

RESOLUTION NO. 2016-29500

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE FINANCE AND CITYWIDE PORJECTS COMMITTEE ESTABLISHING A REQUIREMENT THAT NO LESS THAN TWENTY PERCENT (20%) OF ALL ONE-TIME UNRESTRICTED CAPITAL PAYMENTS TO THE CITY OF \$500,000.00 OR MORE, INCLUDING, BUT NOT LIMITED TO, PAYMENTS RECEIVED THROUGH LEASE RE-NEGOTIATIONS, MONEY JUDGEMENTS FROM LAWSUITS, AUDIT FINDINGS, OR ANY OTHER LUMP SUM PAYMENTS SHALL BE DEPOSITED TO A TRUST FUND FOR CAPITAL OR ACQUISITION COSTS ASSOCIATED WITH MASS TRANSIT, EXCLUDING REASONABLE COSTS AND ANY CAPITAL REPLACEMENT COSTS ASSOCIATED WITH THE TRANSACTION THAT RESULTED IN THE RECEIPT OF THE ONE-TIME CASH PAYMENT.

WHEREAS, Transportation Trust Funds are established by governmental entities in order to facilitate the creation, operation, and maintenance, including capital and operating costs, of mass transit and other transportation facilities within an area, including fixed mass transit routes, local circulator/trolley routes, waterborne mass transit, and public parking garages for transit enhancement purposes; and

WHEREAS, Transportation Trust Fund monies can be expended as a local share of the cost of an eligible project undertaken or developed by other governmental entities or through public-private partnerships; and

WHEREAS, funding for transportation projects in the City, both in terms of capital and operating budgets, is currently provided from various sources; and

WHEREAS, for Fiscal Year 2015/16, the existing funding sources for transportation projects are projected to generate approximately \$13.2 Million in revenues towards the Transportation Department's budget; and

WHEREAS, the existing funding sources alone are not sufficient to fund future transportation projects identified in the City's Transportation Master Plan Project Bank adopted by the City Commission on April 13, 2016; and

WHEREAS, pursuant to Resolution No. 2006-26341, the City will use one-time, non-recurring revenue for capital expenditures or one-time expenditures and not to subsidize recurring personnel, operations, and maintenance cost; and

WHEREAS, creating new funding sources for transportation would reduce the need to use non-transportation-related funding sources such as Parking Fees (Year End Surplus) and, as a result, make those monies available to address the need for additional parking garages throughout the City; and

WHEREAS, given the needs of the Parking Department for parking garages, especially at intercept locations, it is not recommended that Fees in Lieu of Parking (i.e. similar to funds

collected through parking ratio reductions) be committed to the Transportation Trust Fund, but rather that the use of these funds be reviewed each year as part of the review of competing priorities during the annual budget development process; and

WHEREAS, creating a Transportation Fund was discussed at the May 11, 2016 Finance and Citywide Projects Committee (FCWPC); and

WHEREAS, at the Finance and Citywide Projects Committee (FCWPC) meeting, the Committee passed a motion recommending that the Administration create a City of Miami Beach Transportation Trust Fund to provide funding for public transportation improvements in the City; and

WHEREAS, this item was further discussed at the June 17, 2016 FCWPC meeting; and

WHEREAS, at the meeting, the FCWPC made a motion to require that 20% of one-time capital contributions should be deposited to a Transportation Capital Trust Fund; and

WHEREAS, the FCWPC recognized that the funds generated on an annual basis may not be large, but over time, the funds would accumulate, with other existing sources that would provide funding for projects over time; and

WHEREAS, in addition, the FCWPC directed that dedicating a percentage of the general fund budget for Transportation operating and maintenance expenses should be considered as part of the FY2016/17 budget development process; and

WHEREAS, at the July 13, 2016 City Commission meeting, the Mayor and City Commission adopted the recommendation of the FCWPC.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission hereby accept the recommendation of the FCWPC establishing a requirement that no less than twenty percent (20%) of all one-time unrestricted capital payments to the City of \$500,000.00 or more, including, but not limited to, payments received through lease re-negotiations, money judgements from lawsuits, audit findings, or any other lump sum payments shall be deposited to a trust fund for capital or acquisition costs associated with mass transit excluding reasonable costs and any capital replacement costs associated with the transaction that resulted in the receipt of the one-time cash payment.

PASSED and ADOPTED this 13th day of July, 2016.

ATTEST:


Rafael E. Granado, City Clerk


Philip Levine, Mayor

T:\AGENDA\2016\July\Transportation\Accepting the Recommendation of the FCWPC to establish a Transportation Trust Fund RESO.doc

**APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION**


City Attorney

12/12/16
Date

COMMISSION ITEM SUMMARY

Condensed Title:

A RESOLUTION ACCEPTING THE RECOMMENDATION OF THE FINANCE AND CITYWIDE PORJECTS COMMITTEE ESTABLISHING A REQUIREMENT THAT NO LESS THAN TWENTY PERCENT (20%) OF ALL ONE-TIME UNRESTRICTED CAPITAL PAYMENTS TO THE CITY OF \$500,000.00 OR MORE, INCLUDING, BUT NOT LIMITED TO, PAYMENTS RECEIVED THROUGH LEASE RE-NEGOTIATIONS, MONEY JUDGEMENTS FROM LAWSUITS, AUDIT FINDINGS, OR ANY OTHER LUMP SUM PAYMENTS SHALL BE DEPOSITED TO A TRUST FUND FOR CAPITAL OR ACQUISITION COSTS ASSOCIATED WITH MASS TRANSIT EXCLUDING REASONABLE COSTS AND ANY CAPITAL REPLACEMENT COSTS ASSOCIATED WITH THE TRANSACTION THAT RESULTED IN THE RECIEPT OF THE ONE-TIME CASH PAYMENT

Key Intended Outcome Supported:

Ensure Comprehensive Mobility Addressing All Modes Throughout The City

Supporting Data (Surveys, Environmental Scan, etc): N/A

Item Summary:

Currently, funding for transportation projects in the City, both in terms of capital and operating budgets, is provided from various sources listed below:

- City's share of the County Half Cent Transit Surtax (People's Transportation Plan (PTP) proceeds.
- 1% Resort Tax Quality of Life
- Parking Fees (Year End Surplus)
- Transportation Concurrency Mitigation
- Fees in Lieu of Parking
- Advertising Revenues
- Grants

For Fiscal Year 2015/16, the above funding sources are projected to generate approximately \$13.2 Million in revenues towards the Transportation Department's budget. These sources alone, however, are not sufficient to fund future transportation projects identified in the City's Transportation Master Plan Project Bank adopted by the City Commission on April 13, 2016, including the Miami Beach Light Rail Transit/Modern Streetcar project and potential future extensions of the system and the Intelligent Transportation System/Smart Parking System Project. Additionally, creating new funding sources for transportation would reduce the need to use non-transportation-related funding sources such as Parking Fees (Year End Surplus) and, as a result, make those monies available to address the need for additional parking garages throughout the City.

The City of Miami recently adopted an ordinance establishing a Transportation Trust Fund. Staff conducted an analysis of the City of Miami Ordinance which consists of:

- Capital contributions of no less than 20 percent of any unrestricted one-time cash payments to the city of \$500,000.00 or more, including, but not limited to, payments received through lease re-negotiations, money judgments from lawsuits, audit findings, or any other lump sum payments.
- Operation and maintenance contribution each fiscal year of no less than 0.25%
- Garage contributions

Finance and Citywide Projects Committee

This item was discussed at the June 17, 2016 Finance and Citywide Projects Committee meeting (FCWPC). The FCWPC made a motion to require that 20% of one-time unrestricted capital contributions should be deposited to a Transportation Capital Trust Fund. It was recognized that the funds generated on an annual basis may not be large, but over time, the funds would accumulate, with other existing sources that would provide funding for projects over time. Further, the FCWPC directed that dedicating a percentage of the general fund budget for Transportation operating and maintenance expenses should be considered as part of the FY2016/17 budget development process.

Given the needs of the Parking Department for parking garages, especially at intercept locations, it is not recommended that Fees in Lieu of Parking (i.e. similar to funds collected through parking ratio reductions) be committed to the Transportation Trust Fund, but rather that the use of these funds be reviewed each year as part of the review of competing priorities during the annual budget development process.

Advisory Board Recommendation:

Financial Information:




Source of Funds:	Amount	Account
OBPI	Total	

Financial Impact Summary:

City Clerk's Office Legislative Tracking:

Jose R. Gonzalez, P.E.

Sign-Offs:

Department Director	Assistant City Manager	City Manager
JRG 	KGB 	JLM 



MIAMIBEACH

AGENDA ITEM

R7Q

DATE

7-13-16

MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor Philip Levine and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: July 13, 2016

SUBJECT: **A RESOLUTION ACCEPTING THE RECOMMENDATION OF THE FINANCE AND CITYWIDE PORJECTS COMMITTEE ESTABLISHING A REQUIREMENT THAT NO LESS THAN TWENTY PERCENT (20%) OF ALL ONE-TIME UNRESTRICTED CAPITAL PAYMENTS TO THE CITY OF \$500,000.00 OR MORE, INCLUDING, BUT NOT LIMITED TO, PAYMENTS RECEIVED THROUGH LEASE RE-NEGOTIATIONS, MONEY JUDGEMENTS FROM LAWSUITS, AUDIT FINDINGS, OR ANY OTHER LUMP SUM PAYMENTS SHALL BE DEPOSITED TO A TRUST FUND FOR CAPITAL OR ACQUISITION COSTS ASSOCIATED WITH MASS TRANSIT EXCLUDING REASONABLE COSTS AND ANY CAPITAL REPLACEMENT COSTS ASSOCIATED WITH THE TRANSACTION THAT RESULTED IN THE RECIEPT OF THE ONE-TIME CASH PAYMENT**

BACKGROUND

Transportation Trust Funds are established by governmental entities in order to facilitate the creation, operation, and maintenance, including capital and operating costs, of mass transit and other transportation facilities within an area, including fixed mass transit routes, local circulator/trolley routes, waterborne mass transit, and public parking garages for transit enhancement purposes. Further, it is intended that transportation trust fund monies can be expended as a local share of the cost of an eligible project undertaken or developed by other governmental entities or through public-private partnerships.

This item was briefly discussed at the May 11, 2016 Finance and Citywide Projects Committee (FCWPC). At the meeting, the Committee passed a motion recommending that the Administration create a City of Miami Beach Transportation Fund to provide funding for public transportation improvements in the City.

Currently, funding for transportation projects in the City, both in terms of capital and operating budgets, is provided from various sources. Pursuant to Resolution No. 2006-26341 (Attachment A), the City will use one-time, non-recurring revenue for capital expenditures or one-time expenditures and not to subsidize recurring personnel, operations, and maintenance cost.

Current funding sources for transportation projects and whether the funds are used for capital or operating expenses are listed below:

- City's share of the County Half Cent Transit Surtax (People's Transportation Plan (PTP) proceeds. Approximately \$3.8 Million per year are provided on a recurring basis and are used to fund a portion of the operations of trolley services in Miami Beach. In addition to the North Beach Loop, once the Mid-Beach Loop, Collins Link, and South Beach Trolley are

implemented, trolley services are anticipated to cost approximately \$12.5 Million per year. With the implementation of the Light Rail/Modern Streetcar project, it is anticipated that approximately \$3 Million per year will be used for the Streetcar project.

- **1% Resort Tax Quality of Life – Transportation (45% split):** The 1% Resort Tax Quality of Life Funds are split between South Beach/Mid Beach/North Beach Capital projects, the Arts, and Transportation with 45% of the 1% going to Transportation (approximately \$ 5.7 Million per year). These funds are recurring on an annual basis and used to fund the balance of trolley operations; Professional Services (i.e., rotational contracts for traffic engineering and transportation planning services on an as-needed basis at approximately \$300,00 per year); Traffic Management and Monitoring Services at approximately \$540,000 per year; other Contractual Services such as, Mystery Rider program, Special Event shuttle service, trolley customer service, and the Transportation Department's personnel operating budget (i.e., salaries/wages, insurances, pension, office supplies, etc.). It should be noted that once the Intelligent Transportation System/Smart Parking System is fully implemented over the next couple of years, the operation and maintenance costs are projected up to \$2 Million per year.
- **Parking Fees (Year End Surplus):** Approximately \$4 Million from excess parking funds (revenues - expenditures) at the end of each year are used to augment the Transportation Department's annual operating budget for the following year.
- **Transportation Concurrency Mitigation:** These are one-time/non-recurring revenues limited to use for Transportation capital expenditures that increase Transportation capacity, including the Miami Beach Light Rail/Modern Streetcar Environmental Analysis.
- **Fees in Lieu of Parking:** These are fees that can be used for increasing parking capacity and, after 2010, for transportation improvements. Pursuant to the City Code, funds generated by the fee-in-lieu program collected after March 20, 2010, can be used for transportation improvements including:
 - Transit capital funding for buses, bus shelters and transit infrastructure
 - Traffic improvements for signals, signal timing and lane modifications
 - Bicycle facilities
 - Intelligent transportation systems
 - Pedestrian improvements and facilities
 - Other parking, transportation and mobility related capital projects as may be specifically approved by the City Commission
 - In addition, transit operational funding for newly introduced transportation enhancements and program expansion (limited to operational, nonadministrative costs only, i.e., drivers, fuel, maintenance and insurance) may be included if expressly approved by the City Commission.

A portion of these funds are recurring annually but most are one-time payments used for one-time expenditures only. Use of these funds for transportation competes with the need for parking garages throughout the City.

- **Advertising Revenues:** Approximately \$78,000 per year is generated by the sale of advertising space on the interior and exterior of the City's Trolley vehicles. Additionally, approximately \$700,000 per year are generated by bus shelter advertising through a revenue sharing contract with Clear Channel, Inc.

- Grants: Capital and Operating funds received from federal and state discretionary grant programs are used to off-set funding from various sources above, as appropriate.

For Fiscal Year 2015/16, the above funding sources are projected to generate approximately \$13.2 Million in revenues towards the Transportation Department's budget. These sources alone, however, are not sufficient to fund future transportation projects identified in the City's Transportation Master Plan Project Bank adopted by the City Commission on April 13, 2016 (Attachment B), including the Miami Beach Light Rail Transit/Modern Streetcar project and potential future extensions of the system and the Intelligent Transportation System/Smart Parking System Project.

Additionally, creating new funding sources for transportation would reduce the need to use non-transportation-related funding sources such as Parking Fees (Year End Surplus) and, as a result, make those monies available to address the need for additional parking garages throughout the City.

ANALYSIS

The City of Miami recently adopted an ordinance establishing a Transportation Trust Fund (Attachment B). Staff conducted an analysis of the City of Miami Ordinance. Below is a synopsis of the City of Miami Ordinance.

City of Miami Ordinance		
(Ord. No. 13568, § 1, 10-22-15)		
a.	Capital Contribution	No less than 20 percent of any unrestricted one-time cash payments to the city of \$500,000.00 or more, including, but not limited to, payments received through lease re-negotiations, money judgments from lawsuits, audit findings, or any other lump sum payments, shall be reserved in this trust fund for capital or acquisition costs associated with mass transit. The one-time payments for purposes of this section shall not include reasonable costs and any capital replacement costs associated with the transaction that resulted in the receipt of the one-time cash payment. Additionally, 20 percent of all unrestricted cash contributions to the public benefits trust fund, as defined in <u>chapter 62</u> , article XIV of the City Code and Section 3.14 of the Miami 21 Code, the zoning ordinance of the city, as amended, shall be reserved for the same trust fund purpose, with the exception of the cash contributions to the public benefit trust fund for affordable/workforce housing as defined in subsection <u>62-642(c)</u> of the City Code and Section 3.14.4(a)(3) of the Miami 21 Code. If any unrestricted one-time cash payment to the city of \$500,000.00 or more is to be paid in installments, the capital contribution shall be no less than 20 percent of each installment as it is received by the city. These funds may be carried over to the succeeding fiscal year.

b.	Operation & Maintenance Contrib.	Each fiscal year, no less than one-quarter of one percent (0.25%) of the city's general fund operating budget shall be reserved in this trust fund for operation and maintenance costs associated with mass transit. These funds shall, to the extent possible to meet the one-quarter of one percent (0.25%) minimum, primarily consist of transportation related restricted funds eligible for said purpose not already allocated for other expenditures. The administration shall look to earmarked transportation funding, inclusive of Local Option Gas Tax ("LOGT") funding. These funds may be carried over to the succeeding fiscal year.
c.	Garage Contribution	All funds collected through parking ratio reductions pursuant to Article 4, Table 4 of the Miami 21 Code, as amended, shall be reserved in this trust fund for capital or acquisition costs associated with the creation of new public parking garages operated by the department of off-street parking. These funds may be carried over to the succeeding fiscal year.

The City of Miami Ordinance also provides that "Nothing in this section shall be construed as limiting the ability to reserve funds in excess of the abovementioned minimums. Expenditures from this trust fund shall require a 4/5ths vote of the entire membership of the City Commission upon a written recommendation from the City Manager. This article shall not be construed to take funds from any of the established parking trust funds in this article."

Finance and Citywide Projects Committee

This item was discussed at the June 17, 2016 Finance and Citywide Projects Committee meeting (FCWPC). The FCWPC made a motion to require that 20% of one-time capital contributions should be deposited to a Transportation Capital Trust Fund. It was recognized that the funds generated on an annual basis may not be large, but over time, the funds would accumulate, with other existing sources that would provide funding for projects over time.

Further, the FCWPC directed that dedicating a percentage of the general fund budget for Transportation operating and maintenance expenses should be considered as part of the FY2016/17 budget development process.

Given the needs of the Parking Department for parking garages, especially at intercept locations, it is not recommended that Fees in Lieu of Parking (i.e. similar to funds collected through parking ratio reductions) be committed to the Transportation Trust Fund, but rather that the use of these funds be reviewed each year as part of the review of competing priorities during the annual budget development process.

CONCLUSION

The Administration recommends approval of the resolution accepting the recommendation of the Finance and Citywide Projects Committee establishing a requirement that no less than twenty percent (20%) of all one-time unrestricted capital payments to the City of \$500,000.00 or more, including, but no limited to, payments received through lease re-negotiations, money judgements from lawsuits, audit finding, or any other lump sum payments shall be deposited to a trust fund for capital or acquisition costs associated with mass transit excluding reasonable costs and any capital

replacement costs associated with the transaction that resulted in the receipt of the one-time cash payment.

Attachments:

- A: City of Miami Ordinance
- B: City of Miami Beach Resolution No, 2006-26341
- C: Transportation Master Plan Project Bank



JLM/KGB/CGR/JRG

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