

**RESOLUTION NO. 2019-30892**

**A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE PRELIMINARY REPORT SET FORTH AS AN EXHIBIT TO THE COMMISSION MEMORANDUM ACCOMPANYING THIS RESOLUTION, CONCERNING A FINDING OF NECESSITY FOR THE REDEVELOPMENT OF A CERTAIN GEOGRAPHIC AREA LOCATED WITHIN THE CITY OF MIAMI BEACH, DESCRIBED GENERALLY AS BEING BOUNDED ROUGHLY BY 87<sup>TH</sup> TERRACE TO THE NORTH, 65<sup>TH</sup> STREET TO THE SOUTH, THE ATLANTIC OCEAN TO THE EAST, AND RUE NOTRE DAME TO THE WEST, AS SHOWN ON THE MAP SET FORTH IN "EXHIBIT A" HERETO, AND REQUESTING MIAMI-DADE COUNTY TO DECLARE SAID AREA AS SLUM AND BLIGHT AND DELEGATE REDEVELOPMENT POWERS TO THE CITY OF MIAMI BEACH IN ACCORDANCE WITH PART III OF CHAPTER 163, FLORIDA STATUTES, SO AS TO PERMIT THE CITY OF MIAMI BEACH TO ESTABLISH A COMMUNITY REDEVELOPMENT AGENCY FOR THE AFORESAID AREA.**

**WHEREAS**, the Mayor and City Commission of Miami Beach has adopted as a primary city-wide goal the economic development of the City and, in particular, the area north of 63<sup>rd</sup> Street generally referred to as "North Beach"; and

**WHEREAS**, there exists a defined geographic area within the corporate limits of the City which contains a large number of commercial buildings which are deteriorated or deteriorating, as well as a large number of substandard housing units which contribute to ill health and pose other potential dangers to the residents, such area being described generally as being bounded by 87<sup>th</sup> Terrace to the north, the Atlantic Ocean to the east, 65<sup>th</sup> Street to the south, and Rue Notre Dame to the east, as set forth more particularly in "Exhibit A" hereto (the "Proposed Boundary"); and

**WHEREAS**, pursuant to the Community Redevelopment Act, Chapter 163 of the Florida Statutes, a Community Redevelopment Area (CRA) means a slum area, a blighted area, or an area in which there exists a shortage of affordable housing, or a coastal and tourist area that is deteriorating and economically distressed due to outdated building density patterns, inadequate transportation and parking facilities, faulty lot layout or inadequate street layout, or a combination thereof; and

**WHEREAS**, in order to reverse the economic decline of said geographic area, it is necessary to consider redeveloping the defined area and establishing a community development agency as a catalyst to redeveloping such area, all in accordance with Chapter 163, Florida Statutes; and

**WHEREAS**, on June 20, 2018, the Neighborhoods/Community Affairs Committee (NCAC) discussed creative funding options for the North Beach Master Plan and recommended that the Administration work with Miami-Dade County to move forward with the potential creation of a CRA in North Beach; and

**WHEREAS**, on July 25, 2018, the Mayor and City Commission adopted Resolution 2018-30432, accepting the recommendation of the NCAC to commence discussions with the County to create a CRA in North Beach; and

**WHEREAS**, following adoption of the Fiscal Year 2019/20 Miami-Dade County budget, the Administration reached out to the County to discuss approach and steps for a potential CRA in North Beach, the first of which is a finding of necessity for the area; and

**WHEREAS**, the City has retained BusinessFlare Economic Development Solutions (the "Consultant") to prepare a report concerning a finding of necessity with respect to the redevelopment of the area set forth in the Proposed Boundary; and

**WHEREAS**, the Consultant has prepared a "Preliminary Draft—Finding of Necessity" for the North Beach Redevelopment Area, dated April 2016 ("Preliminary Report") as set forth in "Exhibit B"; and

**WHEREAS**, the Preliminary Report concludes that, within the defined target geographic area, there exist nine of fifteen criteria necessary to designate an area as blighted; and

**WHEREAS**, pursuant to Section 163.410, Florida Statutes, the City is required to receive a delegation of authority from the County as a condition precedent to exercising redevelopment powers conferred under the Community Redevelopment Act, relative to the redevelopment area illustrated in the Proposed Boundary; and

**WHEREAS**, the City Clerk has published notice of a public hearing with respect to a meeting of the City Commission to consider: (i) the acceptance of the Preliminary Report, (ii) the findings therein contained and other matters related to the establishment of a CRA and redevelopment agency pursuant to Part III of Chapter 163, Florida Statutes, and (iii) requesting delegation of authority from the County to exercise redevelopment powers within the geographic area set forth in the Proposed Boundary.

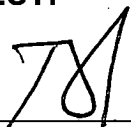
**NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA:**

1. The City Commission of the City of Miami Beach hereby accepts the Preliminary Report (a copy of which is attached to this Resolution as "Exhibit B") prepared by the Consultant, subject to final findings of necessity to be made subsequent to the delegation of authority referred to herein below.

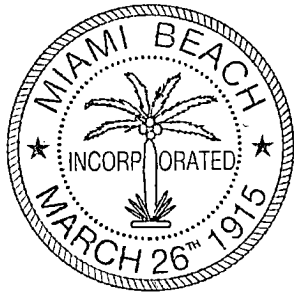
2. The Mayor and City Commission of the City of Miami Beach hereby request that the Board of County Commissioners for Miami-Dade County delegate to the City of Miami Beach broad authority to exercise redevelopment powers within the geographic area set forth in "Exhibit A" in accordance with Chapter 163, Florida Statutes.

PASSED AND ADOPTED this 17 day of July, 2019.


ATTEST:

 July 19, 2019  
Rafael E. Granado, City Clerk

  
Dan Gelber, Mayor



APPROVED AS TO  
FORM & LANGUAGE  
& FOR EXECUTION

 7/2/19  
City Attorney RAP Date

# MIAMI BEACH

## **COMMISSION MEMORANDUM**

TO: Honorable Mayor and Members of the City Commission  
FROM: Jimmy L. Morales, City Manager  
DATE: July 17, 2019

**2:30 p.m. Public Hearing**

SUBJECT: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE PRELIMINARY REPORT SET FORTH AS AN EXHIBIT TO THE COMMISSION MEMORANDUM ACCOMPANYING THIS RESOLUTION, CONCERNING A FINDING OF NECESSITY FOR THE REDEVELOPMENT OF A CERTAIN GEOGRAPHIC AREA LOCATED WITHIN THE CITY OF MIAMI BEACH, DESCRIBED GENERALLY AS BEING BOUNDED ROUGHLY BY 87TH TERRACE TO THE NORTH, 65TH STREET TO THE SOUTH, THE ATLANTIC OCEAN TO THE EAST, AND RUE NOTRE DAME TO THE WEST, AS SHOWN ON THE MAP SET FORTH IN "EXHIBIT A" HERETO, AND REQUESTING MIAMI-DADE COUNTY TO DECLARE SAID AREA AS SLUM AND BLIGHT AND DELEGATE REDEVELOPMENT POWERS TO THE CITY OF MIAMI BEACH IN ACCORDANCE WITH PART III OF CHAPTER 163, FLORIDA STATUTES, SO AS TO PERMIT THE CITY OF MIAMI BEACH TO ESTABLISH A COMMUNITY REDEVELOPMENT AGENCY FOR THE AFORESAID AREA.

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### **RECOMMENDATION**

The Administration recommends approval of the attached resolution, which directs the City Manager to transmit the finding of necessity to Miami-Dade County, initiating the County process for approval of the North Beach CRA.

### **BACKGROUND**

Pursuant to the Community Redevelopment Act, Chapter 163 of the Florida Statutes, a community redevelopment area (CRA) may refer to any one of the following: a slum area; a blighted area; or an area in which there exists a shortage of affordable housing; or a coastal and tourist area that is deteriorating and economically distressed due to outdated building density patterns, inadequate transportation and parking facilities, faulty lot layout or inadequate street layout; or any combination thereof.

#### **Miami Beach Redevelopment Areas**

Historically, the City has successfully established two CRAs. The 250-acre South Pointe CRA was active between 1987 and 2006, during which time the assessed property values increased from \$59 million to approximately \$2.5 billion in January 2005. Largely responsible for transforming the South of Fifth neighborhood from blighted conditions, the South Pointe district

is widely considered the most successful redevelopment district in the State of Florida and one of the most notable in the country.

The 332-acre City Center CRA was established in 1993 and witnessed taxable values increase from \$292.6 million to approximately \$6 billion as of January 2018. The City Center CRA was established to promote hotel development and to foster civic, cultural, and entertainment uses throughout the urban core near the Convention Center. Transformative projects resulting from public and private CRA investment included: two hotels developed as private/public partnerships, the 800-room Loews and the 425-room Royal Palm Crowne Plaza; the Anchor Shops parking garage; the beachwalk extension from 21<sup>st</sup> Street to Lummus Park; the Frank Gehry-designed New World Campus; and a Cultural Arts Campus Master Plan, which featured a new regional library, the Miami City Ballet headquarters, renovation of the Bass Museum, and restoration of Collins Park.

### North Beach

Economic development is a primary citywide goal adopted by the City Commission, with particular focus on the area north of 63<sup>rd</sup> Street, which is generally referred to as North Beach. Within North Beach, there exists a defined geographic area containing a large number of deteriorated commercial buildings, as well as substandard housing units which pose danger to residents and harm economic vitality. This area is generally bounded by 87<sup>th</sup> Terrace to the north, the Atlantic Ocean to the east, 65<sup>th</sup> Street to the south, and Rue Notre Dame to the east (the proposed boundary), as set forth more particularly in Exhibit A to the resolution accompanying this memorandum. In order to reverse the economic decline of the area within the proposed boundary, it is necessary to consider establishing a community development agency as a catalyst to redevelopment, all in accordance with Chapter 163, Florida Statutes.

On February 14, 2018, the Mayor and City Commission adopted Resolution 2018-30171 with respect to enhancing North Beach through creative funding options. The resolution directed the Administration to develop a Quality of Life Plan consistent with the North Beach Master Plan (Dover Kohl, 2016), with such projects potentially funded by a dedicated funding stream for the benefit of North Beach.

On June 20, 2018, the Neighborhoods/Community Affairs Committee (NCAC) discussed creative funding options for the North Beach Master Plan and recommended that the Administration work with Miami-Dade County to move forward with the potential creation of a CRA in North Beach.

On July 25, 2018, the Mayor and City Commission adopted Resolution 2018-30432, accepting the recommendation of the NCAC to commence CRA discussions with the County. Following adoption of the County's FY 2019/20 budget, the Administration reached out to County staff to discuss the subject matter, the first procedural step being adoption of a finding of necessity for the area.

### BusinessFlare Economic Development Solutions

To prepare the finding of necessity, the Administration engaged a consultant, BusinessFlare Economic Development Solutions. Principal Kevin Crowder is an IEDC Certified Economic Developer (CEcD) who served for 15 years with the City of Miami Beach and the Miami Beach Redevelopment Agency as the Director of Economic Development and Government Affairs. He is a prior member of the board of directors of the Florida Council of Public Private

Partnerships (FCP3) and the Florida Redevelopment Association (FRA), and served as chair of the FRA Legislative Committee.

In addition to the Miami Beach RDA, Mr. Crowder's redevelopment experience includes the North Miami CRA Plan and extension, the North Miami Beach CRA Plan and West Dixie Highway Implementation Plan, the Dania Beach CRA Plan, the Naranja Lakes CRA Expansion Plan, the Palm Bay Bayfront CRA Implementation Plan, the Cape Coral CRA's Bimini Basin Revitalization Plan, the Davie CRA P3 Initiative, the Mount Dora Northeast CRA, and the Martin County CRA Plan.

## **ANALYSIS**

Pursuant to the Community Redevelopment Act, Chapter 163, Florida Statutes, creation of a CRA requires conducting an economic survey, which results in the finding of slum and/or blight conditions in the subject area, as documented in a finding of necessity.

Florida law defines a "slum area" as containing at least one of the following conditions:

- inadequate ventilation, light, air, sanitation, or open space;
- higher density of population compared to adjacent areas; or
- the existence of conditions that endanger life or property by fire or other causes.

"Blighted area" is defined as containing at least two of the following conditions:

- inadequate street layout, parking facilities, roadways, bridges, or public transportation facilities;
- property values that have failed to appreciably increase in the past five years;
- faulty lot layout in relation to size adequacy, accessibility or usefulness;
- unsanitary or unsafe conditions;
- deterioration of site or other improvements;
- inadequate and outdated building density patterns;
- falling commercial lease rates compared to the city or county;
- tax delinquencies that exceed fair value of the land;
- residential and commercial vacancy rates are higher than the city or county;
- crime rate is higher than the city or county;
- fire and emergency calls to the area are proportionately higher than the remainder of the city;
- diversity of property ownership or unusual conditions of title;
- government owned property with adverse environmental conditions; or
- substantial sinkhole activity.

Formation of a CRA allows for designating a special funding district within its boundaries, where

the incremental increase in property taxes are used for specific redevelopment purposes within the boundary area (a process called tax increment financing or TIF). Any TIF funds generated within the CRA must be used for specific redevelopment purposes in the targeted area, as outlined in a formal community redevelopment plan that addresses the unique needs and planned projects for the area.

#### North Beach Finding of Necessity

The geographic area recommended for designation as the North Beach CRA (Exhibit A) includes the North Beach Town Center, Ocean Terrace, the Normandy Fountain commercial plaza, the West Lots, and North Shore Open Space Park. The draft finding of necessity report prepared by the consultant (Exhibit B) identified the presence of nine of the fifteen criteria legally necessary to designate an area as blighted and then proceed to formal discussions with the County.

The nine criteria identified in North Beach by the economic consultant:

1. predominance of defective or inadequate street layout, parking facilities, roadways, bridges, or public transportation facilities;
2. aggregate assessed values of real property in the area have failed to show appreciable increase over the five years prior to the finding of such conditions;
3. faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
4. unsanitary or unsafe conditions;
5. deterioration of site or other improvements;
6. inadequate and outdated building density patterns;
7. fire and emergency medical service calls to the area proportionately higher than in the remainder of the county or municipality;
8. a greater number of violations of the Florida Building Code in the area than the number of violations recorded in the remainder of the county or municipality; and
9. diversity of ownership or defective or unusual conditions of title which prevent the free alienability of land within the deteriorated or hazardous area.

Upon completion of a draft finding of necessity, a local government transmits the study to the County, requesting the County to accept the finding's results and proceed with creation of a CRA, including its governing body and taxing powers. As required by statute, the City has provided notice to all taxing authorities who may be impacted by the creation of a special taxing district. The City's consultant will assist City staff throughout the County approval process, for which the anticipated steps are as follows:

1. acceptance by City Commission and transmittal to Miami-Dade County;
2. meeting with County staff to review the finding;
3. presentations to County TIF Committee and Commission Committee;
4. presentation to, and acceptance by, the County Commission;
5. preparation of the community redevelopment plan; and
6. negotiation and approval of an interlocal agreement with the County.

#### **CONCLUSION**

The analysis identified the presence of nine of the 15 criteria identified by statute as necessary for establishing a community redevelopment area. The City of Miami Beach has devoted a

significant amount of policy development and planning to North Beach, including the North Beach Master Plan, the West Lots Plan, and the Ocean Terrace Master Plan. A CRA is one of the best tools available for implementation of those plans and North Beach clearly qualifies for designation. A CRA would play a critical role in the future of North Beach, by leveraging public and private investment as a catalyst for new development.

The Administration recommends that the City Commission transmit the findings to the County and seek creation of the North Beach CRA.

**Legislative Tracking**

Economic Development

**Sponsor**

Vice-Mayor Ricky Arriola

**ATTACHMENTS:**

**Description**

- ▣ Attachment A - Proposed Boundary
- ▣ Attachment B - Finding of Necessity
- ▣ Resolution