

# MIAMI BEACH

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## COMMISSION MEMORANDUM

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COMMISSION

FROM: Alina T. Hudak, City Manager 

DATE: May 12, 2021

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING THE NORTH BEACH COMMUNITY REDEVELOPMENT AGENCY REDEVELOPMENT PLAN, FOLLOWING A DULY NOTICED PUBLIC HEARING, AS REQUIRED BY SECTION 163.360(7) OF THE FLORIDA STATUTES; AND FURTHER AUTHORIZING THE CITY MANAGER TO TRANSMIT THE ADOPTED REDEVELOPMENT PLAN TO THE MIAMI-DADE COUNTY BOARD OF COUNTY COMMISSIONERS FOR ITS CONSIDERATION AND APPROVAL.**

### RECOMMENDATION

This is a Consolidated City Commission and North Beach Community Redevelopment Agency (North Beach CRA) Board Memorandum related to the adoption and approval of the North Beach CRA Redevelopment Plan and transmittal of the North Beach CRA Redevelopment Plan to the Miami-Dade County Board of County Commissioners (Agenda Items **R7 D** and **NBCRA 1**) and the approval and execution of an interlocal cooperation agreement by and among the City of Miami Beach, the North Beach CRA, and Miami-Dade County, and transmittal of approved interlocal cooperation agreement to the Miami-Dade County Board of County Commissioners for its consideration and approval (Agenda Items **R7 E** and **NBCRA 2**).

The Administration recommends adoption and approval of the North Beach CRA Redevelopment Plan and Interlocal Agreement and transmittal of the Redevelopment Plan and Interlocal Agreement to Miami-Dade County.

### BACKGROUND/HISTORY

The City of Miami Beach is recognized and admired regionally, nationally, and internationally as a dynamic and vibrant destination. Between the warm climate, sprawling beach and various cultural and lifestyle amenities, Miami Beach has distinguished itself as a thriving hospitality and tourism mecca. The City's significant investment in the arts, aesthetics, recreation, public safety and climate

resiliency coupled with the depth and quality of residential and educational offerings, have made the City an ideal live-work-play environment. With tremendous quality of life characteristics and strategic, measured development and preservation over the years, the City has, overall, maintained and improved its status as a major driver of the Miami-Dade County economy and brand.

Notwithstanding, in comparison with other areas of the City, the North Beach area has trailed in the level of redevelopment, revitalization, economic growth and investment. Substantial commercial vacancy, obsolete housing stock, limited new development, environmental and resiliency challenges, depressed household income, and divergent stakeholder perspectives are among the challenges facing North Beach. There have been several efforts by the City to encourage growth and investments in North Beach, including but not limited to the North Beach Revitalization Plan, the North Beach Master Plan (Plan NoBe), the West Lots Plan, as well as other citywide planning tools such as the Transportation Master Plan and other initiatives focusing on climate resiliency, environmental sustainability, economic development, affordable housing, historic preservation and land development regulations. The residents, Mayor and City Commission have also approved General Obligation Bond (G.O. Bond) funding for major improvement projects in the North Beach area.

#### North Beach Master Plan – Plan NoBe (2016)

In recognition of the need for enhancements and improvements, over the years, the City Commission has authorized multiple master planning processes for the North Beach area, defined as the portion of the City of Miami Beach north of 63rd Street, excluding those portions on Allison and La Gorce Islands. In 2016, in furtherance of the most recent master planning effort, the City actively engaged the North Beach community, including residents, property owners, and business owners, in a process of public input to determine the needs and desires of the North Beach area. This planning process revealed the desire of the public to create a town center, preserve certain historic resources, improve traffic congestion and flow, activate public spaces, and move forward with responsible development of City-owned property.

The North Beach Master Plan (Plan NoBe) outlined various planning and implementation strategies including the creation of a community redevelopment agency (CRA) to provide a funding mechanism for execution of the master plan. The Mayor's North Beach Master Plan Steering Committee played an active role in determining the final vision for Plan NoBe and ultimately recommended that the City Commission adopt the master plan. On October 19, 2016, the North Beach Master Plan was adopted by the Mayor and City Commission pursuant to Resolution No. 2016-29608 and reaffirmed by Resolution No. 2017-30013 identifying use of a CRA as a potential funding mechanism for the numerous

planning and improvement initiatives identified by residents as necessary for North Beach.

Since then, the Administration has implemented many Plan NoBe strategies including creation of historic districts, a Town Center district, a community redevelopment area and a CRA (as described further below).

#### Finding of Necessity and North Beach Redevelopment Area (2019)

On June 20, 2018, the Neighborhoods/Community Affairs Committee (NCAC) discussed creative funding options for the Plan NoBe and recommended that the Administration work with Miami-Dade County to move forward with the potential creation of a CRA in North Beach. In an effort to build on previous North Beach planning efforts and the recognition of the success of the previous South Pointe and current City Center CRAs, 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. Following adoption of the FY 2019/20 Miami-Dade County budget, the Administration reached out to the County to discuss necessary steps for creating a CRA in North Beach.

Pursuant to the Community Redevelopment Act, Chapter 163 of the Florida Statutes, a "Community Redevelopment Area" is defined as 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.

At the direction of the City Commission, the Administration implemented steps to conduct a Finding of Necessity report, as required by the statute, in order to evaluate the North Beach area for designation as a Community Redevelopment Area. The Community Redevelopment Act identifies fifteen (15) criteria indicative of blight within a community, of which two (2) must be present to conclude that an area is blighted, according to the statute. Nine (9) of these criteria were found in the North Beach area as follows:

1. Predominance of defective or inadequate street layout, parking facilities, roadways, bridges, or public transportation facilities.
2. Residential and commercial vacancy rates higher in the area than in the remainder of the county or municipality.
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. 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.
9. Diversity of ownership or defective or unusual conditions of title which prevent the free alienability of land within the deteriorated or hazardous area.

The Finding of Necessity determined that there exists a blighted geographic area within North Beach, with such area being described generally as being bounded by 87th Terrace to the north, the Atlantic Ocean to the east, 65th Street to the south, and Rue Notre Dame to the west. This area covers 326.4 acres (0.51 square miles). The area described was proposed as the Community Redevelopment Area. On July 17, 2019, via Resolution No. 2019-30892, the City Commission accepted the Finding of Necessity, a statutorily required step in order for the City to request that the County delegate authority to create a CRA. On October 31, 2019, the City of Miami Beach presented the Finding of Necessity to the Miami-Dade County Tax Increment Financing ("TIF") Committee, which accepted the declaration of necessity contained in the Finding of Necessity, and made a motion to recommend that the City consider extending the boundary to include the Crespi and North Shore areas to provide for economic opportunities for these residential areas. City staff revised the Finding of Necessity to include the areas recommended by the County TIF Committee. However, after a series of community meetings and resident feedback in opposition to an expanded boundary, the City decided to move forward with the original boundaries as delineated in Resolution No. 2019-30892.

#### Delegation of Authority (2020) and North Beach CRA Creation (2021)

By adopting the Finding of Necessity in 2019, the Mayor and City Commission declared a need for a CRA to carry out community redevelopment and reverse the economic decline in North Beach. The Mayor and City Commission declared in Resolution No. 2019-30892, that the rehabilitation, conservation, redevelopment, or a combination thereof, of the North Beach Redevelopment Area is necessary in the interest of the public health, safety, morals, or welfare of the City of Miami Beach and the residents within the North Beach Redevelopment Area.

Further, via Resolution No. 2019-30892, the Mayor and City Commission, requested that the Miami-Dade County Board of County Commissioners delegate to the City the broad authority to exercise redevelopment powers within the Redevelopment Area boundaries. On July 8, 2020, the Board of County Commissioners of Miami-Dade County, Florida, adopted Resolution No. R-619-20, accepting the Finding of Necessity and delegating to the City the statutory authority

to create the North Beach CRA and to prepare and adopt a community redevelopment plan for the North Beach Redevelopment Area.

On February 10, 2021, by adopting Resolution No. 2021-31596, the Mayor and City Commission officially created the North Beach CRA pursuant to section 163.357, Florida Statutes, and declared the Mayor and City Commission to be the governing body of the North Beach CRA. The Mayor and City Commission also designated the City Manager as the Executive Director of the North Beach CRA, and the City Attorney as the General Counsel for the North Beach CRA. Although the CRA was created in 2021, the base year of the CRA, for purposes of TIF, is determined at the time that the forthcoming Trust Fund is established and approved by the County.

## **ANALYSIS**

### **Redevelopment Plan Preparation**

With the delegation of authority to prepare a redevelopment plan, the City Administration engaged prequalified vendor, Daedalus Advisory Services together with subconsultants Dover Kohl & Partners and Redevelopment Management Associates to prepare the North Beach CRA Redevelopment Plan (Redevelopment Plan) with said Redevelopment Plan attached here, as Exhibit "A". The grouping of consultant and subconsultants provided the City with subject matter experts in economic and financial analysis, land use and planning and community redevelopment. The preparation and content of the Redevelopment Plan was guided by Florida Law as contained in the Redevelopment Act.

#### **A. Community Charrette and Public Outreach**

The general public has had considerable opportunity to learn about the North Beach CRA and Redevelopment Plan and contribute feedback on an ongoing basis. Following a December 15, 2020 public kick off meeting to introduce the Redevelopment Plan's proposed format and field questions from 80 participants, the City then invited the North Beach community to participate in a week-long public design charrette. In addition to extensively promoting the week-long event online and through email newsletters, care was exercised to reach diverse households and those who may not subscribe to City news online, by mailing a bilingual postcard flyer to over 22,000 North Beach households and commercial properties to promote the event. The City also offered to provide in-person accommodations, by request, to residents with limited capacity to participate virtually.

As a result, the January 2021 public design charrette was attended by 580 participants during six (6) interactive public sessions and eight (8) thematic focus group sessions representing various stakeholder interests. The focus groups were organized to listen to and collate views from a diverse group of participants,

including: 1) Residents and Neighborhood Advocates, 2) Business Organizations, 3) Regional Groups, 4) Historic Preservationists, 5) Affordable and Workforce Housing Advocates, 6) Industry/Workforce/Economic Development Organizations, 7) Real Estate and Development Community, and 8) City Staff.

The charrette revealed overarching concepts and ideas of importance to the public audience, which were incorporated in the drafting of the Redevelopment Plan. During the public design charrette, members of the public articulated five overarching concepts which have been explicitly incorporated into strategies within the Redevelopment Plan:

1. Use the CRA and TIF to implement existing plans;
2. Focus on short-term successes that build confidence;
3. Increase resilience;
4. Attract investment that is transformative, but respectful of context; and
5. Build staff capacity to represent North Beach.

#### B. Redevelopment Plan Goals and Concepts

The Redevelopment Plan generally envisions a vibrant, resilient community with a Town Center, increased housing density, preservation of historic structures, access to recreational amenities, available public parking, and additional restaurant and retail offerings to support new and current residents. The Redevelopment Plan concepts and approaches cover a range of project types across several implementation dimensions such as scale, scope, cost, time duration, and potential impact outcomes. Together, the guiding principles and the regulatory framework governing CRAs resulted in the proposed Redevelopment Plan. The Redevelopment Plan presents goals and strategies which may be implemented using funding from tax increment revenue derived from within the designated boundary over the 30-year life of the North Beach CRA.

The Redevelopment Plan proposes six (6) major categories of redevelopment goals and opportunities, as shown in the table below:

| No. | Redevelopment Goal                                                                        | Description                                                                                                                                                                                                  |
|-----|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1   | Provide Economic Development Opportunities for Businesses, Property Owners, and Residents | This goal highlights opportunities to improve physical structures, create programs to increase occupancy, and increase the variety of business offerings, as well as access to labor and training resources. |
| 2   | Invest in Climate Resilience, Sustainability & Infrastructure                             | These are cross-cutting goals and address improvements necessary to support and implement the goals of the whole Redevelopment Plan, but focus on                                                            |

|   |                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---|-------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|   |                                                                   | urban and landscape design, engineering and blue green stormwater infrastructure to build climate resilience to reduce risks from flooding, sea level rise, storms, high tides, and extreme heat.                                                                                                                                                                                                                                                                                                                                            |
| 3 | Strengthen Cultural Arts, Branding & Marketing, and Communication | This expands on the “unique features” of the district and begins with asset identification and market positioning. Sample activities include heritage tourism, branding, marketing and communications, and signature promotional events.                                                                                                                                                                                                                                                                                                     |
| 4 | Protect and Enhance the Neighborhood Character                    | This goal builds on the look, feel, and movement within a residential area. It involves all aspects of land use, lot size, structure heights, and greenery, while also looking at business uses, walkable main streets, safe alleyways, and traffic flow. Sample areas include: Town Center, Normandy Isles Fountain Area, West Lots and North Shore.                                                                                                                                                                                        |
| 5 | Improve the Quality of Life of Residents and Visitors             | Quality of Life measures can be highly subjective, but almost always include measures related to access to parks and public spaces, health and well-being, and neighborhood quality. Sample activities include community spaces and enhanced public safety.                                                                                                                                                                                                                                                                                  |
| 6 | Leveraging Resources for Community Redevelopment                  | Funding is achieved through many means including the North Beach CRA Trust Fund, grants, and financing. The CRA may need to leverage its annual funding to implement largescale capital projects. Should the CRA choose to bond or incur other debt to complete capital projects, a dedicated revenue source in the annual budget will need to be identified for debt service. The CRA can also utilize the full range of state, local, federal and other funding mechanisms for redevelopment depending on the project under consideration. |

### C. Draft Redevelopment Plan Available to the Public

Subsequent to the public design charrette, the City Administration and its consultant team actively solicited input from the public regarding the contents of the draft Redevelopment Plan. Since March 8, 2021, the draft Redevelopment Plan has been available on the City’s website for review, along with an embedded public comment suggestion box, whereby, in addition to email messages, members of the public could submit feedback directly to City staff concerning the



Redevelopment Plan's contents. On March 8, 2021, the City conducted another virtual public meeting to present a summary of the draft Redevelopment Plan and conduct a public discussion with the community. The virtual event was attended by over 100 participants. In addition to social media and email announcements, the City again mailed a bilingual postcard flyer to over 22,000 North Beach households and commercial properties, inviting them to attend the public meeting, and encouraging them to review the draft Redevelopment Plan online and provide comment. The draft Redevelopment Plan and recordings of all the City's virtual meetings remain available for viewing at [www.miamibeachfl.gov/NorthBeachCRA](http://www.miamibeachfl.gov/NorthBeachCRA).

#### **D. Ad Hoc North Beach CRA Advisory Committee & Recommendations**

On January 13, 2021, the Mayor and City Commission created the Ad Hoc North Beach CRA Advisory Committee (Advisory Committee) via Resolution No. 2021-31560 (subsequently amended via Resolution No. 2021-31594) in order to ensure the continued participation by residents, business owners, and community representatives of the Redevelopment Area in connection with the North Beach CRA.

The Advisory Committee is tasked with advising the City Commission and Administration in connection with the North Beach CRA and proposed Redevelopment Plan. In accordance with the resolutions creating the Advisory Committee, the 7-member committee includes three members who live either within the Redevelopment Area or within 300 feet of its boundaries; a resident of North Beach outside of the Redevelopment Area; an owner of a business located within the CRA; a Miami Beach real estate industry professional; and a Miami Beach attorney (former City Attorney Jose Smith was appointed by the City Commission and has since been elected by the Advisory Committee as the Chair).

Since the members were appointed by the City Commission, the Advisory Committee has convened five times during publicly noticed virtual meetings. During the meetings, City staff and consultants have provided in depth presentations regarding the elements of the Redevelopment Plan and provided the Advisory Committee members the opportunity to ask questions and make recommendations, which by motion have been incorporated into the Redevelopment Plan. At every meeting, an opportunity is provided for the public to provide comment. Recordings of the meetings and all related agenda materials are available for viewing online at: [www.miamibeachfl.gov/northbeachcra](http://www.miamibeachfl.gov/northbeachcra).

On May 5, 2021, the Advisory Committee adopted two motions in support of the North Beach CRA. **The Advisory Committee voted unanimously to provide a favorable recommendation that the City Commission adopt the Redevelopment Plan. In addition, the Advisory Committee unanimously adopted a motion to provide a favorable recommendation that the City Commission approve the Interlocal Agreement (described in detail below).**



#### E. Planning Board Recommendation

As part of the process of preparing a redevelopment plan, the Community Redevelopment Act requires the North Beach CRA to submit the plan to the local planning agency for review and recommendations as to its conformity with the City's Comprehensive Plan for the development of the municipality as a whole. Pursuant to Section 163.360, Florida Statutes, only after receiving recommendations from the local planning agency may the CRA take action to adopt its redevelopment plan. Pursuant to Section 118-51(7) of the City's Land Development Regulations, the local planning agency is the City's Planning Board. On April 27, 2021, the Planning Board adopted Resolution No. PB 21-0434, finding that the proposed Redevelopment Plan is in conformance with the Goals, Objectives, and Policies of the Miami Beach 2040 Comprehensive Plan, as required by section 163.360, Florida Statutes.

#### F. Preliminary Review by Miami-Dade County

The City Administration has provided the draft Redevelopment Plan to Miami-Dade County staff for review and comment. Upon preliminary review, County staff suggested recommendations for inclusion in the Redevelopment Plan based on statutory requirements. The recommended changes were incorporated and discussed with the Advisory Committee and the Planning Board during public meetings.

#### Interlocal Cooperation Agreement

Simultaneous with the City's preparation of the Redevelopment Plan, in order to delineate their respective areas of responsibility with respect to the redevelopment of the Redevelopment Area, the City, North Beach CRA and County Administrations have negotiated an interlocal cooperation agreement, by and among the City of Miami Beach, the North Beach CRA, and Miami-Dade County (Interlocal Agreement), with said Interlocal Agreement attached hereto, in substantial form, as Exhibit "B".

The material terms of the Interlocal Agreement are as follows:

- One member of the County Commission, or a County Commission designee, may be appointed to serve on the North Beach CRA's Board of Commissioners (in addition to the other members appointed to the North Beach CRA's Board of Commissioners (i.e., the City Commission). Said County Commissioner, or designee, shall be vested with the same rights, duties and obligations as any other North Beach CRA Board member; and

- No more than twenty percent (20%) of the total tax increment funds deposited annually into the trust fund by the City and the County shall be used for total administrative expenses (including indirect and overhead expenses which may not exceed six percent (6%) of the total contemplated administrative expenses to be spent under the Redevelopment Plan); and
- The County shall charge, and the North Beach CRA shall pay to the County, no later than March 31, an annual administrative fee ("County Administrative Fee"). This County Administrative Fee shall be 1.5% of the County's payment to the North Beach CRA. The County Administrative Fee shall not be included in the (20%) limit on administrative expenses defined in this section; and
- The City and the County hereby agree to contribute 60 percent (60%) of the tax increment funds derived from the Redevelopment Area on an annual basis. Such contribution levels comply with County Commission Ordinance No. [     ]; and
- In each year in which the County and City shall make the tax increment fund contribution required by of the interlocal agreement, the North Beach CRA budget for expenditures funded by tax increment revenues shall be capped, so that an amount equal to the TIF revenues paid into the Trust Fund by the County and the City attributable to 10 percent (10%) of the incremental value in the Area, shall remain un-appropriated and un-expended, except for the purpose of funding projects associated with affordable and workforce housing and infrastructure improvements; and
- The North Beach CRA shall not budget in any fiscal year more than ten percent (10%) of the value of the City and County tax increment payment for that year on capital maintenance activities or community policing, respectively; and
- Beginning FY 2049-50, the County, North Beach CRA, and the City will negotiate an interlocal agreement to account for the sunset of the North Beach Community Redevelopment Agency and Area.

#### **SUPPORTING SURVEY DATA**

Consistent with the goals articulated in the North Beach Quality of Life Plan, the most recent City of Miami Beach Resident Satisfaction Survey noted that, among participants' highest priorities, are the condition and cleanliness of streets and efforts to manage stormwater drainage and flooding. Over 580 people participated during the charrette process and 74% of those who responded to polling expressed high interest in seeing North Beach CRA funds spent on resilience measures such as higher roads, drainage systems and pumps, and shoreline defenses.

### **FINANCIAL INFORMATION**

The adopted boundaries of the Redevelopment Area delineate the area within which tax revenue will be generated and captured during the 30-year life of the North Beach CRA, for expenditure on investments and projects that address the needs of the Redevelopment Area identified in the Finding of Necessity. Contributions by the City to the North Beach CRA Trust Fund will impact the General Fund by focusing tax increment revenue on the Redevelopment Area. Although the Redevelopment Plan provides insight into preliminary projections for tax increment revenue increases based on baseline assumptions, the Administration is hopeful that the tax increment revenue will be buoyed and then accelerated by economic development resulting from CRA initiatives. The Interlocal Agreement provides for material financial terms agreed upon by the City, North Beach CRA and Miami-Dade County.

### **CONCLUSION**

Significant effort and considerable public engagement have been devoted to developing the North Beach CRA Redevelopment Plan. Pursuant to Florida law, adoption by the North Beach CRA Board and City Commission is the required next step in order to proceed with implementation of the North Beach CRA. The Interlocal Agreement must be negotiated in order to create a trust fund that will make possible the Redevelopment Plan strategies in furtherance of the North Beach CRA's purpose.

Accordingly, the Administration recommends approval of the resolutions adopting the Redevelopment Plan, for ultimate transmittal of the Redevelopment Plan to Miami-Dade County. Further, the Administration recommends approval of resolutions authorizing the execution of the final, negotiated Interlocal Agreement, to then be transmitted for review and consideration by the Miami-Dade County Board of County Commissioners.

#### Attachments

Exhibit A      North Beach CRA Redevelopment Plan  
Exhibit B      Interlocal Agreement

EC RW