

# ECONOMIC DEVELOPMENT

## DEPARTMENT MISSION STATEMENT

The City of Miami Beach’s Economic Development Department (EDD) is dedicated to establishing a robust economy that stimulates balanced growth by connecting business, community, people and jobs, business assistance and resources, corridor development/ redevelopment, real estate, and creating a diverse economy for this dynamic and resilient community.



## DEPARTMENT DESCRIPTION

Economic Development’s goal is to establish, grow and diversify the city’s business community by promoting the city’s image and assets, supporting businesses, encouraging real estate development, and creating a diverse economy for this dynamic and resilient global community.

To foster and support the growth of Miami Beach’s business community and enhance economic prosperity for our residents and stakeholders, the Department has created two areas of focus to address the rich and diverse Miami Beach cultural and business communities.

1. Business Retention & Attraction
2. Community Revitalization

## DEPARTMENT DESCRIPTION CONT'D

### Major Project Summaries:

The Business Retention and Attraction area of focus provides economic development initiatives that support the retention and attraction of businesses through:

- Business support services, resources and investments
- Small business advocacy
- Data resources, market research, and information
- Market and promote the City of Miami Beach’s assets

The Community Revitalization area of focus supports the City’s resilient initiatives through holistically identifying strategies and projects that:

- Grow Miami Beach’s talent pool
- Support the growth of the City’s Live-Work-Play environment
- Foster a positive cohesive relationship with the business, residential and visitor communities

The Department also provides general oversight for redevelopment areas in the City including the City Center Redevelopment Agency (RDA):

The Redevelopment Agency (RDA) is funded by tax increment revenues received from the City and County within the boundaries of the City Center Redevelopment Area. These funds focus on revitalization of the district and all excess funds are set aside to pay down existing debt early, where possible. Upon the payoff of all debt, the RDA district expires. As the RDA had significant accomplishments, they are further discussed in the RDA workplan. The City, through the Economic Development Department, is in the process of establishing another Community Redevelopment Area in North Beach.

## FISCAL ENVIRONMENT

The Economic Development Department, except for the RDA, is funded from the General Fund. The General Fund charges an administrative fee to Enterprise Fund departments, the Redevelopment Agency (RDA), and Resort Tax Fund to cover the cost of various administrative support functions provided by the General Fund.



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## STRATEGIC ALIGNMENT

Main Vision Area:

### Prosperity

Management Objectives:



- **Prosperity**
  - Revitalize targeted areas and increase investment
- **Mobility**
  - Support affordable, compatible workforce housing
- **Organizational Innovation**
  - Support all objectives to improve strategic decision making and financial stewardship, making the city more business friendly and user friendly, with an employee culture of problem solving and engagement.
  - Make Miami Beach more business and user-friendly
  - Empower employees to provide excellent customer service, be problem solvers and solution finders

Strategic Plan Actions:

- **MAKE** substantial progress on North Beach Town Center/ Byron Carlyle/Ocean Terrace
- **COMPLETE** Ocean Drive renovation, activation, and programming underway.
- **COMPLETE** Lincoln Road renovation within 3 to 3.5 years.

Resilient305 Actions:

- **BUILD** an Inclusive Economy
- **BE COUNTED**
- **FINANCING** a Resilient Future

## BUSINESS ENVIRONMENT

The Miami Beach brand, recognized as a robust and innovative business environment with its skilled workforce and educated residents, continues to attract new industries and workers from around the globe. Together, with our existing business community, the Economic Development Department remains focused on elevating Miami Beach businesses and helping to unlock their economic potential. The Economic Development Department achieves this by welcoming new businesses, connecting Miami Beach residents with rewarding jobs, creating a stronger business community, and redeveloping and building thriving neighborhoods.

## BUSINESS ENVIRONMENT CONT'D

### Economic Development

The division strives to promote itself as an ombudsman office between the public and private sector by facilitating interaction between private property owners and the City's permitting and approval departments. Staff serves as a liaison to the Small Business Task Force and the 41st Street Committee, which address economic development opportunities in the City and critical transit corridors. Ongoing projects include serving as staff liaison for Business Improvement Districts (BIDs) within the City and other ad hoc committees, including, currently, the Washington Avenue BID, and the Mayor's Ocean Drive Panel.

## SIGNIFICANT ACCOMPLISHMENTS

### Business Retention and Attraction

- Facilitated the process of opening a business through the administrative bifurcation of the Business Tax Receipt and Certificate of Use applications
- In coordination with the City's IT Department and relevant city departments, improvements were made to the permitting processes for businesses
- Designed a Pop-Up business permit program that allows businesses to temporarily operate over a 90-day period, which encourages experiential business models and allowed small businesses to test the market with lower risk
- Supported the Super Bowl Host Committee which projected an economic boost to the County of \$500 million
- Foreign investment into Miami Beach increased in 2019, opposite of the national trend
- Obtained City Commission authorization to establish the South Beach BID and call an election by property owners
- Successfully launched the Resource Center, which has provided case management assistance to over 1,300 businesses and residents since March.
- Established the City's Small Business Emergency Assistance Program using \$200,000 in CARES Act CDBG-CV funding.

**“Successfully launched the Resource Center, which has provided case management assistance to over 1,300 businesses and residents affected by COVID-19 since March.”**

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## SIGNIFICANT ACCOMPLISHMENTS CONT'D

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### Community Revitalization

- Installed storefront covers in 26 vacant storefronts
- Installed first parklet of the Washington Avenue Parklet Program
- In collaboration with Estefan enterprises the city piloted a free and open to the public musical parklet on 8th and Ocean Drive
- Completed, in coordination with the city's Chief Learning Officer, a Sidewalk Café Assessment Pilot for South beach
- Engaged an AECOM, an engineering firm, to develop a land use, transportation and mobility, and economic development plan for the 41st Street corridor
- Serves as City liaison to the Mayor's 41st Street Committee.
- Organized a kosher street market at 41st Street and Pinetree Drive
- Received approval from the County Commission of a Finding of Necessity for creation of the North Beach CRA

## CRITICAL SUCCESS FACTORS

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### Business Retention and Attraction

- Enhance marketing and communications with the general public including residents, property owners, business owners/operators, to better foster business retention
- Proactive engagement of diverse industry sectors to attract to Miami Beach
- Adoption and adherence to economic development strategies and best practices
- Improved website and data development to ensure thorough and relevant and understandable information is easily accessible and available to the public, site selection consultants, and potential business owners
- Ability to welcome, market and interact with the business and development communities to encourage new and expanding private investment in the City
- Collaboration with outside agencies to capture available resources and support city initiatives
- Continue efforts to ease regulatory burdens that assist in remedying barriers to success
- Provide continuing education opportunities for staff to stay current on market trends and industry standards

## CRITICAL SUCCESS FACTORS CONT'D

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### Community Revitalization

- Increase communication, education and community engagement for Economic Development initiatives
- Maintain maximum occupancy in all City-owned assets and increased activation of public spaces
- Assist in providing services and amenities that benefit the community through contractual relationships, and agreements such as the weekly street markets
- Increase stakeholder engagement opportunities to gauge interest in various economic development initiatives and business sectors

## FUTURE OUTLOOK

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Miami Beach is home to a high density of favorable tapestry profiles, illustrating that the population of the city is well educated, motivated, and are enjoyers of the vibrant lifestyle that Miami Beach offers. The affordability of the North Beach neighborhood has attracted a high concentration of Millennials, and the highest concentration of persons who have earned a bachelor's degree. Having a talented, educated workforce with specialties in a variety of skills, at varying career levels is the most important resource to office-using businesses. Firms have shown that they are willing to move their entire base of operations to be nearer to strong labor pools.

Foreign capital brings with it jobs, diversity, and an increase in the value of existing real estate. Miami Beach is a significant driver foreign investment, as over the past five years, this has made up about 30% of total capital markets activity within the City.

Focusing on improving and growing the live-work-play dynamics, including and retail, as well as transportation access. Miami Beach owns several of these characteristics and has the advantage of being an "established" submarket vs. being an "emerging" submarket, which often leads to higher office occupancy and rents.

Economic Development opportunities are found throughout the City; from North Beach to the 41st Street Corridor, from Washington Avenue to Collins Park. New development projects, public private partnerships, economic revitalization programs, and creative financing for start-up and entrepreneurial endeavors are critical to the pathway forward towards building a robust and balanced economy.

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## PERFORMANCE PLAN HIGHLIGHTS

PERFORMANCE MEASURES	2017 Actuals	2018 Actuals	2019 Actuals	2020 Target	2021 Target
<b>Main Vision Area: Prosperity</b>					
Total number of business tax renewals	*	*	5,122	5,501	5,650
Business Retention Visits	*	*	45	75	60
New business Welcome Letters sent	*	*	N/A	50	50
Unemployment Rate - Miami Beach	*	*	3.1%	3.2%	3.1%
Unemployment Rate - Miami Dade County	*	*	3.8%	3.2%	3.2%
Retail Occupancy Rate	*	*	8.9%	10.0%	10.0%
Office Vacancy Rate	*	*	7.7%	8.0%	8.0%
Multifamily Vacancy Rate	*	*	4.8%	4.8%	4.8%
Stakeholder workshop / presentation attendees	*	*	80	75	78

\*Indicates measure was not tracked and/or conducted during reporting period



# ECONOMIC DEVELOPMENT

## BYRON CARLYLE - GENERAL FUND

<b>Expenditure Area</b>	<b>FY 2018 Actual</b>	<b>FY 2019 Actual</b>	<b>FY 2020 Adopted</b>	<b>FY 2021 Adopted</b>
Operating Expenditures	27,060	107,565	187,000	<b>31,000</b>
Internal Services	30,000	31,000	12,000	<b>15,000</b>
Debt Service	7,000	6,000	6,000	<b>5,000</b>
<b>Total</b>	<b>\$ 64,060</b>	<b>\$ 144,565</b>	<b>\$ 205,000</b>	<b>\$ 51,000</b>
<b>Total Budgeted Positions</b>	<b>0.00 + 0.00 PT</b>	<b>0.00 + 0.00 PT</b>	<b>0.00 + 0.00 PT</b>	<b>0.00 + 0.00 PT</b>

## ECONOMIC DEVELOPMENT - GENERAL FUND

<b>Expenditure Area</b>	<b>FY 2018 Actual</b>	<b>FY 2019 Actual</b>	<b>FY 2020 Adopted</b>	<b>FY 2021 Adopted</b>
Salaries & Benefits	158,407	346,784	665,000	<b>906,000</b>
Operating Expenditures	9,902	24,721	527,000	<b>92,000</b>
Internal Services	12,000	17,000	20,000	<b>59,000</b>
<b>Total</b>	<b>\$ 180,308</b>	<b>\$ 388,505</b>	<b>\$ 1,212,000</b>	<b>\$ 1,057,000</b>
<b>Total Budgeted Positions</b>	<b>2.00 + 0.00 PT</b>	<b>3.43 + 0.00 PT</b>	<b>3.43 + 0.00 PT</b>	<b>5.43 + 0.00 PT</b>

## ASSET MANAGEMENT - GENERAL FUND\*

<b>Expenditure Area</b>	<b>FY 2018 Actual</b>	<b>FY 2019 Actual</b>	<b>FY 2020 Adopted</b>	<b>FY 2021 Adopted*</b>
Salaries & Benefits	393,998	447,405	424,000	<b>0</b>
Operating Expenditures	168,574	225,603	311,000	<b>0</b>
Internal Services	72,431	173,000	339,000	<b>0</b>
<b>Total</b>	<b>\$ 635,003</b>	<b>\$ 846,008</b>	<b>\$ 1,074,000</b>	<b>\$ 0</b>
<b>Total Budgeted Positions</b>	<b>4.00 + 0.00 PT</b>	<b>3.00 + 0.00 PT</b>	<b>3.00 + 0.00 PT</b>	<b>0.00 + 0.00 PT</b>

\*During FY 2020, the Asset Management Division of the Economic Development Department transferred to the Property Management Department.



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## BUDGET HIGHLIGHTS

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- A significant component of the increase in personnel expenditures for all departments are increases in employee-related costs including a one percent cost of living adjustment effective April 1, 2021 for all groups, except AFSCME (1.0% COLA effective July 1, 2021), GSA (1.0% COLA effective October 1, 2020), and CWA (2.0% COLA effective October 1, 2020), as well as a maximum of three percent merit increase for employees, except members of the Fraternal Order of Police (FOP) and International Association of Fire Fighters (IAFF) which include a five percent step increase. Merit, step, and cost of living increases apply within existing pay ranges. A five percent increase in the City's premiums for health insurance for all employees is also included, except for members of the Fraternal Order of Police (FOP) and International Association of Fire Fighters (IAFF) which includes an eight percent increase in the City's premium. These increases were, however, largely offset by the COVID-19 balancing plan reductions allocated across all departments that include furloughs for all bargaining units based on a tiered approach, a citywide freeze on all non-essential expenditures and training and travel, and a citywide hiring freeze.
- Personnel services expenditures decreased by \$183,000 or 16.8%. This is primarily due to the transfer of the Asset Management Division of the Economic Development Department to Property Management during FY 2020 totaling \$424,000 in personnel expenditures, which is partially offset by an increase attributed to personnel changes made in the department, one position transferred from the Property Management Department to assist with Economic Development functions, and applicable cost of living adjustments and merit increases budgeted in FY 2021.

## BUDGET HIGHLIGHTS CONT'D

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- Operating expenditures decreased by \$902,000 or 88.0%, primarily due to one-time expenditure enhancements budgeted in FY 2020 of \$395,000, the transfer of the Asset Management Division from the Economic Development Department to the Property Management Department totaling \$311,000 in operating expenditures, a decrease in operating expenditures related to operations of the Byron Carlyle totaling \$156,000, and decreases in other miscellaneous operating expenditures of \$40,000 that include the one-time reductions due to COVID-19 further detailed below.
- Internal services expenditures decreased by \$297,000 or 80.1%. This is primarily due to the transfer of the Asset Management Division to Property Management totaling \$339,000, which is partially offset by increases in Central Services, Property Management, Risk Management, Information Technology, and OIG Funding services of \$42,000 combined.

## FY 2021 Reductions/Efficiencies

- As part of the COVID-19 balancing plan, the FY 2021 reductions also include a one-time reduction of \$22,000, which is comprised of \$4,000 for furloughs for all bargaining units based on a tiered approach, \$12,000 for non-essential expenditures, and \$6,000 for non-essential training and travel.