basic financial statements of the City of Miami, Florida for the year ended September 30, 2013.
- Sections 10.554(1)(i)6.c. and 10.556(7), Rules of the Auditor General, require that we apply financial condition assessment procedures. In connection with our current year audit, we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

This management letter is intended solely for the information and use of the board of directors, management of the Agency, and the State of Florida Office of the Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Sanson Kline Jacomina Landee S Hamarra, LLP

December 11, 2013



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