MIAMIBEACH

**City of Miami Beach,** 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

# COMMITTEE MEMORANDUM

TO: Finance and Economic Resiliency Committee

FROM: Alina T. Hudak, City Manager

DATE: June 23, 2023

SUBJECT: **Update from the Economic Development Department regarding Steps Taken to Improve Business Retention and Attract New Business**

## HISTORY:

The mission of the Economic Development Department (the "Department") is to establish, maintain, and grow the City's business community by promoting the City's image, supporting businesses, and creating a diverse economy for our dynamic and resilient global community. The previous comprehensive quarterly update to the Finance and Economic Resiliency Committee (the "Committee") appeared with the February 17, 2023 agenda. This memorandum has been updated since deferral from the May 24, 2023 agenda.

## ANALYSIS:

### i. Revitalize Targeted Areas and Increase Investment

#### a. Ocean Drive Corridor / Lummus Park (G.O. Bond Project No. 31)

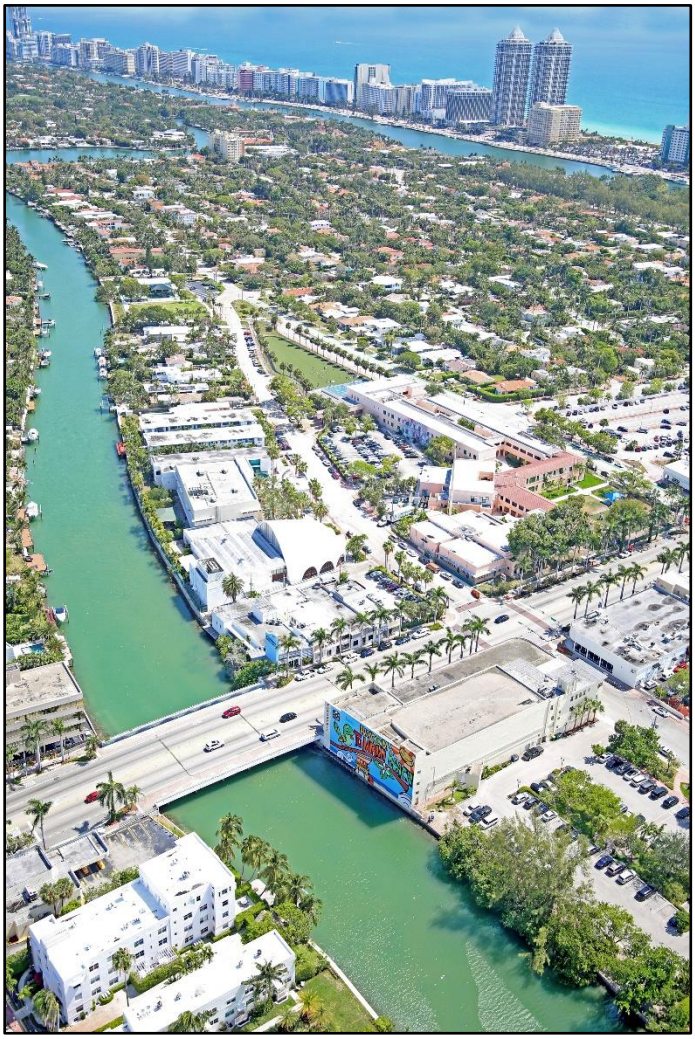
On February 23, 2022, via Resolution 2022-32056, the Mayor and City Commission accepted, in concept, the Art Deco Cultural District ("ADCD") Vision Plan and authorized the preparation of a Request for Qualifications (RFQ) for design and construction administration services related to G.O. Bond Project No. 31 (Ocean Drive Corridor), including Lummus Park. On June 22, 2022, the City Commission authorized issuance of RFQ 2022-436-ND for Architectural Design Services for the Ocean Drive Corridor Improvement and Lummus Park Enhancement Project and on October 26, 2022, the Resolution 2022-32340 authorized negotiations with the top-ranked proposer, Calvin Giordano & Associates (CGA). At present, the Administration has concluded contract

negotiations with CGA and an agreement is being executed by the City. The Administration anticipates formal commencement of design services in the next 30 days.

### b. 41st Street Corridor / Mid Beach

#### i. Streetscape Revitalization (G.O. Bond Project No. 40)

The 41st Street Streetscape Revitalization project is in the schematic design phase and the City's engineering consultant, Brooks + Scarpa, developed a 3-D contextual model of the 41st Street corridor. A draft concept was presented to stakeholders and the public in early 2023, with comments from these meetings then incorporated. The City received 30% Design Development drawings in April 2023, which were presented to the Mayor's Blue Ribbon 41st Street Committee at its May 11, 2023 meeting. With review by the Design Review Board targeted for September 2023 or sooner, and final construction documents targeted for Spring 2024, the design plans will then undergo permitting and review by the City, Miami-Dade County, and the Florida Department of Transportation (FDOT). Construction is anticipated to commence in Winter 2024 and targeted for completion in Summer 2026. The project is being administered by the Office of Capital Improvement Projects with community engagement assistance provided by the Economic Development Department.



#### ii. 41st Street BID Formation

On March 27, 2023, the Mayor and City Commission adopted Resolution No. 2023-32544, creating, subject to the approval of affected property owners, a special assessment district to be known as the 41st Street Business Improvement District (the "BID"), generally consisting of properties abutting West 41st Street/Arthur Godfrey Road

between Alton Road and Indian Creek Canal. On April 28, 2023, the City Commission authorized a special mail ballot election to determine if affected property owners desire to be assessed as a BID. On May 17, 2023, the Mayor and City Commission set a public hearing for July 26, 2023, for the community to comment on the proposed BID, subject to a majority of property owners voting to approve BID creation. The election is currently underway from June 5 – June 27, 2023.



, Following the public hearing on July 26, 2023, which is contingent upon the outcome of the election, the City Commission will vote to levy annual assessments upon BID member properties. Throughout the BID formation process, the Department has worked with the Offices of the City Attorney and City Clerk, to assist the BID steering committee prepare the necessary documentation for presentation to and consideration by the City Commission. Pending the outcome of the election and ratification by the City Commission, the Department will negotiate a Memorandum of Understanding to delineate the responsibilities of the BID and the City.

#### iii. Request for Letters of Interest: 41st Street Mixed-Use Development

At the request of the Mayor's 41st Street Blue Ribbon Committee, City Commission Resolution No. 2022-32087 authorized issuance of a Request for Letters of Interest (RFLI) for Mixed-Use Developments on City-owned Parking Lots near 41st Street. The Administration conducted community outreach to solicit input from residents and members of the public, prior to targeting the real estate development community via the RFLI. On April 21, 2023, the City issued RFLI-2023-435 with a response due date of June 9, 2023. The Office of Marketing and Communications has assisted with a digital media campaign promoting the RFLI and linking directly to online the Procurement portal via BidSync: https://www.miamibeachfl.gov/business/doing-business-with-mb/rfli/.

### c. Commercial Lease Subsidy Pilot Program

In an effort to address challenges associated with the commercial character of the ADCD, the City Commission endorsed a strategy promoting the cultural arts and discouraging nonconforming uses that undermine the City's long-term vision for the district. City Commission Resolution No. 2022-32207 authorized the Commercial Lease Subsidy Program, to be implemented within the Art Deco/Miami Modern Commercial Character

Overlay District and intended to encourage activities that elevate arts and culture and incentivize property owners to move away from nonconforming business models.

The Department has developed an application form and agreement in accordance with the program guidelines approved by the City Commission. Eligible businesses may receive a reimbursement of monthly expenses related to rent or mortgage payments, real estate taxes or other eligible expenses in an amount up to $20,000 per year for three (3) years contingent upon annual funding appropriation and compliance with city requirements. The program will launch in June 2023 and the application and program guidelines will be accessible online.



**d. Vacant Storefront Cover Program**

In 2021, the Department relaunched the Vacant Storefront Cover Program, to improve the appearance of commercial corridors by assisting property owners with covering vacant storefronts with preapproved artistic designs. Voluntary participation in the program is fully subsidized by the City and at no cost to property owners. In collaboration with the Code Compliance Department, the Department conducts outreach and recruitment, with significant progress made in expanding the program into Mid-Beach and North Beach.

The Department provides ten (10) design options available for participating businesses to choose among. The new designs were developed by the Marketing and Communications Department, approved by the Planning Department, and inspired by the Department's award-winning *Make a Bold Move* business attraction marketing campaign.

In FY 2023, the Department has added 28 new properties as program participants, broken down as follows:

- South Beach: 23 storefronts
- Mid-Beach: 3 storefronts
- North Beach: 2 storefronts

### e. North Beach Community Redevelopment Agency

On September 28, 2022, the Fiscal Year (FY) 2023 Budget of the North Beach Community Redevelopment Agency (North Beach CRA) was approved via Resolution No. 007-2022. As recommended in the North Beach CRA Redevelopment Plan, budgetary planning during the initial years should focus on short-term initiatives that are impactful and visible to the public, for example, addressing existing property deficiencies or marketing and branding efforts. The CRA is also empowered to and currently providing funding support for community policing innovations, which has proven to be a useful tool in protecting neighborhoods and improving quality of life. On May 10, 2023, with representatives from the City Administration in attendance, the Miami-Dade County Airport and Economic Development Committee (AEDC) recommended approval of the CRA's FY 2023 Budget. On June 21, 2023, the Miami-Dade County Board of County Commissioners is slated to consider approval of the Budget, as required by Florida law.

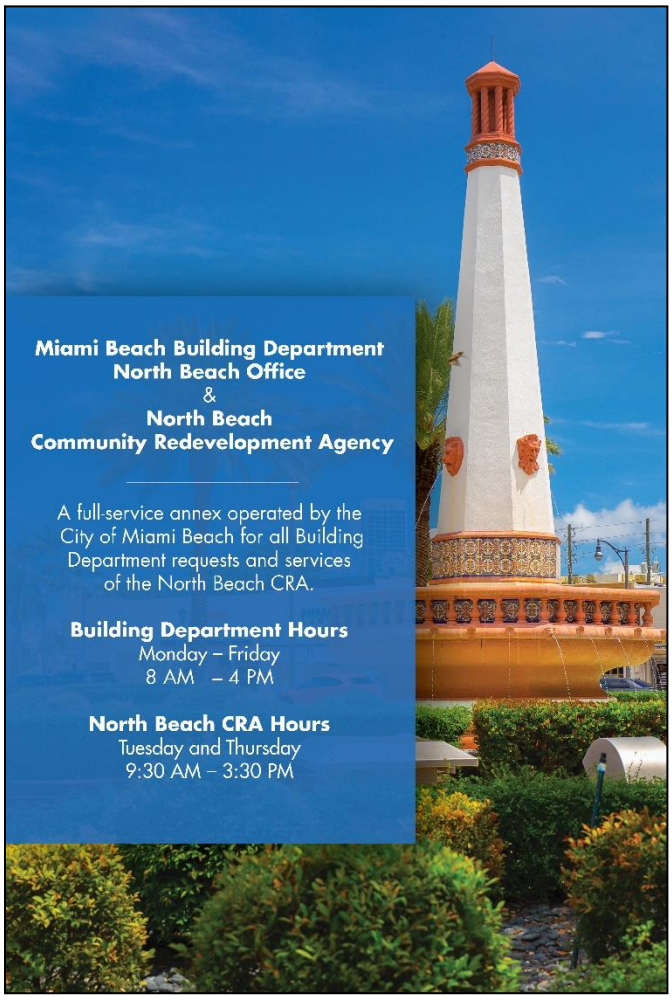
The Department provides management and coordination for the North Beach CRA, including staff support for the Ad Hoc North Beach CRA Advisory Committee (Advisory Committee). On February 1, 2023, City Commission Resolution 2023-32455 extended the duration of the Advisory Committee for 12 months. Commissioner Laura Dominguez has sponsored an ordinance, approved on first reading by the City Commission on May 17, 2023, to codify the body as a permanent Commission Committee. A public hearing is scheduled to occur with second reading of the ordinance on June 28, 2023.




### i. North Beach CRA District Office

The North Beach CRA District Office, located at 962 Normandy Drive, continues to generate presence within the CRA Redevelopment Area, offering constituent services and assistance on Tuesdays and Thursdays from 9:30 am to 3:30 pm. Department staff serve as an informational resource guide during inquiries by telephone and in-person from

Miami Beach residents and businesses in regard to all topics relating to redevelopment and economic development. Staff conducts site visits and field canvassing with City departments providing municipal services throughout the CRA district and attend community events, such as activations by the Normandy Fountain Business Association, to promote the CRA and its efforts to elevate the community.




**ii. Beautification Incentives: Commercial Façade Improvement Program and Residential Property Improvement Program**

On May 24, 2023, the FERC transmitted a favorable recommendation for two (2) proposed CRA programs, a Commercial Façade Improvement Program and Residential Property Improvement Program, initially targeting properties in the vicinity of Normandy Fountain/Rue Vendome Plaza. As approved in the North Beach CRA FY 2023 Budget, the programs aim to enhance and improve the district's existing building stock by helping subsidize private property maintenance and resiliency upgrades.

The FY 2023 Budget includes $110,000 for the Commercial Façade Improvement Program, which will assist commercial properties, and $100,000 for the Residential Property Improvement Program, which will target the district's multifamily housing stock within the program area. As initially proposed, both programs will be structured as a reimbursable matching grant incentive available to properties in the vicinity of Normandy Fountain/Rue Vendome Plaza.

The Advisory Committee provided the Administration with feedback for developing the Commercial Façade Improvement Program, whose intended objective is to substantially improve the visible appearance of commercial buildings, which will sustain existing businesses and attract new ones. On June 28, 2023, the North Beach CRA Board will consider formal creation of both programs.

## ii. Real Estate Assets and Joint Development (Public-Private-Partnerships)

### a. Collins Part Artist Workforce Housing Project

On January 13, 2021, the City Commission authorized a ground lease and development agreement with housing developer Servitas, LLC, for the public-private partnership known as the Collins Park Artist Workforce Housing Project. On May 17, 2023, the Mayor and City Commission adopted Resolution No. 2023-32619, authorizing additional City financial support for the Project to close a funding gap, which proved necessary to secure commitment from bond market investors. The Administration has regularly updated the City Commission via Letter to Commission (LTC). Most recently, LTC 254-2023 shared that financial closing for the Project would occur on June 15, 2023, with groundbreaking anticipated soon after.

## iii. Business Assistance, Business Attraction, and Market Research

The Department remains active with internal and external collaborations and partnerships that position the City as a meaningful participant in the technology and financial services ecosystem of Miami-Dade County. The Department engages with local organizations to market, recruit, and retain business and talent, such as our partnership with the Miami-Dade Beacon Council, that is characterized by mutual support and leverage of each other's effort.

### a. Expedited Plan Review and Permitting Incentive Program

Pursuant to Resolution No. 2021-31619, the Mayor and City Commission authorized the creation of the Expedited Plan Review and Permitting Incentive Program, a no-cost incentive intended to encourage targeted relocations or expansions and associated development among technology and financial services firms as well as corporate headquarters (including regional headquarters) for any industry. Building permit applications for office uses that support the targeted industries are eligible for a 10-business day plan review and permitting process.




Most recently, the famed American broadcasting company, Sirius XM, provider of satellite and online radio services and headquartered in New York City, opened doors within the Starwood Capital headquarters at 2340 Collins Ave, assisted by the Expedited Plan Review and Permitting Incentive Program. The state-of-the-art broadcast center features a 50-seat performance space and several artist-first radio and recording studios, in addition to office space for marketing and business employees. With 150 full-time channels to over 34 million subscribers, the satellite-radio broadcaster hopes to take advantage of the city's growing cultural capital as a high-end destination and increase its Latin-music footprint.

### b. Job Creation Incentive Program

The Job Creation Incentive Program (JCIP) is a performance-based financial incentive developed to attract targeted companies and expand existing businesses within Miami Beach, while also increasing the number of quality, high-wage jobs in the city. To receive the incentive, the JCIP participant must create or relocate a minimum of ten (10) new, fulltime equivalent jobs with average annual wages meeting or exceeding 125% of the Miami-Dade County or State of Florida average wage, whichever is higher. The Department continues to work closely with existing JCIP participants, providing them with the support needed to expand operations and create new job opportunities in Miami Beach.

JCIP participant Siebert Financial Corporation moved into their permanent location on April 20, 2023.

### c. Parking Incentive Program for Business Attraction and Retention




The City Commission adopted Resolution 2022-32185, authorizing a pilot Parking Incentive Program aimed at business attraction and retention. Subject to annual budget appropriation, the program will provide a financial incentive to participating businesses to defray the cost of public or private parking access. With participation contingent upon City Commission approval, the program is targeted towards businesses within the hospitality, technology, financial services, and health and wellness industries. Over the course of the three (3) year pilot program, a participating business may receive a maximum incentive of approximately $58,320, the value of up to twenty (20) monthly access cards. Such amount is inclusive of up to approximately $25,920 in year 1, $19,440 in year 2, and $12,960 in year 3, as may be increased from time to time based on approved City parking rates. The program application and guide will be released in Summer 2023.

### d. Monthly Commercial Business Engagements




The Department regularly attends business association meetings and performs monthly visits of commercial corridors, speaking face-to-face with business owners and staff. The Department canvasses commercial areas throughout North Beach, Mid-Beach, and South Beach, to engage in informal conversation, maintain relationships, and educate about City resources, including business concierge services, the Vacant Storefront Cover Program, and small business grants.

During March 2023, the Department, in conjunction with the Neighborhood Affairs Division, performed businesses outreach to commercial retail, restaurant, and hospitality establishments within the Art Deco Cultural District (ADCD), to inform about Spring Break procedures, Miami Beach Live! programming, and receive

business operator feedback. Canvassing within the ADCD occurred again for Memorial Day Weekend, where the Department, with support from Neighborhood Affairs and Code Compliance, visited 200 commercial establishments. In addition, the Department recently visited businesses along 41st Street and Alton Road (5th - 20th Streets), speaking with owners and staff at over 20 businesses on each corridor about how the City can better serve their needs.

### e. Small Business Incubator and Accelerator Program

Economic diversification in Miami Beach includes appealing to the next generation of innovators and business leaders. One method to achieve this is with a business incubator or accelerator program. A business incubator or accelerator, such as Moonlighter FabLab, provides services to new and/or existing business ventures to boost their scale and development.



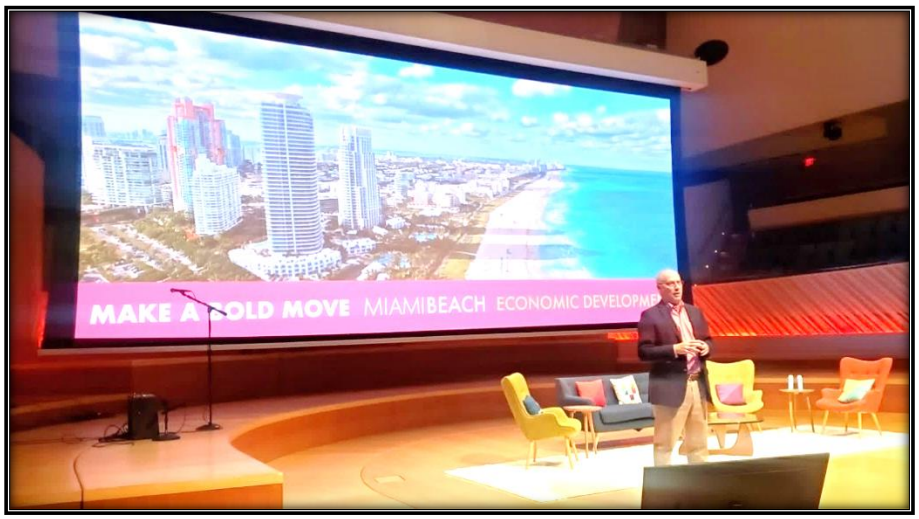

The Department is in the planning stages of a Miami Beach incubator/accelerator program to serve Miami Beach businesses by leveraging the services and acumen of local, regional, and national resources, such as educational institutions and recognized training facilitators. In February 2023, the Department issued a Request for Proposals (RFP) for a feasibility study to inform the preparation of the program. The feasibility study will provide insight into the organizational structure necessary to identify best-in-class incubation/acceleration models and identify gaps in services essential for Miami Beach businesses to succeed and be competitive. RFP submittals were due on March 17, 2023, and the Department is currently in discussion with a respondent to begin performance on the feasibility study in June 2023.

In addition, the Department is partnering with Florida International University (FIU) to provide business technical assistance and workshops to Miami Beach businesses and to assist Miami Beach develop a long-term business assistance plan.

### f. Business Attraction Marketing and Public Relations Campaign

#### i. Media Campaign

The Department plans to continue efforts, in collaboration with the Marketing and Communications Department, to cascade the award-winning public relations and marketing campaign, **Make A Bold Move**, that promotes and enhances the city's efforts at attracting local, regional, and national businesses and entrepreneurs. The campaign's objectives are to attract and create high-paying jobs, entice new and existing local talent, fill vacant office spaces, and showcase Miami Beach's assets, attractions, and incentive programs by marketing Miami Beach as a top business destination. The campaign's strategy highlights the nationwide trend of companies relocating and expanding to more livable cities, as the popularity of alternative work options and telecommuting continues.




The primary target audience are decision-makers and talent within the technology, financial services, and other high-wage industries, with the goal of recruiting and attracting businesses that will meaningfully contribute to the prosperity of our beautiful city.

#### ii. Recent Press Coverage and Monthly Business Newsletter

*Media Coverage*. A selection of recent City of Miami Beach press releases and pertinent media articles are attached as Exhibit A.

*E-Newsletter*. The Department's monthly business e-newsletter, originally launched in June 2021, continues to excel at digital marketing performance, with:

- 51% average open rate (above the 29% industry average),
- 634 newsletter subscribers (quadrupling in reach since initial publication).

A sample of recent content from the monthly newsletter is attached as Exhibit B.

*Website*. The Department's MBbiz.com website is updated regularly to provide business assistance resources for the community, including current employment and labor statistical data powered by Local Intel, an advanced retail data technology provider. The Department is in the process of a website redesign inspired by the marketing campaign.



### iii. Community Programming, Events, Tradeshows, and Conferences

The Department continues to develop and execute its plans for active engagement at local technology and business conferences this year with heightened visibility through exhibition space rental and the distribution of collateral and promotional material.

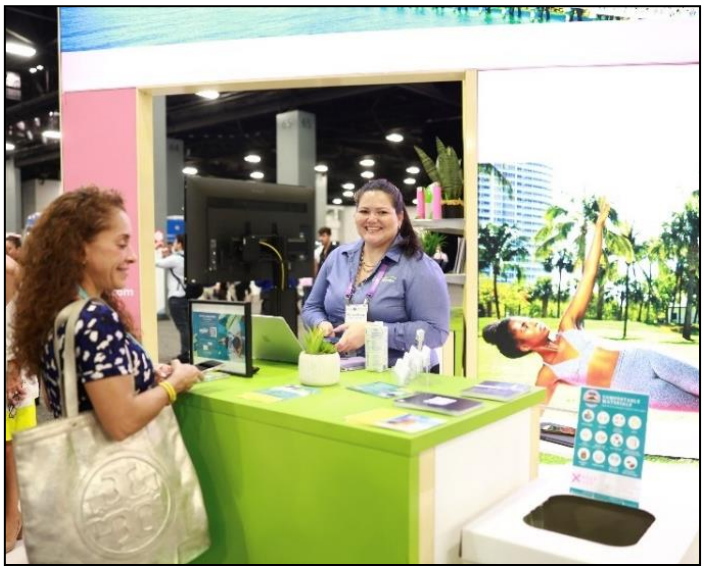



The Department attended the Global Arts / iConnections conference at Fountainebleau Miami Beach and the eMerge Americas conference at the Miami Beach Convention Center, both featuring remarks delivered by Mayor Dan Gelber. For the first time ever, representatives of the Department attended South by Southwest (SXSW) in Austin, Texas, to promote Miami Beach and to learn about the latest trends in business and entrepreneurship, culture, and health and tech industry enterprise. Most recently, Miami Beach has hosted Bitcoin 2023 and TEDxMiami 2023, bringing together influential minds in blockchain technology and cryptocurrency with thought leaders of diverse backgrounds to share ideas on forging a better future. Miami Beach's sponsorship and active participation in these events underscore its commitment to

fostering innovation and entrepreneurship, attracting talent to the city, and driving economic growth and innovation.

January – February 2023:

- Women in Leadership in Business & Government, Miami Beach Chamber of Commerce, Rickelle Williams, panelist
- iConnections/Global Alts Conference, Fountainebleau Miami BeacheMerge Thought Leadership Series "Blacks in Tech", Rickelle Williams, moderator, Grown, Sunset Harbour
- TheVentureCity, New World Center
- Normandy Fountain Business Association activations "PawPalooza"; "Festival of the Trees"; and "Taste of the Fountain"



March – April 2023:

- South by Southwest (SXSW), Austin, Texas
- eMerge Americas, Miami Beach Convention Center
- Spring Break business canvassing and outreach, Art Deco Cultural District
- MBPD Block Party, Prairie Avenue, Mid Beach



May 2023:

- TedXMiami, New World Center
- International Economic Development Week event, “Cafecito at City Hall”
- Bitcoin Miami 2023, Miami Beach Convention Center




### g. CDBG-CV Business Assistance

The City Commission’s original allocation of Community Development Block Grant Coronavirus (CDBG-CV) funds in June 2020 provided 14 small businesses with reimbursement up to $10,000 for business expenses.

In October 2020, the City Commission allocated an additional $600,000 in CDBG-CV funding for the Emergency Small Business Reimbursement Grant Program, to assist small businesses and microenterprises with reimbursement of up to $20,000 of eligible business expenses. As detailed in LTC 203-2023, during a now-complete second cycle launched in January 2021, the Administration awarded thirty-three (33) qualified business grants as follows:

- 17 businesses in the Job Creation/Retention category;
- 16 businesses in the Microenterprise category;
- 22 businesses in South Beach;
- 5 businesses in Mid-Beach; and
- 6 businesses in North Beach.

## Conclusion

The Department continues to provide small and larger-scale programs, services, and resources to foster and promote economic investment, business welfare, and quality of life in Miami Beach. The Department will continue to administer funding, allocated by the City Commission, for small business assistance in furtherance of the Department's objective of providing for the growth and vitality of the business community and strengthening the Miami Beach economy.

