

A RESOLUTION OF THE CHAIRPERSON AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY, ADOPTING THE FINAL OPERATING BUDGETS FOR THE MIAMI BEACH REDEVELOPMENT AGENCY CITY CENTER REDEVELOPMENT AREA, THE ANCHOR SHOPS AND PARKING GARAGE, THE PENNSYLVANIA AVENUE SHOPS AND PARKING GARAGE, AND THE COLLINS PARK PARKING GARAGE FOR FISCAL YEAR 2023.

WHEREAS, on November 16, 1993, Miami-Dade County ("County") and the City approved and entered into an Interlocal Agreement, by which the County delegated to the City certain redevelopment powers, including but not limited to the creation of the City Center Redevelopment Area and implementation of the City Center Redevelopment Plan; and

WHEREAS, the First Amendment to the Interlocal Agreement, approved by the County, through Resolution No. R-889-03, and approved by the City, through Resolution No. 2003-25241, delegated to the City the power to develop and implement community policing initiatives; and

WHEREAS, the Second Amendment to the Interlocal Agreement, approved by the County, through Resolution No. R-958-04, and approved by the City, through Resolution No. 2004-25560, allowed the Miami Beach Redevelopment Agency (the "Miami Beach RDA" or "RDA") City Center Redevelopment Area to refund certain bonds and provided for an annual fee of one and one-half percent to be paid to the County and City annually to defray administrative costs after debt service and all other obligations related to the bonds or future indebtedness was satisfied for the fiscal year; and

WHEREAS, the Third Amendment to the Interlocal Agreement, approved by the County, through Resolution No. R-1110-14, and approved by the City, through Resolution No. 2014-28835, among other things, required that the use of tax increment revenues to fund the Miami Beach RDA's expenses for administration, community policing, and capital projects maintenance shall not exceed the prior fiscal year's distribution for such expenses, adjusted by the lesser of the Miami Urban Area CPI, or 3%, annually to be calculated using the Miami Fort Lauderdale All Urban Consumers CPI from July to June for the prior year; and

WHEREAS, the Fourth Amendment to the Interlocal Agreement, approved by the County, through Resolution No. R-644-18, and approved by the City, through Resolution No. 2018-30288, provided for the following: 1) added expenditures to the authorized expenditures of the Miami Beach RDA; 2) allowed the Miami Beach RDA to reimburse the City \$6,914,221 for construction delays and damages to the Convention Center renovation and expansion project resulting from Hurricane Irma in Fiscal Year (FY) 2018; 3) allocated additional funding in an amount up to \$20.0 million to fund the Lincoln Road project, previously authorized as part of the Third Amendment, for a total project amount of up to \$40.0 million for the Lincoln Road project; 4) distributes to both the County and the City, beginning in FY 2018, and continuing through FY 2023, an annual reimbursement based on each entity's proportionate share of expenditures for administration, community policing, and capital projects maintenance; 5) requires that both the County and the City set aside \$1.5 million of the annual reimbursement for beach renourishment that can be utilized to leverage State or Federal funding for beach renourishment projects; and 6) utilizes any excess revenues, after the foregoing distributions, for the early prepayment of debt, as originally stipulated in the Third Amendment to the Interlocal Agreement; and

WHEREAS, the Fifth Amendment to the Interlocal Agreement, approved by the County, through Resolution No. R-256-22, and approved by the City, through Resolution No. 2022-32014, provided in material part that: (1) until FY 2023, the County shall set aside \$1.5 million per year of the excess Trust Fund revenue payments received from the City Center RDA for the purpose of funding beach renourishment for any beaches within Miami-Dade County, as opposed to only beaches within or adjacent to the City of Miami Beach, at the County's sole discretion; and (2) the City Center RDA shall distribute \$27.1 million to the City for the limited purpose of funding and reimbursing the City for the remaining project costs in connection with the Convention Center Project, including payments to the Contractor pursuant to the Final Settlement Agreement approved by the City Commission on September 30, 2021 through Resolution No. 2021-31870; and

WHEREAS, the City Center RDA budget has been prepared to coincide with the overall City budget process; and

WHEREAS, the City Center RDA budget reflects anticipated project costs in addition to operating and debt service costs for FY 2023; and

WHEREAS, the budgets for the Anchor Shops and Garage, the Pennsylvania Avenue Shops and Garage, and the Collins Park Parking Garage have been included as separate schedules to the City Center RDA budget, reflecting projected revenues and operating expenditures for FY 2023; and

WHEREAS, the Executive Director of the Miami Beach RDA recommends approval of the operating budgets for the City Center Redevelopment Area, the Anchor Shops and Parking Garage, the Pennsylvania Avenue Shops and Parking Garage, and the Collins Park Parking Garage for FY 2023.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE CHAIRPERSON AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY, that the Chairperson and Members of the Miami Beach Redevelopment Agency hereby adopt the final operating budgets for the City Center Redevelopment Area, the Anchor Shops and Parking Garage, the Pennsylvania Avenue Shops and Parking Garage, and the Collins Park Parking Garage for FY 2023 as outlined below and further detailed in the attached Exhibit "A."

City Center Redevelopment Area	\$67,487,000
Anchor Garage Parking Operations	\$2,875,000
Anchor Garage Retail Operations	\$1,253,000
Pennsylvania Avenue Garage Parking Operations	\$946,000
Pennsylvania Avenue Garage Retail Operations	\$314,000
Collins Park Parking Garage	\$1,305,000


PASSED AND ADOPTED this 28th day of September, 2022.

ATTEST:



Rafael E. Granado, Secretary





Dan Gelber, Chairperson
APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION

SEP 29 2022



for City Attorney

9/20/22

Date

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Alina T. Hudak, Executive Director
DATE: September 28, 2022

SUBJECT: A RESOLUTION OF THE CHAIRPERSON AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY, ADOPTING THE FINAL OPERATING BUDGETS FOR THE MIAMI BEACH REDEVELOPMENT AGENCY CITY CENTER REDEVELOPMENT AREA, THE ANCHOR SHOPS AND PARKING GARAGE, THE PENNSYLVANIA AVENUE SHOPS AND PARKING GARAGE, AND THE COLLINS PARK PARKING GARAGE FOR FISCAL YEAR 2023.

RECOMMENDATION

The Administration recommends that the Chairperson and members of the Miami Beach Redevelopment Agency (the "Miami Beach RDA") adopt the attached Resolution which establishes the final budgets for the Miami Beach RDA City Center Redevelopment Area, the Anchor Shops and Parking Garage, the Pennsylvania Avenue Shops and Parking Garage, and Collins Park Parking Garage for Fiscal Year (FY) 2023.

BACKGROUND/HISTORY

On January 26, 1993, Miami-Dade County adopted Resolution No. R-14-93, which, among other things, found the area of Miami Beach bounded on the east by the Atlantic Ocean, on the north by 24th Street, on the west by West Avenue, and on the south by 14th Lane to be a "blighted area" within the meaning of Part III of Chapter 163, Florida Statutes, and delegated to the City of Miami Beach, pursuant to Section 163.410, Florida Statutes, certain powers conferred upon the County Commission as the governing body of Dade County by Part III of Chapter 163, Florida Statutes, with regard to the Redevelopment Area, so that the City Commission, either directly or through its duly designated community redevelopment agency, could exercise such powers.

On November 16, 1993, the County and the City entered into an Interlocal Agreement, by which the County delegated to the City certain redevelopment powers, including but not limited to the creation of the Redevelopment Area and implementation of the Redevelopment Plan.

The First Amendment to the Interlocal Agreement, approved by the Miami-Dade Board of County Commissioners ("BCC"), through Resolution No. R-889-03, and approved by the City Commission, through Resolution No. 2003-25241, delegated to the City the power to develop and implement community policing initiatives.

The Second Amendment to the Interlocal Agreement, approved by the BCC, through Resolution No. R-958-04, and approved by the City, through Resolution No. 2004-25560, allowed the Miami Beach RDA to refund certain bonds and provided for an annual fee of one and one-half percent to be paid to the County and City annually to defray administrative costs after debt service and all other obligations related to the bonds or future indebtedness was satisfied for the fiscal year.

The Third Amendment to the Interlocal Agreement, approved by the BCC, through Resolution No. R-1110-14, and approved by the City Commission, through Resolution No. 2014-28835, among other things, allowed the Miami Beach RDA to issue \$430 million in bonds to refund existing debt and partially fund the Miami Beach Convention Center (MBCC) expansion and renovation project; required that the use of tax increment revenues to fund the Miami Beach RDA's expenses for administration, community policing, and capital projects maintenance would not exceed the prior fiscal year's distribution for such expenses, adjusted by the lesser of the Miami Urban Area CPI or 3% annually to be calculated using the Miami Fort Lauderdale All Urban Consumers CPI from July to June for the prior year; and stipulated that any remaining funding would be used to retire debt early.

The Fourth Amendment to the Interlocal Agreement, approved by the BCC, through Resolution No. R-644-18, and approved by the City Commission, through Resolution No. 2018-30288, provided for the following:

1. Added certain expenditures to the authorized expenditures of the City Center Redevelopment Area
2. Allowed the City Center Redevelopment Area to reimburse the City \$6,914,221 for construction delays and damages to the Convention Center renovation and expansion project resulting from Hurricane Irma
3. Included proposed funding in an amount up to \$20 million to fund the Lincoln Road project, previously authorized as part of the Third Amendment, for a total project amount of up to \$40 million for the Lincoln Road project
4. Distributed to both the County and the City, beginning in FY 2018 and continuing until FY 2023, a reimbursement based on each entity's proportionate share of previous year expenses for administration, community policing, and capital maintenance, and required that both set aside \$1.5 million of the annual reimbursement for beach renourishment that could be utilized to leverage State or Federal funding for beach renourishment projects
5. Utilized any excess revenues, after the foregoing distributions, for the early prepayment of debt, as originally stipulated in the Third Amendment to the Interlocal Agreement

The Fifth Amendment to the Interlocal Agreement, approved by the BCC, through Resolution No. R-256-22, and approved by the City Commission, through Resolution No. 2022-32014, provided in material part that:

1. Until FY 2023, the County shall set aside \$1.5 million per year of the excess Trust Fund revenue payments received from the City Center RDA for the purpose of funding beach renourishment for any beaches within Miami-Dade County, as opposed to only beaches within or adjacent to the City of Miami Beach, at the County's sole discretion
2. The City Center RDA shall distribute \$27.1 million to the City for the limited purpose of

funding and reimbursing the City for the remaining project costs in connection with the Convention Center Project, including payments to the Contractor pursuant to the Final Settlement Agreement approved by the City Commission on September 30, 2021 through Resolution No. 2021-31870

The FY 2023 budget for the Miami Beach RDA has been prepared to coincide with the overall City budget process and is being presented to assist in providing a comprehensive overview of the City Center Redevelopment Area as set forth in the attached Exhibit A.

ANALYSIS

CITY CENTER RDA ANALYSIS

Revenues and Expenditures

Based on the 2022 Certification of Taxable Value provided by the Miami-Dade County Property Appraiser's Office on July 1, 2022, property values in the City Center RDA increased by 0.8%, or \$45.4 million, over the 2021 Certification of Taxable Value to \$6.0 billion. For FY 2023, the City portion of the tax increment totals \$31.7 million, and the County portion of the tax increment totals \$25.1 million. However, as in previous years, the City has received correspondence from the County advising of the finalization of the tax roll for the prior year, which in the case of 2020, reflects a decrease from the preliminary valuation for the same year and will result in a corresponding adjustment/reduction of tax increment revenues totaling a combined \$2.7 million for FY 2023.

Additional sources of revenue include an estimated \$102,000 in interest income and the use of approximately \$13.3 million of prior year excess Miami Beach RDA Trust Fund revenues in accordance with the 4th Amendment to the City Center Redevelopment Area Interlocal Agreement that is recommended to be allocated as follows for FY 2023:

1. \$5.9 million reimbursement to Miami-Dade County for year six (FY 2023) of six of the annual reimbursement equal to the County's proportionate share of prior year administration, community policing, and capital projects maintenance expenses incurred in the prior year
2. \$1.5 million to be set aside for beach renourishment
3. \$5.9 million contribution to the City's Fleet Management Internal Services Fund for replacement of General Fund vehicles in FY 2023 with cash instead of debt financing

Project-related expenditures for FY 2023 account for approximately \$12.8 million, which include \$5.1 million allocated for community policing initiatives in the City Center Redevelopment Area to continue to provide enhanced levels of staffing and services throughout the area, and \$7.7 million for maintenance of existing projects. There is no additional funding for ongoing and/or planned capital projects in the FY 2023 operating budget due to the extension of the Miami Beach RDA for the recently completed renovation and expansion of the MBCC.

Administrative expenditures account for \$886,000, which include a management fee of \$606,000 allocated to the General Fund for direct and indirect staff support, \$22,000 for annual audit fees, and \$258,000 for internal services expenditures.

The budget also includes \$21.7 million in debt service payments to cover annual debt service costs

related to the Convention Center bonds issued in 2015, as well as \$14.0 million set aside for additional debt service coverage. Funds set aside for additional debt service over and above the annual debt service payment may be used to finance any potential shortfalls in the Miami Beach RDA budget or pay down the Convention Center bonds early, but not prior to FY 2024.

Other expenditures include those items that, pursuant to the existing bond covenants, may only be expended once the annual debt service obligations have been met. These include a \$4 million transfer to the MBCC Fund for FY 2023; \$359,000 for the County's administration fee, which is equivalent to 1.5% of the County's respective FY 2023 tax increment payment; and \$453,000 contribution to the City, which is equivalent to 1.5% of the City's respective FY 2023 tax increment payment.

REDEVELOPMENT AREA SHOPS AND GARAGES

The revenues and expenditures associated with operations of the City Center Redevelopment Area Shops and Garages are presented as separate schedules in order to eliminate any perception that proceeds from the facilities' operations are pooled with tax increment financing (TIF) and other City Center Trust Fund revenues.

Anchor Shops and Parking Garage

Revenues and expenditures at the Anchor Garage are projected at approximately \$2.9 million for FY 2023. Revenues are primarily derived from attended parking, monthly permits, and valet parking revenues operations totaling approximately \$2.9 million, combined. An additional \$20,000 is projected in interest income and other miscellaneous revenues for FY 2023. Operating expenditures, which include a contractual revenue-sharing obligation with the Loews, General Fund administrative fees, and a budgeted subsidy to the Pennsylvania Avenue Garage Fund, total approximately \$2.9 million.

Revenues and expenditures at the Anchor Shops are projected at approximately \$1.3 million for FY 2023. Revenues are derived primarily from retail leasing and common area maintenance operations totaling approximately \$1.2 million, as well as an additional \$19,000 projected in interest income for FY 2023. Operating expenditures, which include General Fund administrative fees and a budgeted subsidy to the Pennsylvania Avenue Shops, total approximately \$1.3 million for FY 2023.

It is important to note that the Anchor Garage and Shops funds are not constrained by the stipulations of the Miami Beach RDA City Center Redevelopment Area Interlocal Agreement.

Pennsylvania Avenue Shops and Parking Garage

Revenues and expenditures at the Pennsylvania Avenue Garage are projected at \$946,000 for FY 2023. Revenues are primarily derived from transient parking and monthly permits operations totaling \$819,000, combined. An additional \$4,000 is projected in interest income for FY 2023, as well as a budgeted subsidy from the Anchor Garage Fund of \$123,000 to fully fund anticipated garage operations. Operating expenditures, which include General Fund and Parking administrative fees, as well as capital expenditures for renewal and replacement projects under \$25,000, total \$946,000.

Revenues and expenditures at the Pennsylvania Avenue Shops are projected at approximately \$314,000 for FY 2023. The retail component of this facility comprising approximately 7,655 square feet is occupied by Moonlighter Fablab, Inc., which is a non-profit organization that serves as a Science, Technology, Engineering, Arts and Math (STEAM) education center, co-working space,

and digital fabrication lab. Revenues from operations are nominal (base rent of \$1.00 per year) based on the current lease agreement, therefore, requiring an annual budgeted subsidy from the Anchor Shops of \$314,000 for FY 2023 to fund operations. Operating expenditures, which include a General Fund management fee, total \$314,000 for FY 2023.

Similar to the Anchor Garage and Shops, the Pennsylvania Avenue Garage and Shops funds are not constrained by the stipulations of the Miami Beach RDA City Center Redevelopment Area Interlocal agreement.

Collins Park Parking Garage

During FY 2021, operations of the Collins Park Garage commenced. The facility is a seven-story structure comprised of a six-level parking garage with approximately 513 parking spaces, as well as approximately 15,000 square feet of retail space on the ground level.

Revenues and expenditures at the Collins Park Parking Garage for FY 2023 are projected at approximately \$1.3 million. Revenues are derived primarily from transient parking and monthly permit revenues totaling approximately \$1.3 million, as well as an additional \$2,000 from interest income for FY 2023. Operating expenditures, which include General Fund and Parking administrative fees, total \$1.3 million for FY 2023.

SUPPORTING SURVEY DATA

N/A

FINANCIAL INFORMATION

N/A

CONCLUSION

The FY 2023 Miami Beach RDA budget totals \$67.5 million. The Anchor Parking Garage and Shops budgets total \$4.1 million, combined. The Pennsylvania Avenue Parking Garage and Shops budgets total \$1.3 million, combined, and the Collins Park Parking Garage budget is \$1.3 million.

In order to address the existing and future obligations of the Miami Beach RDA, it is recommended that the Miami Beach RDA Board adopt the attached Resolution, which establishes the final budgets for the City Center Redevelopment Area, the Anchor Shops and Parking Garage, the Pennsylvania Avenue Shops and Parking Garage, and the Collins Park Parking Garage for FY 2023.

Applicable Area

Citywide

Is this a "Residents Right to Know" item, pursuant to City Code Section 2-14?

Yes

Does this item utilize G.O. Bond Funds?

No

Strategic Connection

Organizational Innovation - Ensure strong fiscal stewardship.

Legislative Tracking
Economic Development

ATTACHMENTS:

Description

- ▣ Exhibit A - FY 2023 RDA Operating Budget

EXHIBIT A

Miami Beach Redevelopment Agency City Center Redevelopment Area Operating Budget

	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Adopted	FY 2023 Proposed	FY 2023 Prop to FY 2022 Adop
Revenues and Other Sources of Income					
Tax Increment - City	32,468,034	32,174,218	31,123,000	31,660,000	537,000
Proj Adjustment to City Increment	(1,266,155)	(1,063,324)	(1,318,000)	(1,487,000)	(169,000)
Tax Increment - County	26,428,954	26,189,600	25,185,000	25,133,000	(52,000)
Proj Adjustment to County Increment	(1,053,362)	(866,225)	(1,075,000)	(1,212,000)	(137,000)
Interest Income	522,746	272,879	429,000	102,000	(327,000)
Fund Balance/Retained Earnings	12,477,439	12,517,919	12,904,000	13,291,000	387,000
Other Income/Adjustments:	(14,022)	(155,755)	0	0	0
TOTAL REVENUES	\$ 69,563,634	\$ 69,069,312	\$ 67,248,000	\$ 67,487,000	\$ 239,000
Admin/Operating Expenditures					
Management Fee	602,000	537,000	564,000	606,000	42,000
Audit fees	21,000	21,000	22,000	22,000	0
Internal Services	147,000	173,000	332,000	258,000	(74,000)
Total Admin/Operating Expenditures	\$ 770,000	\$ 731,000	\$ 918,000	\$ 886,000	\$ (32,000)
Project Expenditures					
Community Policing:					
Police	4,729,926	4,630,142	4,969,000	4,880,000	(89,000)
Code Compliance	168,744	178,165	259,500	200,500	(59,000)
Capital Projects Maintenance:					
Property Mgmt.	1,377,102	1,537,366	1,865,000	1,930,000	65,000
Sanitation	4,243,537	4,467,798	3,789,500	4,364,500	575,000
Greenspace	567,638	771,255	1,006,000	922,000	(84,000)
Parks Maintenance	298,663	329,915	484,000	507,000	23,000
Total Project Expenditures	\$ 11,385,610	\$ 11,914,640	\$ 12,373,000	\$ 12,804,000	\$ 431,000
Reserves, Debt Service and Other Obligations					
Debt Service Cost	21,683,597	21,706,729	21,715,000	21,732,000	17,000
Reserve for County Admin Fee	380,634	379,851	362,000	359,000	(3,000)
Reserve for CMB Contribution	468,028	466,663	448,000	453,000	5,000
Reserve for County Reimbursement:					
Transfer to County Reimbursement	3,996,439	3,951,919	4,291,000	4,443,000	152,000
Transfer to County Beach Renourishment Fund	1,500,000	1,500,000	1,500,000	1,500,000	0
Reserve for City Reimbursement:					
Transfer to General Fund	4,414,000	4,414,000	0	0	0
Transfer to Beach Renourishment Fund	1,500,000	1,500,000	1,500,000	1,500,000	0
Transfer to Fleet Management Fund	1,067,000	1,152,000	5,613,000	5,848,000	235,000
Transfer to Convention Center	2,500,000	3,250,000	4,000,000	4,000,000	0
Set-aside for Debt Payoff	19,898,325	18,102,511	14,528,000	13,962,000	(566,000)
Total Reserves, Debt, & Other Obligations	\$ 57,408,024	\$ 56,423,673	\$ 53,957,000	\$ 53,797,000	\$ (160,000)
TOTAL EXPENDITURES AND OBLIGATIONS	\$ 69,563,634	\$ 69,069,312	\$ 67,248,000	\$ 67,487,000	\$ 239,000
SURPLUS / (GAP)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

EXHIBIT A

Anchor Garage and Anchor Shops Operating Budget

Anchor Parking Garage		FY 2020	FY 2021	FY 2022	FY 2023	FY 2023 Prop to
		Actuals	Actuals	Adopted	Proposed	FY 2022 Adop
Revenues:						
Valet Parking		145,768	137,986	325,000	362,000	37,000
Monthly Permits		414,937	374,570	509,000	566,000	57,000
Attended Parking		1,189,332	1,607,046	2,312,000	1,927,000	(385,000)
Interest Income		180,661	41,551	22,000	19,000	(3,000)
Misc./ Other		519	1,549	0	1,000	1,000
TOTAL REVENUES		\$ 1,931,218	\$ 2,162,701	\$ 3,168,000	\$ 2,875,000	\$ (293,000)
Expenditures:						
Operating Expenditures		1,894,534	1,701,281	2,423,000	2,316,000	(107,000)
Transfer Out to Penn Garage		0	295,000	27,000	123,000	96,000
Internal Services		170,000	373,000	368,000	412,000	44,000
Capital		0	0	0	24,000	24,000
Contingency/Reserve		0	0	350,000	0	(350,000)
TOTAL EXPENDITURES		\$ 2,064,534	\$ 2,369,281	\$ 3,168,000	\$ 2,875,000	\$ (293,000)
Revenues Less Expenditures		\$ (133,316)	\$ (206,579)	\$ 0	\$ 0	\$ 0
Anchor Shops						
		FY 2020	FY 2021	FY 2022	FY 2023	FY 2023 Prop to
		Actuals	Actuals	Adopted	Proposed	FY 2022 Adop
Revenues:						
Retail Leasing		502,204	270,087	406,000	1,077,000	671,000
Capital & Maintenance		69,913	28,083	44,000	157,000	113,000
Interest Earned		145,836	41,079	22,000	19,000	(3,000)
Miscellaneous		55	13	0	0	0
Fund Balance/Retained Earnings		0	0	40,000	0	(40,000)
TOTAL REVENUES		\$ 718,008	\$ 339,263	\$ 512,000	\$ 1,253,000	\$ 741,000
Expenditures:						
Operating Expenditures		128,825	99,362	152,000	221,000	69,000
Transfer Out to Penn Shops		281,000	321,000	323,000	314,000	(9,000)
Internal Services		80,000	91,563	37,000	38,000	1,000
Contingency/Reserve		0	0	0	680,000	680,000
TOTAL EXPENDITURES		\$ 489,825	\$ 511,925	\$ 512,000	\$ 1,253,000	\$ 741,000
Revenues Less Expenditures		\$ 228,183	\$ (172,662)	\$ 0	\$ 0	\$ 0
COMBINED REVENUES - EXPENDITURES		\$ 94,867	\$ (379,241)	\$ 0	\$ 0	\$ 0

EXHIBIT A

Pennsylvania Avenue Garage and Pennsylvania Avenue Shops Operating Budget

Pennsylvania Avenue Parking Garage					
	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Adopted	FY 2023 Proposed	FY 2023 Prop to FY 2022 Adop
Revenues:					
Transient	504,619	210,295	511,000	483,000	(28,000)
Monthly	268,800	221,585	303,000	336,000	33,000
Miscellaneous	431	280	0	0	0
Interest Income	26,072	5,634	3,000	4,000	1,000
Transfer In from Anchor Garage	0	295,000	27,000	123,000	96,000
TOTAL REVENUES	\$ 799,921	\$ 732,794	\$ 844,000	\$ 946,000	\$ 102,000
Expenditures:					
Operating Expenditures	863,070	871,486	730,000	789,000	59,000
Internal Services	59,000	137,000	114,000	133,000	19,000
Capital	0	0	0	24,000	24,000
TOTAL EXPENDITURES	\$ 922,070	\$ 1,008,486	\$ 844,000	\$ 946,000	\$ 102,000
Revenues Less Expenditures	\$ (122,149)	\$ (275,692)	\$ 0	\$ 0	\$ 0
Pennsylvania Avenue Shops					
	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Adopted	FY 2023 Proposed	FY 2023 Prop to FY 2022 Adop
Revenues:					
Retail Leasing	39,625	1	0	0	0
Interest Earned	1,270	0	0	0	0
Transfers In from Anchor Shops	281,000	321,000	323,000	314,000	(9,000)
TOTAL REVENUES	\$ 321,895	\$ 321,001	\$ 323,000	\$ 314,000	\$ (9,000)
Expenditures:					
Operating Expenditures	321,732	333,165	321,000	312,000	(9,000)
Internal Services	0	0	2,000	2,000	0
TOTAL EXPENDITURES	\$ 321,732	\$ 333,165	\$ 323,000	\$ 314,000	\$ (9,000)
Revenues Less Expenditures	\$ 163	\$ (12,164)	\$ 0	\$ 0	\$ 0
COMBINED REVENUES - EXPENDITURES	\$ (121,986)	\$ (287,856)	\$ 0	\$ 0	\$ 0

EXHIBIT A

Collins Park Garage Operating Budget

Collins Park Garage		FY 2020	FY 2021	FY 2022	FY 2023	FY 2023 Prop to
		Actuals	Actuals	Adopted	Proposed	FY 2022 Adop
Revenues:						
Transient		0	668,674	816,000	1,063,000	247,000
Monthly		0	88,719	190,000	240,000	50,000
Miscellaneous		0	55	0	0	0
Interest Income		0	908	0	2,000	2,000
TOTAL REVENUES		\$ 0	\$ 758,356	\$ 1,006,000	\$ 1,305,000	\$ 299,000
Expenditures:						
Operating Expenditures		0	675,031	1,006,000	1,302,000	296,000
Internal Services		0	0	0	3,000	3,000
TOTAL EXPENDITURES		\$ 0	\$ 675,031	\$ 1,006,000	\$ 1,305,000	\$ 299,000
Revenues Less Expenditures		\$ 0	\$ 83,325	\$ 0	\$ 0	\$ 0

*Collins Park Garage operations commenced during FY 2021.

MIAMI BEACH REDEVELOPMENT AGENCY

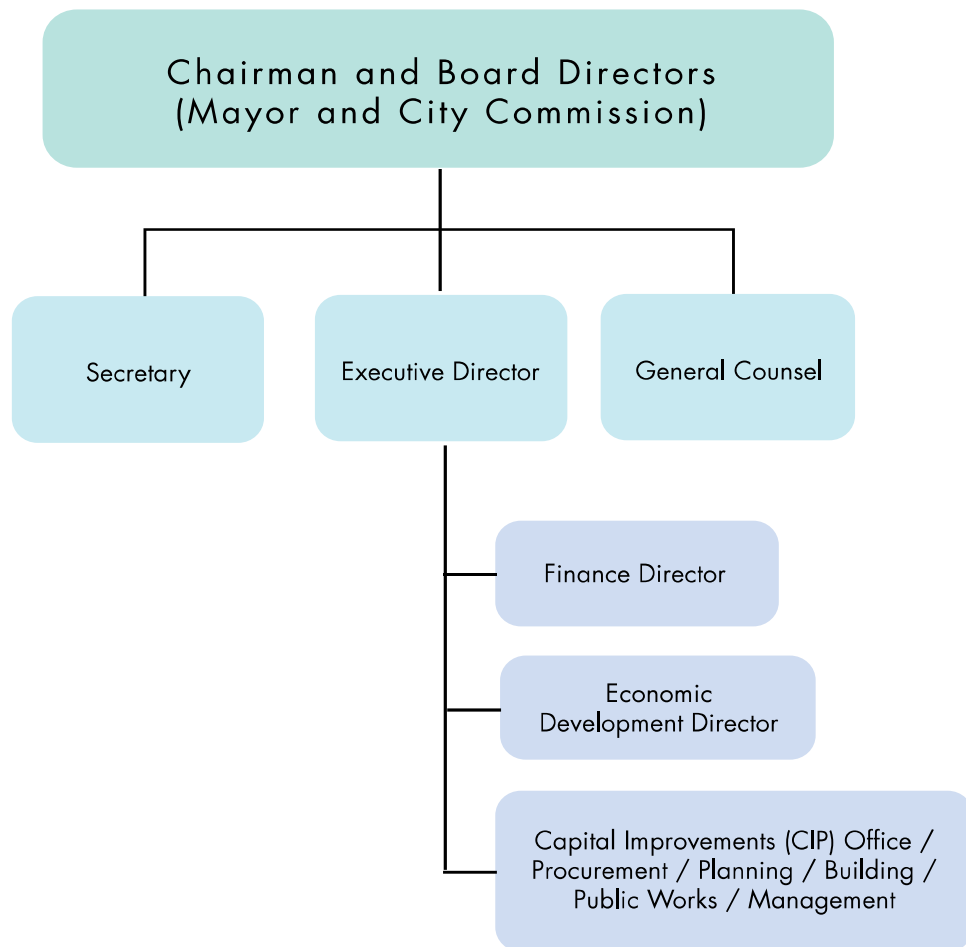
City Center Redevelopment Area



Submitted By: The Miami Beach Redevelopment Agency
1700 Convention Center Drive
Miami Beach, FL 33139

*Shaded green areas represent City parks

MIAMI BEACH REDEVELOPMENT AGENCY



BACKGROUND

On March 20, 1996, the Mayor and City Commission adopted Resolution No. 96-21927 authorizing the creation of an Interlocal Agreement between the City and Miami-Dade County with respect to the Convention Development Tax (levied and collected pursuant to section 212.0305, Florida Statutes), the Performing Arts, and other issues. This agreement was amended in 2014 via Resolution No. 2014-28836, which extended the term of the City Center RDA to the earlier of March 31, 2044 or the date the Agency's indebtedness approved by the County was no longer outstanding. Beginning FY 2016 and each year thereafter, the use of tax increment revenues to fund the Miami Beach Redevelopment Agency's expenditures for administration, community policing, and capital projects maintenance shall not exceed the prior fiscal year's distribution for such expenditures, adjusted by the lesser of the Miami Urban Area Consumer Price Index (CPI) or 3% annually to be calculated using the Miami Fort Lauderdale All Urban Consumers CPI from July to June for the prior year. This agreement was amended a fourth time in 2018 via Resolution No. 2018-30288, to 1) allow the Redevelopment Agency to reimburse the City \$6,914,221 for construction impacts to the Miami Beach Convention Center (MBCC) renovation and expansion project resulting from Hurricane Irma; 2) provide

BACKGROUND CONT'D

additional funding up to \$20 million for the Lincoln Road project (previously authorized as part of the Third Amendment) for a total project amount of up to \$40 million for the Lincoln Road project; 3) distribute to both the County and the City, beginning in FY 2018, and continuing until FY 2023, an annual reimbursement based on each entity's proportionate share of expenditures for administration, community policing, and capital projects maintenance; 4) require that both the County and the City set aside \$1.5 million of the annual reimbursement for beach re-nourishment that could be utilized to leverage State or Federal funding for beach re-nourishment projects; and 5) utilize any excess revenues, after the foregoing distributions, for the early prepayment of debt, as originally stipulated in the Third Amendment to the Interlocal Agreement.

The Fifth Amendment to the RDA Interlocal Agreement was approved by Miami-Dade County in March 2022, allowing for \$29.1 million in excess RDA Trust Fund revenues to be accessed by the City to fund the City's financial obligation related to the Final Settlement Agreement for the MBCC expansion and renovation project.

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MISSION/PURPOSE STATEMENT

- To assure continued economic viability of the City Center Redevelopment Area and the City as a whole, through the implementation of the objectives and projects defined in the Redevelopment Plan and the amendment thereto
- To incur minimum relocation and condemnation
- To involve community residents in the redevelopment process
- To establish the necessary linkages to tie in the Miami Beach Convention Center (MBCC), area hotels, cultural amenities, entertainment, residential and business uses in the district
- To enhance diversity of form and activity through the use of established planning and design principles
- To create a traffic system to serve local and through traffic needs
- To recognize the historic structures and designations within the historic districts and facilitate development accordingly

STATUS REPORT AND ACCOMPLISHMENTS

The 332-acre City Center/Historic Convention Village Redevelopment and Revitalization Area (CC/HCVRRRA or City Center) was established in 1993 in order to provide the funding mechanism to foster the development of new convention hotel development within proximity of the Miami Beach Convention Center (MBCC) and to establish the necessary linkage between the City's many core area civic, cultural, and entertainment uses in order to create the fabric of a true urban downtown.

Since its inception, the City Center Redevelopment Area has undergone dynamic change through a combination of public and private investment initiatives.

Exciting projects which have transformed the area include:

- Two convention-quality hotels, both of which were the result of public/private partnerships between the Redevelopment Agency (RDA) and the respective Developers - the 800-room Loews Miami Beach Hotel and the 425-room Royal Palm Crowne Plaza Hotel, the latter of which had the distinction of being the first African-American owned hotel in the United States;
- The development of an 800-space public parking garage (Anchor Garage) to accommodate the parking needs for the Loews Miami Beach Hotel, the Crowne Plaza Hotel and other service and retail businesses in the area;

STATUS REPORT AND ACCOMPLISHMENTS CONT'D

- A \$20 million overhaul of Lincoln Road, partially funded with the participation of businesses on Lincoln Road
- An award-winning Beachwalk extending from 21st Street to Lummus Park, comprising an at-grade, landscaped pedestrian walkway
- Implementation of a Cultural Arts Campus Master Plan for the area east of the MBCC, which includes a new regional library, the headquarters of the Miami City Ballet, the expansion and renovation of the Bass Museum of Art, the re-landscaping of Collins Park, including the restoration of the Rotunda and extensive streetscape improvements throughout the area
- Completion of the much-heralded New World Campus, including the state-of-the-art Gehry-designed headquarters facility for the New World Symphony and two publicly-funded components, including a \$15 million municipal Gehry-designed parking garage and a \$21 million world-class park
- Renovation and expansion of the Miami Beach Convention Center as outlined below
- An 800-room voter-approved MBCC Hotel, to be branded as a Grand Hyatt with early work initiated in Summer 2022
- Completion of two Convention Center Parks (Collins Canal Park and Pride Park), complementing the MBCC renovations, public art collection, and cultural institutions while serving as a sustainable resource for the community
- Renovation of 100 year old Carl Fisher Clubhouse & Annex to be managed by MBCC management firm Spectra and the selection of Centerplate as the food and beverage operator – holistically leveraging the ability of the MBCC to market and sale a "Convention Center Campus" that serves residents, businesses, visitors and tourists

Other important projects include the 650-space mixed-use parking facility built on the surface parking lot on the west side of City Hall, which includes 35,000 square feet of municipal office space; the implementation of major street and infrastructure improvements throughout City Center, valued at more than \$26 million; and the acquisition and renovation of three multi-family buildings (Barclay, Allen House, The London House) to maintain the stock of affordable housing in the area.

Tax Increment Financing (TIF) through the sale of bonds has been a major tool for financing redevelopment activities. To date, four bond issues have occurred in City Center: one in 1994 for \$25 million, to acquire land for the hotel development initiatives; one in 1996,

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STATUS REPORT AND ACCOMPLISHMENTS CONT'D

in the amount of \$43.2 million to fund contractual obligations and capital improvements related to the Loews Hotel and Crowne Plaza Hotel projects; one in 1998, in the amount of \$38.2 million to finance capital expenditures related to the convention hotel projects, the Cultural Campus project and to repay the \$21.5 million debt obligation to the City; and another which occurred in 2005, in the amount of \$80.7 million to refinance the outstanding debt service on prior bond issues. On December 15, 2015, the Redevelopment Agency issued \$286,245,000 in Tax Increment Revenue and Revenue Refunding Bonds, Series 2015A, and \$35,850,000 in Tax Increment Revenue Refunding Bonds, Taxable Series 2015B.

The City and Redevelopment Agency's commitment to upgrading and improving the area's infrastructure, addressing parking and circulation issues, and facilitating new development has fueled significant new private-sector investment in the area, evidenced by more than \$600 million in new building permit activity since the area's inception.

WORK PLAN

The Redevelopment Agency (RDA) mission is to coordinate, implement and fund the Redevelopment Plan (Plan) goals and to focus on a number of initiatives aimed to upgrade area infrastructure, streetscapes, parks, traffic and parking management and encourage the inclusion of arts and cultural activities. The 2003 amended Plan for City Center specifically addressed these objectives including, but not limited to, the New World Symphony expansion plans to connect with the 17th Street municipal lots, potentially positively impacting foot traffic to the MBCC and area businesses.

The RDA objective over the next few years is to focus on the planning and implementation of capital projects associated with, but not limited to, the Convention Center District Master Plan for the expansion of the Convention Center District, upgrading streetscapes and related infrastructure throughout City Center. The RDA will also continue to fund public service enhancements provided under the Community Policing Program as well as ensure the on-going maintenance of capital assets funded with Tax Increment Financing (TIF). To date, the majority of the capital enhancements set forth in the Redevelopment Plan and the 2002 Amendment thereto, have been completed and/or are currently underway.

Miami Beach Convention Center Renovation and Expansion

The Miami Beach Convention Center (MBCC) has been a significant contributing factor in the economic impact of Miami Beach and the greater Miami-Dade County for more than fifty years. MBCC served as the site where Muhammad Ali (formerly known as Cassius Clay) defeated Sonny Liston for his first Heavyweight Championship of the World in 1964. In 1968, the MBCC hosted the Republican National Convention with more than 20,000 delegates and thereafter, in

WORK PLAN CONT'D

1972, the MBCC hosted more than 45,000 delegates during the Republican and Democratic National Conventions.

Originally built in 1957, the MBCC encompassed 108,000 square feet. In 1968, an additional 130,500 square feet of exhibit space was added, with additional support facilities subsequently constructed in 1974. In 1986, as the demand for exhibition space increased, the facility underwent a \$92 million renovation and doubled the size of its footprint. In 1989, a master plan was also developed for the convention center complex, which included over \$50 million in upgrades, including complete renovations of all restrooms, full carpet replacement, and installation of a state-of-the-art telecommunications and networking infrastructure.

Since the 1989 MBCC renovation, significant changes have taken place in the convention and tradeshow industry. The number of events, attendance, and space needs have increased on an annual basis industry-wide. The economic impact of conventions and tradeshows has also increased over time. Many cities have responded to this industry growth by increasing the size of their convention centers and by adding amenities such as increased meeting space, additional parking, general session space, various technological amenities, and related features in an effort to address industry trends.

Changes in how a competitive hotel package and cultural offerings are viewed by event planners has also led to significant development in areas adjacent to convention centers. In major markets throughout the country, large headquarter hotels have been developed, and efforts to create walkable restaurant/retail environments surrounding convention centers have also been undertaken. The primary objectives of the Master Plan project include improvements to the MBCC and redevelopment of the surrounding area that are supported by market demand and are necessary to facilitate the ability of the MBCC to attract high impact conventions and tradeshows in an increasingly competitive environment.

A report prepared by Convention Sports & Leisure (CSL) commissioned by the Greater Miami Convention and Visitors Bureau (GMCVB) determined that the MBCC serves as the region's convention center given its geographic draw, and no new facility should be planned elsewhere in Miami-Dade County. The report further determined that improvements to the MBCC, including the multi-purpose ballroom, would increase its marketability and attract high-end conventions.

The expansion and renovation of the existing MBCC included an expansion to 1.4 million square feet, the re-orientation of the four exhibit halls, facade modifications, two separate loading docks on opposite ends of the building with 32 dock spaces, site improvements along the canal and roadways, the addition of a Grand Lobby, 1 Grand Ballroom and 4 junior ballrooms, including the rooftop 'Sunset Vista Ballroom', 10,000 square foot production kitchen,

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WORK PLAN CONT'D

1.61 miles of fiber optic cabling and 480 miles of copper wiring to support IT communications, 84 meeting rooms with free Wi-Fi, and 800 parking spaces located on the roof. The new MBCC re-orient the halls in an East/West direction with the primary access from Convention Center Drive, with Washington Avenue also serving as a secondary means of entry.

The MBCC project included substantial improvements to the north of the property. An addition was made to the northern portion of the property featuring an enclosed ground floor parking area and a truck loading and delivery area, a multi-story Grand Ballroom, two outdoor patios spaces with views of the beautified 3.8 acres of Collins Canal Park that spans along Collins Canal and features the restored historic Carl Fisher Clubhouse. This addition created a new internalized loading area and includes two helix ramping entrance accesses to the roof level parking. The Washington Avenue elevation is now predominately pedestrian in nature with visitor drop-off and cab queuing areas. The streetscape modifications include a green edge along the avenue with native shade trees to promote a more pedestrian friendly experience.

Convention Center Drive is now the main access point for vehicular access and for the visitor and shared ride drop-off areas. Modifications included a new median along Convention Center Drive and 19th Street creating a more sophisticated streetscape and a more celebrated boulevard experience. The Collins Canal Park walk has been substantially improved and creates a softer northern edge to the MBCC, with a continued path starting at the Holocaust Memorial, continuing through the Botanical Gardens, into Collins Canal Park and ending at the Bass Museum and Collins Park to connect multiple green spaces across multiple city blocks.

The project also included sizable Art in Public Places installations including pieces by six internationally recognized artists such as Ellen Harvey, Sarah Morris and Joseph Kosuth, with a budget of \$7.1M, this collection is the largest collection of single curated public art in the United States.

On July 25, 2018, the Mayor and City Commission approved Resolution 2018-30438 which called for a special election, on November 6, 2018, for the purpose of submitting to the electorate of the City of Miami Beach, a ballot question regarding a 99-year lease of a 2.6-acre property to MB Mixed Use Investment, LLC, requiring the construction/operation of an 800-room hotel connected to the Convention Center per Resolution 2018-30425. On November 6, 2018, the citizens of the City of Miami Beach voted to include a MBCC hotel on the property adjacent to the MBCC, located at the northeast corner of 17th Street and Convention Center Drive. The development of the hotel has been approved by the Design Review Board and is currently under development.

WORK PLAN CONT'D

In 2019, the City also launched the conversion of the Municipal Parking Lot to the west of the MBCC into a 5 acre park. Named "Pride Park" by the citizens of Miami Beach in November 2019, the reimagined park includes public art – "Bent Pool", a public restroom, and embedded electrical systems to provide for event activations that should mitigate damage to the greenspace and paths. In June 2020, a "Juneteenth" commemorative tree was planted in Pride Park to celebrate the contributions of Miami Beach's Black community.

Though 2020 events included the Super Bowl NFL Experience in the MBCC, with record-breaking attendance, the impact of the COVID-19 pandemic resulted in the cancellations of the majority of events. Accordingly, the Convention Center was repurposed as a State of Florida Alternate Care Facility until October 2020 and COVID-19 mobile and walk-up testing site continues to occupy Convention Center Drive and the Municipal Parking Lot to the south of the MBCC.

In FY 2019, the City restructured the financial terms with the MBCC Food and Beverage vendor, Centerplate, to provide for the City to receive 95% of the net operating profits of the catering and food and beverage (F&B) operations (after payment of all operating expenses), and (2) extended the term of the City's agreement with Centerplate for an additional two years. In FY 2020, the City issued an RFP for the food and beverage operations of the Carl Fisher Clubhouse with Annex and Centerplate was determined to be the only responsive and responsible proposers. In FY 2021, the Centerplate agreement was further amended to provide for the City to receive a profit sharing distribution of 83% and reduced the management fee to 4%. The amendment also created a co-terminus expiration date of September 30, 2026 that includes a force majeure period of approximately eighteen (18) months due to COVID-19. In addition, Centerplate agreed to invest up to \$750,000 in capital improvements designed to increase the Carl Fisher Clubhouse & Annex appearance and operation.

In February 2021, the MBCC resumed hosting events. A total of 17 events were held in FY 2021 including Florida Supercon, the Jewelry International Showcase, and the American Society of Plastic Surgeons Convention. After Art Basel and Design Miami's virtual presentations in FY 2021, both shows returned to in-person presentations in FY 2022 at the MBCC Campus.

With final completion for the MBCC expansion and renovation project anticipated for FY 2022, the MBCC is scheduled to welcome new and repeat business in FY 2023 and beyond, utilizing all four exhibit halls. The MBCC team is prepared to confront the impact of COVID-19, and has adjusted to new social distancing, safety, sanitation, and security policies and best practices.

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WORK PLAN CONT'D

As a result, the MBCC received the Global Biorisk Advisory Council (GBAC) gold standard rating. The City, together with MBCC management company OVG360 (formerly Spectra), food and beverage operator Sodexo Live (formerly Centerplate), and the Greater Miami Convention and Visitor Bureau (GMCVB), continue to strategize and explore new avenues to market and sell the MBCC and promote the MBCC as a convention center of choice and best in class. This new direction is an opportunity to reimagine the center and explore innovative and creative revenue streams that can augment any reduction and/or increase of tourism activity and resort tax collections.

WORK PLAN CONT'D

In FY 2022, a new five (5) year destination marketing agreement between the GMCVB and the City was finalized to include a base fee to the GMCVB comprised of ten percent of the two percent City Resort Tax, an incentive fee up to \$2,000,000 based on the GMCVB's ability to achieve performance metrics, and a 120-day notice for termination for convenience clause. The new agreement sets the stage for an expanded scope of services that include, but not limited to: MBCC sales, public relations, marketing/branding, research services, reputation management, and more.



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BUDGET HIGHLIGHTS

- Based on the 2022 Certificate of Taxable Value from the Property Appraiser's Office released on July 1st, the certified value of property in City Center increased by 0.8% over 2021 to \$6.0 billion. The City portion of the tax increment totals \$31.7 million and \$25.2 million for the County's portion of the tax increment. However, as in previous years, the City has received correspondence from the County advising of the finalization of the tax roll for the prior year, which in the case of 2020, reflects a decrease from the preliminary valuation for the same year and will result in a corresponding adjustment/reduction of TIF revenues totaling a combined \$2.7 million for FY 2023.
- Additional sources of revenue include an estimated \$102,000 in interest income.
- Use of approximately \$13.3 million from prior year excess RDA Trust Fund revenues pursuant to the 4th Amendment of the RDA Interlocal Agreement to be allocated as follows for FY 2023: \$5.9 million reimbursement to Miami-Dade County for year six (FY 2023) of six of the annual reimbursement equal to Miami-Dade County's proportionate share of prior year administration, community policing, and capital projects maintenance expenses incurred in the prior year; \$1.5 million to be set aside for beach renourishment; and \$5.9 million to be transferred to the Fleet Management Fund for replacement of General Fund vehicles in FY 2023.
- Project-related expenditures account for approximately \$12.8 million, which includes \$5.1 million allocated for community policing initiatives in City Center to continue to provide enhanced levels of staffing and services throughout the area and \$7.7 million for maintenance of RDA projects. There is no additional funding for on-going and planned capital projects in City Center in the FY 2023 budget due to the RDA extension for the renovation and expansion of the Miami Beach Convention Center.
- Administrative expenditures total \$886,000, which include a management fee of \$606,000 allocated to the General Fund to pay for direct and indirect staff support; \$22,000 for annual auditing fees; and \$258,000 for internal services expenditures.

BUDGET HIGHLIGHTS CONT'D

- \$21.7 million is budgeted for debt service costs related to the Convention Center bonds. On December 15, 2015, the Redevelopment Agency (RDA) issued \$286,245,000 in Tax Increment Revenue and Revenue Refunding Bonds, Series 2015A, and \$35,850,000 in Tax Increment Revenue Refunding Bonds, Taxable Series 2015B. The Series 2015A bonds were used, together with certain other legally available monies of the Agency to (i) provided for the current refunding of all the outstanding Series 2005B bonds, (ii) financed certain costs of acquiring and constructing renovations to the Miami Beach Convention Center and certain other improvements, and (iii) paid costs of issuance of the Series 2015 bond and refunding the outstanding Series 2005B bonds. The Series 2015B (i) provided for the advance refunding of all the outstanding Series 1998 bonds, (ii) provided for the current refunding of all the outstanding Series 2005A bonds, and (iii) paid costs of issuance of the Series 2015B bonds and refunding the outstanding Series 1998A bonds and the outstanding Series 2015A bonds, including the portion of the premium allocable to the Series 2015B bonds for the reserve policy.
- \$14.0 million is budgeted as a set-aside for debt service to provide a reserve over and above the annual required debt service payment that can be used to finance any potential shortfalls in the RDA fund or pay down the Convention Center bonds early, but not prior to FY 2024.
- Other line-item expenditures include those items that, pursuant to the existing Bond Covenants, may only be expended once the annual debt service obligations have been met. These include a \$4.0 million transfer to the Miami Beach Convention Center Fund; \$359,000 for the County's administrative fees, which are equivalent to 1.5% of the County's respective TIF payment; and the corresponding \$453,000 contribution to the City's General Fund, which is equivalent to 1.5% of the City's TIF payment for FY 2023.