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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: February 23, 2024

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/brand, supporting businesses and entrepreneurs, and creating a diverse, sustainable economy for our dynamic and resilient global community. The most recent quarterly update to the Finance and Economic Resiliency Committee (the "Committee") appeared in the October 23, 2023 agenda.

ANALYSIS

I. Revitalize Targeted Areas and Increase Investment

a. 41st Street Streetscape Revitalization Project

The 41st Street Streetscape Revitalization project (G.O. Bond Project No. 40) is intended to revitalize the streetscape corridor through improvements to hardscape, landscape, lighting, street/pedestrian furniture, and gateway/public art features, with a focus on pedestrian mobility, safety, and community aesthetics. The project is administered by the Office of Capital Improvement Projects (CIP) with community engagement assistance provided by the Department.



In July 2023, the Design Review Board (DRB) recommended approval of design development drawings during its advisory review of the project, which is currently in the 60% design phase.



During a pre-application meeting with the Florida Department of Transportation (FDOT), FDOT provided comments that require substantial revisions to the design concept prior to applying for a permit. To address the FDOT requests, the City's consultants, Brooks and Scarpa, have completed sketches of the proposed revised design for presentation to FDOT. Efforts to address FDOT's concerns and incorporate requested modifications will extend the design process by approximately four (4) months. The project team projects 90% design completion in Fall 2024, with construction anticipated to start in mid-2025.

b. Mayor's 41st Street Blue Ribbon Committee

The 41st Street committee is an ad hoc committee created in 2018 to study and make advisory recommendations on how to improve the experience for residents and visitors on 41st Street, a major gateway into Miami Beach. Over the past quarter, the Committee has highlighted residents' interest in traffic and mobility solutions, and discussed issues including 1) traffic measures to improve road travel throughout the corridor, 2) championing for innovative public safety and community policing measures on 41st Street, 3) advocating for the 41st Street Corridor Streetscape Project, and promoting "Love 41st Street" campaign, that led to a citywide campaign.



41st Street



Citywide

c. 41st Street BID

On March 23, 2023, via Resolution No. 2023-32544, the Mayor and City Commission created the 41st Street Business Improvement District (the "BID"). With Mayor Meiner as legislative sponsor of the BID formation effort and with assistance from the Economic Development Department and City Attorney's Office, the City Commission's authorization was subject to majority approval of 41st Street commercial property owners, who expressed their support in the June 2023 mail ballot election administered by the City.

The Department attended the BID's first membership meeting on December 12, 2023, where BID membership selected its inaugural board of directors and executive director and began discussing initial priorities for 41st Street leadership. The Finance Department has already begun administering the assessment collection process, to generate funding for the services and activities outlined in the BID's first annual budget, approved by the City Commission via Resolution No. 2023-32544. The BID's next steps include promotional outreach and engagement, surveying property owners and visitors, cataloging member-property data, and developing its organizational strategy for the 41st Street corridor.

d. Ocean Drive Corridor Improvement/ Lummus Park Enhancement Project

Following completion of the Art Deco Cultural District ("ADCD") Vision Plan, the Mayor and City Commission authorized Request for Qualifications (RFQ) 2022-436-ND for Architectural Design Services in conjunction with the Ocean Drive Corridor Improvement and Lummus Park Enhancement Project (G.O. Bond Project Nos. 31 and 8). The City engaged top-ranked proposer Calvin Giordano & Associates (CGA), who assisted City staff in discussions with the Miami-Dade County Department of



Transportation and Public Works (DTPW) and the Florida Department of Transportation (FDOT) regarding the traffic study needed to inform the planning process. Presently, the traffic study methodology has been finalized with DTPW and is pending finalization with FDOT. The options for the Ocean Drive configuration are expected to be finalized following the completion of the Traffic Study.

In the interim, the Administration continues to meet with DTPW staff to coordinate a temporary accommodation of the Ocean Drive Pedestrian Plaza (Promenade). Ocean Drive stakeholders and Miami Beach community members, polled by the City, overwhelmingly expressed support for the pilot initiative, which is limited to Ocean Drive between 13 Street and 14 Place. On January 30, 2024, DTPW approved a Block Party Permit for the Promenade, allowing temporary activation for 180 days while the City and County undertake measures to assess the feasibility of a permanent road closure.

e. Commercial Lease Subsidy Pilot Program

The Mayor and City Commission created the Commercial Lease Subsidy (CLS) Program to enhance the commercial character of retail properties in the Art Deco/Miami Modern Commercial Character Overlay District (the "ADCD"). Using an incentive grant to defray commercial leasing costs, the pilot program aims to promote arts and culture and family-friendly commercial activities, while encouraging property owners to transition away from nonconforming business models.

Applicants selected by the City Commission are eligible for monthly reimbursement of leasing-related expenses, such as lease or mortgage payments, insurance costs, and real estate taxes, in an amount of up to $20,000 per year (for a total of three (3) years). In addition, participants will be reimbursed the cost of the City's annual business tax receipt (BTR).

The Department is working with business industry partners for targeted outreach efforts, including an upcoming informational webinar for ADCD commercial property owners anticipated to occur on February 29, 2024. Program information may be accessed at MBbiz.com and interested businesses and property owners are encouraged to contact MBbiz@miamibeachfl.gov.



CLS PROGRAM BOUNDARIES

f. North Beach Community Redevelopment Agency

The North Beach Community Redevelopment Agency's (North Beach CRA or NBCRA) Fiscal Year (FY) 2024 Operating Budget experienced measurable growth over the previous year, representing a substantial increase in tax increment for the NBCRA district. As approved by the North Beach CRA Board and the City Commission, the FY 2024 NBCRA Budget includes additional program funding for the North Beach CRA's two (2) grant programs, the Commercial Façade Improvement Program and Residential Property Improvement Program.



(i) Commercial Façade and Residential Property Improvement Programs

To date, the staff has received five (5) *Intent-to-Apply* submissions from interested commercial businesses, as well as one (1) complete application, which was shared with the NBCRA Advisory Committee and is expected to be included on the March 13, 2024 NBCRA Board meeting agenda.

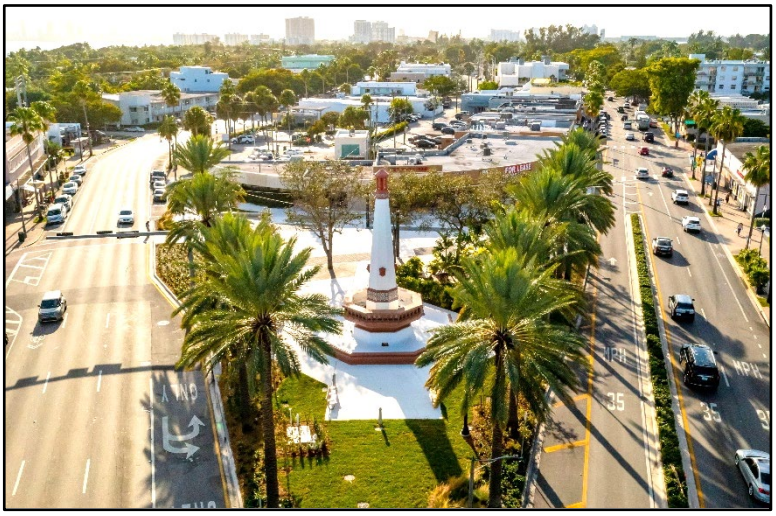
Staff continues to identify additional eligible candidates and promote the program online and at North Beach community and business events. As with all grants administered by the Department and NBCRA staff meet virtually or in-person with every applicant, to walk candidates through the online application procedure and explain required application documents.

(ii) North Beach CRA District Office

The North Beach CRA District Office, 962 Normandy Drive, continues to welcome residents, entrepreneurs, businesses and interested stakeholders. The Department/NBCRA team members serve as an informational resource for all topics relating to economic development, redevelopment and Miami Beach and are available, in person, on Tuesdays and Thursdays from 9:30 am to 3:30 pm, and as needed by appointment. The District Office contact information is 305-673-7090 and nbcra@miamibeachfl.gov.

(iii)Normandy Fountain Enhanced Activation

At the Committee's request, the Administration identified potential pilot options for enhancing episodic public seating at Normandy Fountain, to assess economic viability of a City investment in furniture to benefit patrons of the adjacent businesses and the general public. City staff collaborated with the Normandy Fountain Business Association (NFBA) and Rue Vendome Plaza businesses, to ascertain the interests and concerns of stakeholders and benefits and challenges for the community.



At its September 22, 2023 meeting, the Committee requested the Administration explore expanding an existing agreement with the NFBA, a regarded community partner, to potentially assume responsibility for the maintenance and operation of pilot seating activation. Staff has since met with the NFBA and formulated a framework, for a pilot initiative, to test additional seating activation operated and managed by NFBA and business operators at the Plaza. The pilot would include moveable seating/furniture made available for use weekly in the evenings on Thursday and Friday, mornings, afternoons and evening on Saturday and Sunday and during NFBA events.

The Department provided an update, via a Committee Memorandum, published with the October 2023 FERC Committee agenda. The item was not discussed by the Committee at the October 2023 FERC meeting.

The City Administration shared potential dining furniture options, costing approximately $3,500 for three (3) table sets (each with two chairs and an umbrella), with the NFBA. The options were enthusiastically supported by NFBA and three (3) Normandy Plaza restaurant operators abutting the Normandy Plaza.. The Administration requests the Committee consider whether to make a City Commission recommendation regarding potential implementation of the pilot program.

g. Vacant Storefront Cover Program

The Vacant Storefront Cover Program seeks to improve the appearance of commercial corridors by assisting property owners in covering vacant storefront façades using preapproved artistic



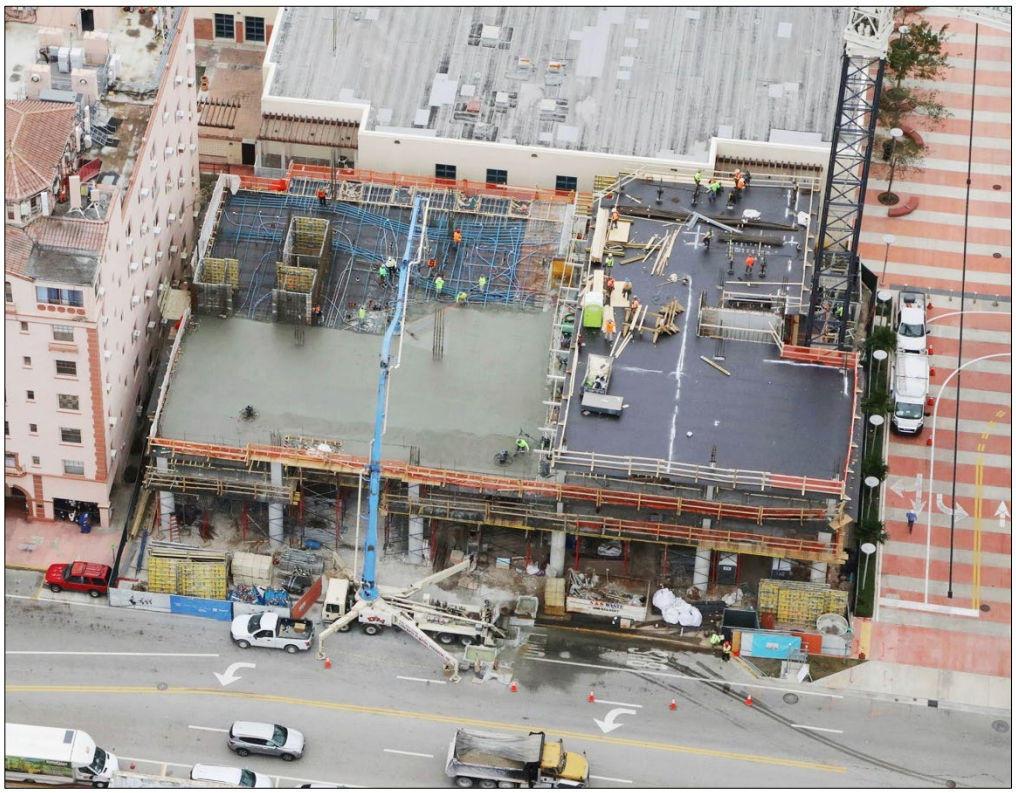
1201 71 Street

designs inspired by the Department's award-winning *Make a Bold Move* business attraction marketing campaign. Participation is voluntary and at no cost to businesses, and is fully subsidized by the City. The Department conducts outreach and recruitment for the voluntary program.

To date in FY 2024, the Department has added eight (8) new participants to the Vacant Storefront Cover Program with five (5) in the North Beach area. To extend the Program's impact on commercial corridors, the Department is actively conducting outreach and analysis of existing Program participants, to collect occupancy data and provide support with commercial leasing efforts.

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

The City has demonstrated a strong commitment to addressing the critical issue of housing affordability throughout Miami Beach, through a series of strategic initiatives and policy measures, including the enactment of targeted zoning incentives and the allocation of City resources to support housing projects in collaboration with nonprofit partners. These measures reflect the City's to meeting residents' diverse housing needs and contributing to the socioeconomic stability of the community.



a. Collins Park Artist Workforce Housing Project

On July 27, 2023, the City broke ground on the innovative workforce housing complex that will support the Miami City Ballet's dance education program and prioritize income-eligible artists, educators, first responders, veterans, and other Miami Beach employees. The Department continues to oversee the development agreement in collaboration with CIP and other City colleagues. Partially funded by the voter-approved General Obligation (G.O.) Bond Program for Arts & Culture, more than one-third of the construction is complete, with vertical "topping off" expected in Spring 2024. The seven-story building is targeted for completion in Spring/Summer 2025.

b. Request for Proposals (RFP) No. 2023-118-KB (Barclay Plaza Apartments)

Pursuant to City Commission direction on September 13, 2023, the City has been in discussion with the sole proposer of RFP 2023-118-KB (the "RFP"), for redevelopment of the historic Barclay property, located at 1940 Park Avenue in the heart of the City Center. The City Commission has expressed an interest in redeveloping the property for workforce and/or affordable housing, possibly in partnership with the Housing Authority of the City of Miami Beach ("Housing Authority"). An item is anticipated on the Committee's February 23, 2024 agenda to discuss whether the public interest is best served by negotiating redevelopment and operation of the property with a P3 partner per the RFP, or alternatively, forgoing the RFP process and directing the City to manage redevelopment of the property, with operations, once developed, overseen by either the City or a nonprofit partner like the Housing Authority.

III. Business Assistance, Business Attraction, and Market Research

The Department is actively engaging with internal and external thought-leaders, influencers, stakeholders, industry experts, to develop collaborations and partnerships that position the City as a viable destination within the technology and financial services ecosystem of Miami-Dade County, Florida and as a gateway to South America. The Department engages with local, regional and national organizations to market, recruit, and retain business and talent, such as our partnership with the Miami-Dade Beacon Council, Miami-Dade Economic Advocacy Trust, Miami Beach Chamber, Miami Beach business associations and business improvement district (BIDs) among others to mutually support programs, ideas, resources and leverage efforts.

a. GoSmart Business Grant Application Process

In 2023, the Department and the North Beach CRA consolidated their grant programs onto the GoSmart online grants management platform, an initiative to create a user-friendly application experience. A one-stop-shop for all Department grant applications, the process is simple and provides ease of use for both the applicant and grant application reviewer. The GoSmart platform streamlines the application process and ensures consistency and transparency in the grant reporting process, underscoring our unwavering commitment to efficiency, user-centricity, and excellence in grant management for Miami Beach businesses. To explore our comprehensive grant offerings, visit MBbiz.GoSmart.org.



b. Expedited Plan Review and Permitting Incentive Program

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. Applicant PennantPark, a financial services firm, received its Certificate of Occupancy (CO) and Business Tax Receipt (BTR). The program continues to be a sought-after incentive for new to market businesses and has generated interest in vacant South Beach properties, including the Siebert Financial Services firm which now occupies 653 Collins Avenue.

c. Job Creation Incentive Program

The Job Creation Incentive Program (JCIP) is a key element of Miami Beach's economic strategy. JCIP appeal is rooted in encouraging the growth of select ventures and facilitating the continued success of established businesses in Miami Beach. The program's foundational principle is to



entice the establishment of high-caliber, skilled and competitively compensated positions to Miami Beach. To be eligible, businesses must demonstrate dedication to fostering employment through the initiation or transfer of a minimum of ten (10) new full-time positions. These roles should enhance the employment landscape and provide annual wages surpassing 125% of the established averages of either Miami-Dade County or the State of Florida, with the higher of the two being the benchmark.

The Department strategically utilizes the "Make a Bold Move" campaign imagery and messaging on a variety of channels (including radio, print and digital), creative collateral, and purposeful event participation to enhance the visibility and appeal of the JCIP. The campaign, detailed in the attached recap document, actively supported business relocation incentives, including JCIP. See **Exhibit A (2023 Marketing Recap).**

The Make a Bold Move promotional video reel may be accessed at https://www.miamibeachfl.gov/wp-content/uploads/2024/02/MBC-MABM-PHASE_02-BUSI-16x9-1.mp4.



Our efforts extend beyond traditional marketing as we introduced a diverse range of meticulously crafted collateral. These materials aim to clearly articulate the numerous advantages of JCIP, providing businesses with compelling reasons to participate in the program.

Additionally, during the first quarter, the Department is refreshing and recalibrating the strategic goals of the program to correspond with market appetite and ensure that the Department and its initiatives remain aligned with real-time changes in the City's economic landscape. By staying agile and responsive to evolving dynamics, the Department intends to continue contributing meaningfully to Miami Beach's economic development and job and talent creation.

d. Monthly Commercial Business Engagements

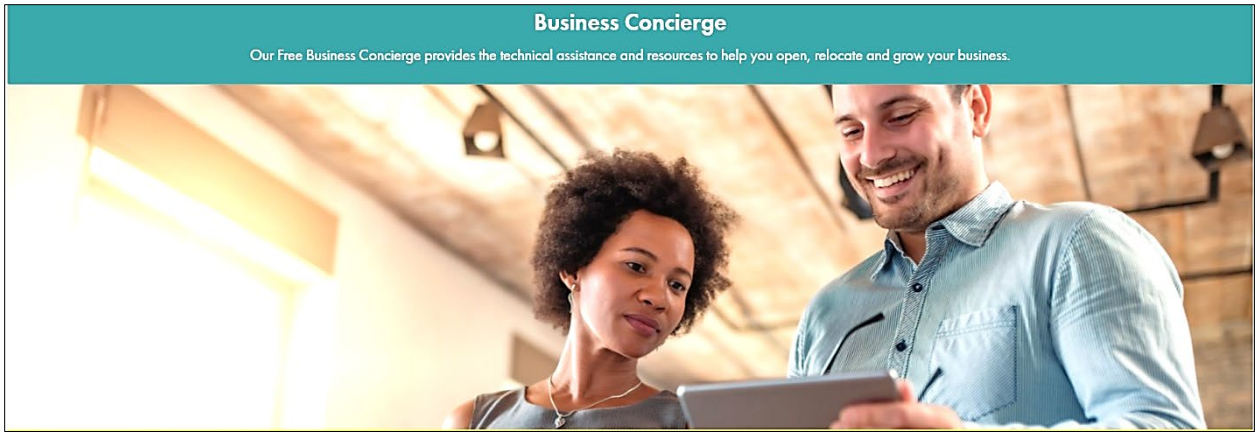
The Department regularly attends business association meetings and conducts monthly business community visits within commercial corridors, speaking face-to-face with business owners, staff and customers. The Department canvasses commercial areas throughout North Beach, Mid-Beach, and South Beach, to engage in informal conversation, develop and maintain relationships, and educate about City resources, including business concierge services, the Vacant Storefront Cover Program, and small business grants. In addition to business canvassing, the Department's regular engagement efforts include conducting surveys, sending welcome certificates to



new businesses (743 in FY 23), attending stakeholder workshops and meetings and collaborating with the Miami Beach Chamber on ribbon-cutting ceremonies and welcome events for new and expanding businesses.

e. Small Business Incubator and Accelerator Program

Economic diversification in Miami Beach includes appealing to the next generation of innovators and business leaders. The Department is in the final planning stages of creating an incubator/accelerator program, which will provide supplemental services and resources to new and/or existing business ventures. The mission is to offer services that build business capacity and scale through mentoring, peer-learning, and leveraging the skills and acumen of local, regional, and national resources, including, but not limited to local educational institutions and recognized training facilitators. The City Commission has already welcomed one such organization as a tenant on City property, STEAM-based makerspace Moonlighter FabLab, 1661 Pennsylvania Avenue.



The Department is partnering with Florida International University (FIU) to assist the City develop a long-term business assistance plan and to provide business technical assistance and workshops to Miami Beach businesses. Business assistance and capacity-building training is targeted to launch in 2024, upon execution of an agreement.

f. Business Attraction Marketing and Public Relations

i. Media Campaign

The Department, in collaboration with the Marketing and Communications Department, continues to promote the award-winning public relations and marketing campaign, **Make A Bold Move (MABM).** 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.









ii. 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 B**.

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

- 50% average open rate (above the 28% industry average)
- 780 newsletter subscribers (quadrupling in reach since initial publication).

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



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 intelligence and data technology platform. The Department is finalizing a website redesign inspired by the marketing campaign.

iii. Community Programming, Events, Conferences, and Tradeshows

October 2023

- Tech Beach Retreat Miami 2023, AKA Hotel Brickell. Sponsored by the City of Miami Beach and presented by Google, merging the tech ecosystems of LATAM, the Caribbean, and North America, and emphasizing Miami Beach's dedication to fostering tech growth and innovation.

- eMerge Americas' CELEBRAR, DEI Series Event, Wynwood. Hosted by City of Miami Beach.

November 2023

- Black Professionals Network Summit 2023, Seminole Hard Rock Hotel and Casino Sponsored by the City of Miami Beach.
- 8th America Digital Congress Miami 2023, Miami Beach Convention Center – the largest technology event in the region hosted outside of South America, showcasing Miami Beach's commitment to being a global tech and finance hub.

December 2023

- eMerge Americas Tech Basel Summit 2023, Miami. Remarks delivered by Mayor Meiner with sponsorship by City of Miami Beach.







January 2024

- GMCVB Innovation Think Tank, Miami.
- Attended South Beach Brewing Company Ribbon Cutting Ceremony, 210 11th Street.



February 2024

- Pickleball Slam 2 – Amateur Slam, Lincoln Road, exhibitor.



IV. Miami Beach Convention Center (MBCC)



The Department also oversees the management agreement for the Miami Beach Convention Center (MBCC) campus to ensure its alignment with the City's operational plan, and compliance with best practices for securing booking opportunities that produce significant hotel revenue along with community benefits.

Following a $640 million renovation, the expanded MBCC includes a new 60,000-square-foot Grand Ballroom, four junior ballrooms, almost 500,000 square feet of exhibition space, an expanded Grand Lobby, pre-function areas bathed in natural light, up to 84 breakout rooms, approximately 800 roof deck parking spaces, almost 2,100 miles of cabling to support IT communications, $10.2 million worth of art curated by the City of Miami Beach Art in Public Places program (AiPP) and a roughly six-acre Pride Park and three-acre Collins Canal Park offering public green space that can serve as incremental event space.



The MBCC campus includes two (2) new event spaces: Venu, a space for elegant private events and upscale meetings, and Rum Room, a 1920s-themed restaurant with an enticing tapas-style menu and local South Florida rums.



The Department serves as liaison to the Convention Center Advisory Board (CCAB), whose purpose is to promote a balance between the MBCC operations and community and resident needs. The newly renovated, world-class venue represents a critical economic engine for the City which directly and indirectly economically supports a wide range of small and large businesses. The Department also provides administrative leadership for the management of the City's partnership with the Greater Miami Convention and Visitors Bureau (GMCVB) with a focus on Convention Center sales and hotel bookings.



In addition to hosting the Miami Beach Commission and committee meetings since September 2023, in the month of February 2024, the MBCC has hosted the Miami Rum Congress, Kaos 2024, the Miami International Yacht and Boat Show 2024, Aesthetic & Anti-Aging Medicine World Congress Americas, and Great Wines of the World 2024, just to name a few. These events total over 100,000 attendees and contribute a significant impact on the Miami Beach economy.

2023 MBCC Awards

a. "Distinctive Achievement Award 2023" by Association, Conventions & Facilities Magazine
b. "Best Practice Recognition" for UFI's (Global Association for the Events Industry) "Category: Sustainability Development"
c. "2023 F&D Prime Site Award" by Facilities & Destinations.
d. "Smart Stars 2023 Award" by Smart Meetings Magazine
e. "Stella Awards" by Northstar Meetings Group
f. "Centers of Excellence" Award by Exhibitor Magazine



CONCLUSION

The Department strives 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 and services for 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. In addition, the Department manages operations of the City's two (2) community redevelopment areas. The Department also works to monitor, supervise and oversee the management and operations of the Miami Beach Convention Center (MBCC) campus, with specific attention to community engagement, the reputation of the MBCC and the maximization of sales, ensuring it delivers the economic impact expected from the residents and community.

Attachments

A Marketing Recap
B Press & Media Coverage
C Economic Development Department E-Newsletter