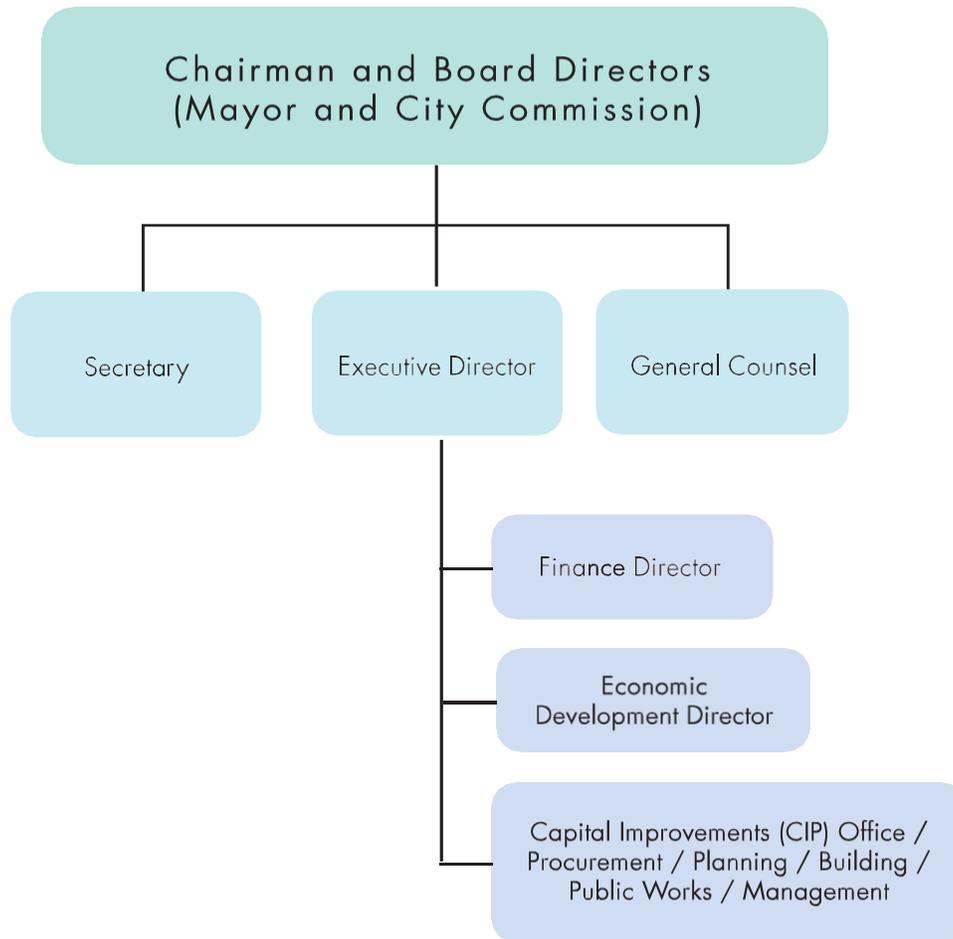


# MIAMI BEACH REDEVELOPMENT AGENCY



## 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.

# MIAMI BEACH REDEVELOPMENT AGENCY

## 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,

# MIAMI BEACH REDEVELOPMENT AGENCY

## 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,

# MIAMI BEACH REDEVELOPMENT AGENCY

## 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,

# MIAMI BEACH REDEVELOPMENT AGENCY

## 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-orientes 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 cueing 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, 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.

# MIAMI BEACH REDEVELOPMENT AGENCY

## 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.

