

RESOLUTION NO. 2018-30432

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE NEIGHBORHOOD/COMMUNITY AFFAIRS COMMITTEE TO COMMENCE DISCUSSIONS WITH MIAMI-DADE COUNTY TO CREATE A COMMUNITY REDEVELOPMENT AGENCY FOR NORTH BEACH.

WHEREAS, on January 24, 2018, the Neighborhood/Community Affairs Committee (NCAC), discussed potential ways to finance projects and activities that were identified in the North Beach Master Plan previously approved by the City Commission; and

WHEREAS, the NCAC directed the Administration to create a Quality of Life Plan and project list that is consistent with the North Beach Master Plan, with the Quality of Life Plan focusing on traffic, parking, and neighborhood projects in North Beach; and

WHEREAS, on June 20, 2018, the NCAC approved the Quality of Life Plan and supported the creation of a dedicated funding source to execute on the recommendations included in the plan; and

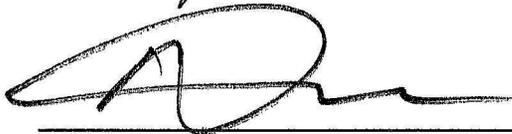
WHEREAS, the NCAC further requested that the Administration begin discussions with Miami Dade County on the feasibility of creating a Community Redevelopment Agency for North Beach, with the purpose of funding the projects identified in the North Beach Master Plan.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission hereby accept the recommendation of the Neighborhood/Community Affairs Committee to commence discussions with Miami-Dade County to create a community redevelopment agency for North Beach.

PASSED and ADOPTED this, the 25 day of July, 2018.

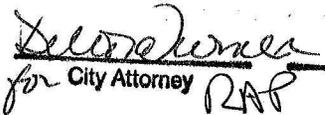
ATTEST:

  
Rafael E. Granado, City Clerk

  
Dan Gelber, Mayor



APPROVED AS TO  
FORM & LANGUAGE  
& FOR EXECUTION

  
for City Attorney RAB Date 7/23/18

Quality of Life Indicators/ North Beach Master Plan (Plan Nobe) Categories

- Public Land
- Housing
- Economy
- Climate Change
- Mobility
- Workforce
- Parking
- Neighborhood Enhancement

# MIAMI BEACH

## COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission  
FROM: Jimmy L. Morales, City Manager  
DATE: July 25, 2018

SUBJECT: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE NEIGHBORHOOD/COMMUNITY AFFAIRS COMMITTEE TO BEGIN DISCUSSIONS WITH MIAMI-DADE COUNTY TO CREATE A COMMUNITY REDEVELOPMENT AGENCY FOR NORTH BEACH.

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### RECOMMENDATION

The Administration is seeking direction regarding the recommendation made by the Neighborhood and Community Affairs Committee to begin discussions with Miami Dade County to create a community redevelopment agency for North Beach.

### Background

At the January 24, 2018 Neighborhood/Community Affairs Committee (NCAC), the Committee discussed potential ways to finance design projects and activities that were recommended and later approved by Commission in the North Beach Master Plan.

The creative funding options for North Beach would allow the City to further fund and execute on many of the activities and designs recommended in the North Beach Master plan. The North Beach Master Plan was created to design an economic and revitalization strategy for the North Beach district of Miami Beach. The plan put forth five priority areas to spur economic activity: create a town center, provide more mobility options, Protect and enhance neighborhoods, better utilize public lands, and build resilient infrastructure. The Commission approved the recommendations put forth in the plan and has made it a priority of the City.

The Committee directed Staff to create a Quality of Life plan and project list that is consistent with the North Beach Master Plan that address traffic, parking, and neighborhood projects. This document would allow the Administration to identify critical projects that could be funded through a dedicated funding source, if needed. Additionally, the Committee directed Staff to review the Quality of Life project plan with each of the Neighborhood/Community Affairs Committee members to solicit feedback and suggestions.

At the January 19, 2018 Finance and Citywide Projects Committee, there was a discussion item regarding creating a dedicated funding source for North Beach. One of the funding sources presented was that of a community redevelopment agency. The Committee directed Staff to wait to begin discussions with Miami Dade County until the fourth amendment of the City Centre RDA agreement was approved by the County. This amendment was passed with the County in June 2018.

This item was brought back to NCAC on June 20, 2018. The Committee approved the quality of life project matrix and requested that staff color code the projects based on status of completion and funding needs (*Green - Completed, Blue - In Progress, Yellow - GO Bond Funding Request, Pink - Needs Funding*). Additionally, the Committee recommended that Staff begin discussions with Miami Dade County (the County) on the feasibility of creating a CRA for North Beach for the purpose of funding the projects put forth from the master plan. The color-coded and updated quality of life matrix is attached herein as Exhibit A.

## **ANALYSIS**

The creation of a community redevelopment agency (CRA) for North Beach would allow the City to further fund and execute on many of the activities and designs recommended in the North Beach Master Plan. The North Beach Master Plan was created to design an economic and revitalization strategy for the North Beach district of Miami Beach. The plan put forth five priority areas to spur economic activity: create a town center, provide more mobility options, protect and enhance neighborhoods, better utilize public lands, and build resilient infrastructure. The recommendations and projects outlined in the Quality of Life matrix could be used to inform the potential funding of a North Beach CRA.

The City of Miami Beach has had two CRA's. The South Pointe CRA which was active between October 1, 1987 and October 31, 2006. Taxable values in the South Pointe CRA increased from \$59 million when the district was established in 1976 to almost \$2.5 billion as of January 1, 2005.

In 1993, the City of Miami Beach designated a second CRA, commonly known as City Center. This area includes the Convention Center, Lincoln Road, the Loews Miami Beach Hotel, the Royal Palm Crowne Plaza Resort Hotel, and the Collins Park Cultural Center. Taxable values in the City Center CRA increased from \$292.6 million when the district was established to approximately \$6 billion as of January 1, 2018.

The creation of a Community Redevelopment Agency is governed by Florida Statute 163.410. The requirements to establish a CRA can be found below:

1. Under Fla. Stat. 163.410, the City has no authority to create a CRA, as exclusive authority to create CRAs is vested with home rule counties. If the County agrees to create a CRA, the County Commission could delegate to the City certain of its redevelopment powers at its discretion (and set limits on that delegation, in an Interlocal Agreement), but the County has no obligation to delegate its CRA powers.
2. Due to the above, the County Commission would take the first official step to declare a geographic area a blighted area, per the "findings of necessity" requirements of Fla. Stat. 163.355
3. In initial County Commission approval, the County would delegate to the City certain redevelopment powers, namely the authority to:
  - a. Make detailed "findings of necessity" and determine an area to be a slum or blighted area;
  - b. Create the CRA and its composition\*; and
  - c. Permit the CRA to initiate and adopt a Redevelopment Plan for how the CRA will address the conditions of blight, with all of the above subject to final County Commission approval

*\*One policy consideration in the above is whether the CRA composition will be limited to the*

*members of the City Commission (plus the County Commissioner for the City's district 5), or whether composition would include any external appointees. Recent Miami-Dade County policy has required that at least one member be a County Commissioner whose district represents the area.*

Once the CRA approves the Redevelopment Plan and submits it to the County for its final approval, the County would also approve an Interlocal Agreement with the City and the new CRA, which would further delegate additional powers (and limits) of the CRA and use of the CRA's tax increment revenues (or "TIF" funds, discussed more fully below), including approval of specific projects, budget matters, the percentage of TIF contributions\* to be made by each taxing authority, the term of the CRA (initially limited to 30 years), and distribution of revenues to the contributing taxing authorities if projects cannot be fulfilled, among other terms.

Although the CRA statute permits up to 95% of the annual increment in the tax base within a CRA to be dedicated for CRA purposes (as is the case with the City Center CRA), more recently the County has favored the creation of 50% TIFs, whereby only 50% of the annual increment in the tax base is dedicated for CRA purposes.

Both County and City would then need to create a Trust Fund ordinance for deposit of TIF revenues for the life of the CRA, pursuant to Fla. Stat. 163.387.

### **Demographic Information Re: North Beach**

Below is a set of statistics outlining the North Beach community, many of which align with the criteria set forth by the CRA statute:

- o Median age: 41.8, population size about 29,392
- o The percent of owners to renters for North Beach is 21.1% vs 59.6%. The ratio is opposite to the national trend which is 64.9% owners vs. 35.1% renters
- o More than a quarter of residents, 27.3% are renters who earn between \$25,000-\$35,000.00
- o Per capita income in North Beach is estimated at \$22,253, compared to \$46, 011 for the rest of Miami Beach
- o Median household income in North Beach is estimated at \$28,848, compared to \$43,427 for Miami-Dade and \$38,410 for the rest of Miami Beach
- o 44.1% of individuals live below poverty level in North Beach
- o Vacancy rate for rental space as of Fall 2016 is estimated at 9.3% compared to 3.4% for Miami Dade County and 5.1% for Miami Beach
- o Retail sales per capita is estimated at \$5,552 in North Beach, compared to \$12,759 for Miami-Dade, and \$26,522 for the rest of Miami Beach

(Data from the North Beach Master Plan, Source: Goodkin Consulting, 2016)

### **CONCLUSION**

As discussion above, creation of a new CRA requires approval of the County and results in loss of property tax revenues to the County. As a result, in recent years, County approval of the extension or creation of a CRA has occurred where there has been a direct benefit to the County.

Due to these inherent challenges, the Administration is seeking direction from the City Commission as to the recommendation made by the NCAC to begin discussions with the County to create a community redevelopment agency for North Beach.

### **KEY INTENDED OUTCOMES SUPPORTED**

Revitalize Key Neighborhoods, Starting With North Beach And Ocean Drive

**Legislative Tracking**

Tourism, Culture and Economic Development