

COMMITTEE MEMORANDUM

TO: Honorable Chair and Members of the Finance and Economic Resiliency Committee

FROM: Jimmy L. Morales, City Manager

DATE: December 18, 2020

SUBJECT: DISCUSS THE CITY OF MIAMI BEACH'S POLICIES TO RETAIN TENANTS DURING THE PANDEMIC

BACKGROUND

On July 29, 2020, the Mayor and City Commission adopted Resolution No. 2020-31332, approving COVID-19 rent relief to the commercial tenants / operators of city-owned property and approving the waiver of rents and fees due to the City for the period from April 2020 through September 2020 in a total of \$3,400,000.00. To date, some neighboring municipalities have instituted rent deferment with the obligation to pay it back, but none have provided rent forgiveness as the City has.

On October 14, 2020, the Mayor and City Commission approved Item C4 E, requesting a referral to the Finance and Economic Resiliency Committee (FERC) to discuss the City's policies as landlord and what measures may be taken to retain its tenants to improve quality of life and long-term city finances.

Based on the October 23, 2020 FERC meeting discussion, Administration conducted a fiscal analysis of the actual rent revenues collected from fiscal years 2017 to 2020; and the projected fiscal year 2021 revenue without any rent assistance. The FY 2020 Actuals are preliminarily 32% lower than the FY 2019 Actuals. The FY 2021 Adopted Budget assumed a \$964,364 or 11% decrease in revenue from the FY 2019 Actuals.

	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Actuals	FY 2020 Actuals*	FY 2021 Adopted
General Fund	6,352,942	7,283,477	7,686,509	5,362,032	6,790,000
Anchor Shops Fund	1,346,548	1,249,860	1,158,854	576,898	1,091,000
Pennsylvania Avenue Shops Fund	0	1	1	39,625	0
Total	\$ 7,699,491	\$ 8,533,338	\$ 8,845,364	\$ 5,978,555	\$ 7,881,000
Footnotes:					
*FY 2020 Actuals are Preliminary as of October 26, 2020 and subject to change since fiscal year still not closed					

Account Description	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted	FY 2021 Est. Monthly
Fees - Leasing	0	1,614	3,844	1,725	1,000	83
Espanola Way Street Market	0	713	305	0	0	0
Fees Lummas- Metro Flea Market	0	0	20,020	8,131	10,000	833
Fees SOF- Metro Flea Market	0	0	1,006	3,516	0	0
Miami Beach Marina	1,212,565	1,645,669	1,708,921	1,476,541	1,535,000	127917
Beach Concessions - Food Trail	0	30,000	75,000	45,000	62,000	5167
Beachfront Concession Penalty	3,000	5,750	500	1,250	0	0
Council Towers N&S Air Rights Leases	40,625	38,833	40,635	27,125	40,000	3333
CG Tides, LLC Air Rights Leases	0	(75,000)	0	0	0	0
Rent/ Lease American Riviera RE Co.	33,110	24,080	0	0	0	0
Rent-22 Washington Ave. Lease Agreement	46,198	50,181	51,648	57,727	54,000	4500
Rent/Lease Property - Misc	40	25	15	9	0	0
Colony Cafe	296,155	218,990	221,920	84,955	158,000	13167
Rent-Park One Develop Agr.	75,151	45,624	82,375	73,955	86,000	7167
Rent-Lincoln Place Develop Agr	131,834	149,255	154,219	130,484	154,000	12833
Rent-The Lincoln Develop Agr (Michigan Ave)	148,273	157,641	152,054	162,745	152,000	12667
Rent - Ramp Ballet Valet	28,367	26,665	27,390	12,789	31,000	2583
Live Nation Distribution - TOPA	1,053,995	1,057,512	1,081,962	1,106,901	596,000	49667
Rent-Specialty Rest-Smith & Wollensky	383,826	404,078	437,160	249,720	434,000	36167
Communication Site Leases & Rents	49,354	49,675	50,873	55,510	55,000	4583
Rent-South Shore Community Center	14,425	14,587	14,228	7,205	14,000	1167
Tim Wilcox, Inc. Concession	0	0	0	0	0	0
Rent Sunrise/Log Cabin	0	0	0	0	0	0
Rent - Old City Hall	146,369	137,305	96,971	20,432	45,000	3750
1701 Meridian Avenue Building	328,489	266,862	252,461	118,325	214,000	17833
Rental - Byron	2,500	1,250	0	0	0	0
Colony Lease Agreement User Fee	0	0	12,750	2,550	7,000	583
Equipment Rental - Byron	0	0	0	0	0	0
Equipment Rental - Colony	0	0	0	0	0	0
Markets-Antiques & Collectible	34,341	30,590	40,998	31,938	35,000	2917
Markets-Espanola Way	0	0	0	0	0	0
Markets-Lincoln Road	20,900	16,099	20,651	9,674	19,000	1583
Markets-Normandy	3,053	1,166	5,199	2,558	2,000	167
Markets-Collins Park	0	0	0	0	0	0
Soundscape Park User Fees	779	0	338	0	0	0
Concessions-Miami Vending -Tax	0	0	0	0	0	0
Concessions-Penrods Bchfrt	28,136	31,550	34,390	16,220	32,000	2667
Penrod's Pier Park Rentals	645,311	711,591	742,479	422,705	662,000	55167
Concessions-Beachfront - Tax	0	309,513	379,175	154,600	278,000	23167
Concessions-Bouc/Lum.Oce.&NSOS	907,611	1,206,539	1,184,441	459,187	1,350,000	112500
Concessions-Smith & Wollensky Cafe	306,206	322,406	404,804	393,034	366,000	30500
Concessions - South Pointe Park Pavilion	23,364	29,248	35,424	21,698	26,000	2167
Markets-South of 5th	1,620	5,321	0	0	0	0
Concess- Bettoli Vending	27,485	12,610	12,743	0	11,000	917
Concessions-Bouc/21 & 46st.	97,600	110,008	174,400	112,645	174,000	14500
Labor Fees - Byron	0	0	0	0	0	0
Concessions-Communitel Inc	4,239	13,534	5,762	350	8,000	667
Old City Hall Rental-Prop Mgt	104,688	94,456	43,852	2,927	49,000	4083
South Shore Community Center-Prop Mgt	97,935	95,425	91,851	72,487	108,000	9000
Meridian Building - Prop Mgt	34,701	30,804	23,744	15,415	22,000	1833
Byron Carlyle Building - Prop	20,697	11,307	0	0	0	0
JCC Multi-Purpose Room	0	0	0	0	0	0
	6,352,942	7,283,477	7,686,509	5,362,032	6,790,000	\$ 565,833.33
Rent/Lease Property - Misc	1,197,840	1,101,352	1,013,861	506,985	957,000	79750
Capital and Maintenance	148,709	148,509	144,993	69,913	134,000	11167
	1,346,548	1,249,860	1,158,854	576,898	1,091,000	\$ 90,916.67
Rent/Lease Property - Misc	0	1	1	39,625	0	0
Capital and Maintenance	0	0	0	0	0	0
	0	1	1	39,625	0	0
	\$ 7,699,490.54	\$ 8,533,337.59	\$ 8,845,363.84	\$ 5,978,555.29	\$ 7,881,000.00	\$ 656,750.00

This information as detailed herein was presented at the November 13, 2020 FERC meeting for further discussion. Each agreement is being reviewed individually and Administration is actively meeting with tenants in order to evaluate and identify gross revenue decreases resulting from the impact of COVID-19 pandemic.

Consequently, Administration has identified the following as qualifiable tenants:

- South Florida Salon Group
- Massage Partners
- Miami Dade Gay & Lesbian Chamber of Commerce
- O Cinema
- Liquor Lounge
- Cadiac/US Vintage
- Admiral Cruises
- Cubiche 105, LLC

- One Hotel (Food Trailer)
- W Hotel (Food Trailer)
- Colony Theater

In consideration of the foregoing, qualifying entities were requested further provide the following information in order to determine eligibility and consideration for additional rent relief:

- **Gross Sales** – Tenants to provide for the past three years, from 2018 to 2020
- **Profit and Loss (P&L) Statement** – Tenants to provide the past three years, from 2018 to 2020
- **Projected Financial Statements** – Tenants to include a detailed, one-year projection of income and expenditures
- **Income Tax Returns** – Tenants to provide signed business federal income tax returns of business' principals for previous three years.
- **Post Pandemic Business Plan** – Tenants to provide modified operation plans, etc. and written explanation as to how you expect to achieve this plan.

CONCLUSION:

Once the information is gathered, Administration will formulate recommendations for each agreement considering eligibility for rent relief or deferment. Recommendations to be discussed at January's FERC meeting.