

## South Florida property values, cities take big hit

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Miami-Dade property values fell 13.4 percent compared to last year. In Broward, it was 12.1 percent.

Taxable values declined steeply for the third straight year across Miami-Dade and Broward counties, as the region continues to wrestle with a recession that has cost thousands of workers their jobs and sent real estate prices tumbling.

Miami-Dade property values fell 13.4 percent compared to last year, the county's property appraiser reported in an estimate issued Tuesday. The news was also bleak in Broward, with a projected decline of 12.1 percent.

The drops are the biggest since the once-roaring real estate market took a steep dive, both shrinking land values and shuttering work sites. Illustrating the impact of the building slowdown: Taxable

property values in Miami-Dade County stemming from new construction for the past year reached \$2.6 billion, down from \$8.4 billion the year before.

The steep dip promises to make this one of the toughest budget-writing seasons in years for local governments.

Cities and counties derive much of their revenue from property taxes. As property values wither, local leaders from Homestead to Margate are left in the uncomfortable position of either increasing property owners' tax rate or further cutting services.

"We have tough decisions to face in the budget cycle coming up," said Cutler Bay Mayor Paul Vrooman, whose village saw a 22 percent decline in property value. "We are a new city and we were incorporated as a break even municipality. I don't have an arts program to cut. We were lean to begin with."

The numbers released Tuesday give taxing authorities -- ranging from cities and school boards to hospital districts -- a basis to start preparing budgets for the next fiscal year, which begins Oct. 1. But the taxable values announced Tuesday are estimates and can change.

Final tax rolls will be certified next month and sent to state officials for approval. In August property owners will receive their proposed property taxes in the mail, the so-called TRIM notice.

Broward County Property Appraiser Lori Parrish underlined the fact that tax assessments capture taxable values from the year before -- in this case, from Jan. 2, 2009 to Jan. 1, 2010 -- and should not necessarily be viewed as a reflection of where things stand today. She said the

county's 12 percent dip was less severe than the 16 percent she feared.

Parrish said she has already seeing indications that the real estate market is improving this year. "I think we've bottomed out," she said. "I think."

Even if that proves true, local governments will have to scramble to fill the budget gap.

Miami-Dade County government's budget hole for the coming fiscal year is expected to exceed \$400 million, and county administrators have already warned of significant cuts, including possible layoffs.

Hialeah Mayor Julio Robaina said the county's projection -- a 19 percent decline in his city's taxable property value -- was more than he expected, but not a shock. "It should be no surprise to any of us," he said.

Robaina said he would not raise taxes in the coming fiscal year but plans to lay off as many as 250 city workers. So far, 52 employees have lost their jobs. Robaina, who acts as city manager, is also pushing the city's three unions for concessions and has limited new purchases.

In Broward, West Park saw nearly 27 percent of its value erased. North Lauderdale's taxable value dropped 24 percent. By contrast, Sea Ranch Lakes was off 2.6 percent and Pembroke Park declined 5.8 percent.

Dade's lightest-hit pockets include wealthy enclaves such as Pinecrest, Coral Gables and Bal Harbour.

The hardest-hit include Homestead, which is dotted with half-built subdivisions, and suffered an estimated 30 percent drop in taxable value.

Mayor Steve Bateman said "the city has substantial reserves to weather the storm," but did not specify how much.

Yet real estate attorney Steve Losner, a former Homestead vice mayor, said he speaks daily to residents "who have a real frustration or sense of uncertainty on how much further down the market's going to go and when and if things are going to turn around."

Losner said a house he owns has lost 60 percent of its value in the last four years.

Others hit hard: North Bay Village, where values plummeted 26 percent, and Biscayne Park, where they fell 22 percent.

Steven Alexander, the town manager in Cutler Bay, said cuts will be made across the board.

"The idea is to take whatever cuts we can without affecting public safety and keeping as much public service as we can," said Alexander, espousing a theme likely to be adopted across the region. "I've gotta look at every single item," he said. "I knew we were going to get a reduction. I was hoping it wouldn't be this deep."

Broward's less-than expected drop could ease the size of the budget battle between Sheriff Al Lamberti and the county commission. Commissioners had asked Lamberti to cut 14 percent -- or about \$60 million -- from the county funded portion of his budget. Instead, he submitted a proposal that only cuts about 1 percent from the general funded county portion.

Broward County's budget director Kayla Olsen, who said she saw the figures Tuesday afternoon, said she didn't immediately have a new estimate for what the drop translates to in terms of budget cuts. "Under the same rate scenario obviously the gap would be less," Olsen said.

The county had anticipated a gap of about \$55 million for county programs including parks, libraries and social services. Parrish had estimated a 16 percent drop in February but cautioned that was preliminary -- it didn't include new construction, for example.

Miami-Dade County Mayor Carlos Alvarez said the tax roll estimates are "what we projected them to be. We anticipated 10, 12 and 14 percent scenarios."

The mayor, County Manager George Burgess and commissioners came under criticism recently following a report in The Miami Herald detailing how they continue driving luxury cars and receive free gas, insurance and maintenance amid the budget crunch.

The mayor said he would consider eliminating the car perk, but only if other elected leaders did too. On Tuesday, he shed little light on his broader budget agenda.

"We will continue working on our budget focusing on preserving county programs and services," Alvarez said.

*Herald staff writers Liana Kozlowski, Laura Morales, Laura Isensee, Amy Sherman and Phil Latzman contributed to this report.*