

Authority proposing to increase spending about \$2.6 million

BY CATHERINE LACKNER

As local governments struggle to maintain service levels in an era of declining revenues, Miami's Downtown Development Authority would appear to be in an enviable position. If all goes as planned, the agency will meet expenses next year and apply \$1.3 million of its \$9.4 million budget to future years' reserves.

The authority proposes to spend \$7.4 million on its own operations next year, up substantially from projected spending this year of less than \$4.8 million and \$4 million last year.

The authority, funded by an incremental tax on businesses in the city's core and the Brickell corridor and some revenues from other agencies, sent its tentative budget for fiscal 2009-10, which begins Oct. 1, to the Miami Commission for approval Friday. The commission is to vote on it today (9/24).

The lion's share, \$3.2 million, is to go for capital improvements, urban design, transportation and services. The money is intended to enhance streetscapes and signage, improve parks and landscaping, better plan transportation, and fund the Downtown Enhance-

ment Team and Downtown Ambassadors programs.

Marketing and economic development – advertising, special events, participation in trade shows and conferences, grants for façade improvement and shutter removal – account for \$2.7 million. Agency operating expenses, including personnel costs, are estimated at \$1 million.

Strategic planning – neighborhood and industry outreach, partner organization funding – account for about \$500,000.

But the proposed budget is fluid, agency officials said after Friday's board of directors meeting, and money may be re-allocated among categories during the year as need dictates.

Because of retail, restaurant and especially population growth downtown, "We actually have more money this year than last," said Neisen Kasdin, board vice chairman, said at the meeting.

In fact, the authority area's taxable value skyrocketed more than 9% this year, the only local government area in Miami-Dade County to increase during the real estate downturn. That's because within the authority's area more than \$2.7 billion in new taxable value was added as



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many condo projects and other construction came on the tax roll for the first time. Countywide, taxable values plummeted more than 9%.

Despite the growth of authority revenues, in a city facing extreme cutbacks, three employees – Executive Director Alyce Robertson, Deputy Director Meredith J. Nation and

Mark Spanioli, senior manager for planning, design, transportation and services – agreed to salary cuts.

The City of Miami, deep in contract negotiations with its employee unions, has requested salary concessions of its management staff. The suggested cuts decrease on a sliding scale beginning at 15% for those who earn \$250,000 or more per year to 7% for employees earning \$50,000 to \$70,000. Ms. Robertson told the board.

Though the authority is fiscally healthy, "The [City of Miami] leadership feels it's appropriate for us to sharpen our pencils during this economic time," Ms. Robertson said.

Mr. Kasdin defended the authority's record and its proposed budget. "If you look at direct and indirect personnel costs, we took corrective action two years ago," he said.

A document circulated to the board would seem to bear that out: in fiscal 2006-07, personnel accounted for 51% of the agency's \$3.52 million expenditures. The amount projected for 2009-10 is \$1.7 million, or 23% of \$7.4 million in spending.

Total administrative expenses

have remained level – \$2.4 million in 2006-07 and \$2.5 million next year – but because the budget has grown, they represented 69% of the total then, as compared to a projected 34% next year.

Meanwhile, money spent on community projects rose from 19% of expenditures in fiscal 2006-07 to 45% last year and is expected to be 66% next year.

Unfilled authority positions account for part of the decline in personnel costs, Ms. Robertson said.

But "our programs and the money we put out on the street have expanded dramatically," Mr. Kasdin said. "We did a lot of hard work while everyone in the private sector was taking it easy, and now we're reaping the benefits."

He praised Alvin West, board treasurer, who helped craft the proposed budget and advocated for it to the Miami City Commission, saying, "Al did a yeoman's job."

Ms. Robertson encouraged board members to attend today's commission meeting in support of the proposed budget.

"We still have another hearing," she said, "and it's always a fun way to spend an evening."