

Facilities Planning and Construction
Paul J. Phillips, Chief Facilities Officer

SUBJECT: AUTHORIZATION TO EXECUTE AN AMENDMENT TO THE INTERLOCAL AGREEMENT BETWEEN MIAMI-DADE COUNTY AND THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, RELATING TO EDUCATIONAL FACILITIES IMPACT FEE MONIES

At its September 6, 1995 meeting, the Board authorized the Superintendent to finalize and execute an Interlocal Agreement (Agreement) with Miami-Dade County (County) necessary to the implementation of the Educational Facilities Impact Fee Ordinance. This Agreement addresses the respective responsibilities of the County and the District regarding requirements for the collection and transfer of impact fee monies, accountability of monies, proportional split of administrative fee revenues, indemnification and goals for the use of funds.

One of the goals of the original Agreement was to leverage impact fee monies by constructing and financing schools through lease/purchase arrangements, thereby expediting school construction. The Agreement provided that the District issue a Request for Proposals (RFP) to construct and finance through a lease/purchase agreement, an elementary school in the East Benefit District, a middle school in the Northwest Benefit District, and a senior high school in the Southwest Benefit District.

The District proceeded with the RFP process for the elementary school (Hubert O. Sibley Elementary) and the senior high school (Felix Varela Senior High), resulting in original proposal awards in early 1998. However, in so doing, it was discovered that the RFP process limited competition, was more time-consuming than a typical bid process and resulted in higher construction and financing costs than those typically experienced for District projects. As a result, since 1998, the District has requested that the County consider an Amendment to the Interlocal Agreement, which would allow the District to award and construct schools through low bid processes and finance through District methods which might provide more advantageous interest rates or payment provisions. The County agreed to consider such an Amendment provided that the original intent to leverage impact monies through financed arrangements was preserved.

The terms and conditions of the proposed Amendment are as follows:

- The Board may employ any procedure to contract for the construction of public educational facilities and use any financing mechanism, so long as the Board determines that such procedure and/or mechanism would best serve the public interest. All provisions relating to construction and financing through lease/purchase RFP arrangements have been deleted.

- The Board may use impact fee monies for the construction of additional educational facilities, including major permanent classroom building additions in excess of 3,600 square feet, or for other allowable capital expenditures. Where monies for educational facilities construction are available from sources other than impact fees, the Board may use impact fee monies to purchase land.
- The Board agrees to use a minimum of \$1.5 million per year per Benefit District (a total of \$4.5 million per year) for financed projects with a term of not less than 20 years (long-term financing).
- The Board agrees to use a minimum per year of 50% of the balance of funds received in each Benefit District (after the \$1.5 million of long-term debt is subtracted), for financed projects with a term of not less than 5 years (short-term financing). Any long-term debt in excess of the \$1.5 million will count towards the 50% requirement.
- By July 1st of each year, the District will transmit a preliminary proposal, subject to the Board's approval, indicating the intended financed projects for the following year. The County shall have 45 calendar days from receipt of the preliminary plan to respond to the District regarding any objections. By October 31st of each year, the Board-approved annual plan of financed projects, including new projects, previously approved projects and actual/anticipated debt service, will be transmitted to the County. The Board shall have the right to add additional financed projects at any time subject to project-by-project notice to the County. The County shall have 45 calendar days from receipt to respond to the District regarding any objections. The Board shall not expend or encumber impact fee monies for financed projects until any objections raised by the County have been resolved to the satisfaction of both parties.
- The minimum financed amounts shall apply only to the extent that sufficient revenues for each Benefit District are transmitted annually to the Board. Additionally, the Board shall not be bound by minimum financing amounts if the County does not agree to a sufficient number of projects in the annual plan to meet the minimum thresholds.
- The Board shall not be in default of this Amendment to the extent it has used its best efforts in achieving the threshold minimums and is unable to for reasons beyond its control, provided that the period in which the thresholds have not been achieved does not exceed 180 days.
- The County will be responsible for any shortfall in debt service if such reduction is a direct result of repeal or modification of the Impact Fee Ordinance or the imposition of a moratorium by the County.

All other terms and conditions of the original Agreement will remain unchanged.

The proposed Amendment has been reviewed by the School Board Attorney's Office. Financial Affairs and Facilities Planning and Construction recommend approval of the proposed Amendment.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, authorize the Superintendent or his designee to execute an Amendment to the Interlocal Agreement between Miami-Dade County and The School Board of Miami-Dade County, Florida, Relating to Educational Facilities Impact Fee Monies, under the terms and conditions set forth above.

KW:svl