

## 11. REVENUE GENERATION SUMMARY

### PART 1 SPECIFIC PROJECT DESCRIPTION

A. Project the funds anticipated to be generated by the project. This projection should include any source or use of funds which could have any reasonable connection to the proposed development.

1. Make the following projections by year, including the first and last year in which any construction and/or development takes place:

- Yearly ad valorem tax receipts
- Yearly impact fees collected
- Yearly sales tax received by local government
- Yearly gasoline tax received by local government
- Yearly projections of any other funds by any other sources generated as a result of development of the proposed project within the region

2. List all assumptions used to derive the above projections and estimates, show the methodologies used and describe the generally accepted accounting principles used in all assumptions, estimates and projections.

**Table 11.A.1 (R) – Revenue Generation City of Hialeah** estimates, to the extent possible based on information currently known, the non-recurring and recurring revenues that the Project will generate for the City of Hialeah. **Table 11.A.2 (R) – Revenue Generation Other Local Governments** estimates, to the extent possible based on information currently known, the non-recurring and recurring revenues that the Project will generate for other local governmental entities, including the following:

- South Florida Regional Planning Council
- Miami-Dade County
- Children's Trust
- Miami-Dade County Library District
- Miami-Dade County Public Schools
- South Florida Water Management District

**TABLE 11.A.1 (R)**  
**Revenue Generation City of Hialeah**  
(Thousands of 2007 Dollars)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
<b>Non-Recurring</b>												
Fire Impact Fees	*	*	*	*	*	*	*	*	*	*	*	
Building Permits	48.0	0.0	48.0	103.5	78.8	110.3	113.1	110.3	113.1	108.8	0.0	733.9
Trade-related Permit Fees	*	*	*	*	*	*	*	*	*	*	*	
Water Connection Fees	*	*	*	*	*	*	*	*	*	*	*	
<b>Recurring</b>												
Ad valorem**	0.0	0.0	174.1	348.2	774.0	1,059.6	1,498.2	1,987.0	2,425.6	2,914.4	3,349.6	
Water & Sewer	*	*	*	*	*	*	*	*	*	*	*	
Utility Taxes/Franchise Fees	*	*	*	*	*	*	*	*	*	*	*	
Occupational Licenses	*	*	*	*	*	*	*	*	*	*	*	
Sales Tax	*	*	*	*	*	*	*	*	*	*	*	
Gasoline Tax	*	*	*	*	*	*	*	*	*	*	*	

Source: Miami Economic Associates, Inc.

\* Cannot be estimated at this time based on the information available

\*\* Figure only includes taxes paid on real property. Insufficient data available to estimate taxes on commercial personal property.

**TABLE 11.A.2 (R)**  
**Revenue Generation Other Local Governments**  
(000's of 2007 Dollars)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
<b>Miami-Dade County</b>												
<b>Non-Recurring</b>												
Impact Fees												
Roads	245.4	0.0	245.4	793.2	402.7	743.0	906.3	743.0	906.3	736.6	0.0	5,712.9
<b>Recurring</b>												
Ad valorem**												
General Fund	0.0	0.0	143.8	287.5	639.1	874.9	1,237.1	1,640.7	2,002.9	2,406.5	2,765.9	
Debt Service Fund	0.0	0.0	7.3	14.6	32.4	44.4	62.8	83.3	101.7	122.1	140.4	
Occupational Licenses	*	*	*	*	*	*	*	*	*	*	*	
Sales Tax	*	*	*	*	*	*	*	*	*	*	*	
Tourist Tax	*	*	*	*	*	*	*	*	*	*	*	
Gasoline Tax	*	*	*	*	*	*	*	*	*	*	*	
<b>Library District</b>												
Ad valorem**	0.0	0.0	12.4	24.9	55.3	75.7	107.1	142.0	173.4	208.2	239.4	
<b>Children's Fund</b>												
Ad valorem**	0.0	0.0	10.8	21.6	48.1	65.8	93.1	123.4	150.7	180.9	208.0	
<b>Miami-Dade Public Schools</b>												
Ad valorem**												
Operating	0.0	0.0	196.9	393.4	876.0	1,198.4	1,695.5	2,247.4	2,744.6	3,294.6	3,788.1	
Debt Service	0.0	0.0	10.6	21.2	47.2	64.5	91.3	121.0	147.7	177.3	203.9	
<b>SFWMD</b>												
Ad valorem**	0.0	0.0	15.3	30.6	68.1	93.0	131.7	174.5	213.0	255.7	294.0	

Source: Miami Economic Associates, Inc.

\* Cannot be estimated at this time based on the information available

\*\* Figure only includes taxes paid on real property. Insufficient data available to estimate taxes on commercial personal property.

The revenue estimates in **Table 11.A.1 (R) – Revenue Generation City of Hialeah** and **Table 11.A.2 (R) – Revenue Generation Other Local Governments** are stated in 2007 Dollars. They are based on current fee schedules and tax rates, which may change prior to the development of the project and/or during the projection period.

**Bases of Revenue Estimates**

The materials that follow provide the bases used in formulating the revenue estimates provided in **Table 11.A.1 (R) – Revenue Generation City of Hialeah** and **Table 11.A.2 (R) – Revenue Generation Other Local Governments**, preceding.

**Project Description**

When completed, the Project will be comprised of an industrial, commercial and hospitality uses. **Table 11.A.3 (R) – Schedule of Development by Use** shows the amounts of development proposed and anticipated schedule of completion by use.

<b>TABLE 11.A.3 (R)</b>				
<b>Schedule of Development by Use*</b>				
<b>Year</b>	<b>Warehouse (Sq. Ft.)</b>	<b>Office (Sq. Ft.)</b>	<b>Retail (Sq. Ft.)</b>	<b>Hotel (Rooms)</b>
2009	0	0	0	0
2010	320,000	0	0	0
2011	320,000	0	0	0
2012	525,000	0	165,000	0
2013	525,000	0		0
2014	525,000	150,000	60,000	0
2015	525,000	150,000		175
2016	525,000	150,000	60,000	0
2017	525,000	150,000		175
2018	510,000	150,000	65,000	0
<b>Total</b>	<b>4,300,000</b>	<b>750,000</b>	<b>350,000</b>	<b>350</b>
Source: Miami Economic Associates, Inc.				

\* All development is expected to start and be completed in the year shown except the 320,000 square feet of warehouse/flex space shown as starting in 2009, which will not be completed until 2010.

For the purpose of this analysis, it is assumed that the initial 320,000 square foot increment of warehouse/flex development would commence during 2009 and by completed during 2010, therefore going on the tax rolls in 2011. A subsequent development is assumed to commence in January of the year shown in the table above and be completed on December 31<sup>st</sup> of that year. It is further assumed that all requisite development fees and permits would be paid in the year that construction commences. Development completed on December 31<sup>st</sup> of a particular year would be placed on the tax rolls of the subsequent year.

**Taxable Value**

**Table 11.A.4 (R) – Taxable Value Added by Use & Year** provides an estimate of the taxable value added to the tax rolls each year until development of the Project is completed. The taxable values shown are based on a review of comparables

<b>TABLE 11.A.4 (R)</b>				
<b>Taxable Value Added by Use &amp; Year</b>				
<b>Year</b>	<b>Warehouse (Sq. Ft.)</b>	<b>Office (Sq. Ft.)</b>	<b>Retail (Sq. Ft.)</b>	<b>Hotel (Rooms)</b>
2009	0	0	0	0
2010	0	0	0	0
2011	320,000 \$25,600,000	0	0	0
2012	320,000 \$25,600,000	0	0	0
2013	525,000 \$42,000,000	0	165,000 \$20,625,000	0
2014	525,000 \$42,000,000	0		0
2015	525,000 \$42,000,000	150,000 \$15,000,000	60,000 \$7,500,000	0
2016	525,000 \$42,000,000	150,000 \$15,000,000		175 \$14,875,000
2017	525,000 \$42,000,000	150,000 \$15,000,000	60,000 \$7,500,000	0
2018	525,000 \$42,000,000	150,000 \$15,000,000		175 \$14,875,000
2019	510,000 \$40,800,000	150,000 \$15,000,000	65,000 \$8,125,000	0
<b>Total</b>	<b>4,300,000 \$344,000,000</b>	<b>750,000 \$75,000,000</b>	<b>350,000 \$43,750,000</b>	<b>350 \$29,750,000</b>

Source: Miami Economic Associates, Inc.

### **Non-recurring Revenues**

During the period of project development, a variety of fees will be paid on a one-time basis. The bases for calculating these non-recurring revenues are discussed below.

#### Impact Fees

- City of Hialeah: Impact fees are charged on non-residential development for fire based on the specific plans by which the Project is to be developed, which have not been finalized at this time. Therefore, the amount of the fees has not been estimated in **Table 11.A.1 (R) – Revenue Generation City of Hialeah**.
- Miami-Dade County: Road impact fees will be charged for proposed industrial, office and retail space and hotel units in accordance with the published fee schedule depending on the amount of square footage being developed at any given time.

#### Building Permit Fees

The City of Hialeah charges building permit fees on new construction. These fees equate to \$15 per 100 square feet of building area, or fractional part thereof. Additional fees are paid by the various trades such as plumbing and electrical; however, the design and engineering work for the Project's buildings is not

sufficiently completed for these fees to be estimated at this time. The analysis assumes that the gross square footage of the hotel units will be 500 square feet each.

#### Water and Sewer Connection Fees

The City of Hialeah will charge the Project fees to connect to the City's water and sewer system. The amount of the fees paid will depend on engineering parameters regarding the number and size of meters that have not presently been defined. Accordingly, it is not possible to estimate the amount of the fees that will be paid at this time.

#### **Recurring Revenues**

The City of Hialeah and the other of the local governmental entities listed above will receive recurring revenues annually as a result of the development of the Project. The bases for the recurring revenues projected in **Table 11.A.1 (R) – Revenue Generation City of Hialeah** and **Table 11.A.2 (R) – Revenue Generation Other Local Governments** are discussed below.

#### Ad Valorem Taxes

Ad valorem taxes will be paid to a variety of governmental entities at the rates shown below:

- City of Hialeah: \$6.800/\$1,000 of taxable value
- Miami-Dade County General Fund: \$5.615/\$1,000 of taxable value
- Miami-Dade County Debt Service Fund: \$0.285/\$1,000 of taxable value
- Miami-Dade County Library District: \$0.486/\$1,000 of taxable value
- Children's Fund: \$0.4223/\$1,000 of taxable value
- Miami-Dade County Public School Operating Fund: \$7.691/\$1,000 of taxable value
- Miami-Dade County Public Schools Debt Service Fund: \$0.414/\$1,000 of taxable value
- South Florida Water Management District: \$0.597/\$1,000 of taxable value

Ad valorem taxes will be paid on all of the real property that comprises the Project as well as on the personal property contained within its commercial facilities. The figures shown in **Tables 11.A.1 (R)** and **11.A.2 (R)** include only the amounts paid on real property because there is no basis for estimating within any precision that value of the taxable personal property.

#### Water and Sewer Charges

The City of Hialeah will charge for water and sewer service. Charges will be based on a number of variables that are not known at this time including the rates of consumption by project component and the number and size of the meters installed. It is, therefore, not possible to estimate these charges at this time.

#### Utility Taxes, Franchise Fees and Unified Communications Tax

Utility taxes, franchise fees and the Unified Communications Tax are collected from the providers of water, electric, telephone, cable and gas services within the City based on their revenues. The amounts that the City will collect as a result of the

development of the Project will be dependent on the actual usage of the various services enumerated above, which can not be estimated at this time.

#### Occupational License Fees

Businesses operating within the City of Hialeah are required to pay obtain occupational licenses from both the City and Miami-Dade County. The rates paid vary depending on the type and size of the business enterprise. Since the number, size and type of the businesses that will occupy the space that will be developed as part of the Project is not currently known, the occupational license fees that will be generated cannot be estimated at this time within any specificity.

#### Sales Tax

The State of Florida imposes a 6 percent sales tax on certain transactions including retail sales of non-exempt goods, food and beverage sales in eating and drinking establishments, hotel accommodations and rent payments. Portions of these amounts are rebated to the counties in which the revenues are collected, with the rebated amounts then frequently be further distributed to the municipalities within the county. Since calculation of these revenues would require divulging information regarding prospective sales volumes considered proprietary, no estimate has been prepared. The amounts involved would not, however, a material impact on the financial condition of either the City of Hialeah or the County.

#### Tourist Tax

Guests staying in the proposed hotel units will be tourist tax to Miami-Dade County equal to 5 percent of their lodging charges. The charge per occupied room night will, in large part, be a function of the flag affiliations acquired for the units. Since the flag affiliations have not yet been determined, it is not possible to estimate the amount of bed taxes that will be collected annually.

#### Gasoline Tax

Each gallon of gasoline sold and used by people to travel to and from the Project is taxed at the State level. The State levies a tax of \$0.172 per gallon. From this amount, \$0.03 is distributed to County governments and \$0.01 to municipalities. Given the fact the site is served by transit and that fuel consumption can vary greatly depending vehicle, no attempt has been made to project the gasoline consumption that would be attributable to the Project or the resultant revenues.