



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

COMMITTEE MEMORANDUM

TO: Members of the Finance & Economic Resiliency Committee

FROM: Jimmy L. Morales, City Manager

DATE: July 24, 2020

SUBJECT: NON-AD VALOREM ASSESSMENT FOR SECURITY GUARD SPECIAL TAXING DISTRICTS

ADMINISTRATION RECOMMENDATION

The Administration recommends the following Fiscal Year (FY) 2021 non-ad valorem assessment rates and budgets for the Allison Island, Biscayne Beach, and Biscayne Point Security Guard Special Taxing Districts as follows:

- 1) Non-Ad Valorem Assessment Roll of \$4,804.35, per Residential Unit, for real property located within the Allison Island Security Guard Special Taxing District commencing Fiscal Year 2021, which will fund the FY 2021 budget for this Special Taxing District of \$221,000.
- 2) Non-Ad Valorem Assessment Roll of \$2,188.12, per Residential Unit, for real property located within the Biscayne Beach Security Guard Special Taxing District commencing Fiscal Year 2021, which will fund the FY 2021 budget for this Special Taxing District of \$221,000.
- 3) Non-Ad Valorem Assessment Roll of \$676.88, per Residential Unit, for real property located within the Biscayne Point Security Guard Special Taxing District commencing Fiscal Year 2021, which will fund the FY 2021 budget for this Special Taxing District of \$221,000.

BACKGROUND

Allison Island

In 1989, the City's Mayor and City Commission and the Miami-Dade County Board of County Commissioners approved the creation of a Special Taxing District pursuant to City Resolution No. 89-19604 and County Ordinance No. 89-125 to provide 24-hour security guard service to Allison Island.

Pursuant to a Miami-Dade County Charter Amendment approved by the electorate on November 8, 2016, County Ordinance No. 16-14 was given effect which created a new Section 18-3.1 in the Miami-Dade County Code. This new County Code section provides, in part, that by joint

resolutions of the Board of County Commissioners and the governing body of a municipality, the governing body of a municipality may be designated as the governing body of an existing Special Taxing District located entirely within the boundaries of such municipality, subject to a majority vote of the qualified electors residing in the Special Taxing District at an election called by and conducted as provided by the Board of County Commissioners and with the County Tax Collector and Property Appraiser would be needed to effectuate a transfer of control.

At the October 17, 2018 City Commission meeting, the Mayor and City Commission adopted Resolution No. 2018-30575 requesting the County to transfer control of the Special Taxing District from the Board of County Commissioners to the Mayor and City Commission of the City of Miami Beach, and to designate the Mayor and City Commission as the governing body of the Special Taxing District, subject to County approval and a majority vote of the qualified electors residing in the Special Taxing District. Subsequently, on March 13, 2019, the City Commission approved the execution of an interlocal agreement to transfer control of the Special Taxing District from the County to the City in Resolution No. 2019-30750.

On June 4, 2019, the Miami-Dade County Board of County Commissioners passed and adopted Resolution No. R-590-19, which approved the interlocal agreement and the transfer of control of the Special Taxing District, subject to the City passing a Resolution ratifying and accepting the County's approval of the execution of an interlocal agreement.

In addition, on June 4, 2019, the County passed and adopted Resolution R-591-19, which called a special election for the Special Taxing District, and provided that the special election shall be held within the boundaries of the Special Taxing District, and set forth the ballot question to be presented for approval or disapproval by a mailed ballot and the noticing requirements and registration deadline, and provided that the special election shall be held on December 17, 2019 and that all marked ballots must be received by 7:00 p.m. on that day.

On December 17, 2019, the voters approved the transfer of control of the Special Taxing District to the City. As a result of this vote, and pursuant to the terms of the Transfer Agreement between the County and the City, the City became the governing body of the Special Taxing District twelve days after the favorable election pursuant to Section 102.168 of the Florida Statutes, as no contest of the election was filed.

On January 15, 2020, the City Commission passed and adopted Resolution No. 2020-31145 which ratified and accepted County Resolution No. R-590-19, approving the transfer of control of the Special Taxing District and the interlocal agreement. City Resolution No. 2020-31145 also ratified and accepted County Resolution No. R-591-19, which called for a special election in the Special Taxing District to seek approval or disapproval of a Resolution designating the City as the governing body of the Special Taxing District pursuant to Section 18-3.1 of the Code of Miami-Dade County.

Biscayne Beach

In 1989, Mayor and City Commission of the City of Miami Beach and the Miami-Dade County Board of County Commissioners approved the creation of a Special Taxing District pursuant to City Resolution No. 88-19368 and County Ordinance No. 89-126 to provide 24-hour security guard service to Biscayne Beach.

Pursuant to a Miami-Dade County Charter Amendment approved by the electorate on November 8, 2016, County Ordinance No. 16-14 was given effect which created a new Section 18-3.1 in the Miami-Dade County Code. This new County Code section provides, in part, that by joint resolutions of the Board of County Commissioners and the governing body of a municipality, the governing body of a municipality may be designated as the governing body of an existing Special Taxing District located entirely within the boundaries of such municipality, subject to a majority vote of the qualified electors residing in the Special Taxing District at an election called by and conducted as provided by the Board of County Commissioners and with the County Tax Collector and Property Appraiser would be needed to effectuate a transfer of control.

At the October 17, 2018 City Commission meeting, the Mayor and City Commission adopted Resolution No. 2018-30576 requesting the County to transfer control of the Special Taxing District from the Board of County Commissioners to the Mayor and City Commission of the City of Miami Beach, and to designate the Mayor and City Commission as the governing body of the Special Taxing District, subject to County approval and a majority vote of the qualified electors residing in the Special Taxing District. Subsequently, on March 13, 2019, the City Commission approved the execution of an interlocal agreement to transfer control of the Special Taxing District from the County to the City in Resolution No. 2019-30749.

On June 4, 2019, the Miami-Dade County Board of County Commissioners passed and adopted Resolution No. R-588-19, which approved the interlocal agreement and the transfer of control of the Special Taxing District, subject to the City passing a Resolution ratifying and accepting the County's approval of the execution of an interlocal agreement.

In addition, on June 4, 2019, the County passed and adopted Resolution R-589-19, which called a special election for the Special Taxing District, and provided that the special election shall be held within the boundaries of the Special Taxing District, and set forth the ballot question to be presented for approval or disapproval by a mailed ballot and the noticing requirements and registration deadline, and provided that the special election shall be held on December 17, 2019 and that all marked ballots must be received by 7:00 p.m. on that day.

On December 17, 2019, the voters approved the transfer of control of the Special Taxing District to the City. As a result of this vote, and pursuant to the terms of the Transfer Agreement between the County and the City, the City became the governing body of the Special Taxing District twelve days after the favorable election pursuant to Section 102.168 of the Florida Statutes, as no contest of the election was filed.

On January 15, 2020, the City Commission passed and adopted Resolution No. 2020-31146 which ratified and accepted County Resolution No. R-588-19, approving the transfer of control of the Special Taxing District and the interlocal agreement. City Resolution No. 2020-31146 also ratified and accepted County Resolution No. R-589-19, which called for a special election in the Special Taxing District to seek approval or disapproval of a Resolution designating the City as the governing body of the Special Taxing District pursuant to Section 18-3.1 of the Code of Miami-Dade County.

Biscayne Point

In 1990, the City's Mayor and City Commission and the Miami-Dade County Board of County Commissioners approved the creation of a Special Taxing District pursuant to City Resolution No. 90-19919 and County Ordinance No. 90-52 to provide 24-hour security guard service to Biscayne Point. Thereafter, in 2006 and 2007, respectively, the City's Mayor and City Commission and the Miami-Dade County Board of County Commissioners approved an amendment to the Special Taxing District in City Resolution No. 2006-26201 and County Ordinance No. 07-62 to provide for increased services, including the installation of cameras and a recording device in the guardhouse.

Pursuant to a Miami-Dade County Charter Amendment approved by the electorate on November 8, 2016, County Ordinance No. 16-14 was given effect which created a new Section 18-3.1 in the Miami-Dade County Code. This new County Code section provides, in part, that by joint resolutions of the Board of County Commissioners and the governing body of a municipality, the governing body of a municipality may be designated as the governing body of an existing Special Taxing District located entirely within the boundaries of such municipality, subject to a majority vote of the qualified electors residing in the Special Taxing District at an election called by and conducted as provided by the Board of County Commissioners and with the County Tax Collector and Property Appraiser would be needed to effectuate a transfer of control.

At the June 28, 2017 City Commission meeting, the Mayor and City Commission adopted Resolution No. 2017-29909 requesting the County to transfer control of the Special Taxing District from the Board of County Commissioners to the Mayor and City Commission of the City of Miami Beach, and to designate the Mayor and City Commission as the governing body of the Special Taxing District, subject to County approval and a majority vote of the qualified electors residing in the Special Taxing District.

On November 7, 2017, the Miami-Dade County Board of County Commissioners passed and adopted Resolution No. R-1019-17, which approved the interlocal agreement and the transfer of control of the Special Taxing District, subject to the City passing a Resolution ratifying and accepting the County's approval of the execution of an interlocal agreement.

In addition, on November 7, 2017, the County passed and adopted Resolution R-1020-17, which called a special election for the Special Taxing District, and provided that the special election shall be held within the boundaries of the Special Taxing District, and set forth the ballot question to be presented for approval or disapproval by a mailed ballot and the noticing requirements and registration deadline, and provided that the special election shall be held on January 23, 2018 and that all marked ballots must be received by 7:00 p.m. on that day.

On December 13, 2017, the City Commission passed and adopted Resolution No. 2017-30123 which ratified and accepted County Resolution No. R-1019-17, approving the transfer of control of the Special Taxing District and the interlocal agreement. City Resolution No. 2017-30123 also ratified and accepted County Resolution No. R-1020-17, calling for a special election in the Special Taxing District to seek approval or disapproval of a Resolution designating the City as the governing body of the Special Taxing District pursuant to Section 18-3.1 of the Code of Miami-Dade County.

On January 23, 2018, the voters approved the transfer of control of the Special Taxing District to the City. As a result of this vote, and pursuant to the terms of the Transfer Agreement between the County and the City, the City became the governing body of the Special Taxing District twelve days after the favorable election, as no contest of the election was filed pursuant to Section 102.168 of the Florida Statutes.

PROCEDURE

The non-ad valorem assessment roll and operating budget for the three Special Taxing Districts must be adopted in accordance with Florida Statutes.

The procedure by which non-ad valorem assessments, as districts, will be placed on the annual Notice of Proposed Property Taxes and Combined Property Tax Bill mailed to all property owners for FY 2021 is as follows:

1. By June 1st, the County Property Appraiser provides the governing body of the Special Taxing District(s) with the applicable parcels/units comprising the Special Taxing District
2. By July 13th, the governing body of the Special Taxing District(s) is required to provide the County Property Appraiser with the proposed parcels/units being assessed and the applicable rates
3. By August 24th, the annual Notice of Proposed Property Taxes (TRIM Notice) to inform applicable property owners of the proposed non-ad valorem assessment, is mailed by the County Property Appraiser
4. By September 15th, the governing body of the Special Taxing District(s) is required to provide the County Property Appraiser with the final parcels/units being assessed and the applicable rates adopted by Resolution by the governing body of the District

Upon adoption of the non-ad valorem assessment roll and operating budget, the non-ad valorem assessment will be placed on the annual Combined Property Tax Bill to be collected by the County Property Tax Collector and subsequently remitted to the governing body of the Special Taxing District(s) for operation of the District.

FY 2021 ASSESSMENT ROLL & BUDGET

The City of Miami Beach intends to use the uniform method for collecting non-ad valorem assessments for the provision of continued operation and maintenance of the Special Taxing District, including but not limited to, the making of infrastructure and security improvements as authorized by Section 197.3632, Florida Statutes, because this method will allow such special assessments to be collected annually, commencing for the fiscal year beginning October 1, 2020, in the same manner as provided for ad valorem taxes.

Allison Island

The FY 2021 budget reflects fiscal increases and/or decreases necessary to provide security services for the upcoming fiscal year. The FY 2021 budget for the Allison Island Security Guard Special Taxing District is \$221,000, which represents a 19.4%, or \$53,095, decrease from the FY 2020 budget of \$274,095 adopted by Miami-Dade County and is comprised of the following line item expenditures:

Items Included in FY 2021 Expenditures	\$
Contracted Security Guard Services for District	181,500
Utilities (Water, Sewer, Storm Water, Electricity, Telephone)	6,000
Janitorial Services	1,200
Guardhouse Repairs and Maintenance	1,200
Contingencies (based on budgeted collection allowance)	3,000
OIG Set-aside (based on 0.5% of budgeted contracts)	1,000
Property Management Internal Service Charges	27,100
Total	\$ 221,000

In order to continue to provide the current level of security required by this Special Taxing District, the Administration recommends the proposed FY 2021 non-ad valorem assessment of \$4,804.35, per Residential Unit, for real property located within the boundaries of the Allison Island Security Guard Special Taxing District commencing FY 2021, which will fund the FY 2021 budget for this Special Taxing District. This non-ad valorem assessment is \$926.53, or 16.2%, less than the non-ad valorem assessment adopted by Miami-Dade County for FY 2020 of \$5,730.88, per Residential Unit, and would generate proceeds of approximately \$221,000.

Biscayne Beach

The FY 2021 budget reflects fiscal increases and/or decreases necessary to provide security services for the upcoming fiscal year. The FY 2021 budget for the Biscayne Beach Security Guard Special Taxing District is \$221,000, which represents a 21.8%, or \$61,610, decrease from the FY 2020 budget of \$282,610 adopted by Miami-Dade County and is comprised of the following line item expenditures:

Items Included in FY 2021 Expenditures	\$
Contracted Security Guard Services for District	181,500
Utilities (Water, Sewer, Storm Water, Electricity, Telephone)	6,000
Janitorial Services	1,200
Guardhouse Repairs and Maintenance	1,200
Contingencies (based on budgeted collection allowance)	3,000
OIG Set-aside (based on 0.5% of budgeted contracts)	1,000
Property Management Internal Service Charges	27,100
Total	\$ 221,000

In order to continue to provide the current level of security required by this Special Taxing District, the Administration recommends the proposed FY 2021 non-ad valorem assessment of \$2,188.12,

per Residential Unit, for real property located within the boundaries of the Biscayne Beach Security Guard Special Taxing District commencing FY 2021, which will fund the FY 2021 budget for this Special Taxing District. This non-ad valorem assessment is \$545.08, or 19.9%, less than the non-ad valorem assessment adopted by Miami-Dade County for FY 2020 of \$2,733.20, per Residential Unit, and would generate proceeds of approximately \$221,000.

Biscayne Point

The FY 2021 budget reflects fiscal increases and/or decreases necessary to provide security services for the upcoming fiscal year. The FY 2021 budget for the Biscayne Point Security Guard Special Taxing District is \$221,000, which represents a 0.9%, or \$2,000, decrease from the District's adopted FY 2020 operating budget and is comprised of the following line item expenditures:

Items Included in FY 2021 Expenditures	\$
Contracted Security Guard Services for District	181,500
Utilities (Water, Sewer, Storm Water, Electricity, Telephone)	6,000
Janitorial Services	1,200
Guardhouse Repairs and Maintenance	1,200
Contingencies (based on budgeted collection allowance)	3,000
OIG Set-aside (based on 0.5% of budgeted contracts)	1,000
Property Management Internal Service Charges	27,100
Total	\$ 221,000

The non-ad valorem assessment recommended by the Administration for FY 2021 is \$676.88, per Residential Unit, for real property located within the boundaries of the Biscayne Point Security Guard Special Taxing District reflected in Attachment A and will fund the FY 2021 budget for the District. This non-ad valorem assessment is \$9.27, or 1.4%, less than the adopted FY 2020 non-ad valorem assessment of \$686.15, per Residential Unit, and would generate proceeds of approximately \$221,000.

Statutory Requirement

Section 197.3632 of the Florida Statutes, entitled "Uniform method for the levy, collection, and enforcement of non-ad valorem assessments" establishes specific guidelines that must be used by all government entities, including local municipalities like the City of Miami Beach, in setting non-ad valorem assessment rates.

Annually by June 1st, the County Property Appraiser is required to provide each local government using the uniform method with the following information by list or compatible electronic medium: the legal description of the property within the boundaries described in the Resolution, and the names and addresses of the owners of such property. Such information shall reference the property identification number and otherwise conform in format to that contained on the ad

valorem roll provided. It is important to note that the Property Appraiser is not required to submit information which is not on the ad valorem roll or compatible electronic medium provided.

The non-ad valorem assessment roll is required to be adopted at a duly noticed public hearing between January 1st and September 15th if one of the following criteria is met: (1) the Non-Ad Valorem assessment is levied for the first time; (2) the Non-Ad Valorem assessment is increased beyond the maximum rate authorized by law of judicial decree at the time of imposition; (3) the local government's boundaries have changed, unless all newly affected property owners have provided written consent for such assessment to the local governing board; or (4) there is a change in the purpose for such assessment or in the use of the revenue generated by such assessment.

By September 15th of each year, the chair of the local governing board or his or her designee is required to certify a non-ad valorem assessment roll on compatible medium to the tax collector containing the non-ad valorem assessment for each parcel/unit on the roll.

CONCLUSION

At the July 29, 2020 Commission meeting, the Mayor and City Commission will set the recommended FY 2021 non-ad valorem assessment rolls and budgets for the Allison Island, Biscayne Beach, and Biscayne Point Security Guard Special Taxing Districts in accordance with Section 197.3632, Florida Statutes.

Upon adoption of the non-ad valorem assessment rolls and operating budgets, the non-ad valorem assessments will be placed on the annual Combined Property Tax Bill to be collected by the County Property Tax Collector and subsequently remitted to the governing body of the Special Taxing District(s) for operation of the District.

Attachment A – Allison Island Preliminary Non-Ad Valorem Assessment Roll
Attachment B – FY 2021 Allison Island Budget
Attachment C – Biscayne Beach Preliminary Non-Ad Valorem Assessment Roll
Attachment D – FY 2021 Biscayne Beach Budget
Attachment E – Biscayne Point Preliminary Non-Ad Valorem Assessment Roll
Attachment F – FY 2021 Biscayne Point Budget

JLM/JW/TOS