

# MIAMI BEACH

## COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: September 25, 2024 5:02 p.m. Second Reading Public Hearing

TITLE: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORMANDY SHORES LOCAL GOVERNMENT NEIGHBORHOOD IMPROVEMENT DISTRICT ADOPTING THE FINAL AD VALOREM MILLAGE RATE OF 0.7789 MILLS FOR FISCAL YEAR 2025 FOR THE NORMANDY SHORES LOCAL GOVERNMENT NEIGHBORHOOD IMPROVEMENT DISTRICT, WHICH IS FIVE AND FOUR TENTHS PERCENT (5.4%) MORE THAN THE "ROLLED-BACK" RATE OF 0.7387 MILLS.

### **RECOMMENDATION**

The Administration recommends that the Mayor and City Commission, acting in its capacity as the Board of Directors of the Normandy Shores Local Government Neighborhood Improvement District ("District"), adopt the attached Resolution which authorizes the City Manager to transmit the following information to the Miami-Dade County Property Appraiser:

- 1) The Final Adopted Millage Rate for the District for Fiscal Year (FY) 2025:

General Operating	0.7789 mills ( <u>0.0679 mills less than last year</u> )
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The first public hearing to adopt the District's tentative operating millage rate and budget for FY 2025 was held on Monday, September 16, 2024. The millage rate reflected herein is that which was tentatively adopted at the first public hearing.

### **BACKGROUND/HISTORY**

The Normandy Shores Local Government Neighborhood Improvement District, which is a dependent taxing district of its principal taxing authority, the City of Miami Beach, was established in 1994 to provide continuous twenty-four (24) hour security to this gated community. FY 2025 represents its thirty-first (31<sup>st</sup>) year of operation.

The Normandy Shores Local Government Neighborhood Improvement District was officially established by Ordinance No. 93-2881 with the authority "to levy an ad-valorem tax on real and personal property of up to two (2) mills, provided that no parcel of property will be assessed more than \$500 annually for such improvements."

On September 23, 1998, Resolution No. 98-22902 adopted the Normandy Shores Local Government Neighborhood Improvement District's FY 1999 budget. The accompanying memorandum noted that a determination was reached that the City would fund 35% of the annual cost of the community guard gate. It also stated that this cost would eventually be funded by the Normandy Shores Golf Course, the City Attorney's Office would review the issue of the dependent status of the Normandy Shores Local Government Neighborhood Improvement District, and the City would continue supplementing the budget at current levels until both issues were resolved.

On September 25, 2002, Ordinance No. 2002-3380 adopted the removal of the \$500 annual cap per parcel. The accompanying memorandum noted that the City's 35% contribution would be maintained.

In 2015, as part of a "clean up" Ordinance to repeal three other safe neighborhood districts that were no longer active, the Mayor and City Commission adopted Ordinance No. 2015-3928. With respect to the Normandy Shores Local Government Neighborhood Improvement District, because the prior versions of the Ordinance had not been codified, the 2015 Ordinance sought to codify the legislation that had been previously adopted. However, in so doing, the legislation codified the original 1993 Ordinance that included an ad valorem cap of \$500 per property instead of the updated 2002 Ordinance that had removed the cap of \$500 per property.

In order to correct the inadvertent error in the 2015 Ordinance and eliminate the \$500 per property cap, as intended since 2002, the Mayor and City Commission adopted Ordinance No. 2020-4386 on December 9, 2020.

On July 28, 2021, the City Commission, based on the recommendation of the Finance and Economic Resiliency Committee at its July 31, 2021 meeting, adopted Resolution No. 2021-31819 eliminating the City's 35% subsidy, while continuing to fund 50% of the total cost of the security rover for the District and Normandy Shores Golf Course.

Since then, the annual budget for the Normandy Shores Local Government Neighborhood Improvement District has been fully funded through a dedicated ad valorem tax levied on properties within the Normandy Shores Local Government Neighborhood Improvement District to provide continuous 24 hour security to this gated community with the City continuing to fund 50% of the total cost of the security rover shared between the Normandy Shores Local Government Neighborhood Improvement District and the Normandy Shores Golf Course.

## **ANALYSIS**

The operating millage and budget for this dependent taxing district must be adopted in accordance with Florida Statutes. This procedure requires that this Resolution be considered immediately after the millage and budget of the principal taxing authority (i.e., the City of Miami Beach).

It also requires that a final millage for the District be adopted first. This is accomplished by adopting a Resolution which states the percent increase or decrease over the "rolled-back" rate. Following this, another Resolution which adopts the District's final operating budget must be approved (see accompanying Normandy Shores Local Government Neighborhood Improvement District Budget agenda item for details).

Florida Statute requires that the name of the taxing authority, the rolled-back rate, the percentage increase or decrease, and the millage rate be publicly announced before adoption of the millage Resolution.

## **NORMANDY SHORES PROPERTY VALUES**

On July 1, 2024, the City received the 2024 Certified Taxable Values from the Miami-Dade County Property Appraiser for the Normandy Shores Local Government Neighborhood Improvement District indicating that the overall taxable property values increased approximately \$55.8 million, or 14.2%, from the 2023 Certified Taxable Values of \$392.8 million to the 2024 Certified Taxable Values of \$448.6 million, which was comprised of a \$50.7 million, or 12.9%, increase in the District's existing values and a \$5.1 million increase in new construction values.

	July 2023 Certified	July 2024 Certified	\$ Change	% Change
Property Values:				
Existing Values	\$392,785,688	\$443,527,813	\$50,742,125	12.9%
New Construction	-	5,135,349	5,135,349	100.0%
<b>Total Normandy Shores</b>	<b>\$392,785,688</b>	<b>\$448,663,162</b>	<b>\$55,877,474</b>	<b>14.2%</b>

### **NORMANDY SHORES MILLAGE & BUDGET**

Based on the 2024 Certified Taxable Values for the Normandy Shores Local Government Neighborhood Improvement District, the ad valorem millage rate, which was approved by the Normandy Shores Homeowners' Association and is recommended by the Administration for FY 2025, is 0.7789 mills. The millage rate for FY 2025 is 0.0679 mills, or 8.0%, less than the millage rate adopted for FY 2024 of 0.8468 mills. This levy would generate property tax revenues of \$349,464, which will be budgeted at approximately 95.0%, or \$331,991 (rounded to \$332,000), to account for early payment discounts, delinquencies, etc. and will fund, in combination with other miscellaneous revenues projected totaling \$4,000, the FY 2025 budget for the District that totals \$336,000.

	FY 2024 Adopted	FY 2025 Proposed	Inc / (Dec)
Normandy Shores Millage	0.8468	0.7789	(0.0679)
Property Tax Revenues	\$316,000	\$332,000	\$16,000

The Normandy Shores Local Government Neighborhood Improvement District budget for FY 2025, as summarized below, is \$336,000, which reflects an increase of \$20,000, or 6.3%, from the FY 2024 adopted budget of \$316,000 and includes \$5,000 for one-time guardhouse technology upgrades that were requested by the District in FY 2025.

Expenditures in FY 2025 Budget	\$
Contracted Security Guard Services for Guardhouse and 50% of Rover	\$237,100
Security Gate and Guardhouse Maintenance/Repairs	40,100
Set-aside for Renewal and Replacement of Capital Assets	20,000
City of Miami Beach Internal Service Charges and Fees	17,000
Guardhouse Utilities (Electricity, Telephone, etc.)	7,300
Set-aside for Reserves for Future Projects	5,000
Guardhouse Technology Upgrades (One-Time)	5,000
Guardhouse Janitorial Services	4,000
Other Miscellaneous Operating Expenditures	500
<b>Total</b>	<b>\$336,000</b>

### **TRUTH-IN-MILLAGE PROCESS**

Florida Statute 200.065, entitled "Method of Fixing Millage," establishes specific guidelines that must be used by all local government entities, including dependent taxing districts like the

Normandy Shores Local Government Neighborhood Improvement District, in setting its millage (property tax) rates. Like its principal taxing authority, the City of Miami Beach, the Normandy Shores Local Government Neighborhood Improvement District is also required to advise the Miami-Dade County Property Appraiser within 35 days from receipt of the "Certification of Taxable Value" (received July 1, 2024) of the proposed operating millage rate, the calculated "rolled-back" rate and the date, time, and place of the first public hearing to consider the operating millage rate and budget for FY 2025.

### **Maximum Millage Determination**

After setting the proposed operating millage rate the Mayor and City Commission, acting in its capacity as the Board of Directors of the Normandy Shores Local Government Neighborhood Improvement District, may, at any time prior to final adoption, lower the millage rate. However, any increase above the millage rate for FY 2025 of 0.7789 mills, if adopted, would require an expensive advertising and mailing process to each property owner in the District. Therefore, this millage rate is viewed as the ceiling.

Adoption of the final millage rate for FY 2025 of 0.7789 mills for the Normandy Shores Local Government Neighborhood Improvement District, therefore, requires a majority approval (4 of 7 votes) by the Mayor and City Commission per the State of Florida's Truth-in-Millage (TRIM) requirements.

It must be noted that, in accordance with Florida Statutes, there is an operating cap of 10 mills that cannot be exceeded without voter approval. Combining both millage rates from the District (0.7789 mills) and its principal taxing authority, the City of Miami Beach (5.8522 mills), totals 6.6311 mills, which is 3.3689 mills less than the statutory cap of 10 mills.

On September 16, 2024, the Mayor and City Commission tentatively adopted the operating millage rate of 0.7789 mills and operating budget of \$336,000 for the District for FY 2025.

### **FISCAL IMPACT STATEMENT**

See information provided above.

### **Does this Ordinance require a Business Impact Estimate?** (FOR ORDINANCES ONLY)

**If applicable, the Business Impact Estimate (BIE) was published on:**

See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notices/>

### **FINANCIAL INFORMATION**

See information provided above.

### **CONCLUSION**

The Mayor and City Commission, acting in its capacity as the Board of Directors of the Normandy Shores Local Government Neighborhood Improvement District, should adopt the attached Resolution which establishes the final millage rate of 0.7789 mills for the Normandy Shores Local Government Neighborhood Improvement District for FY 2025.

EC/JDG/TOS/RA

### **Applicable Area**

Citywide

**Is this a “Residents Right to Know” item,  
pursuant to City Code Section 2-17?**

Yes

**Is this item related to a G.O. Bond  
Project?**

No

**Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481,  
includes a principal engaged in lobbying?**

If so, specify the name of lobbyist(s) and principal(s):

**Department**

Management and Budget

**Sponsor(s)**

**Co-sponsor(s)**

**Condensed Title**

5:02 p.m. 2nd Rdg, Adopt Final Ad Valorem Millage-Normandy Shores Gov. OMB