

UPDATE FROM THE ECONOMIC DEVELOPMENT DEPARTMENT REGARDING STEPS TAKEN TO STREAMLINE THE BUSINESS PERMITTING PROCESS, IMPROVE BUSINESS RETENTION AND ATTRACT NEW BUSINESS

BACKGROUND

The economic development department mission statement is to establish, maintain and grow the city's business community by promoting the city's image, supporting businesses, real estate development, and creating a diverse economy for this dynamic and resilient global community.

This mid-year report provides an update on the City of Miami Beach efforts in partnership with other city departments, Miami Beach Chamber of Commerce (MBCC), Washington Avenue Business Improvement District (WAVE), Lincoln Road Business Improvement District (LRBID), Ocean Drive Association and the Florida Small Business Development Center at FIU (SBDC). A summary of the mid-year 2019 highlights and activities of the City of Miami Beach and its partners is provided below.

The department developed the TWENTY25 to align with the 2019 City of Miami Beach Strategic Plan Through the Lens of Resilience vision, goals, objectives and actions. This includes the following:

- **Prosperity:** Objective Build on Our Arts and Culture Strengths, Balance Tourism with Quality of Life, Revitalize Areas and Support Excellence in Our Schools
- **Commission Goals:** North Beach Town Center (2020), A True City Center (2050) with MBCC Hotel (2020) and 17th St Garage, 41st Street (2020)
- **Management Objectives:** Revitalize Targeted Areas and Increase Investment (03): Areas include North Beach, Ocean Drive, 41st Street, Lincoln Road and Washington Avenue
- **Department Priorities:** Develop a plan to reposition the department to be a stronger resource in Miami Beach by creating a forward-thinking economic development strategic plan that encompasses existing conditions and competitive advantages; considers Miami Beach's unique and competitive position in the greater Miami region, nationally and internationally, and anticipates future market shifts in demographics and lifestyles. The proposed plan will be strategic and comprehensive will include:
 - Engage elected officials, city staff, business and civic leaders and other community stakeholders in a participatory process to develop the economic vitality strategic plan;
 - Develop recommendations to guide economic vitality in Miami Beach and enhance its value proposition for all community stakeholders;
 - Develop a plan and approach that encompasses business retention, recruitment, small business opportunity, neighborhood marketplace development and workforce development;
 - Make Miami Beach economically resilient to our shock and stresses.

The department submitted a budget enhancement in the FY 2019/20 budget of \$200,000 to retain a consultant to develop the strategic plan. Next step is to issue an RFP this fall and select a consultant to start the work in the first quarter of 2019.

The workplan also includes seven focus areas outlining the objectives, outcomes, highlights and activities below:

1. Real Estate Assets and Joint Development (P3)

Objective: Manage and lease city-owned real estate portfolio consisting of office, retail, special purpose projects, concessions, land leases, easements and development projects. Performs financial analysis; investigates and identifies financing mechanisms for potential developments. Negotiate investment, incentives, partnership agreements in concert with development plans and initiatives. The department currently manages the following:

- 82 contracts consisting of 47 lease agreements (City as landlord), 12 lease agreements (City as tenant), five management agreements, 13 concession agreements and five use agreements
- Miami Beach Marina (land lease consisting of 400 wet slips with adjacent restaurants/retail, a State of Florida submerged land lease, four parking lease agreements for 700 structured parking spaces and multiple bay walk agreements and easements.
- Lincoln Place (P3 with 110,000 SF class A office, 30,000 SF retail and 500 space parking garage) ground lease.
- The Lincoln (P3 with 125,000 SF class A office, 40,000 SF retail and 700 space parking garage) ground lease
- Council Towers North and South (2) 125-unit, elderly housing projects.
- Fillmore Theatre, Byron Carlyle Theatre and Colony Theatre (totaling over 75,000 SF).

Year-to-date highlights and activities include the following:

- **Real Estate Transactions:** Executed nine lease agreements and ten professional services agreements.
- **Economic Development Consultant Services:** On April 10, the City Commission approved a resolution authorizing the administration to enter into simultaneous negotiations with five firms to establish a pool of pre-qualified consultants. This pool has been completed and staff is working on several economic development projects.

2. Revitalize Targeted Areas and Increase Investment

Objective: Create a holistic approach to advance economic vitality in targeted areas, execute strategic projects and initiatives to maximize the positive economic impact on the City of Miami Beach.

Year-to-date highlights and activities include the following:

- **Vacant Storefront Program:** The program was created and implemented with the first two storefront covers being installed at 7344 and Collins Avenue and 439 41st Street. On Thursday, September 12, the city held a ribbon cutting at 439 41st Street to unveil the new designs for the program.
- **Pilot Parklet Program:** The department submitted a budget enhancement for \$50,000 in the FY 2019/20 budget to implement the program. Next step is to develop program criteria and identify key projects to fund in partnership with businesses.

North Beach:

Objective: Organize stakeholders to collectively focus on this area for a continuous five-year period and explore various tools and financing methods that could be used to develop this area and implement plans. Outcomes includes creating a Community Redevelopment Area (CRA), execute P3 projects. and implement GO bond projects.

Year-to-date highlights and activities include the following:

- **Rue Vendome:** construction will commence in March 2020.
- **North Beach Town Center:** On April 10, 2019 the Administration has been engaged in ongoing discussions with North Beach Town Center, LLC regarding its proposed parking garage and retail development. The development proposal included the city-owned parking lots (83 surface parking lot spaces) in North Beach, since June 2017. The proposed project between Abbott and Harding along 71st Avenue would consist of office, residential, retail and parking garage structures. The developer submitted an unsolicited proposal to the city to purchase surface parking lot P80 for \$4.2 million, the city hasn't responded to the offer pending the outcome of the Byron Carlyle RFP that contained an

option for the proposer to include lot P80 as part of a development proposal (see below, both proposer included P80 as part of their development concepts).

- **Hydroponic Farming:** On June 5, 2019 the City Commission approved a resolution accepting the recommendation of the City Manager to enter into negotiations with Freight Farms, Inc. and Energy Cost Solution Group, LLC to include site selection, site development, selection of plant materials, community involvement and financial considerations for the project. On July 9 & 10, 2019 staff conducted the first series of negotiation meetings with ECSG and Freight Farms, Inc. However, on July 12, 2019 Freight Farms, Inc. notified the City of its intent to withdraw from further consideration stating it is unable to invest the upfront capital required for the project.

Staff has continued to negotiate with the remaining proposer, ECSG. ECSG has further developed its proposal that may include 2 hydroponic container farms and one support pod situated on the open space area adjacent to the City parking lot. The farm program may include community education programming and public events, volunteer training classes for hydroponic growing, composting and/or landscape/ garden related topics and farm tours. Fifty percent of the produce grown will be prioritized to local schools, elderly and volunteers. A farm store will sell branded reusable bags, water bottles, cups, garden supplies, light prepared foods (popsicles, juice, salad mixes). The farm concept plans to pursue “nonprofit” status for future fundraising efforts.

ECSG will be responsible for expenses, which include but are not limited to, the cost of the containers, property taxes, utilities, applicable licensing and permit fees, operating costs and expenses (e.g. waste collection), insurance costs, and maintenance of the site. The City would be responsible for providing power and water to the site.

The Administration expects to present the final material terms, pursuant to the negotiation with ECSG, for the City Commission's consideration in December, pending negotiation. The precise location is yet to be determined.

Byron Carlyle RFP: On June 28, 2019 the City received two proposals from Pacific Star Capital, LLC and the Menin Hospitality and KGTC, LLC to redevelop the Byron Carlyle the 31,500 square feet (SF) site and P85 properties located on the southeast corner of 71st Street and Carlyle Avenue with the option to include the 12,625 SF P80 surface parking lot. Pacific Star Capital has proposed ground floor retail, two story cultural component, eight story-hotel with 160 rooms, and a roof top deck on the Byron Carlyle site; and retail on the P80 site. The building will be 11 stories plus a roof top deck. They have proposed approximately \$8 million as two lump sum payments for a 99-year lease and requesting full conveyance of title for the P80 site. The Menin Hospitality & KGTC, LLC proposal includes ground floor retail, ground floor cultural center, and 6 floors of 120 workforce housing units on the Byron Carlyle site; and a five-story office building on the P80 lot. It appears they are requesting ownership of the workforce housing and office building and conveying ownership to the City for the cultural amenity. The Administration will be submitting its recommendation at the October 16 City Commission meeting.

- **Community Redevelopment Area (CRA):** On July 17, 2019 the Commission approved the Finding of Necessity (FoN) and transmit to County to initiate the process to create a CRA in North Beach. Staff has met with county staff to review the FoN to discuss next steps and timing for the proposed CRA.
- **Ocean Terrace:** On July 31, 2019 the City Commission approved a development agreement to vacate the right-of-way for a park project and a mixed-use development project located between 73rd to 75th Street along Ocean Terrace. The project will include hotel, residential and retail.
- **Abbott Avenue Partners:** On July 31, 2019 the City Commission approved right-of-way vacation and rooftop lease for city radio equipment for a mixed development that will include retail and residential.
- On September 10, 2019 the Normandy Isle business district announced the newly formed Normandy Fountain Business Association. The new website is www.NormandyFountain.com

41st Street Corridor

Objective: Continue to partner with the Mayor's Ad-hoc 41st Street Blue Ribbon Committee (41st Street Committee) and the community to identify corridor improvements and activation, mixed-use development including office, residential and retail development and implement a district wide study focusing on 40th to 42nd Streets.

Year-to-date highlights and activities include the following:

41st Street Committee Quick Wins Update:

- April 10, 2019: Approval of \$25,000 for temporary parklet. The design, cost and construction date are pending.
- April 10, 2019: Approval of \$40,000 for non-sworn officer to direct traffic during the school year has commenced.
- On May 8, 2019, the vacant storefront cover program organized a soft-launch. One vacant storefront cover was installed at 439 41st street which came from the Mid-Beach Quality of Life funds (\$35K available for covers). The official program launch was held September 12 with Mayor, City Commission, Miami-Dade Superintendent, DASH students and staff. This program was the idea of the 41st Committee that transformed into a citywide program.
- On August 12, 2019, year around pilot tree lighting was installed along several streets along 41st Corridor.
- Staff is exploring a farmer's market to be activated on one of the city-owned in the 41st street district area.

GOB \$15 Million Neighborhood and Infrastructure

- Tranche 1 & 2 (\$3 M) – (2019 – 2022) for shade structures, lighting & bike lanes
- Tranche 3 & 4 (\$12M) – (2022-2025) widening of sidewalks (pending FDOT approval) and replacement parking.

Next Steps

At the August 8, 41st Street Committee meeting, city staff presented information and an update on the 41st Street Implementation Plan in relationship to the proposed Miami-Dade County Bus Express Rapid Transit (BERT) plan and the conflict with the 41st Street Vision Plan which calls for widening sidewalks. A discussion followed among the committee members who voiced their opinion against the plan and created the following motion:

MOTION: The 41st Street Blue Ribbon Committee rejects the Miami Dade County Smart Plan implementation within the 41st street corridor, furthermore any future implementation of the Miami Dade County Smart Plan should be done in conjunction with a 41st district wide masterplan so they may be synergistic with each other. The committee request that the Miami Dade County Smart Plan be discussed on a more transparent level.

On August 15, 2019 city staff from transportation, public works, economic development, planning and the city manager's office held a meeting to discuss committee's motion, the Bus Express Rapid Transit (BERT) plan and 41st Street Vision Plan to determine the next steps towards implementing a plan that includes enhanced streetscapes, complete streets, land use and development for the 41st Street area.

September 11, 2019: A referral to Neighborhood Community Affairs Committee (NCAC) to proceed with a master project action schedule based on the vision plan created in the Alta/Gehl study. The City Commission directed the administration to move forward in selecting a consultant firm from the city's pool of consultants to meet with the city departments to translate the vision plan into a master project action schedule that prioritizes projects, cost, start and end dates in a cohesive and logical manner. The project

area is primarily 41 street from Alton to Collins with consideration of 40th and 42nd street to complement the vision and other project options.

The consultant will meet with the following stakeholders: the committee, Florida Department of Transportation (FDOT), Miami-Dade County (county), city staff from the city manager's office, planning, transportation, parking, economic development, public works, capital improvements, and GO bond. Existing city commission approved plans will inform the process; as well as existing FDOT and county plans and associated project funding. This action plan will set the basis for the following:

- Land use;
- Transportation, mobility, and enhanced streetscape improvements;
- Redevelopment of city-owned parking lots.

Washington Avenue Corridor:

Objective: Influence placemaking, high design standards, vibrant public spaces, and mixed-use development to spur further development along Washington Avenue.

Year-to-date highlights and activities include the following:

- **Washington Avenue Commission Workshop:** On April 16, the City Commission held a workshop to discuss current and active initiatives, accomplishments and overview Zyscovich, Inc. scope of work and next steps. Directives from the workshop were as follows: engaging a consultant for a district-wide urban design study, pursue referendum for (Class A) office space zoning incentives in the corridor, streamline processes for opening a business and pursue other non-referendum incentives that may include waive or reduce concurrency fees for sidewalk cafes, increase permitted heights to 75 feet and off-street parking requirements for properties that incorporate new office space.
- **Land-Use, Mobility and Economic Development Study:** On May 8, the City Commission approved a request to issue a request for qualifications (RFQ) for the entertainment district. Two proposals were submitted by Zyscovich, Inc. and BusinessFlare. On July 31, the City Commission adopted a resolution authorizing the City Manager to enter into negotiations with Zyscovich, Inc. as the top rank proposer.
- **Washington Avenue Business Improvement District (WAVE BID)** held a lighting ceremony on July 19, 2019 with 300 locals, tourist, business and property owners who attended the lighting of each palm and poinsettia trees along the median of Washington Avenue from 5th to 17th streets. Since the lighting of the median, there has been a dramatic increase in pedestrian traffic and zero police involved incidents. Launched the Miami Beach Live Music and Art series at 12 locations on Washington. 500 attendees gathered the 3rd Thursday of each month for entertainment that included Rock, Latin, Jazz, Reggae, Soul, and Blues as well as Spoken word and Comedy. In collaboration, the WAVE BID also launched the Miami Beach Wine & Beer Taste for a diversity of local, domestic and international flavors at 15 hotels, restaurants & bars. Other proactive WAVE events included "How to set up a Pop-Up on Washington Avenue" workshops. The workshops attracted 76 entrepreneurs. The WAVE BID is also planning "Hallowave", a family fun-filled event for children ages 3-14 that will include 24 superheroes (Superman, Batman, Wonder Women, Elsa...) stationed along both sides of the 1-mile stretch, trick or treat at over 200 locations and a dog costume contest.
- **The Miami Beach Chamber of Commerce:** The Chamber raised donations to help fund a mental health professional (\$40,000) at Miami Beach Senior High School through the Chamber's Miami Beach Education Foundation. On February 22, the Chamber's Pillar Trustee Board hosted their inaugural Goals conference where business leaders, city officials, residents and stakeholders discussed challenges and opportunities facing Miami Beach. More than 150 guests attended the event and heard remarks from Mayor Dan Gelber, Leading Urbanist Richard Florida and Marketing Strategist Bruce Turkel.

- The Chamber held six ribbon cutting, provided three workshops to help businesses thrive, and twelve business council meetings to network and gain educational knowledge from subject matter experts.

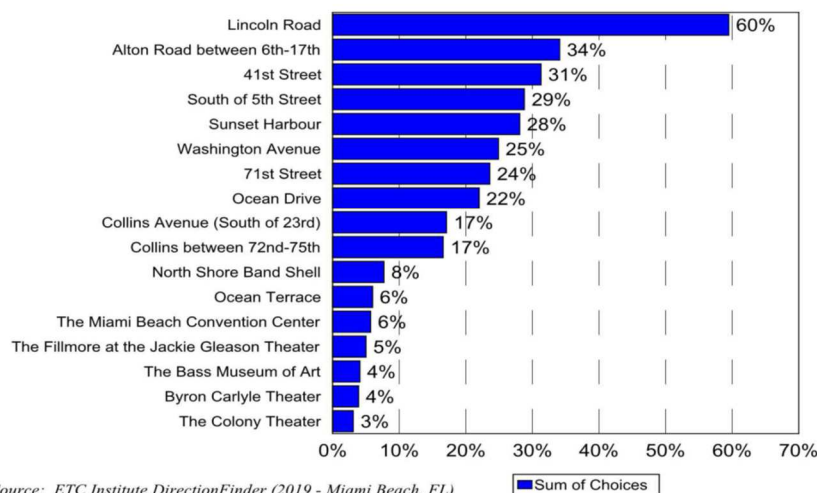
Lincoln Road Corridor:

Objective: Effectively address issue and challenges of high rents, vacancies, streetscape improvements and programming.

- Assisting in the development regulations for hotels on Lincoln Road ordinance.
- **Lincoln Road Improvement District (LRBID):** During FY 2018/19, the LRBID focused programming and communications on the Miami Beach residential audience. An indication of the BID's success, is demonstrated in the recent City of Miami Beach's resident survey, Lincoln Road ranked highest among all of the City's districts, with 60% of respondents identifying it as one of their top four destinations (the next highest attracted only 34%), and 85% of respondents indicated that they visited Lincoln Road at least once a month. Combined with the statistics demonstrating that one out of every two visitors to Greater Miami visit Lincoln Road, this survey demonstrates the essential role Lincoln Road plays in the lives of both Miami Beach residents and our visitors, and its importance as an economic engine for the entire south Florida community.

Q6. Places or Facilities That Residents Visit Most

by percentage of respondents who selected the item as one of their top four choices



- The LRBID changed media relations agencies and implemented a more robust media relations campaign. The LRBID developed an enhanced website, metrics allowing for better messaging; utilized targeted social media pushes; used outdoor advertising; and engaged with other agencies and organizations, targeting desirable markets for inclusion in the LRBID's message. The marketing efforts resulted in:
 - 208 million views in its transit campaign; 11.3 million impressions with 30,400 clicks on online Google ads; 47,710 website visits, with a #2 Google ranking; Social media growth to 23,607 connections, translating into 147% growth, and a number 2 ranking on TripAdvisor for Miami Beach, with 17,021 reviews and an 89% excellent rating.
- Additionally, in the past year, the LRBID hosted:
 - Sixty Saturday and Sunday afternoon and evening concerts and performances;
 - Ten New World Symphony events, ranging from Post- WALLCAST traditional orchestral to a Beatle's Tribute Pop-Up on the 50th anniversary of the Fab Four's last live concert;

- Seven Saturday afternoon children's programs from February through May, including puppets and mimes, a musical petting zoo and Drag Queen story telling;
- Seven chamber music concerts featuring the South Beach Chamber Ensemble;
- Eight Tango Milongas, where the general public was given instructions and the opportunity to dance and watch Tango;
- Hosted, sponsored and coordinated numerous pop up events, including Cars, Bars & Cigars: Father's Day Car Show, 3rd Annual Make Music Day, a July 3rd pre-Independence Day Pop-Up Concert featuring 65 musicians and six opera singers;
- Continued sponsorship and support of the South Beach Jazz Festival, Miami Beach Gay Pride, Light the Night and the Colony Theatre; and
- Continued hosting free twice weekly free yoga, Tony Thomas's boot camp, Walking Club, Zumba, Pilates Yappy Hour for Lincoln Road's four legged visitors and their human companions.
- Part of our mission is to ensure Lincoln Road is clean, safe and welcoming. The LRBID managed the Block by Block contract that provides 264 hours of Ambassador services weekly on Lincoln Road, which include cleaning, maintenance and customer service. Over the past twelve months The Ambassadors have logged over 66,213 contacts with Lincoln Road's visitors.
- On July 3, the LRBID Board of Directors passed Resolution 18-19-11, expressing its support for the City to implement the full James Corner Field Operations Lincoln Road District Master Plan. To protect the City's significant investment in the Lincoln Road District and solidify Lincoln Road's reputation as a significant arts, culture, and performance district, the BID Board of Directors expressed its desire to:
 - expand the term of the LRBID for an additional five years;
 - increase the area covered by the LRBID to include, at a minimum, Lincoln Road from Collins Ave. to West Ave. and to include additional side streets; and
 - increase the assessments to current LRBID members by approximately twenty-five percent (25%) and consider alternative methods of assessment.
 - These modifications to the BID would generate approximately \$16,500,000 of additional revenue over the next ten (10) years, allowing the BID to place even more focus on arts, culture, and performances on Lincoln Road.

Ocean Drive:

Objective: Provide support, identify and structure collaborative partnerships so that Ocean Drive has year-round utilization and economic impact to the city.

- Assisting in the creation of a business improvement district.
- On September 21, 2019, the sidewalk café code of conduct agreement became effective along Ocean Drive. Please see the October 15 LTC Sidewalk Café Code of Conduct Status Update.

3. Business Retention and Expansion

Objective 1: Retain and strengthen Miami Beach based- businesses through one-on- one visits and business walks to enhance relationships and improve the local business climate.

- Work with business groups and city departments on outreach campaigns in key areas of the city;
- Request sit-down meetings with economic development director/Mayor/city manager and top corporate-level executives to discuss ways in which the City can become a better partner.

Objective 2: Focus outreach to industry trade groups to become better partners to the business community. The outreach campaign will include the following:

- Identify and partner with key industry trade groups in each major industry cluster in Miami region/Miami Beach: Greater Miami Conventions and Visitors Bureau (GMCVB), Greater Miami Hotel Associations;

- Active leadership participation by economic development staff in relevant industry trade groups and organizations;
- Convene a roundtable of industry trade group leadership to discuss: (i) ways to collaborate between the trade groups; and (ii) how the city can be a better partners.

Objective 3: Establish strategic relationship with property owners/landlords, commercial brokers and real estate professionals. The outreach campaign will include the following:

- Identify and meet major landlords, real estate professionals and developers to foster a stronger partnerships going forward.

Year-to-date highlights and activities include the following:

- Staff met with 30 businesses in the North Beach and throughout the city. The top takeaways were communication between the city and businesses, code violations, permitting process, and loss of business due to Deauville Hotel closure. Staff will continue to meet with the city's largest employers and other businesses going forward.
- Staff has met with and attended meetings with the Greater Miami Conventions and Visitors Bureau (GMCVB), Greater Miami Hotel Associations, The Beacon Council, Miami Beach Chamber of Commerce, Enterprise Florida, and Business Improvement Districts to enhance strategic partnerships.
- Staff continues to meet with property owners, commercial brokers and developers to develop strategic relationships for Miami Beach

4. Business Attraction

Develop strategies to increase the number, types and quality of companies and businesses to relocate to Miami Beach.

Objective 1: Develop a Business Attraction Strategy

- Identify key industry sectors to recruit companies and businesses to the city;
- Develop an analysis of recruitment strategies, programs and efforts from peer communities;
- Incorporate best practices into Miami Beach business recruitment program;
- Identify and analyze factors that influence companies to locate to the Miami region.

Year-to-date the department has performed the following:

- The department is currently working on establishing this focus area and will continue to address it through the economic development strategic plan process.
- EDD hosted staff from the Beacon Council to discuss business retention, expansion and attraction and future partnership opportunities. The Miami-Dade Beacon Council's mission is to support new job generating investments through assisting local business expansion and marketing Miami as an opportunity for growth to recruit new business to our community.
- Miami-Dade Beacon Council's targeted business visitations to eight Miami Beach companies to discuss their local business needs and our support for Starwood Capital's expansion in the City of Miami Beach. This support included securing the County Targeted Jobs Incentive Fund (TJIF) and the State Qualified Targeted Industry (QTI) tax rebates for new jobs creation that included retaining 240 existing employees and creating 53 new jobs and investing over \$31MM in new a Miami Beach facility.

Objective 2: Develop a Retail Strategy

- Collaborate with retail professionals, economic development organizations, development community and other community stakeholders to develop a retail strategy that may include retail market demand, sales trends, niches, concepts and offerings, and future growth potential;
- Develop and implement a proactive marketing and outreach campaign to targeted retailers both locally and nationally we want to see in Miami Beach.

Year-to-date the department has performed the following:

- The strategy will be developed in the economic development strategic plan.
- Staff continues to meet with several retail prospects regarding opportunities in Miami Beach.

Objective 3: Develop an Incentive Policy

- Evaluate current local and state incentives to leverage their use to attract companies and expand business in Miami Beach;
- Collaborate with a leading site selection consultants to identify best-in-class and creative incentive policies that are being used by other regions in the U.S.;
- Design incentive tools around key industry clusters.

Year-to-date the department has performed the following:

- The department will work on this policy when we commence the economic development strategic plan process.

5. Small Business Advocacy

Create an ecosystem to help entrepreneurs and small business thrive by collaborating, leveraging and connecting public, private and non-profit sector resources and programs.

Objective 1: Develop strategic partnerships, programs and initiatives to assist entrepreneurs and small businesses in Miami Beach. Partner with FIU-Small Business Development Center (SBDC) and WeWork to hold a series of small business workshops around the greatest challenges facing small business.

Year-to-date highlights and activities include the following:

- The economic development department partnered with WeWork and the Florida SBDC at FIU to host three capacity building workshops that included Navigating City Services, Storytelling and Branding and Small Business Disaster Preparedness with over 80 businesses and organizations attending.
- The SBDC also provided 34 Miami Beach business owners with a total of 286 consulting hours from January 1st to September 4, 2019. In total for 2018/2019, Miami Beach businesses reported to SBDC at FIU that the center assisted with three business launches; 100 jobs created/retained; \$5.4 million in capital accessed; \$2 million in increased revenue and \$20.4 million in government contracts accessed.
- Miami Beach business owner and SBDC at FIU client Cheeseburger Baby was recognized by the U.S. Small Business Administration (SBA) as the winner of 2019 Phoenix Award for Small Business Disaster Recovery. The award, presented in May in Washington, D.C., was given to owner Stephanie Vitori for the company's successful recovery efforts from Hurricane Irma. The Miami Beach Commission recognized Cheeseburger Baby at its May 22, 2019 meeting.
- On May 6, the Mayor and Commission held a small business town hall meeting at the city hall that was moderated by Commissioner Ricky Arriola with more than 50 business members in attendance. The purpose of this meeting was to gather feedback and foster a mutual understanding on how can develop stronger working relationships with the business community going forward.

- The top issues from the meeting were business tax receipt (BTR) process, permitting and licensing predictability and timing and navigating city processes.
- From this meeting, the city has updated BTR process, created a business start- up guide and established a development review committee to ensure a more in- depth review of the development application during the planning process.
- The next small business town meeting will be scheduled in October in North Beach.

Objective 2: Increase the city’s entrepreneurial activity by enhancing the availability of capital and better informing business owners on where and how to access capital resources. Outcome goals include the following:

- Identify capital resources and create a capital matrix, publish and distribute to small business owners and entrepreneurs.

Year-to-date the department has performed the following:

- The department will work on developing this matrix when we start the economic development strategic plan process.

6. Business Assistance, Data Resources, and Market Research

Objective: Redefine department performance measurements, update economic data, and provide concierge services to business.

Year-to-date highlights and activities include the following:

Business Tax Receipt and Certificate of Use Update

- On July 31, 2018 the City Manager issued a memo to Department Directors related to customer complaints regarding the complexity of the City’s Business Tax Receipt (BTR) process and the impact it’s had on businesses. In order to provide customers with clear steps, expectations and a thorough explanation of their requirements for operating with the city, the point of application is being bifurcated. By separating the review of the BTR, which will be reviewed by the Finance staff in the Customer Service Center, and Certificate of Use (CU), to be reviewed by the Planning Department; businesses can navigate the process with greater ease.

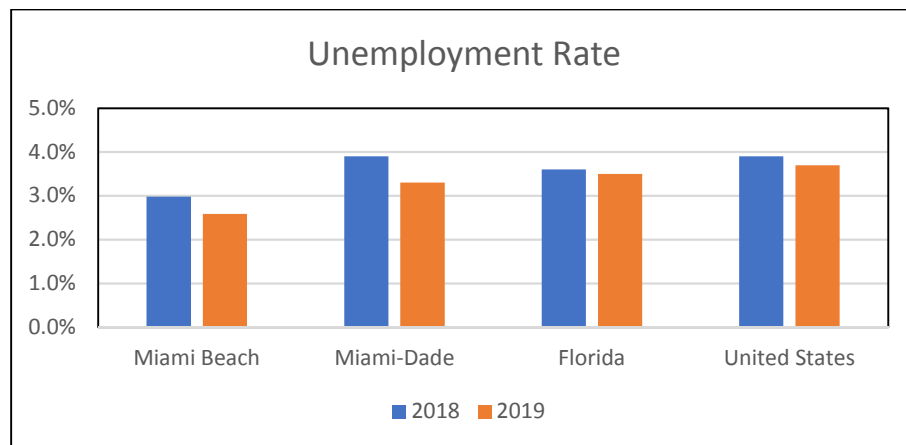
Through community outreach and coordination with the Communications Department, applicants will be provided with clear direction and information on how to first obtain a CU (not a BTR) prior to applying for a BTR. Upon the issuance of a CU, the customer must register their business by obtaining a BTR. A BTR for a commercial establishment cannot be obtained until a CU is issued. Customers will pay for and supply all necessary documents to obtain a BTR through the Customer Service Department; where it can be issued promptly. Staff is finalizing the bifurcation process and creating the ability to apply online for both the CU and BTR, minimizing customers having to physically navigate between two departments. This new streamlined process will be launched by the end of 2019.

Customer Service Center Enhancements

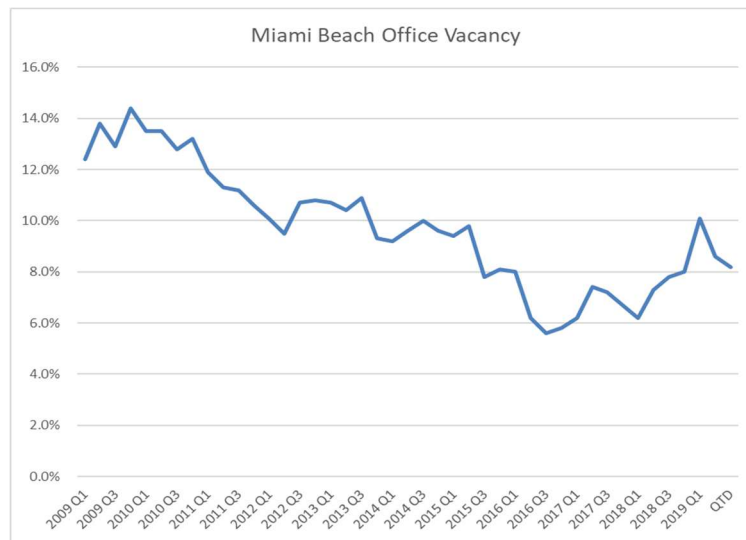
- On September 17, 2019 an LTC was sent to the City Commission with update on several customer service center (CSC) enhancements. The CSC is a “one stop shop” for a myriad of citywide customer service-related services including utility accounts, business tax receipts, resort tax, parking permits, passports, various permits, and cashiering. The enhancements include a new utility bill, average wait times and express lanes to facilitate faster turnaround times for simple transactions, a new initiative that allows customers to schedule appointments via the city’s website, greeter stations, call-in and mobile app (pending), and other enhancements to make it easier to navigate city processes.

Economic Update

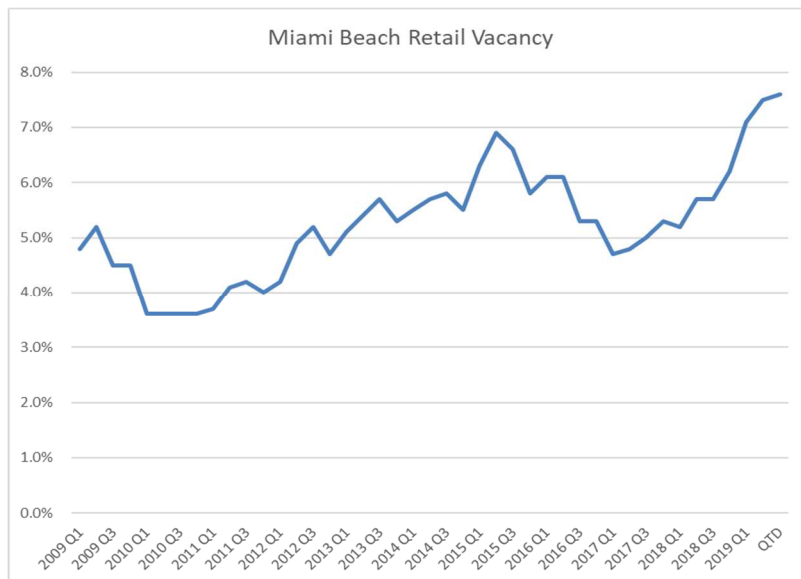
- Updating economic data with city consultant. Next step is to post data and information on website by November 30, 2019 and create an annual economic update by March 1, 2020.
- **Miami Beach by the Numbers:**
 - Population: 92,136
 - Median Income: \$53,754
 - Median Age: 42.6
 - Local Jobs: 65,629
 - Resident Workers: 58,300
- **The unemployment rate** is 2.6 percent through the second quarter of 2019 was 0.4 percentage points lower than the previous year's level and 1.1 percentage points lower than the national average, 0.9 lower than the State of Florida and 0.7 lower than Miami-Dade County.



- **The Miami Beach office market** has approximately 3.8 million square feet (SF) of space. The office vacancy rate is 7.7 percent compared to 9 percent for the Miami-Dade County. Rent per SF is \$43.61 and sales per SF is \$360. In the fourth quarter 2018, Starwood Capital announced plans to build a new 135,000 SF Class A headquarters office building at 2340 Collins Avenue. Starwood is currently located at 1601 Washington Avenue. Staff is working with the Newmark Knight Frank and the Beacon Council to start marketing this 110,946 SF office space nationally and take advantage of the strength of Greater Miami as a strong office location. Coworking provider Spaces has signed an office lease on Lincoln Road, the company's fifth location in South Florida. Spaces is expected to take occupancy this fall of 51,064 square feet at 1111 Lincoln, a 146,287-square-foot building known for an architecturally unique parking garage designed by Herzog & de Meuron.



- **The Miami Beach retail market** has approximately 7.2 million SF of space, representing 2.8 percent of retail space in Miami-Dade County. The retail market vacancy rate was 7.4 percent during the second quarter of 2019, compared to 5.7 percent a year earlier. Vacancy rates can fluctuate, and 7.4 percent is still a healthy rate and recent vacancies are expected to be absorbed in the near future. Rent is \$83.56 per SF and sale per SF is \$803. The Miami Beach vacancy rate was 2.3 percentage points lower than the Miami-Dade vacancy rate during the period. Miami Beach welcomed several new retailers including Trader Joe's, Target, Timeout Market, Papi Steak, Brandy Melville, Casper (clicks to bricks), The Dog Bar, Paul Gruner, Bob's Your Uncle, La Sandwicherie, and Pele Soccer (Pop Up) to the community.



- **The Miami Beach industrial market** has approximately 84,500 SF of space. The industrial vacancy rate is 0.0 percent compared to 9 percent for the Miami-Dade County. Rent per SF is \$34.77.
- **The Miami Beach multi-family rental market** has 16,334 units with 734 under construction. The vacancy rate of 4.0 percent through the second quarter of 2019, which was 0.3 percentage points below the second quarter of 2018 level (4.3 percent). The Miami Dade vacancy rate fell 0.6 percentage points between the second quarter of 2018 to 5.8 percent.

Market rents average \$1,454 citywide, \$1,603 in South Beach, \$1,146 in Mid-Beach and \$1,181 in North Beach. Average sales price per unit is \$200,000.

- According to the Greater Miami Beach Convention and Visitors Bureau, Miami Beach recorded an average occupancy rate of 81.6 percent through June 2019. This rate was 1.4 percentage points higher than the prior year's occupancy rate. The average daily room rate for Miami Beach was \$295.81 per night, a 0.2 percent increase from the previous year. The average occupancy rate in Miami-Dade County was 79.8 percent, and the average daily room rate of \$218.26. Miami Beach has 179 hotel properties with 19,766 rooms and Miami-Dade has 458 hotel properties and 57,974 rooms. The historic Cardozo Hotel reopened in May after \$15M renovation with 41 guest room and a new restaurant BiCE Cucina. The Lennox Hotel Miami Beach (formerly Peter Miller Hotel) opened after a \$71M renovation containing 119 guest rooms with a signature restaurant. Fashion designer Tommy Hilfiger and a Turkish conglomerate sold the historic Raleigh Hotel on Miami Beach for \$103 million.
- Through July of 2019, the total resort tax collections for FY 2018/19 were \$76,753,500 an increase of 3.3 percent or \$2,466,013 from 2018. Additionally, through July 2019 48.1 percent of all Convention Development Tax collections in Miami-Dade County were generated in Miami Beach.
- According to ESRI, a market research firm, retail sales in Miami Beach in 2018 were \$1.4 billion, 3.5 percent of Miami-Dade retail sales (\$40.2 billion)

7. Promote the City of Miami Beach

Develop a robust communication and marketing campaign to communicate with existing businesses and recruit new business and industry to Miami Beach. Over the next six months, staff will focus on the following:

- Develop a powerful pitch deck presentation that identifies key statistical and demographic information, industry clusters, tax analysis, incentives and strategic advantages of Miami Beach
- Become an active partner with the following economic development organizations:
 - **Site Selection Guild** – an association of the world's foremost professional site selection consultants. Guild members provide location strategy to corporations across the globe and for every industry, sector, and function.
 - **International Economic Development Council (IEDC)** – a non-profit membership organization serving economic developers. IEDC is the largest organization of its kind. Economic developers promote economic well-being and quality of life for their communities, by creating, retaining and expanding jobs that facilitate growth, enhance wealth and provide a stable tax base.
 - **The International Downtown Association (IDA)** – is a world leader and champion for vital and livable urban centers that connects diverse practitioners who transform cities into healthy and vibrant urban places. become an active partner with local and national economic development and real estate industry events.
 - **International Council of Shopping Center (ICSC)** – the mission of ICSC is to ensure the retail real estate industry is broadly recognized for the integral role it plays in the social, civic and economic vibrancy of communities across the globe.
 - **Shopping Center Business Entertainment, Experience and Evolution Conference (EEE)** - Developers, restaurateurs, entertainment venues and mixed-use properties are creating a new environment for today's consumer. EEE gives you knowledge from futurists, developers, retail, dining and entertainment executives who are leading the way to change for the industry.

- **Urban Land Institute (ULI):** A multidisciplinary real estate forum, ULI facilitates an open exchange of ideas, information, and experience among industry leaders and policy makers dedicated to creating better places.
- Identify and develop an outreach strategy to grow and bring key industries to Miami Beach that may include hospitality, arts and culture, finance, health and wellness, real estate, professional and business services, IT-software, and bioscience sectors, etc.
- Continue to update and improve the economic development website.

Year-to-date the department has performed the following:

- The department will work continue to work on this focus area and build on it through forthcoming economic development strategic plan process.