RESOLUTION NO. 2020-____________

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, CREATING A NEW "MIAMI BEACH RESILIENCY FUND," CONSISTING OF ALL UNCOMMITTED AMOUNTS IN FUND NOS. 320 AND 433, AND ALL FUTURE PAYMENTS RECEIVED BY THE CITY PURSUANT TO SECTION V.A OF THE AMENDED AND RESTATED INTERLOCAL COOPERATION AGREEMENT BETWEEN THE CITY AND MIAMI-DADE COUNTY, DATED JANUARY 20, 2015; FURTHER, UNTIL SUCH TIME AS THE CITY BEGINS TO RECEIVE MINIMUM FIXED RENT PAYMENTS PURSUANT TO THE CITY'S JULY 31, 2018 LEASE AGREEMENT FOR THE CONVENTION HEADQUARTER HOTEL, APPROVING THE ALLOCATION OF $666,666.66 ANNUALLY FROM THE MIAMI BEACH RESILIENCY FUND, FOR A PRIVATE ADAPTATION RESILIENCE PROGRAM TO FUND PRIVATE FLOOD MITIGATION AND OTHER RESILIENCY-RELATED PROJECTS, WITH THE DETAILS OF THE PROPOSED PROGRAM TO BE SUBJECT TO THE PRIOR APPROVAL OF THE MAYOR AND CITY COMMISSION.

WHEREAS, the Mayor and City Commission desire to create a "Resiliency Fund," as part of the City Commission's efforts to plan, prioritize, and identify funding for City-wide infrastructure resilience projects, including road elevation projects, new stormwater infrastructure incorporating pump systems, and projects to reduce flood risk due to sea level rise, high tides, rainfall, and storms; and

WHEREAS, on or about January 20, 2015, the City and Miami-Dade County ("County") executed an Amended and Restated Interlocal Cooperation Agreement ("Interlocal Agreement"), approved by the City pursuant to Resolution No. 2014-28836, which Interlocal Agreement, among other terms, removed restrictions with regard to certain payments previously received by the City for capital projects within the former South Pointe Redevelopment Agency geographic area, as well as payments the City would continue to receive under Section V.A of the Interlocal Agreement until 2022, with the intent that the City would use such funding for sea level rise mitigation or other projects in the City (the "ILA Funds"); and

WHEREAS, the City Commission subsequently earmarked the ILA Funds for stormwater capital projects to offset the need for an additional stormwater rate increase needed for the third $100 million in planned stormwater capital projects. The Financial Feasibility Report developed for the 2017 Stormwater Bonds (the second $100 million tranche) included an anticipated $103 million from this funding source, with the actual amounts to be received dependent on growth in property values. The Engineer's Report developed by AECOM for the 2017 Stormwater Bonds estimated the total cost of the Stormwater program at $658.9 million; and

WHEREAS, since January 20, 2015, when the Interlocal Agreement was executed, the ILA Funds (residing in Fund No. 320 and Fund No. 433) amount to approximately $68 million, of which $3.9 million has been spent, $21.8 million is committed, and $42.3 million is uncommitted; and

WHEREAS, by 2022, the year the City receives the final payment of ILA Funds from the County pursuant to the Interlocal Agreement, the City estimates receiving an additional $35 million in ILA Funds, with actual amounts to be received dependent on growth in property values; and

WHEREAS, the City Commission desires to create a new "Miami Beach Resiliency Fund," with such Miami Beach Resiliency Fund consisting of the $42.3 million of existing uncommitted ILA Funds, as well as all future ILA Fund payments to be received from Miami-Dade County, with the total estimated funding in the Miami Beach Resiliency Fund to approximate $77.3 million by 2022; and

WHEREAS, the intended use of the new Miami Beach Resiliency Fund would continue to be for stormwater, flooding, and resiliency projects, as determined by the Mayor and City Commission; and

WHEREAS, the Mayor and City Commission have taken a leadership role in reducing flood risk for private properties through amendments to the City's Land Development Regulations for new construction and for substantial renovations. For example, a total of 91 properties, either in construction or completion, are at an elevation higher than FEMA requirements; and

WHEREAS, although as a general matter, investment in private property is the private responsibility of the property owner, the City Commission desires to continue its leadership role in the resiliency arena by incentivizing resilience projects in the City, through governmental support, such as grants or loans, for projects that complement the City's various public resiliency efforts and strengthen the City's resilience infrastructure as a whole; and

WHEREAS, on January 21, 2020, the Land Use & Sustainability Committee (the "Committee") discussed an item related to private property resiliency adaption, a key element to any municipality's resilience strategy, and the Committee recommended that the Administration develop various options for a program to fund public and private resilience projects to reduce or eliminate the long-term risk of food damage to buildings and infrastructure due to sea level rise, storms, tidal flooding and rainfall (the "Private Adaptation Resilience Program"); and

WHEREAS, from the overall community perspective, the City's 2019 Community Satisfaction Survey shows that 43% of residents are satisfied, 33% neutral, and 24% dissatisfied with their buildings' flood risk protections. In addition, "efforts to manage stormwater drainage and flooding" was ranked in the top 3 priorities for the City. Being proactive makes significant financial sense- the National Institute of Building Sciences (NIBS) released a finding that every $1 invested in disaster mitigation by three federal agencies saves society $6. The Natural Hazard Mitigation Saves: 2017 Interim Report was the first part of the long-awaited update to a 2005 study that had identified a lower return on investment. The results of the City's Business Case Analysis of the Stormwater Program were presented at the January 27th, 2020 Commission Workshop, illustrating significant benefits for both public and private resilience investments. Private adaptation was highlighted as a vital component of the City's overall resiliency and dry flood-proofing was identified as a cost-effective strategy for homeowners. For individual private properties, resiliency investments can increase home value, reduce the likelihood of flood damage, and lower insurance rates; and

WHEREAS, while South Florida leads the nation in efforts to reduce the risks from windstorm through the Florida Building Code and through programs such as the Property Assessed Clean Energy (PACE) financing platform, flood risk mitigation efforts for private property is not as well developed, particularly for property owners who have not yet experienced damage but are at risk now and in the future due to geographic location and sea level rise; and

WHEREAS, on December 12, 2018, the Mayor and City Commission adopted Resolution No. 2018-30619, certifying the results of the November 6, 2018 election, including a referendum question adopted by the City's voters by a 79.5% margin, to dedicate the guaranteed rent payments the City receives from the City's Development and Ground Lease Agreement with MB Mixed Use Investment, LLC, dated July 31, 2018 (the "Hotel Lease"), to enhance funding, in equal portions annually, for City projects addressing the following areas: stormwater projects, traffic reduction measures, and education; and

WHEREAS, by the fifth year following the opening of the Hotel, the guaranteed rent payments (referred to in the Hotel Lease as Minimum Fixed Rent) will be $2,000,000, with $666,666.66 to be allocated annually for stormwater projects pursuant to Resolution No. 2018-30619; and

WHEREAS, until such time as the Minimum Fixed Rent payments under the Hotel Lease commence, the City desires to allocate an annual amount of $666,666.66 from the Miami Beach Resiliency Fund, to create the Private Adaptation Resilience Program; and

WHEREAS, the details of the proposed Private Adaptation Resilience Program, including, without limitation, the program eligibility criteria and the types of projects which would be funded thereby, shall be subject to the prior approval of the Mayor and City Commission, following review by the Land Use & Sustainability Committee, with the intent for the proposed program to be implemented as part of the City's FY 2021 Budget.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND THE CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission hereby create a new "Miami Beach Resiliency Fund," consisting of all uncommitted amounts in Fund Nos. 320 and 433, and all future payments received by the City pursuant to Section V.A of the Amended and Restated Interlocal Cooperation Agreement between the City and Miami-Dade County, dated January 20, 2015; further, until such time as the City begins to receive Minimum Fixed Rent payments pursuant to the City's July 31, 2018 Lease Agreement for the Convention Headquarter Hotel, approve the allocation of $666,666.66 annually from the Miami Beach Resiliency Fund, for a Private Adaptation Resilience Program to fund private flood mitigation and other resiliency-related projects, with the details of the proposed program to be subject to the prior approval of the Mayor and City Commission.

PASSED AND ADOPTED this ___ day of March, 2020.

ATTEST:

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Dan Gelber, Mayor

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Rafael E. Granado, City Clerk

(Sponsored by Commissioner Mark Samuelian)

APPROVED AS TO FORM & LANGUAGE & FOR EXECUTION

[signature] 3-6-20

City Attorney RAP Date