

DRAFT

August __, 2010

Via Hand Delivery & Certified Mail, Return Receipt Requested

Mayor Carlos Alvarez
Miami-Dade County
Stephen P. Clark Center
111 N.W. 1st Street, 29th Floor
Miami, Florida 33128

Re: City of Coral Gables' Notice of Initiation of Conflict Resolution Procedures

Dear Mayor Alvarez:

The City of Coral Gables (the "City") has retained the law firm of Lewis Tein, P.L., as co-counsel to the City Attorney, to assist the City in its efforts to hold Miami-Dade County to its promise that 20% of revenue derived from the People's Transportation Plan ("PTP") approved by voters in 2002 be limited to municipalities in existence as of November 5, 2002 ("Existing Cities").

County Manager George Burgess recently issued a memorandum proposing that the Board of County Commissioners ("BCC") approve the hold harmless plan (the "Plan"), wherein the County purports to freeze the Existing Cities' funding at the 2009-2010 amount and to fund the new cities with the growth in surtax revenue. After funding for the new cities reaches \$5.3 million, the new cities then would be included in the pro rata distribution of the 20% share currently allotted to the Existing Cities.

In July, despite opposition from several Existing Cities, the Citizens' Independent Transportation Trust ("CITT") endorsed the Plan and passed a resolution recommending it to the BCC. Implementation of the Plan will require the amendment of County Ordinance 02-116 by a two-thirds majority of the BCC. First reading of the proposed amendment is scheduled before the BCC on September 9, 2010.

The City objects to the amendment of Ordinance 02-116 to implement the Plan. To start, the Plan violates the interlocal agreement currently in effect between the County and the City. More importantly, it defies the agreement reached in 2002 between the County and all of the Existing Cities (and memorialized in Ordinance 02-116), wherein the County pledged to limit 20% of surtax revenue to the Existing Cities in exchange for the Existing Cities' assistance in obtaining voter support for the tax increase. The County should not renege on its part of the bargain after the Existing Cities performed their part and the County reaped the benefits (over \$800 million in revenues).

Although the City strongly supports that the County starts paying the new cities (those incorporated since November 2002) their fair share of transit surtax revenue, the City requests

that the County adhere to its original intent and follow the mechanism currently available under Ordinance 02-116 (i.e., that it fund these new cities from the County's 80% share of the revenues).

Accordingly, the City requests a conflict assessment meeting at _____, to be held on _____, or as soon thereafter as practicable, but not later than thirty (30) days from the receipt of this letter. The City requests the meeting to discuss methods of funding the new cities that do not breach the current interlocal agreement with the City and that do not belie the material statements made by the County in 2002 to induce the Existing Cities to assist the County in garnering support for the transit surtax increase. If the County fails to reach an alternate solution to the Plan, the City will pursue all available legal remedies.

If you have any questions regarding the foregoing, please do not hesitate to contact me. The City looks forward to good faith negotiations and an amicable resolution of these issues.

Very truly yours,

Don Slesnick, II
Mayor

Encls.

cc: George M. Burgess, County Manager
Robert A. Cuevas, County Attorney