

# City of Miami Beach Finance and Economic Resiliency Committee Meeting

April 17th, 2020

## Discussion Items:

Proposed Miami Beach Marina  
Redevelopment Project, Marina Lease  
Amendment/Extension, and Proposed  
Mixed-Use Project:

- Developer's Proposed Terms
- Fiscal Opportunities
- Economic Benefits

# Content

**Lease Extension Proposed Terms**

**Summary of Proposed Program**

**Additional Economic and Fiscal Benefits**

(beyond enhanced Marina Lease Payments and FMV Air Rights Payment)

**Summary of Community Benefits Timeline**

# Marina Lease Extension:

## Proposed Financial Terms

	CURRENT MARINA LEASE AGREEMENT	PROPOSED MARINA LEASE AMENDMENT AND EXTENSION
<b>Initial Term - Commencement</b>	June 24, 1983	No later than 90 days after the insurance of final permit and approvals for the Project and simultaneous with the closing on the payment to the city for the acquisition of the air rights
<b>Initial Term - Expiration</b>	January 1, 2022	99 years following Commencement of Initial Term
<b>Extension Options</b>	Three (3) 10-year extensions	None
<b>Total Lease Term</b>	69 years; 32 years remaining	99 years
<b>Minimum Annual Guaranteed Rent</b>	\$320,000	\$1,000,000
<b>Annual Percentage Rent</b>	Base Rent shall be the greater of a) Minimum Annual Guaranteed Rent, or b) the sum of the following: 1) \$0.02 per gallon from the sale of gasoline and diesel fuel; 2) 10% of all other Gross Receipts during each Lease Year throughout the Term of the Marina Lease and any extensions.	Base Rent shall be the greater of a) Minimum Annual Guaranteed Rent, or b) the sum of the following: 1) \$0.04 per gallon from the sale of gasoline and diesel fuel; 2) 10% of all other Gross Receipts during each Lease Year throughout the Term of the Marina Lease and any extensions.
<b>Capital Improvements</b>	None	\$35,000,000 over 30 years in marina infrastructure improvements
<b>Air Rights Purchase</b>	N/A	Fair market value TBD by 2 independent appraisals to be commissioned by the city, and paid for by the tenant. Estimated FMV \$50,000,000 Lump Sum Payment to the City.

# Summary of Proposed Program



## Marina Improvements

- Reposition and rebrand Miami Beach Marina to maintain and enhance market competitiveness
- \$35M Capital investment over 30 years
- Infrastructure and capital improvements to address resiliency and sea level rise issues
- Adjacent baywalk improvements
- New enhanced entrance, wayfinding, and marina & baywalk lighting.



## Mixed Use Upland Development

- Approximately 2 acres of publicly accessible open green space, including a one-acre at grade fully permeable bayfront marina park
- Neighborhood oriented retail (30,000 SF) and office (15,000 SF)  
**APPROXIMATELY 20% REDUCTION IN CURRENT SITE RETAIL/OFFICE WHILE INCREASING MINIMUM ANNUAL GUARANTEED RENT**
- Approximately 60 unit residential development

# Additional Economic and Fiscal Benefits

Table 1  
Economic Benefits\*  
(2020 Dollars)

Benefits	Non-recurring	Recurring
<b>Jobs Created</b>		
Direct	1,273	185
Indirect	355	30
Induced	483	46
<b>Total Jobs Created</b>	<b>2,111</b>	<b>261</b>
<b>Total Additional Labor Income</b>	<b>\$ 112,082,100</b>	<b>\$9,575,099</b>
<b>Total Gross Domestic Product (Value-added)</b>	<b>\$ 146,788,500</b>	<b>\$ 15,992,800</b>

\*Source: Miami Economic Associates, Inc. Report, dated 4/14/2020

\*\*Amount cannot be estimated until final lease terms are negotiated

\*\*\*Road impact fees may vary because the proposed mixed use project will result in fewer peak hour trips than existing site uses.

Table 2  
Summary of Fiscal Benefits\*  
(not including direct payments to the City under proposed lease extension terms)  
(2020 Dollars)

Benefits	Non-recurring	Recurring
<b>City of Miami Beach</b>		
Proceeds from sale of air rights parcel	**	
General building permit fees	\$1,325,210	
Component/trade-related building permit fees	**	
Transportation Concurrency Management Fund**	\$0	
Water & sewer connection fees	**	
Land Lease Payment		**
Ad valorem taxes		
General Fund		\$2,911,376
Debt Service Fund		\$149,055
Utility taxes and franchise fees		**
Storm water fees		**
<b>Miami-Dade County</b>		
Road impact fees***	\$1,015,558	
Ad valorem taxes		
General Fund		\$2,371,719
Debt Service Fund		\$242,920
Library Fund		\$144,329
Local business taxes		**
Local option 1% sales tax		**
Water and sewer service fees		**
<b>Miami-Dade County Public Schools</b>		
School Impact Fees	\$228,692	
Ad valorem taxes		
Operating Fund		\$3,584,885
Debt Service Fund		\$62,767
Children's Trust		
Ad valorem taxes		\$237,838
<b>Total Fiscal Benefits</b>	<b>\$2,569,460</b>	<b>\$9,704,919</b>

# Summary of Community Benefits

The proposed marina lease extension and mixed-use project will generate the following near term benefits:



## Marina Park

Creating a new bayfront park and additional green space.



## Marina

Taking the Miami Beach Marina to the next level



## Baywalk

Enhancing a Treasured Community Asset



## Lifestyle

Reprogram Existing Retail into a Neighborhood Amenity



## \$35 Million Investment

The project will invest **\$35,000,000** in capital improvements over 30 years



## Multi-million Payment to City

Capital payment to city for upland development rights (**\$50 million or Fair Market Value**)



## \$6 Million Annual Taxes

The Marina redevelopment will generate **\$6,000,000** in local and property taxes



## \$260 Million+ in Short Term Economic and Fiscal Benefits

The short term economic and fiscal benefit will exceed **\$260,000,000**



## Jobs Created

**2,372** total jobs (2,111 non-recurring jobs/ 261 recurring jobs)

**Thank  
you!**

# Proposed Timeline

Amended/Restated Lease Agreement  
 Sale of Air Rights  
 Development Agreement  
 Comprehensive Plan Text Amendment

2020							
May 6	May 22	May 26	June 24	May 19, June 23, or July 28	July 29	July 31	November 3
Land Use Committee on Comprehensive Plan Text Amendment	Finance Committee -Status update.	Land Use Committee -Status Update, if needed	City Commission:  (1) Referral of Comprehensive Plan Text Amendment to Planning Board  (2) First Reading of Development Agreement/Sale of Air Rights, and First Reading of Amended/Restated Lease Agreement	Planning Board recommendation of Comprehensive Plan Text Amendment	City Commission First Reading of Comprehensive Plan Text Amendment; Second Reading of Development Agreement/Sale of Air Rights; Second Reading of Amended/Restated Lease Agreement; Approval of ballot questions	Deadline for Submission of Resolution to County Supervisor of Elections	Voter Referendum

\*Subject to further review and discussion with City Attorney