

## Development authority using 58% of reserves to replace income drop

BY CATHERINE LACKNER

Like many government agencies, Miami's Downtown Development Authority is facing a loss of income. But instead of cutting services or raising taxes, it's reaching into a reserve fund to keep vital projects going.

"The board's direction was, let's not have money sitting in the bank; let's get it out on the streets," said Alyce Robertson, authority executive director.

In its proposed budget starting Oct. 1, the authority will pull \$2.39 million from its \$4.1 million reserve to keep initiatives like road improvements, the Downtown Ambassadors and the Downtown Enhancement Team going at least through fiscal 2010-2011.

The Miami City Commission approves the final budget. Meetings are set for Sept. 14 and 27.

Even with depletion of reserves, it's still a very conservative budget, Ms. Robertson said, in that it only encumbers 80% of funds the agency expects to receive. In addition, the authority set aside a contingency of \$700,000 in anticipation of possible refunds if owners appeal their property value assessments.

In the past year, the taxable value of the authority's district fell 11%, from \$11 billion to

\$9.8 billion. Revenues of about \$4.9 million are anticipated – 80% of that yields \$3.9 million for the budget. The authority proposes a budget of \$6.5 million, down 11% from last year's. The money from the reserve is to make up the difference, after the tax appeal set-aside is deducted.

The authority plans to spend about \$800,000 on public improvements including road work; \$570,000 for the ambassadors program in which employees give tourists directions and assistance, as well as communicating with police; \$405,000 for the Downtown Enhancement Team workers who clean sidewalks and do general maintenance, and \$305,000 for a shutter removal and façade improvement initiative.

Board member Jerome Hollo warned that the ambassadors and the enhancement team could be threatened in fiscal 2011-2012 if revenues don't improve.

"But," board member Rolando Montoya said, "revenues could improve." He said he agreed with the reserve fund move. "Reserves were created for bad times."

Operating expenses are budgeted at \$2.1 million, including personnel expenses of \$1.5 million. Ms. Robertson said the authority has cut salary expenses 21%, cut positions 14% and reduced the number of employees who only do administrative work 52%.