

**PRELIMINARY OFFICIAL STATEMENT DATED APRIL \_\_\_\_, 2019**

**NEW ISSUE - Book-Entry Only**

**Ratings:** Moody's: "\_\_\_\_"  
S&P: "\_\_\_\_"  
(See "RATINGS" herein)

*In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2019 Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax, and (ii) the Series 2019 Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. Interest on the Series 2019 Bonds may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects relating to the Series 2019 Bonds, see the discussion under the heading "TAX MATTERS" herein.*

\$ \_\_\_\_\_ \*

**MIAMIBEACH**

**CITY OF MIAMI BEACH, FLORIDA**  
**General Obligation and Refunding Bonds**  
**Series 2019**

**Dated:** Date of Delivery

**Due:** September 1, as shown on inside cover page

The City of Miami Beach, Florida General Obligation and Refunding Bonds, Series 2019 (the "Series 2019 Bonds") will be issued by the City of Miami Beach, Florida (the "City") as fully registered bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof. When issued, the Series 2019 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2019 Bonds. Purchasers will not receive certificates representing their ownership interests in the Series 2019 Bonds purchased. See "DESCRIPTION OF THE SERIES 2019 BONDS - Book-Entry Only System" herein. Interest on the Series 2019 Bonds will accrue from their date of delivery and will be payable on September 1, 2019 and semiannually on each March 1 and September 1 thereafter. U.S. Bank National Association, Jacksonville, Florida, will serve as the initial paying agent (the "Paying Agent") for the Series 2019 Bonds. While the Series 2019 Bonds are registered through the DTC book-entry only system, principal of and interest on the Series 2019 Bonds will be payable by the Paying Agent to DTC.

The Series 2019 Bonds are being issued for the purpose of providing funds to (i) finance a portion of the costs of the City's (a) Public Safety Projects, (b) Neighborhoods and Infrastructure Projects, and (c) Parks and Recreational and Cultural Facilities Projects (each as described herein), including to the extent permissible under the Code (as hereinafter defined) reimbursement to the City of any moneys previously advanced by the City to pay any portion of the cost of such projects; (ii) provide for the refunding of all\* of the outstanding City of Miami Beach, Florida General Obligation Bonds, Series 2003 (the "Series 2003 Bonds"), originally issued in the aggregate principal amount of \$62,465,000 and, prior to issuance of the Series 2019 Bonds, are outstanding in the aggregate principal amount of \$28,080,000; and (iv) pay certain costs of issuing the Series 2019 Bonds and refunding the Series 2003 Bonds to be refunded upon issuance of the Series 2019 Bonds. See "PURPOSE OF THE ISSUE" herein.

**In each year in which any of the Series 2019 Bonds are Outstanding, there shall be assessed, levied and collected a tax, without limitation as to rate or amount, in addition to all other taxes, on all taxable property within the corporate limits of the City (excluding exemptions as provided by**



applicable law), sufficient in amount to pay the principal of and interest on the Series 2019 Bonds as the same shall become due. The tax assessed, levied and collected for the security and payment of the Series 2019 Bonds shall be assessed, levied and collected in the same manner and at the same time as other taxes are assessed, levied and collected.

**THE FULL FAITH, CREDIT AND TAXING POWER OF THE CITY HAVE BEEN IRREVOCABLY PLEDGED TO THE PUNCTUAL PAYMENT OF THE PRINCIPAL OF AND INTEREST WITH RESPECT TO THE SERIES 2019 BONDS AS THE SAME SHALL BECOME DUE AND PAYABLE.**

The Series 2019 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. See “DESCRIPTION OF THE SERIES 2019 BONDS - Redemption Provisions” herein.

**This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including the Appendices, to obtain information essential to the making of an informed investment decision.**

*The Series 2019 Bonds are offered when, as and if issued by the City, subject to the opinion on certain legal matters relating to their issuance of Squire Patton Boggs (US) LLP, Miami, Florida, Bond Counsel. Certain legal matters will be passed upon for the City by Raul J. Aguila, Esquire, City Attorney, and certain legal matters relating to disclosure will be passed upon for the City by the Law Offices of Steve E. Bullock, P.A., Miami, Florida, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by Greenberg Traurig, P.A., Miami, Florida, as Counsel to the Underwriters. RBC Capital Markets, LLC, St. Petersburg, Florida, is serving as Financial Advisor to the City in connection with the issuance of the Series 2019 Bonds. It is expected that settlement on the Series 2019 Bonds will occur through the facilities of DTC in New York, New York on or about \_\_\_\_\_, 2019.*

**J.P. Morgan**

**BofA Merrill Lynch**

**Jefferies**

**PNC Capital Markets LLC**

**DAC Bond<sup>®</sup>**

Dated: \_\_\_\_\_, 2019

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\* Preliminary, subject to change.

*Red herring: This Preliminary Official Statement and the information contained herein are subject to amendment and completion without notice. The Series 2019 Bonds may not be sold and offers to buy may not be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2019 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.*



**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,  
PRICES, YIELDS AND INITIAL CUSIP NUMBERS\*†**

\$ \_\_\_\_\_ Series 2019 Serial Bonds

<u>Due (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Yield</u>	<u>Initial CUSIP Number</u>
2020	\$	%		%	593201_____
2021					593201_____
2022					593201_____
2023					593201_____
2024					593201_____
2025					593201_____
2026					593201_____
2027					593201_____
2028					593201_____
2029					593201_____
2030					593201_____
2031					593201_____
2032					593201_____
2033					593201_____
2034					593201_____
2035					593201_____
2036					593201_____
2037					593201_____
2038					593201_____
2039					593201_____

\$ \_\_\_\_\_ % Series 2019 Term Bond Due September 1, 20\_\_\_\_ – Price: \_\_\_\_\_ / Yield: \_\_\_\_\_ %  
Initial CUSIP Number: 593201\_\_\_\_\_

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\* Preliminary, subject to change.

† Neither the City nor the Underwriters is responsible for the use of CUSIP Numbers, nor is a representation made as to their correctness. The CUSIP Numbers are included solely for the convenience of the readers of this Official Statement.



**CITY OF MIAMI BEACH, FLORIDA**

**MAYOR**

Dan Gelber

**VICE MAYOR**

Michael Góngora

**CITY COMMISSION**

John Elizabeth Alemán, *Commissioner*

Ricky Arriola, *Commissioner*

Joy Malakoff, *Commissioner\**

Mark Samuelian, *Commissioner*

Micky Steinberg, *Commissioner*

**ADMINISTRATION**

***City Manager***

Jimmy L. Morales, Esquire

***City Attorney***

Raul J. Aguila, Esquire

***Chief Financial Officer***

John Woodruff

***City Clerk***

Rafael E. Granado, Esquire

**CONSULTANTS**

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***Financial Advisor***

RBC Capital Markets, LLC  
St. Petersburg, Florida

***Disclosure Counsel***

Law Offices of Steve E. Bullock, P.A.  
Miami, Florida

***Independent Auditor***

Crowe Horwath LLP  
Fort Lauderdale, Florida

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\* The commissioner for Group IV, Kristen Rosen Gonzalez, resigned from her seat on the City Commission, effective January 3, 2019. On January 23, 2019, Joy Malakoff, who previously served on the City Commission as the duly elected commissioner for Group III, was appointed by the City Commission to serve the remainder of the term of Kristen Rosen Gonzalez.



No dealer, broker, salesman or other person has been authorized by the City or the Underwriters to make any representations, other than those contained in this Official Statement, in connection with the offering contained herein, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2019 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information contained in this Official Statement has been obtained from public documents, records and other sources considered to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct. Any statement in this Official Statement involving estimates, assumptions and opinions, whether or not so expressly stated, are intended as such and are not to be construed as representations of fact, and the Underwriters and the City expressly make no representation that such estimates, assumptions and opinions will be realized or fulfilled. Any information, estimates, assumptions and matters of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement, nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement. *The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.*

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections in this Official Statement. The offering of the Series 2019 Bonds is made only by means of this entire Official Statement.

References to website addresses presented in this Official Statement are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements generally are identifiable by the terminology used, such as "plan," "expect," "estimate," "project," "forecast," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The City does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

THE SERIES 2019 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, NOR HAS THE RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE EXEMPTION OF THE SERIES 2019 BONDS FROM REGISTRATION OR QUALIFICATION IN CERTAIN STATES CANNOT BE REGARDED AS



A RECOMMENDATION THEREOF. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE CITY AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED OR RECOMMENDED THE SERIES 2019 BONDS FOR SALE. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2019 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, AND SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2019 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

THIS OFFICIAL STATEMENT SHALL NOT CONSTITUTE A CONTRACT BETWEEN THE CITY OR THE UNDERWRITERS AND ANY ONE OR MORE HOLDERS OF THE SERIES 2019 BONDS.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM (“ORIGINAL BOUND FORMAT”) OR IN ELECTRONIC FORMAT ON THE WEBSITE: [WWW.MUNIOS.COM](http://WWW.MUNIOS.COM). THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IF IT IS PRINTED IN FULL DIRECTLY FROM SUCH WEBSITE.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE CITY FOR PURPOSES OF RULE 15C2-12 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN FINANCIAL INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15C2-12(B)(1).



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**OFFICIAL STATEMENT**  
*relating to*

\$ \_\_\_\_\_ \*

**CITY OF MIAMI BEACH, FLORIDA**  
**General Obligation and Refunding Bonds**  
**Series 2019**

**INTRODUCTION**

The purpose of this Official Statement, which includes the cover page and the appendices, is to furnish information with respect to the issuance and sale by the City of Miami Beach, Florida (the “City”) of its \$ \_\_\_\_\_ \* aggregate principal amount of General Obligation and Refunding Bonds, Series 2019 (the “Series 2019 Bonds”), including the use of proceeds and sources of funds pledged or available for the payment thereof. The Series 2019 Bonds are being issued pursuant to and under the authority of the Constitution and laws of the State of Florida (the “State”), including, without limitation, Article VII, Section 12 of the Florida Constitution, Chapter 166, Part II, Florida Statutes, as amended, Sections 132.33-132.47, Florida Statutes, as amended (with respect to the portion of the Series 2019 Bonds constituting the Refunding Bonds, as such term is hereinafter defined), the City of Miami Beach Charter (the “City Charter”) and other applicable provisions of law, and pursuant and subject to the terms and conditions of Resolution No. \_\_\_\_\_ adopted by the Mayor and City Commission of the City (collectively, the “City Commission”) on \_\_\_\_\_, 2019 (the “Resolution”). For a more detailed description of the terms and conditions of the Series 2019 Bonds, and the provisions of the Resolution, see “APPENDIX C - The Resolution.”

On September 17, 1999, the City Commission adopted (i) Resolution No. 99-23299 calling for a special election on November 2, 1999 to submit to the electorate of the City a bond referendum to decide whether the City should be authorized to issue not exceeding \$9,720,000 in principal amount of general obligation bonds (the “1999 Fire Safety General Obligation Bonds”) to renovate, expand and improve fire stations and related facilities located in the City and acquire and equip fire trucks; (ii) Resolution No. 99-23300 calling for a special election on November 2, 1999 to submit to the electorate of the City a bond referendum to decide whether the City should be authorized to issue not exceeding \$24,830,000 in principal amount of general obligation bonds (the “1999 Parks and Beaches General Obligation Bonds”) to improve recreational facilities and equipment, access, security and related maintenance facilities for parks and beaches located in the City; and (iii) Resolution No. 99-23301 calling for a special election on November 2, 1999 to submit to the electorate of the City a bond referendum to decide whether the City should be authorized to issue not exceeding \$57,915,000 in principal amount of general obligation bonds (the “1999 Neighborhood General Obligation Bonds” and, together with the 1999 Fire Safety General Obligation Bonds and the 1999 Parks and Beaches General Obligation Bonds, the “1999 Referenda General Obligation Bonds”) to improve neighborhood infrastructure in the City, consisting of streetscapes and traffic calming measures, shoreline stabilization and related maintenance facilities.

At such special elections on November 2, 1999, the issuance of the 1999 Referenda General Obligation Bonds was approved by the electorate of the City in accordance with the applicable laws of the State. On November 3, 1999, the City Commission adopted Resolution No. 99-23362 adopting the

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\* Preliminary; subject to change.



certification by the Supervisor of Elections of Miami-Dade County, Florida (the “County”), of the results of the special elections approving the issuance of the 1999 Referenda General Obligation Bonds.

On July 22, 2003, the City issued \$62,465,000 in aggregate principal amount of the 1999 Referenda General Obligation Bonds consisting of (i) \$690,000 in principal amount of the 1999 Fire Safety General Obligation Bonds, (ii) \$15,600,000 in principal amount of the 1999 Parks and Beaches General Obligation Bonds, and (iii) \$46,175,000 in principal amount of the 1999 Neighborhood General Obligation Bonds, designated the City of Miami Beach, Florida General Obligation Bonds, Series 2003 (collectively, the “Series 2003 Bonds”). Prior to issuance of the Series 2019 Bonds, the Series 2003 Bonds were Outstanding in the aggregate principal amount of \$28,080,000.

On July 25, 2018, the City Commission adopted (i) Resolution No. 2018-30440 calling for a special election on November 6, 2018 to submit to the electorate of the City a bond referendum to decide whether the City should be authorized to issue not exceeding \$72,000,000 in principal amount of general obligation bonds (the “Public Safety General Obligation Bonds”) to improve the City’s police, fire and public safety facilities, equipment and technology and to improve lighting and security throughout the City (collectively, the “Public Safety Projects”); (ii) Resolution No. 2018-30441 calling for a special election on November 6, 2018 to submit to the electorate of the City a bond referendum to decide whether the City should be authorized to issue not exceeding \$198,000,000 in principal amount of general obligation bonds (the “Neighborhoods and Infrastructure General Obligation Bonds”) to improve the City’s neighborhoods and infrastructure (collectively, the “Neighborhoods and Infrastructure Projects”); and (iii) Resolution No. 2018-30442 calling for a special election on November 6, 2018 to submit to the electorate of the City a bond referendum to decide whether the City should be authorized to issue not exceeding \$169,000,000 in principal amount of general obligation bonds (the “Parks and Recreational and Cultural Facilities General Obligation Bonds” and, together with the Public Safety General Obligation Bonds and the Neighborhoods and Infrastructure General Obligation Bonds, the “2018 Referenda General Obligation Bonds”) to improve the City’s parks, recreational facilities and cultural facilities (collectively, the “Parks and Recreational and Cultural Facilities Projects”).

At such special elections on November 6, 2018, the issuance of the 2018 Referenda General Obligation Bonds was approved by the electorate of the City in accordance with the applicable laws of the State. On December 12, 2018, the City Commission adopted Resolution No. 2018-30619 adopting the certification by the Supervisor of Elections of the County of the results of the special elections approving the issuance of the 2018 Referenda General Obligation Bonds.

The portion of the Series 2019 Bonds designated to pay costs related to any of the Project (as hereinafter defined) constitutes 2018 Referenda General Obligation Bonds in the respective amounts hereinafter described. See “PURPOSE OF THE ISSUE - The Project” herein. The portion of the Series 2019 Bonds designated to pay costs related to the refunding of all\* of the outstanding Series 2003 Bonds constitutes Refunding Bonds (as defined in the Resolution). See “PURPOSE OF THE ISSUE - Plan of Refunding” herein.

The Series 2019 Bonds will be issued in book-entry only form and purchasers of the Series 2019 Bonds will not receive certificates representing their interest in the Series 2019 Bonds purchased. The Series 2019 Bonds will contain such other terms and provisions, including provisions regarding redemption, as described in “DESCRIPTION OF THE SERIES 2019 BONDS” herein.

The Series 2019 Bonds will be payable from ad valorem taxes assessed, levied and collected, without limitation as to rate or amount, on all taxable property within the corporate limits of the City (excluding exemptions as provided by applicable law). Such taxes shall be in addition to all other taxes



collected and shall be in an amount sufficient to pay the principal of and interest on the Series 2019 Bonds as the same shall become due. **The full faith, credit and taxing power of the City have been irrevocably pledged to the punctual payment of the principal of and interest on the Series 2019 Bonds as the same shall become due and payable.** See “AD VALOREM TAXATION” herein.

This introduction is intended to serve as a brief description of this Official Statement and is expressly qualified by reference to this Official Statement as a whole. A full review should be made of this entire Official Statement, as well as the documents and reports summarized or described herein. The description of the Series 2019 Bonds, the documents authorizing and securing the same, including, without limitation, the Resolution, and the information from various reports contained herein are not comprehensive or definitive. All references herein to such documents and reports are qualified by the entire, actual content of such documents and reports. Copies of such documents and reports may be obtained from the City by contacting the City’s Chief Financial Officer, 1700 Convention Center Drive, Miami Beach, Florida 33139, Telephone number: (305) 673-7466, Facsimile number: (305) 673-7795, Email address: [www.miamibeachfl.gov/finance](http://www.miamibeachfl.gov/finance).

Capitalized terms used but not defined in this Official Statement shall have the meaning ascribed to such terms in the Resolution. See “APPENDIX C - The Resolution.”

## **PURPOSE OF THE ISSUE**

### **General**

The Series 2019 Bonds are being issued for the purpose of providing funds to (i) finance a portion of the costs of the (a) Public Safety Projects, (b) Neighborhoods and Infrastructure Projects, and (c) Parks and Recreational and Cultural Facilities Projects (collectively, the “Project”), including to the extent permissible under the Code reimbursement to the City of any moneys previously advanced by the City to pay any portion of the cost of the Project, as more particularly described below in “The Project;” (ii) provide for the refunding of all\* of the outstanding Series 2003 Bonds (the “Refunded Bonds”), as more particularly described below in “Plan of Refunding;” and (iii) pay costs related to the issuance of the Series 2019 Bonds and the refunding of the Refunded Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” herein.

### **The Project**

The Resolution authorizes the Series 2019 Bonds to be issued in an aggregate principal amount not to exceed \$185,000,000, with not to exceed \$\_\_\_\_\_ in principal amount of the Public Safety General Obligation Bonds to be issued to pay the costs of a portion of the Public Safety Projects, (ii) not to exceed \$\_\_\_\_\_ in principal amount of the Neighborhoods and Infrastructure General Obligation Bonds to be issued to pay the costs of a portion of the Neighborhoods and Infrastructure Projects, (iii) not to exceed \$\_\_\_\_\_ in principal amount of the Parks and Recreational and Cultural Facilities General Obligation Bonds to be issued to pay the costs of a portion of the Parks and Recreational and Cultural Facilities Projects, and (iv) not to exceed \$35,000,000 in principal amount of the Refunding Bonds to be issued to refund the Refunded Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” herein for the amount of the proceeds of the Series 2019 Bonds expected to be allocated for each of the purposes for which the Series 2019 Bonds shall be issued.

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\* Preliminary; subject to change.



The portion of the proceeds of the Series 2019 Bonds consisting of (i) the Public Safety General Obligation Bonds shall be deposited in the City of Miami Beach Series 2019 Public Safety General Obligation Bond Construction Account established under the Resolution (the “Public Safety Projects Construction Account”) and disbursed to pay costs of the Public Safety Projects; (ii) the Neighborhoods and Infrastructure General Obligation Bonds shall be deposited in the City of Miami Beach Series 2019 Neighborhoods and Infrastructure General Obligation Bond Construction Account established under the Resolution (the “Neighborhoods and Infrastructure Projects Construction Account”) and disbursed to pay costs of the Neighborhoods and Infrastructure Projects; and (iii) the Parks and Recreational and Cultural Facilities General Obligation Bonds shall be deposited in the City of Miami Beach Series 2019 Parks and Recreational and Cultural Facilities General Obligation Bond Construction Account established under the Resolution (the “Parks, Recreational and Cultural Facilities Projects Construction Account”) and disbursed to pay costs of the Parks and Recreational and Cultural Facilities Projects. The payment of the costs described in this paragraph shall include reimbursement to the City of funds advanced for such costs which may be reimbursed pursuant to the Code.

Any balance remaining in the Public Safety Projects Construction Account after payment or provision for payment of the costs of Public Safety Projects described above, in the Neighborhoods and Infrastructure Projects Construction Account after payment or provision for payment of the costs of Neighborhoods and Infrastructure Projects described above, or in the Parks, Recreational and Cultural Facilities Projects Construction Account after payment or provision for payment of the costs of Parks and Recreational and Cultural Facilities Projects described above shall be transferred to the Paying Agent for deposit in the City of Miami Beach Series 2019 General Obligation Bond Principal and Interest Account established under the Resolution (the “Principal and Interest Account”) and used solely to pay principal of and interest on the Series 2019 Bonds.

### **Plan of Refunding**

A portion of the proceeds of the Series 2019 Bonds will be used to provide for the refunding and defeasance of the Refunded Bonds. The City will call the Refunded Bonds for redemption on \_\_\_\_\_, 2019 at a redemption price equal to 100% of the principal amount of the Refunded Bonds, without premium.

To effect the refunding and defeasance of the Refunded Bonds, the City will enter into an Escrow Deposit Agreement (the “Escrow Agreement”) on or prior to the delivery of the Series 2019 Bonds with U.S. Bank National Association, Jacksonville, Florida (the “Escrow Agent”). Pursuant to the terms of the Escrow Agreement, the City will deposit a portion of the proceeds of the Series 2019 Bonds constituting the Refunding Bonds into an escrow deposit trust fund to be maintained by the Escrow Agent (the “Escrow Deposit Trust Fund”). A portion of such proceeds will be applied on the date of delivery of the Series 2019 Bonds to the purchase of certain Government Obligations maturing at such times and in such amounts so that the maturing principal, together with the interest income thereon and cash held uninvested in the Escrow Deposit Trust Fund, will be sufficient to pay the principal of and interest due on the Refunded Bonds to and including \_\_\_\_\_, 2019, on which date the Refunded Bonds will be redeemed.

Subsequent to the deposit of moneys into the Escrow Deposit Trust Fund and the investment of such moneys as described in the preceding paragraph, the Refunded Bonds, in the opinion of Bond Counsel, rendered in reliance upon schedules verified as to accuracy by Integrity Public Finance Consulting LLC (the “Verification Agent”), will no longer be Outstanding under the provisions of the Resolution under which the Refunded Bonds were issued. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS” herein.



The maturing principal of and interest on the Government Obligations and cash held uninvested in the Escrow Deposit Trust Fund will not be available to pay principal of and interest on the Series 2019 Bonds.

The Refunded Bonds consist of the following:\*

**Series 2003 Bonds**

<u>Maturity (September 1)</u>	<u>Principal Amount</u>	<u>Maturity (September 1)</u>	<u>Principal Amount</u>
2024	\$2,300,000	2028 <sup>(1)</sup>	\$ 7,835,000
2025	2,395,000	2033 <sup>(1)</sup>	15,550,000

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(1) Term Bonds.

**ESTIMATED SOURCES AND USES OF FUNDS**

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Series 2019 Bonds:

**Sources of Funds**

Par Amount of Series 2019 Bonds	\$
Net Original Issue Discount / Premium	_____
Total Estimated Sources of Funds	\$ <u>          </u>

**Uses of Funds**

Deposit to Public Safety Projects Construction Account <sup>(1)</sup>	\$
Deposit to Neighborhoods and Infrastructure Projects Construction Account <sup>(1)</sup>	
Deposit to Parks, Recreational and Cultural Facilities Projects Construction Account <sup>(1)</sup>	
Deposit to Escrow Deposit Trust Fund <sup>(2)</sup>	
Cost of Issuance <sup>(3)</sup>	
Underwriters' Discount	_____
Total Estimated Uses of Funds	\$ <u>          </u>

- 
- (1) See "PURPOSE OF THE ISSUE - The Project" herein.  
(2) See "PURPOSE OF THE ISSUE - Plan of Refunding" herein.  
(3) To pay certain costs of issuance of the Series 2019 Bonds and refunding the Refunded Bonds, including, without limitation, printing costs, fees of bond counsel, disclosure counsel, the financial advisor and the rating agencies, and miscellaneous costs of issuance.

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\* Preliminary; subject to change.



## DESCRIPTION OF THE SERIES 2019 BONDS

### General

The Series 2019 Bonds will be dated their date of original issuance and delivery. The Series 2019 Bonds will bear interest at the rates and will mature on the dates and in the amounts set forth on the inside cover page of this Official Statement. Interest on the Series 2019 Bonds is payable semiannually commencing on September 1, 2019 and on each March 1 and September 1 thereafter. Such interest shall be calculated on the basis of a 360 day year consisting of twelve 30-day months. The City has appointed U.S. Bank National Association, Jacksonville, Florida, to serve as the paying agent for the Series 2019 Bonds (the "Paying Agent") and as the bond registrar for the Series 2019 Bonds (the "Bond Registrar").

If the date for payment of the principal of or interest on the Series 2019 Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the corporate trust office of the Paying Agent is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

The Series 2019 Bonds will be issued as fully registered bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof, and when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Series 2019 Bonds will be made in book-entry-only form, without certificates. Unless a securities depository other than DTC is selected by the City, so long as the Series 2019 Bonds shall be in book-entry-only form, the principal of and interest on the Series 2019 Bonds will be payable to Cede & Co. (or such other nominee selected by DTC), as registered owner thereof, and will be distributed by DTC and the DTC Participants to the Beneficial Owners (as such terms are hereinafter defined). See "DESCRIPTION OF THE SERIES 2019 BONDS - Book-Entry Only System" herein.

### Redemption Provisions

#### Optional Redemption

The Series 2019 Bonds maturing on or before September 1, 20\_\_ are not subject to redemption prior to maturity. The Series 2019 Bonds maturing on or after September 1, 20\_\_ shall be subject to redemption prior to their maturity, at the option of the City, on or after \_\_\_\_\_, 20\_\_, as a whole or in part at any time, and if in part as selected by the City among maturities and by lot within a maturity, at a redemption price of one hundred percent (100%) of the principal amount thereof plus accrued interest from the most recent interest payment date to the redemption date.

#### Mandatory Sinking Fund Redemption

The Bonds maturing September 1, 20\_\_ are subject to mandatory redemption prior to maturity, in part and selected by lot, at a redemption price of one hundred percent (100%) of the principal amount thereof on September 1, \_\_ and on each September 1 thereafter set forth below in the following principal amounts:



Due  
(September 1)

Amortization  
Requirement

\$

\*

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\* Final maturity.

Notice of Redemption

Mailing of Notice of Redemption. Notice of redemption shall be given by the Bond Registrar by deposit in the U.S. mails of a copy of a redemption notice, postage prepaid, at least thirty (30) and not more than sixty (60) days before the redemption date to all registered owners of the Series 2019 Bonds or portions of the Series 2019 Bonds to be redeemed at their addresses as they appear on the registration books to be maintained in accordance with the provisions of the Resolution. Failure to mail any such notice to a registered owner of a Series 2019 Bond, or any defect therein, shall not affect the validity of the proceedings for redemption of any Series 2019 Bond or portion thereof with respect to which no failure or defect occurred.

Such notice of redemption shall set forth the date fixed for redemption, the rate of interest borne by each Series 2019 Bond being redeemed, the name and address of the Paying Agent and the Bond Registrar, the redemption price to be paid and, if less than all of the Series 2019 Bonds then Outstanding shall be called for redemption, the distinctive numbers and letters, including CUSIP numbers, if any, of such Series 2019 Bonds to be redeemed and, in the case of Series 2019 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Series 2019 Bond is to be redeemed in part only, the notice of redemption which relates to such Series 2019 Bond shall also state that on or after the redemption date, upon surrender of such Series 2019 Bond, a new Series 2019 Bond or Series 2019 Bonds in a principal amount equal to the unredeemed portion of such Series 2019 Bond will be issued. If the optional redemption of any of the Series 2019 Bonds is conditioned upon the receipt of sufficient moneys, the notice of redemption which relates to such Series 2019 Bonds shall also state that the redemption is so conditioned.

Any notice mailed as described above shall be conclusively presumed to have been duly given, whether or not the owner of such Series 2019 Bond receives such notice. The Bond Registrar shall not be required to transfer or exchange any Series 2019 Bond after the mailing of a notice of redemption nor during the period of fifteen (15) days next preceding mailing of a notice of redemption.

Effect of Calling for Redemption. Notice having been given in the manner and under the conditions provided above, the Series 2019 Bonds or portions of Series 2019 Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Series 2019 Bonds or portions of Series 2019 Bonds on such date; provided, however, that Series 2019 Bonds or portions of Series 2019 Bonds called for optional redemption and which redemption is conditioned upon the receipt of sufficient moneys, shall not become due and payable on the redemption date if sufficient moneys to pay the redemption price of such Series 2019 Bonds or portions of such Series 2019 Bonds have not been received by the Paying Agent on or prior to the redemption date.

On the date so designated for redemption, moneys for payment of the redemption price being held in separate accounts by the Paying Agent or other Authorized Depository in trust for the registered owners of the Series 2019 Bonds or portions thereof to be redeemed, all as provided in the Resolution, interest on



the Series 2019 Bonds or portions of Series 2019 Bonds so called for redemption shall cease to accrue, such Series 2019 Bonds and portions of Series 2019 Bonds shall cease to be entitled to any lien, benefit or security under the Resolution and shall be deemed paid thereunder, and the registered owners of such Series 2019 Bonds or portions of Series 2019 Bonds shall have no right in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in the next paragraph, to receive Series 2019 Bonds for any unredeemed portions of the Series 2019 Bonds.

In case part but not all of an Outstanding fully registered Series 2019 Bond shall be selected for redemption, the registered owners thereof shall present and surrender such Series 2019 Bond to the Paying Agent for payment of the principal amount thereof so called for redemption, and the City shall execute and deliver to or upon the order of such registered owner, without charge therefor, for the unredeemed balance of the principal amount of the Series 2019 Bonds so surrendered, a Series 2019 Bond or Series 2019 Bonds fully registered as to principal and interest.

### **Book-Entry Only System**

*The following description of the procedures and record keeping with respect to beneficial ownership interests in the Series 2019 Bonds, payment of the principal of and interest on the Series 2019 Bonds to DTC Participants or Beneficial Owners (as such terms are hereinafter defined) of the Series 2019 Bonds, confirmation and transfer of beneficial ownership interest in the Series 2019 Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners of the Series 2019 Bonds is based solely on information furnished by DTC on its website for inclusion in this Official Statement. Accordingly, neither the City nor the Underwriters can make any representation concerning these matters or take any responsibility for the accuracy or completeness of such information.*

DTC will act as securities depository for the Series 2019 Bonds. The Series 2019 Bonds will be issued as fully-registered securities registered in the name of Cede & Co., as DTC's partnership nominee, or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2019 Bond certificate will be issued for each maturity of the Series 2019 Bonds, each in the aggregate principal amount of such maturity, as set forth on the inside cover page of this Official Statement, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over one hundred (100) countries that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with Direct Participants, "DTC Participants"). DTC has



a S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, rating of AA+. The DTC rules applicable to the DTC Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Series 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2019 Bond ("Beneficial Owner") is in turn to be recorded on the DTC Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the DTC Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2019 Bonds are to be accomplished by entries made on the books of DTC Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2019 Bonds, except in the event that use of the book-entry system for the Series 2019 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2019 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2019 Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee, will not effect any change in beneficial ownership of the Series 2019 Bonds. DTC has no knowledge of the actual Beneficial Owners of the Series 2019 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019 Bonds are credited, which may or may not be the Beneficial Owners. The DTC Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by DTC Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2019 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019 Bonds, such as redemptions, defaults and proposed amendments to the documents securing the Series 2019 Bonds. For example, Beneficial Owners of the Series 2019 Bonds may wish to ascertain that the nominee holding the Series 2019 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices are provided directly to them.

Redemption notices shall be sent by the Bond Registrar to DTC. If less than all of the Series 2019 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2019 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2019 Bonds will be made to Cede & Co., or to such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the



City or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, nor its nominee, the Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of DTC Participants.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the City only to DTC.

**NEITHER THE CITY, THE BOND REGISTRAR, NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT OR INDIRECT PARTICIPANT OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2019 BONDS IN RESPECT OF THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT, THE PAYMENT BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2019 BONDS, ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS UNDER THE RESOLUTION, THE SELECTION BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT OR ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2019 BONDS, OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2019 BONDS, AS NOMINEE OF DTC, REFERENCES IN THIS OFFICIAL STATEMENT TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2019 BONDS SHALL MEAN CEDE & CO., AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2019 BONDS.**

#### **Discontinuance of Book-Entry Only System**

In the event the City determines that it is in the best interest of the Beneficial Owners to obtain Series 2019 Bond certificates, the City may notify DTC and the Bond Registrar, whereupon DTC will notify the DTC Participants, of the availability through DTC of Series 2019 Bond certificates. In such event, the City shall prepare and execute, and the Bond Registrar shall authenticate, transfer and exchange, Series 2019 Bond certificates as requested by DTC in appropriate amounts and within the guidelines set forth in the Resolution. DTC may also determine to discontinue providing its services with respect to the Series 2019 Bonds at any time by giving written notice to the City and the Bond Registrar and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the City and the Bond Registrar shall be obligated to deliver Series 2019 Bond certificates as described herein.

In the event Series 2019 Bond certificates are issued, the provisions of the Resolution shall apply to, among other things, the transfer and exchange of such certificate and the method of payment of principal of and interest on such certificates. Whenever DTC requests the City and the Bond Registrar to do so, the City will direct the Bond Registrar to cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Series 2019 Bonds



to any DTC Participant having Series 2019 Bonds credited to its DTC account; or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2019 Bonds.

### **SECURITY AND SOURCES OF PAYMENT**

The Series 2019 Bonds constitute general obligations of the City. In each year while any of the Series 2019 Bonds are Outstanding, there shall be assessed, levied and collected a tax, without limitation as to rate or amount, on all taxable property within the corporate limits of the City (excluding exemptions as provided by applicable law), in addition to all other taxes, sufficient in amount to pay the principal of and interest on the Series 2019 Bonds as the same shall become due.

The tax assessed, levied and collected for the security and payment of the Series 2019 Bonds shall be assessed, levied and collected, in the same manner and at the same time as other ad valorem taxes are assessed, levied and collected, and the proceeds of said tax shall be applied solely to the payment of the principal of and interest on the Series 2019 Bonds. On or before each interest or principal payment date for the Series 2019 Bonds, the City shall transfer to the Paying Agent for deposit in the Principal and Interest Account an amount sufficient to pay the principal of and interest on the Series 2019 Bonds then due and payable.

The full faith, credit and taxing power of the City are irrevocably pledged to the punctual payment of the principal of and interest on the Series 2019 Bonds as the same shall become due and payable. See “AD VALOREM TAXATION” herein.

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## DEBT SERVICE SCHEDULE

Set forth below are the debt service requirements of the Series 2019 Bonds, all other general obligation bonds outstanding upon issuance of the Series 2019 Bonds and the total combined debt service on all outstanding general obligation bonds of the City, including the Series 2019 Bonds, immediately following issuance of the Series 2019 Bonds.

Fiscal Year Ending September 30	Series 2019 Bonds			Outstanding* Bonds	Total Series 2019 Bonds and Outstanding General Obligation Bonds
	Principal	Interest	Total		
2019	\$	\$	\$	\$ 5,899,968.76	\$
2020				5,890,168.76	
2021				3,527,918.76	
2022				3,608,318.76	
2023				3,525,818.76	
2024				3,542,068.76	
2025				3,539,318.76	
2026				3,542,531.26	
2027				3,543,156.26	
2028				3,543,968.76	
2029				3,544,750.00	
2030				3,541,725.00	
2031				3,543,075.00	
2032				3,543,350.00	
2033				3,537,325.00	
2034				— 0 —	
2035				— 0 —	
2036				— 0 —	
2037				— 0 —	
2038				— 0 —	
2039				— 0 —	
2040				— 0 —	
2041				— 0 —	
2042				— 0 —	
2043				— 0 —	
2044				— 0 —	
2045				— 0 —	
2046				— 0 —	
2047				— 0 —	
Total	\$	\$	\$	<u>\$57,873,462.60</u>	\$

\* Includes the Refunded Bonds, which are expected to be defeased upon issuance of the Series 2019 Bonds, subject to market conditions during the pricing of the Series 2019 Bonds..



## **THE CITY**

### **General**

The City was incorporated as a municipal corporation on March 26, 1915 and was created by the Florida Legislature, pursuant to Chapter 7672, Laws of Florida (1917). The City is governed by an elected mayor and six (6) member commission. The City operates under a Commission-Manager form of government. The term for the Mayor is two (2) years, with a lifetime term limit of three (3) two-year terms. The term for members of the City Commission is four (4) years, with a lifetime term limit of two (2) four-year terms. The City Commission is responsible, among other things, for passing ordinances, adopting the budget, approving property tax levies and debt secured by the full faith and credit of the City or any of its revenue streams, appointing committees, and hiring the City Manager, the City Attorney and the City Clerk. The City Manager is responsible for carrying out the policies and ordinances of the City Commission, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments, with the consent of the City Commission.

The City provides a full range of municipal services. These services include police and fire protection, recreational activities, parks, cultural events, sanitation services, water, sewer and stormwater services, public transportation, neighborhood community services, and the construction of and maintenance of streets and infrastructure. For more detailed information about the City, see “APPENDIX A - General Information Regarding the City of Miami Beach, Florida and Miami-Dade County, Florida.”

### **Fiscal Year 2019 Budget**

Pursuant to the City Charter, the City Manager shall make public a budget summary setting forth the proposed cost of each individual department and reflecting the personnel for each department. The annual budget serves as the foundation for the City’s financial planning and control. Prior to the first public hearing required by State law, the City Commission is presented with a proposed budget. The proposed budget includes anticipated expenditures and the means for funding them. After City Commission review and two (2) public hearings, the budget is required to be adopted prior to the beginning of each fiscal year. Budget components are approved by fund and department and authorized at the department level. Management may transfer amounts between line items within a department as long as the transfer does not result in an increase in the department’s budget. Increases to funds or department budgets and transfers between departments require City Commission approval.

Set forth below is a summary of the City’s General Fund operating budget for the fiscal year ending September 30, 2019. The City’s budget was approved on September 26, 2018 and is presented below in two (2) separate tables, one summarizing the approved budget for revenues and one summarizing the approved budget for appropriations.

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**Adopted Budget for Fiscal Year 2019**  
**General Fund Revenues**

<u>General Operating Revenues</u>	<u>General Fund</u>
Ad Valorem Taxes	\$179,020,000
Ad Valorem - Capital Renewal and Replacement	748,000
Ad Valorem - Pay-As-You-Go Capital	2,400,000
Ad Valorem - Normandy Shores	165,000
Other Taxes	25,262,000
Licenses and Permits	31,454,000
Intergovernmental	12,115,000
Charges for Services	12,503,000
Fines and Forfeits	1,860,000
Interest Earnings	3,617,000
Rents and Leases	5,899,000
Miscellaneous	14,116,000
Resort Tax Contribution	35,836,000
Other Non-Operating Revenue	<u>20,650,000</u>
Total General Fund Operating Revenues	<u><u>\$345,645,000</u></u>

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Source: City of Miami Beach, Florida Adopted Work Plan and Operating Budget for Fiscal Year 2018/19.

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**Adopted Budget for Fiscal Year 2019**  
**General Fund Appropriations**

<u>General Expenditure Appropriations</u>	<u>General Fund</u>
Mayor and City Commission	\$ 2,416,000
Administrative Support	
City Manager	4,129,000
Communications	2,339,000
Budget and Performance Improvement	1,875,000
Internal Audit	832,000
Inspector General	484,000
Organization Development and Performance Initiatives	893,000
Finance	6,714,000
Procurement	2,550,000
Human Resources/Labor Relations	3,003,000
City Clerk	1,755,000
City Attorney	5,818,000
Economic Development and Cultural Arts	
Housing and Community Services	3,624,000
Building	15,243,000
Environment and Sustainability	1,462,000
Planning	4,686,000
Tourism, Cultural and Economic Development	5,373,000
Operations	
Code Compliance	6,215,000
Parks and Recreation	38,680,000
Public Works	15,176,000
Capital Improvement Projects	5,227,000
Public Safety	
Police	112,094,000
Fire	87,551,000
Emergency Management	1,513,000
Citywide	
Citywide Accounts	10,399,000
Citywide Accounts - Normandy Shores	253,000
Citywide Accounts - Operating Contingency	<u>1,893,000</u>
Subtotal	342,197,000
Transfers	
Capital Renewal and Replacement	748,000
Pay-As-You-Go Capital	2,400,000
Information and Communication Technology Fund	<u>300,000</u>
Subtotal	<u>3,448,000</u>
Total General Fund Expenditure Appropriation	<u><u>\$345,645,000</u></u>

Source: City of Miami Beach, Florida Adopted Work Plan and Operating Budget for Fiscal Year 2018/19.



## **AD VALOREM TAXATION**

### **General**

Under Florida law, the assessment of all properties and the collection of all county, school board, special taxing district, and municipal property taxes are consolidated in the offices of the county property appraiser and county tax collector. The Florida Constitution limits the aggregate rate of ad valorem taxes that may be levied on real and personal property. The limitation, except as noted below, is ten (10) mills each for all county and municipal purposes. A mill is equal to one-tenth of one cent of one dollar or \$1.00 for every \$1,000 of assessed value. Notwithstanding the foregoing, no limitation exist as to the rate or amount of ad valorem taxes that may be levied for the payment of indebtedness approved by referendum. Consequently, limitations otherwise applicable to the amount of ad valorem taxes that can be levied do not apply to taxes required to be levied to pay debt service on the City's general obligation bonds, including the Series 2019 Bonds.

The millage rate of each taxing authority, except as limited by law, is established on the basis of estimates of revenue needs and total taxable property valuations within each taxing authority's jurisdiction. Ad valorem taxes are not levied in excess of actual budget requirements. In setting millage rates, the applicable governmental unit is required by State law to assume a ninety-five percent (95%) tax collection rate.

In 1973, the State enacted legislation to encourage public awareness of spending and taxing decisions made by local elected officials. That legislation was amended in 1980 by the Truth in Millage or "TRIM BILL," now codified as Section 200.065, Florida Statutes. The legislation provides that, if the tax rate established by the governing board exceeds the rolled-back tax rate, the taxing authority shall publish notice of the proposed tax increase prior to the public hearing required to be held for the adoption of the final budget and millage rate. Under Section 200.065, a "rolled back tax rate" is defined as the millage rate that would produce the same amount of ad valorem taxes in each current year as were levied in the prior year, exclusive of any increase in assessments resulting from new construction and geographic boundary changes.

### **Property Assessment Procedures**

Real and personal property valuations in the County are determined each year as of January 1 by the County Property Appraiser's Office. The assessment roll is prepared between each January 1 and July 1, with each taxpayer given notice of the proposed assessed value of his or her property in August.

The property owner has the right to file an appeal with the County's Value Adjustment Board, which considers petitions relating to assessments and exemptions. The County's Value Adjustment Board consists of members of the Board of County Commissioners of the County, the Miami-Dade County School Board and citizen representatives. The Value Adjustment Board certifies the assessment roll upon completion of the hearing of all property assessment appeals. Millage rates are then computed by the various taxing authorities and certified to the County Property Appraiser, who applies the millage rates to the final assessment roll. This procedure creates the tax roll that is then annually delivered to the County Tax Collector on or about the first Monday in October of each year.

### **Levy of Ad Valorem Taxes**

In October, a notice is mailed to each property owner on the tax roll for the taxes levied by counties, school boards, municipalities and other taxing authorities. Taxes may be paid upon receipt of



such notice, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January, and one percent (1%) if paid in the month of February. Taxes paid on real and personal property become delinquent on April 1 of the year following the year in which the taxes were levied.

All taxes are due and payable on November 1 of each year or as soon thereafter as the certified tax roll is received by the county tax collector. Taxes become delinquent on April 1 following the year in which they are assessed or sixty (60) days after mailing of the original tax notice, whichever is later. If the delinquency date for ad valorem taxes is later than April 1 of the year following the year in which taxes are assessed, all dates or time periods specified in the Florida Statutes relative to the collection of, or administrative procedures regarding, delinquent taxes shall be extended a like number of days.

Except as noted below under the subheading “Recent Property Tax Reform,” exemptions from the ad valorem tax include (i) the first \$25,000 of assessed value for a permanent residence (the “homestead property”); (ii) property owned by certain permanently and totally disabled persons; (iii) renewable energy source improvements; (iv) inventory; (v) property used by hospitals, nursing homes, homes for special services, and property used by nonprofit homes for the aged; (vi) education property; (vii) property owned by certain charitable, literary, religious or scientific organizations; (viii) property owned by not-for-profit sewer and water companies; and (ix) the first \$500 of property of every widow, blind person or disabled person. An additional homestead exemption of up to \$50,000 of assessed value may be granted by a city or county for persons 65 or older, subject to certain income limitations.

### **Recent Property Tax Reform**

There have been several relatively recent amendments to the Florida Constitution affecting the assessment of property or the collection of ad valorem tax revenues. Such amendments are summarized below.

#### **Save Our Homes Constitutional Amendment**

By voter referendum held on November 3, 1992, Article VII, Section 4 of the Florida Constitution was amended to add a subsection which, in effect, limits the increases in assessed just value of homestead property to the lesser of (a) three percent (3%) of the assessment for the prior year or (b) the percentage change in the Consumer Price Index, as further defined therein. The Amendment is commonly referred to as the “Save Our Homes Amendment.” Further, the Save Our Homes Amendment provides that (i) no assessment shall exceed just value; (ii) after any change of ownership of homestead property or upon termination of homestead status, such property shall be reassessed at just value as of January 1 of the year following the year of sale or change of status; (iii) new homestead property shall be assessed at just value as of January 1 of the year following the establishment of the homestead; and (iv) changes, additions, reductions or improvements to homestead property shall initially be assessed as provided for by general law, and thereafter as provided in the amendment.

#### **2006 Constitutional Amendments**

In the November 7, 2006 general election, Florida voters approved an amendment to the State Constitution to provide an increase in the homestead exemption, from \$25,000 to \$50,000, for certain low-income seniors, effective January 1, 2007. An amendment to the State Constitution was also approved in the November 7, 2006 election to provide a discount for certain permanently disabled veterans from the amount of ad valorem taxes collected from such veterans. The disabled veterans amendment became effective on December 7, 2006.



## Rollback Law

In June 2007, the Florida legislature enacted Chapter 2007-321, Laws of Florida (2007) (the “Rollback Law”). The Rollback Law took effect immediately and affected governmental budgets prepared for fiscal year 2007-2008 and subsequent fiscal years. The Rollback Law required all counties, cities and special districts to “roll back” their fiscal year 2008 tax rates so that such governmental entities collected the same revenue in fiscal year 2008 that they collected in fiscal year 2007, plus a further 0% to 9% tax cut from fiscal year 2007 figures, depending on tax increases adopted by the individual county, city or special district since fiscal year 2002. Using the formula set forth in the Rollback Law, the City reduced its ad valorem tax rate for the collection of general fund operating revenues in Fiscal Year 2008 by \_\_\_\_\_% from its Fiscal Year 2007 collections. The Rollback Law further provides that, after fiscal year 2009, property tax rate growth in cities, counties and special districts cannot exceed the growth of new construction and per capita personal income. The City can exceed the new statutory cap on property tax rate growth (i) by up to ten percent (10%) following a two-thirds (2/3) majority vote of the City Commission or (ii) by an unlimited amount following a three-fourths (3/4) majority vote of the City Commission or approval by the electors of the City via referendum.

## January 2008 Constitutional Amendments

In the January 29, 2008 special election, Florida voters approved amendments to the State Constitution to exempt certain portions of a property’s assessed value from taxation, and in certain cases limit increases in assessed value of non-homestead property. Certain provisions from such amendments are summarized below. Generally, the amendments approved January 29, 2008:

1. Provide for an additional \$25,000 exemption for the assessed value of homestead property to increase the homestead exemption, for property owners using the standard homestead exemption, to \$50,000 (thus doubling the existing homestead exemption for property with an assessed value equal to \$50,000 or greater and increasing the homestead exemption to \$75,000 for property owners eligible to use one of the special homestead exemptions and having property with an assessed value equal to or greater than \$75,000). The additional \$25,000 exemption, however, does not apply to school district taxes.

2. Permit owners of homestead property to transfer their “Save Our Homes” benefit (up to \$500,000) to a new homestead property purchased within two (2) years of the sale of their previous homestead property to which such benefit applied if the just value of the new homestead is greater than or is equal to the just value of the prior homestead property. If the just value of the new homestead property is less than the just value of the prior homestead property, then owners of homestead property may transfer a proportional amount of their “Save Our Homes” benefit, such proportional amount being equal to the just value of the new homestead property divided by the just value of the prior homestead property, multiplied by the assessed value of the prior homestead property.

3. Exempt from ad valorem taxation \$25,000 of the assessed value of property subject to tangible personal property tax.

4. Limit increases in the assessed value of non-homestead property to ten percent (10%) per year, subject to certain adjustments. The cap on annual increases is effective for a ten (10) year period, subject to extension by an affirmative vote of the Florida electorate. The limitation on increases in assessed value of non-homestead property, however, does not apply to school district taxes.

The amendments approved in January 2008 became effective for the 2008 tax year (2008-2009 fiscal year for local governments).



### November 2008 Constitutional Amendments

In the November 4, 2008 general election, Florida voters approved amendments to the State Constitution to provide the Florida legislature with the authority to create exemptions or protections from special assessment for certain types of property subject to ad valorem taxation, including (i) exemptions for conservation lands and residential wind damage resistance and renewable energy source improvements and (ii) restrictions on the assessment of working waterfront properties.

### November 2010 Constitutional Amendment

In the November 2, 2010 general election, Florida voters approved an amendment to Article VII, Section 4 of the State Constitution to provide an additional homestead exemption to members of the military deployed on active duty outside the United States during the preceding year. The exemption equals the percentage portion of the year that the member of the military was deployed outside the United States. The deployed military amendment became effective on January 1, 2011.

### 2012 Legislative Amendments

In 2012, the Florida Legislature enacted Chapter 2012-193, Laws of Florida (HB 7097). Section 17 of HB 7097 provides that the base \$25,000 homestead exemption and the additional \$25,000 non-school levy homestead exemption apply before all other homestead exemptions, which are then to be applied in a manner that results in the lowest taxable value. Section 25 of HB 7097 provides that land, buildings and other improvements to real property used exclusively for educational purposes shall be deemed owned by an educational institution for the purpose of an ad valorem exemption if the entity owning one hundred percent (100%) of the land is (i) a nonprofit entity and the land is used, under a ground lease or other contractual arrangement, by an educational institution that owns the buildings and other improvements to the real property; (ii) a nonprofit entity under Section 501(c)(3) of the Internal Revenue Code; and (iii) provides education limited to students in pre-kindergarten through eighth grade. Section 26 of HB 7097 grants an exemption to all property of municipalities if used as an essential ancillary function of a facility constructed with financing obtained in part by pledging proceeds from the convention development tax, which facility is upon exempt or immune federal, state, or county property.

### November 2012 Constitutional Amendment

In November 6, 2012 general election, three (3) legislatively-referred Constitutional amendments were approved by the requisite percentage of Florida voters. The amendments were the Florida Veterans Property Tax, Amendment 2 (2012), the Florida Property Tax Exemption for Surviving Spouses, Amendment 9 (2012) and the Florida Senior Homestead Tax Exemption, Amendment 11 (2012).

The Florida Veterans Property Tax, Amendment 2 (2012), allows for property tax discounts for disabled veterans that were honorably discharged and explicitly extends the rights to ad valorem tax discounts made available in 2012 to all veterans who were residents of Florida prior to their service, and to all combat-disabled veterans currently living in Florida, regardless of whether the veterans were residents of Florida prior to their service. A disabled veteran who qualifies for this homestead property tax discount receives a discount equal to the veteran's percentage of disability, as determined by the United States Department of Veterans Affairs.

The Florida Property Tax Exemption for Surviving Spouses, Amendment 9 (2012), authorizes the Florida Legislature to totally or partially exempt surviving spouses of military veterans or first responders who died in the line of duty from paying property taxes.



The Florida Senior Homestead Tax Exemption, Amendment 11 (2012), enables the Florida Legislature to authorize counties and municipalities to offer additional tax exemptions on the homes of low-income seniors. On January 23, 2013, the Board County Commissioners of the County enacted Ordinance 13-01, which created Section 29- 9 of the Code of Miami-Dade County, Florida (the “County Code”). Section 29-9 provides an additional exemption for persons sixty-five (65) years old and older who (i) have legal or equitable title to real estate located in the County with a just value of less than \$250,000; (ii) have maintained such property as their permanent residence for at least twenty-five (25) years; and (iii) have household income that does not exceed the income limitations set forth in State law from time to time. This exemption is in addition to and does not replace the additional senior citizen homestead exemption of \$50,000 adopted pursuant to County Ordinance No.07-70 and contained in Section 29-8 of the County Code.

### 2013 Legislative Amendments

Senate Bill 1830. In 2013, the Florida Legislature enacted Senate Bill 1830 (“SB 1830”), which creates a list of changes to laws affecting ad valorem taxation. Such changes became effective as of July 1, 2013. Some of the changes clarify drafting errors to make laws previously enacted consistent with the intent when enacted. Changes created by SB 1830 were, among others, the following:

1. Long-term lessees were provided the ability to retain the homestead exemption on the property leased, and related assessment limitations and exemptions, in certain instances;
2. The time for property owners to appeal value adjustment board decisions on transfers of assessment limitations was extended to conform with general court filing time frames.
3. An automatic renewal for assessment reductions related to certain additions to homestead properties used as living quarters for a parent or grandparent is created, with an alignment of related appeal and penalty provisions to those for other homestead exemptions.
4. A statutory requirement that the owner of Florida real property permanently reside upon such property in order to qualify for a homestead exemption was deleted. This change conformed the statute at issue with the Florida Constitution by allowing non-resident owners of property to claim a homestead exemption if a person legally or naturally dependent upon the owner permanently resides on the homestead property.
5. A residency requirement that a senior disabled veteran must have been a Florida resident at the time such veteran entered the service to qualify for certain property tax exemptions was removed.
6. The ability was repealed for a limited liability partnership with a general partner that is a charitable 501(c)(3) organization to qualify for the affordable housing property tax exemption.
7. An exemption from property taxes was created for property used exclusively for educational purposes when the entities that own the property and the educational facility are owned by the same natural persons.

House Bill 277. In 2013, the Florida Legislature enacted House Bill 277 (“HB 277”), which provides that certain renewable energy devices are exempt from being considered when calculating the assessed value of residential property. HB 277 only applies to devices installed on or after January 1, 2013. The exemption created by HB 277 took effect on July 1, 2013.



House Bill 1193. In 2013, the Florida Legislature enacted House Bill 1193 (“HB 1193”), which eliminated three (3) ways in which the property appraiser had authority to reclassify agricultural land as non-agricultural land. Additionally, HB 1193 relieved the value adjustment board of the authority to review applications for exemptions on its own motion. The changes in HB 1193 were retroactive to January 1, 2013.

Senate Bill 342. In 2013, the Florida Legislature enacted Senate Bill 342 (“SB 342”), which provides for the rental of homestead property for up to thirty (30) days per calendar year without the property being considered abandoned as a homestead. If the homestead property is rented for more than thirty (30) days for two (2) consecutive years, it is considered abandoned as a homestead, and homestead-related ad valorem tax benefits will be lost. SB 342 became effective on July 1, 2013.

#### 2015 Legislative Amendment

In 2015, the Florida Legislature enacted HB 361 (“HB 361”), granting certain leasehold interests and improvements to land owned by the United States or an agency thereof, a branch of the U.S. Armed Forces, or a quasi-governmental agency, an exemption from ad valorem taxation. HB 361 exempts such leasehold interests and improvements without the need to apply for the exemption or for the property appraiser to approve the exemption. HB 361 was signed into law on May 21, 2015 and applies retroactively to January 1, 2007.

#### November 2016 Constitutional Amendments

In the November 8, 2016 general election, Florida voters approved an amendment to the State Constitution to specify the calculation method a county or municipality may use in determining just value for purposes of the homestead exemption for persons sixty-five (65) years old or older whose household income falls within statutory limitations. The amendment allows a low-income, long-time resident age sixty-five (65) or older to continue receiving an additional \$25,000 exemption if the value of the homestead property rises \$250,000, either due to changes in the market or because of additions or improvements to the property. In addition, individuals who were granted the exemption in prior years but became ineligible because their homestead property value rose above \$250,000, may regain the exemption if they otherwise still qualify. The amendment operates retroactively to January 1, 2013 for any person that received an exemption prior to January 1, 2017.

Also in the November 8, 2016 general election, Florida voters approved an amendment to the State Constitution to authorize a first responder who is totally and permanently disabled as a result of an injury sustained in the line of duty to receive relief from ad valorem taxes assessed on homestead property. The amendment took effect on January 1, 2017.

#### November 2018 Constitutional Amendments

In the November 6, 2018 general election, Florida voters approved an amendment to the State Constitution to limit increases in the assessed value of non-homestead property to ten percent (10%) per year, subject to certain adjustments. The cap on annual increases was originally approved for a ten (10) year period as part of the January 2008 Constitutional amendments. The approval on November 6, 2018 made the ten percent (10%) limitation permanent. The limitation on annual increases in the assessed value of non-homestead property became effective on January 1, 2019.

The amendments to the Florida Constitution and Florida Statutes described above affect the assessed value of real property subject to ad valorem taxation and the rates that may be used to tax such



assessed value. However, such amendments and laws do not affect the City's ability to levy ad valorem taxes (without limitation as to amount) to make all required payments of debt service on its general obligation bonds, including the Series 2019 Bonds.

### **Proposed Amendments**

[INSERT DISCUSSION OF CONSTITUTIONAL OR STATUTORY  
AMENDMENTS TO AD VALOREM TAXATION, IF ANY,  
CURRENTLY BEING CONSIDERED BY THE FLORIDA LEGISLATURE]

There is no way to predict, with any reasonable degree of certainty, the actual impact on available ad valorem tax revenues if the amendments to the Florida Constitution described above are approved by the voters of Florida. However, the City currently does not expect that passage of the amendments to the Florida Constitution described above would have a material, adverse impact on its collection of ad valorem tax revenues. Moreover, passage of the proposed amendments would not prevent the City from levying ad valorem taxes (without limitation as to amount) to make all required payments of debt service on its general obligation bonds, including the Series 2019 Bonds.

### **Voter Approved Debt**

The City has the authority to increase its millage levy for debt supported by unlimited ad valorem taxes, which includes the Series 2019 Bonds. Any limitations, exemptions or adjustments pertaining to millage rates otherwise provided in State law do not affect the ability of the City to levy and collect ad valorem taxes in amounts sufficient to pay principal of, and interest on, the Series 2019 Bonds.

The following schedule reflects the total assessed value and total taxable value for operating millage of the City's taxable property in each of the past ten (10) years.

[INSERT ASSESSED VALUE OF TAXABLE PROPERTY TABLE]

### **Millage Rates**

The County assesses and collects all ad valorem taxes within the County. While only one (1) tax bill per property owner emanates from the County, the bill represents ad valorem taxes levied by the County and other taxing authorities within or coterminous with the County, which includes the City. The following table shows the tax millage rates for the fiscal years 2009 - 2018 within the City.

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**City of Miami Beach, Florida**  
**Direct and Overlapping Property Tax Rates**  
**(\$1 per \$1,000 of Assessed Value)**

Tax Roll Year as of January 1	Fiscal Year Ended September 30	City of Miami Beach Direct Rates			Overlapping Rates*			
		Operating Millage	Debt Service Millage	Total Direct Millage	School District Millage	County Millage	State Millage	Total
2008	2009	5.6555	0.2375	5.8930	7.7970	5.9263	0.6585	20.2748
2009	2010	5.6555	0.2568	5.9123	7.9950	6.0050	0.6590	20.5713
2010	2011	6.2155	0.2870	6.5025	8.2490	6.6565	0.6585	22.0665
2011	2012	6.1655	0.2884	6.4539	8.0050	5.7695	0.4708	20.6992
2012	2013	6.0909	0.2568	6.3477	7.9980	5.6610	0.4634	20.4701
2013	2014	5.8634	0.2529	6.1163	7.9770	5.7980	0.4455	20.3368
2014	2015	5.7942	0.2295	6.0237	7.9740	5.9009	0.4187	20.3173
2015	2016	5.7092	0.2031	5.9123	7.6120	5.9009	0.3871	19.8123
2016	2017	5.7092	0.1796	5.8888	7.3220	5.8509	0.3627	19.4244
2017	2018	5.7224	0.1664	5.8888	6.9940	5.8182	0.3420	19.0430
2018	2019	5.7288	0.1600	5.8888	6.7330	5.8568	0.3256	18.8042

Source: City of Miami Beach Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2017 and Miami-Dade County Property Appraiser's Millage Tables

\* Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners.

### **Tax Collection**

All ad valorem taxes become due and payable on November 1 and become delinquent on the following April 1. Once delinquent, ad valorem tax payments bear interest at not more than eighteen percent (18%) per annum until a tax certificate is sold, with respect to real property taxes, or until paid, with respect to personal property taxes. All taxes collected are distributed by the County Tax Collector to the applicable taxing units.

It is the County Tax Collector's duty on or before June 1 of each year to advertise and sell tax certificates on real property tax delinquencies extending from the previous April 1. Delinquent taxes may be paid by property owners prior to the sale of tax certificates upon payment of all costs, delinquent taxes and interest at the rate of not more than eighteen percent (18%) per annum. A tax certificate must be for an amount not less than the taxes due on the applicable property, plus interest from April 1 to the date of sale of the certificate, together with the cost of advertising and expense of the sale. Each tax certificate is awarded to the bidder paying the above amounts and who accepts the lowest interest to be borne by the tax certificate after its sale. If there are no bidders, the County must hold, but not pay for, such tax



certificates. Thereafter, the County may sell such tax certificates to the public at any time at the principal amount thereof plus interest at not more than eighteen percent (18%) per annum and a fee.

With respect to personal property tax delinquencies, such delinquent taxes must be advertised within forty-five (45) days after delinquency. After May 1, personal property for which taxes are delinquent is subject to warrant, levy, seizure and sale.

Tax certificates held by persons other than the County may be redeemed and cancelled by any person prior to the time a tax deed is issued upon payment of the face amount of the tax certificate, plus interest, costs and other charges. Holders of tax certificates, other than the County, which have not been redeemed may, at any time after two (2) years but prior to seven (7) years from the date of issue, file an application for a tax deed with the County Tax Collector upon payment of all other outstanding tax certificates on such property, plus interest, any omitted taxes plus interest, and delinquent taxes plus interest covering the real property. Thereafter, the property is advertised for public sale at auction to the highest bidder, subject to certain minimum bids. If there are no other bidders, the holder of the tax certificate receives title to the property. If the tax certificate is held by the County and the County has not succeeded in selling it within two (2) years, the County may apply for a tax deed upon payment of all applicable costs and fees but not any amount to redeem the tax certificate. Such property is then also advertised for public sale to the highest bidder, subject to certain minimum bids. If there are no other bidders, the County may purchase the property for the minimum bid. In the case of unsold properties, after seven (7) years the County will take title to such properties.

The following table summarizes the City's tax levies and collections for the past ten (10) years.

**City of Miami Beach, Florida  
Property Tax Levies and Collections**

Tax Roll Year as of January 1	Fiscal Year Ended September 30	Taxes Levied for Fiscal Year	<u>Collected within Fiscal Year of Levy</u>		Collections in Subsequent Years	<u>Total Collections to Date</u>	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2007	2008	\$150,418,073	\$ 145,433,238	96.69%	\$ 4,831,611	\$ 150,264,849	99.90%
2008	2009	150,588,328	144,321,499	95.84	4,748,981	149,070,480	98.99
2009	2010	138,703,567	131,355,903	94.70	4,029,310	135,385,213	97.61
2010	2011	136,549,286	128,719,932	94.27	1,750,558	130,470,490	95.55
2011	2012	134,753,401	129,572,373	96.16	3,400,840	132,973,213	98.68
2012	2013	139,133,369	130,317,166	93.66	2,318,192	132,635,358	95.33
2013	2014	143,266,670	139,729,175	97.53	2,906,543	142,635,718	99.56
2014	2015	155,102,311	151,761,695	97.85	3,801,215	155,562,910	100.30
2015	2016	172,420,383	168,150,832	97.52	3,991,663	172,142,495	99.84
2016	2017	194,111,744	187,054,786	96.36	N/A	187,054,786	96.36

Source: City of Miami Beach Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2017.



[INSERT TABLES SHOWING STATEMENT OF TAX LEVIES AND TAX RATES  
AND DIRECT AND OVERLAPPING BONDED DEBT]

The following tables summarize the ten (10) largest taxpayers in the City, the type of property owned by such taxpayers and the assessed value of such property for the Fiscal Year ended September 30, 2017 and, for comparison, for the Fiscal Year ended September 30, 2008.

**City of Miami Beach  
Ten Largest Taxpayers  
Fiscal Year 2017**

<u>Taxpayer</u>	<u>Type of Property</u>	<u>Taxable Assessed Value</u>	<u>Percentage of City's Certified Taxable Assessed Value</u>
Fountainbleau Florida Hotel LLC	Hotel	\$ 413,325,860	1.19%
MB Redevelopment Inc. / Lowes Hotel	Hotel	233,000,000	0.67
2201 Collins Fee LLC	Apartments	179,034,787	0.52
Florida Power & Light Company	Industrial	175,326,811	0.51
SB Hotel Owner LP	Hotel	126,079,723	0.36
Seville Acquisition LLC	Hotel	125,561,750	0.36
Eden Roc LLP	Hotel	116,037,500	0.33
Di Lido Beach Hotel Corp.	Hotel	116,000,000	0.33
PPF MBL Portfolio LLC	Retail	114,846,429	0.33
Playa Retail Investments LLC	Retail	<u>114,175,001</u>	<u>0.33</u>
TOTAL		<u>\$1,713,387,861</u>	<u>4.94%</u>

Source: 2017 Miami-Dade County, Florida Ad Valorem Assessment Roll for the City of Miami Beach and City of Miami Beach, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2017.

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**City of Miami Beach  
Ten Largest Taxpayers  
Fiscal Year 2008**

<u>Taxpayer</u>	<u>Type of Property</u>	<u>Taxable Assessed Value</u>	<u>Percentage of City's Certified Taxable Assessed Value</u>
MB Redevelopment Inc. / Lowes Hotel	Hotel	\$ 266,000,000	0.99%
MCZ / Centrum Flamingo II	Apartments	156,000,000	0.58
Di Lido Beach Hotel Corp.	Hotel	122,100,000	0.45
Michael S. Angell Tr / Fountainbleau	Hotel	119,333,065	0.44
MCZ / Centrum Flamingo I	Hotel	84,000,000	0.31
Sandy Lane Residential LLC	Hotel	79,519,415	0.30
Philips S. Beach LTD/Shore Club	Apartments	70,920,159	0.26
Royal Palm Hotel LLC	Hotel	67,477,567	0.25
City National Bank of Florida	Bank	62,482,361	0.23
South Gate Apartments	Apartments	<u>53,109,210</u>	<u>0.20</u>
TOTAL		\$ <u>1,080,941,777</u>	<u>4.03%</u>

Source: 2017 Miami-Dade County, Florida Ad Valorem Assessment Roll for the City of Miami Beach and City of Miami Beach, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2017.

**FUTURE BOND SALES**

[DISCUSS CITY'S CURRENT PLANS FOR FUTURE BOND ISSUES]

**PENSION AND OTHER POST EMPLOYMENT BENEFITS**

**Defined Benefit Plans**

The City provides separate defined benefit pension plans for general employees of the City and for the City's police and fire department personnel.

Employees' Retirement Plan

Plan Description. All full-time employees of the City who work more than thirty (30) hours per week and hold classified and unclassified positions, except for policemen and firemen and persons who elected to join the defined contribution retirement plan sponsored by the City, are covered by the Miami Beach Employees' Retirement Plan (the "Employee Plan"). A classified employee and/or an unclassified employee is any person employed by the City on a regular basis who receives compensation from the City



for personal services and who is within a group or classification of employees designated by the Board of Trustees of the Employee Plan as eligible for membership in the Employee Plan. The Employee Plan is a single employer defined benefit pension plan that was established by the City Commission under Ordinance number 2006-3504. Effective on March 18, 2006, the Employee Plan was created under and by the authority of Chapter 18691, Laws of Florida, Act of 1937, as amended, by merging the Retirement System for General Employees of the City of Miami Beach, created by the City Commission pursuant to Ordinance number 1901, with the Retirement System for Unclassified Employees and Elected Officials of the City of Miami Beach, created by the City Commission pursuant to Ordinance number 88-2603, as amended.

All full-time classified and unclassified employees of the City, except those who joined the City's defined contribution plan, must participate in the Employee Plan. See "PENSION AND OTHER POST EMPLOYMENT BENEFITS - Other Retirement and Compensation Plans" herein. Membership in the Employee Plan consisted of the following as of October 1, 2016, the date of the latest accrual valuation:

#### **Employee Plan Membership**

Inactive plan members and beneficiaries currently receiving benefits	1,037
Inactive plan members entitled to benefits but not yet receiving them	207*
Active plan members	<u>1,166</u>
Total members	<u><u>2,410</u></u>

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Source: City of Miami Beach Employees' Retirement Plan Actuarial Valuation Report as of October 1, 2016, prepared by Gabriel, Roeder, Smith and Company, dated May 1, 2017.

\* Includes members of the Employee Plan who are enrolled in DROP (as hereinafter defined).

***Plan Benefits.*** The Employee Plan provides retirement benefits as well as death and disability benefits at three (3) different tiers, depending on (i) whether an employee is a member of one of the unions representing employees of the City, (ii) which union the employee is a member of and (iii) when the employee entered the Employee Plan. The first tier membership of the Employee Plan (the "Employee Plan First Tier") includes any employee who became a member of the Employee Plan prior to the dates which constitute the Employee Plan Second Tier. The second tier membership of the Employee Plan (the "Employee Plan Second Tier") includes any employee who became a member of the Employee Plan on or after (i) April 30, 1993 (but prior to September 30, 2010) for members of the American Federation of State, County and Municipal Employees ("AFSCME") bargaining unit; (ii) August 1, 1993 (but prior to September 30, 2010) for members of the Government Supervisors Association of Florida ("GSAF") bargaining unit and members of the Employee Plan who are not included in any collective bargaining unit; and (iii) February 21, 1994 (but prior to October 27, 2010) for members of the Communications Workers of America ("CWA") bargaining unit. The third tier membership of the Employee Plan (the "Employee Plan Third Tier") includes any employee who became a member of the Employee Plan on or after (i) September 30, 2010 for members of AFSCME, GSAF and members of the Employee Plan who are not included in any collective bargaining unit; and (ii) October 27, 2010 for members of CWA.

Classified members under the Employee Plan First Tier are eligible for normal retirement at age fifty (50) and five (5) years of creditable service and are entitled to benefits of three percent (3%) of their final average monthly earnings, multiplied by the first fifteen (15) years of creditable service, plus four percent (4%) of their final average monthly earnings, multiplied by the years of creditable service in excess



of fifteen (15) years, with the total not to exceed ninety percent (90%) of the employee's final average monthly earnings. Employee Plan First Tier unclassified members accrued four percent (4%) of their final average monthly earnings for creditable service before October 18, 1992 and three percent (3%) per year of creditable service after October 18, 1992, with the total not to exceed eighty percent (80%) of their final average monthly earnings.

Classified and unclassified members under the Employee Plan Second Tier are eligible for normal retirement at age fifty-five (55) and five (5) years of creditable service and are entitled to benefits of three percent (3%) of their final average monthly earnings multiplied by the employee's number of years of creditable service, subject to a maximum of eighty percent (80%) of such employee's final average monthly earnings.

Classified and unclassified members under the Employee Plan Third Tier are eligible for normal retirement at age fifty-five (55) and at least thirty (30) years of creditable service, or age sixty-two (62) and at least five (5) years of creditable service and are entitled to benefits of two and one-half percent (2.5%) of their final average monthly earnings multiplied by the employee's number of years of creditable service, subject to a maximum of eighty percent (80%) of such employee's final average monthly earnings. For elected officials of the City, the City Manager or the City Attorney, the benefit is four percent (4%) of their final average monthly earnings for each year of creditable service as an elected official, city manager or city attorney, plus the retirement benefit as defined above for any other period of City employment, subject to a maximum eighty percent (80%) of such employee's final average monthly earnings.

Any Employee Plan First Tier member who terminates employment may either request a refund of their own contributions, plus interest, or receive their accrued benefit beginning at age fifty (50), if at least five (5) years of creditable service have been completed. Any Employee Plan Second Tier member who terminates employment after five (5) years of creditable service may either request a refund of their own contributions, plus interest, or receive their accrued benefit beginning at age fifty-five (55). Any Employee Plan Third Tier member who terminates employment after five (5) years of creditable service but prior to the normal or early retirement date shall be eligible to receive a normal retirement benefit at age sixty-two (62).

A Deferred Retirement Option Plan ("DROP") for the Employee Plan was enacted by the City Commission on January 28, 2009 pursuant to Ordinance 2009-3626. Under the DROP, first and second tier members of the Employee Plan who have attained eligibility for normal retirement may continue working with the City for up to three (3) years, while receiving a retirement benefit that is deposited into a DROP account. Employee Plan Third Tier members may participate in a DROP account for up to five (5) years. However, effective July 17, 2013, Employee Plan members of CWA who were hired prior to October 27, 2010, and members of the Employee Plan not included in any bargaining unit who were hired prior to September 10, 2010, may elect to retire for the purposes of DROP but continue employment with the City for up to sixty (60) months and have their monthly retirement benefit paid into a DROP account during the DROP period. Effective October 1, 2013, such benefit was also extended to Employee Plan members of GSAF and, effective April 23, 2014, was extended to Employee Plan members of AFSCME who were hired prior to September 30, 2010. The amount of the benefit is calculated as if the participant had retired on the date of DROP commencement. Upon termination with the City, the accumulated value of the DROP account is distributed to the participant and a member's creditable service, accrued benefit and compensation calculation shall be frozen.

Employee Plan First Tier members and Employee Plan Second Tier members receive an annual cost-of-living adjustment of two and one-half percent (2.5%). The cost-of-living adjustment is not payable while members are in the DROP. For Employee Plan Third Tier members, the annual cost-of-living



adjustment is one and one-half percent (1.5%). As of September 30, 2016, there were one hundred fifty (150) members of the Employee Plan in the DROP and the value of the DROP investment was \$13,860,376, which is included in the Plan's net position. The DROP also allows for member loans. Approximately \$265,541 of DROP loans for the Employee Plan were outstanding as of September 30, 2016.

Contributions to the Employee Plan. The City's policy is to contribute such amounts as are necessary to maintain the actuarial soundness of the Employee Plan and to provide assets sufficient to meet the benefits to be paid to the members of the Employee Plan. All first tier members are required to contribute twelve percent (12%) of their covered salary to the Employee Plan. All second and third tier members are required to contribute ten percent (10%) of their covered salary to the Employee Plan.

For the Fiscal Year ended September 30, 2016, the City was required to make contributions of \$27,783,852 or 38.66% of covered payroll to the Employee Plan in accordance with actuarially determined requirements computed through an actuarial valuation performed as of October 1, 2014. For the Fiscal Year ended September 30, 2016, the employees contributed \$7,341,533 and buybacks were \$948,535.

Net Pension Liability. The City's net pension liability and related ratios for the Employee Plan for the Fiscal Years ended September 30, 2014 through September 30, 2016, and as projected for the Fiscal Year ended September 30, 2017 are set forth in the table on the following page.

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**Employee Plan Schedule of Changes in the  
Employer's Net Pension Liability and Related Ratios**

	Fiscal Year Ended September 30			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017<sup>(1)</sup></u>
<b><u>Total Pension Liability</u></b>				
ServiceCost	\$12,306,795	\$ 11,795,411	\$ 12,906,811	\$ 13,720,496
Interest	51,809,378	53,832,182	56,164,518	57,756,124
Changes of Benefit Terms <sup>(2)</sup>	—	(1,277,929)	—	—
Difference between Actual and Expected Experience	(278,357)	5,603,144	(2,210,692)	(4,242,257)
Assumption Changes <sup>(2)</sup>	—	11,026,357	11,676,037	52,573,947
Benefit Payments	(37,501,400)	(35,874,016)	(41,900,843)	(46,318,905)
Refunds of Contributions	(1,143,866)	(941,310)	(948,535)	(316,499)
Other (Change in Receivables from Excess Benefit Plan)	<u>311,077</u>	<u>311,076</u>	<u>—</u>	<u>—</u>
<b>Net Change in Total Pension Liability</b>	25,503,627	44,474,915	35,687,296	73,172,906
<b>Total Pension Liability (Beginning of Year)</b>	<u>654,010,904</u>	<u>679,514,531</u>	<u>723,989,446</u>	<u>759,676,742</u>
<b>Total Pension Liability (End of Year) (a)</b>	<u><u>\$679,514,531</u></u>	<u><u>\$723,989,446</u></u>	<u><u>\$759,676,742</u></u>	<u><u>\$832,849,648</u></u>
<b><u>Plan Fiduciary Net Position</u></b>				
Contributions-Employer	\$ 25,602,030	\$ 26,456,580	\$ 27,783,852	\$ 29,358,098
Contributions - Employees (includes buybacks)	7,373,407	7,310,183	7,341,533	7,656,543
Net Investment Income	51,773,646	(5,048,406)	55,818,905	43,186,136
Benefit Payments	(37,501,400)	(35,874,016)	(41,900,843)	(46,318,905)
Refunds of Contributions	(1,143,866)	(941,310)	(948,535)	(316,499)
Administrative Expense	<u>(668,851)</u>	<u>(706,283)</u>	<u>(677,509)</u>	<u>(691,896)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	45,434,966	(8,803,252)	47,417,403	32,873,477
<b>Plan Fiduciary Net Position (Beginning of Year)</b>	470,952,819	516,387,785	507,584,533	555,001,936
<b>Plan Fiduciary Net Position (End of Year) (b)</b>	<u><u>\$516,387,785</u></u>	<u><u>\$507,584,533</u></u>	<u><u>\$555,001,936</u></u>	<u><u>\$587,875,413</u></u>
<b>City's Net Pension Liability (End of Year) (a) - (b)</b>	\$163,126,746	\$216,404,913	\$204,674,806	\$244,974,235
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	75.99%	70.11%	73.06%	70.59%
<b>Covered Employee Payroll<sup>(3)</sup></b>	\$ 76,362,960	\$ 82,359,302	\$ 71,863,150	\$ 77,013,213
<b>City's Net Pension Liability as a Percentage of Covered-Employee Payroll</b>	213.62%	262.76%	284.81%	318.09%

Source: City of Miami Beach Employees' Retirement Plan Actuarial Valuation Report as of October 1, 2016, prepared by Gabriel, Roeder, Smith and Company, dated May 1, 2017.

Footnotes for the immediately preceding table are set forth on the following page.



- (1) All amounts represent estimates only.
- (2) For a detailed description of the changes made in the benefits and assumptions for the Employee Plan, reference is made to the source of the table set forth above, a copy of which may be obtained from the City by contacting the City's Chief Financial Officer, 1700 Convention Center Drive, Miami Beach, Florida 33139, Telephone number: (305) 673-7466, Facsimile number: (305) 673-7795, Email address: [www.miamibeachfl.gov/finance](http://www.miamibeachfl.gov/finance).
- (3) Covered Payroll for the Fiscal Year ended September 30, 2016 was estimated based on the expected pensionable payroll from the October 1, 2015 actuarial valuation for the Employee Plan.

### Police and Firefighters' Retirement Plan

***Plan Description.*** The pension fund for police officers and fire fighters employed by the City (the "Police and Firefighters' Plan") is officially named the City Pension Fund for Firefighters and Police Officers in the City of Miami Beach. The Police and Firefighters' Plan is a defined benefit pension plan covering substantially all police officers and firefighters of the City, as established by Chapter 23414, Laws of Florida, Special Acts of 1945, as amended. Members of the Police and Firefighters' Plan are divided into four (4) tiers, based on whether they were hired prior to July 14, 2010 ("Police and Firefighters' Plan Tier One"), on or after July 14, 2010 but prior to September 30, 2013 ("Police and Firefighters' Plan Tier Two"), on or after September 30, 2013 but prior to June 8, 2016 for firefighters and prior to July 20, 2016 for police officers ("Police and Firefighters' Plan Tier Three"), or on or after June 8, 2016 for firefighters and on or after July 20, 2016 for police officers ("Police and Firefighters' Plan Tier Four").

Membership in the Police and Firefighters' Plan consisted of the following as of October 1, 2016, the date of the latest accrual valuation:

#### **Police and Firefighters' Plan Membership**

Active members	494
Deferred vested members	25
Retired members	
a. Service	569*
b. Disabled	52
c. Beneficiaries	<u>121</u>
	742
Total members	<u><u>1,261</u></u>

Source: City Pension Fund for Firefighters and Police Officers in the City of Miami Beach Actuarial Valuation as of October 1, 2016, prepared by Gabriel, Roeder, Smith and Company, dated May 3, 2017.

\* Includes members of the Police and Firefighters' Plan who are enrolled in DROP.

***Plan Benefits.*** Police and Firefighters' Plan Tier One members who were eligible to retire prior to September 30, 2013 may retire on a service retirement pension upon the attainment of age fifty (50) or, if earlier, the date when age and length of creditable service equals to at least seventy (70) years. Police and Firefighters' Plan Tier One members eligible to retire on or after September 30, 2013 may retire on a service retirement pension upon the attainment of age fifty (50) or, if earlier, the date when the member attains the age of forty-seven (47) and the length of creditable service equals to at least seventy (70) years.



Upon retirement, Police and Firefighters' Plan Tier One members who were eligible to retire prior to September 30, 2013 will receive a monthly pension, payable for life, equal to three percent (3%) of the member's average monthly salary, as defined in the Police and Firefighters' Plan ordinance, for each of the first fifteen (15) years of creditable service and four percent (4%) of the member's average monthly salary for each year of creditable service in excess of fifteen (15) years; provided, however, that the pension benefit shall not exceed ninety percent (90%) of the member's average monthly salary. Police and Firefighters' Plan Tier One members eligible to retire on or after September 30, 2013 will receive a monthly pension, payable for life, equal to three percent (3%) of the member's average monthly salary, as defined in the Police and Firefighters' Plan ordinance, for each of the first twenty (20) years of creditable service and four percent (4%) of the member's average monthly salary for each year of creditable service in excess of twenty (20) years; provided, however, that the pension benefit does not exceed eighty-five percent (85%) of the member's average monthly salary. All Police and Firefighters' Plan members and beneficiaries receiving a monthly pension as of September 30, 2010 will receive a 2.5% increase in benefits on October 1 of each year. Members that retire on or after September 30, 2010 will receive a 2.5% increase in benefits annually on the anniversary date of the member's retirement.

Any Police and Firefighters' Plan Tier Two member may retire on a service retirement pension upon the attainment of age fifty (50) or, if earlier, the date when the member attains age forty-eight (48) and the length of creditable service equals to at least seventy (70) years. Upon retirement, a Police and Firefighters' Plan Tier Two member will receive a monthly pension, payable for life, equal to three percent (3%) of the member's average monthly salary, as defined in the Police and Firefighters' Plan ordinance, for each of the first twenty (20) years of creditable service and four percent (4%) of the member's average monthly salary for each year of creditable service in excess of twenty (20) years; provided, however, that the pension benefit shall not exceed eighty-five percent (85%) of the member's average monthly salary. The average monthly salary of a Police and Firefighters' Plan Tier Two member is computed based on such member's salary for the three (3) highest paid years prior to the date of retirement or the average of the last three (3) paid years to such member prior to the date of retirement, whichever produces the greater benefit after consideration of overtime limitations. All Police and Firefighters' Plan Tier Two retirees and beneficiaries will receive a 1.5% increase in benefits annually on the anniversary date of the member's retirement.

The benefits for Police and Firefighters' Plan Tier Three members are the same as the ones described in the immediately preceding paragraph for Police and Firefighters' Plan Tier Two members, except the average monthly salary of a Police and Firefighters' Plan Tier Three member is computed based on such member's salary for the five (5) highest paid years prior to the date of retirement or the average of the last three (3) paid years to such member prior to the date of retirement, whichever produces the greater benefit after consideration of overtime limitations.

The benefits for Police and Firefighters' Plan Tier Four members are the same as the ones described in the immediately preceding paragraph for Police and Firefighters' Plan Tier Three members, except (i) the average monthly salary of a Police and Firefighters' Plan Tier Four member is computed based on such member's average of the five (5) highest paid years prior to the date of retirement, taking into consideration the overtime limit, and (ii) the normal retirement eligibility is the earlier of the attainment of age 52, with five (5) years of creditable service or the length of creditable service equals to at least seventy (70) years, but the member must have at least attained the age of 48.

Any member of the Police and Firefighters' Plan who becomes totally and permanently disabled at any time as a result of illness or injury suffered in the line of duty may be retired on an accidental disability pension. For a service connected disability, the minimum pension payable is eighty-five percent (85%) of the member's monthly salary at the time of disability retirement, less any offset for worker's



compensation. Any Police and Firefighters' Plan member who becomes totally or permanently disabled after five (5) years of creditable service as a result of illness or injury not suffered in the line of duty may be retired on an ordinary disability retirement pension. Upon disability retirement, a Police and Firefighters' Plan member receives a monthly pension equal to such member's service retirement benefits. For a non-service connected disability, the pension benefit is the accrued benefit after five (5) years of the member's creditable service. The Police and Firefighters' Plan also provides death benefits for beneficiaries or members for service connected and non-service connected death.

If a Police and Firefighters' Plan member resigns or is lawfully discharged before retirement, such member's contributions, with three percent (3%) interest per annum, are returned to that member. The Police and Firefighters' Plan also provides a special provision for vested benefits for members who terminate their employment after five (5) years of service. In the alternative and in lieu of the normal form of benefit, the Police and Firefighters' Plan member may, at any time prior to retirement, elect to receive a lifetime retirement benefit with one hundred twenty (120) monthly payments guaranteed. If the Police and Firefighters' Plan member should die before one hundred twenty (120) monthly payments are made, benefits will continue to be paid to the member's designated beneficiary for the balance of the one hundred twenty (120) month period. If the retired Police and Firefighters' Plan member is living after one hundred twenty (120) monthly payments are made, the payments shall be continued for the member's remaining lifetime. In case of termination of the Police and Firefighters' Plan, benefits accrued to members of the Police and Firefighters' Plan are not subject to forfeit.

An active Police and Firefighters' Plan Tier One member may enter into a DROP on the first day of any month after becoming eligible to retire. Upon becoming eligible to participate in the DROP, a Police and Firefighters' Plan Tier One member may elect to enter that program for a period not to exceed thirty-six (36) months. Police and Firefighters' Plan Tier One members who enter the DROP on or after September 1, 2012 shall be eligible to participate for a period not to exceed sixty (60) months. All Police and Firefighters' Plan Tier One members shall receive a 2.5% cost of living adjustment increase in benefits annually on the anniversary date of the member's retirement. The exception is for Police and Firefighters' Plan Tier One members who entered the DROP on or after September 1, 2012 and before September 30, 2013. Those members shall receive a zero percent (0%) cost of living adjustment for the third and fourth annual adjustment dates, regardless of whether the member remains in the DROP for the maximum sixty (60) month period. Further, any member who exits the DROP within six (6) months following the date of DROP entry shall be eligible to receive the 2.5% cost of living adjustment.

An active Police and Firefighters' Plan Tier Two member or Police and Firefighters' Plan Tier Three member may enter into the DROP on the first day of any month after attainment of age fifty (50) or, if earlier, the date when the member attains age forty-eight (48) and the age and length of creditable service equals to at least seventy (70) years. Upon becoming eligible to participate in the DROP, a Police and Firefighters' Plan Tier Two member or Police and Firefighters' Plan Tier Three member may elect to enter that program for a period not to exceed sixty (60) months. All of such members shall receive a 1.5% cost of living adjustment increase in benefits annually on the anniversary date of the member's retirement.

Beginning October 1, 2016, Police and Firefighters' Plan members already participating in the DROP are permitted to extend their DROP participation to 96 months but no cost of living adjustment will be paid during the extended years of participation. Police and Firefighters' Plan members who elect the DROP after October 1, 2016 can participate for up to 96 months but no cost of living adjustment will be provided for the first through the fourth year of the DROP participation.

At September 30, 2016, \$19,626,380, the total amount of the DROP payable, represents the balance of the self-directed participants as all of the participants are now in the self-directed DROP.



*Contributions to the Police and Firefighters' Plan.* The City is required to contribute an actuarially determined amount to the Police and Firefighters' Plan that, when combined with members' contributions, will fully provide for all benefits as they become payable. All Police and Firefighters' Plan Tier One members and Police and Firefighters' Plan Tier Two members are required to contribute ten percent (10%) of their salary to the Police and Firefighters' Plan, while all Police and Firefighters' Plan Tier Three members and Police and Firefighters' Plan Tier Four members are required to contribute ten and one-half percent (10.5%) of their salary to the Police and Firefighters' Plan. The actual contribution from the City and from the State of Florida for active employees for the Fiscal Year ended September 30, 2016, was \$34,850,092 and \$120,549, respectively. Covered payroll, excluding DROP members, was approximately \$56,759,632. The contribution required from the City and the State of Florida for the Fiscal Year ended September 30, 2015 was actuarially determined by the October 1, 2014 valuation to be \$33,149,388. The actuarially computed annual covered payroll used in the October 1, 2014 valuation was \$56,545,113. The annual pension cost was \$34,970,641 for the Fiscal Year ended September 30, 2016.

*Net Pension Liability.* The City's net pension liability and related ratios for the Police and Firefighters' Plan for the Fiscal Years ended September 30, 2014 through September 30, 2016, and as projected for the Fiscal Year ended September 30, 2017 are set forth in the table on the following page.

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**Police and Firefighters' Plan  
Schedule of Changes in the Employer's  
Net Pension Liability and Related Ratios**

	Fiscal Year Ended September 30			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017<sup>(1)</sup></u>
<b><u>Total Pension Liability</u></b>				
Service Cost	\$ 14,763,595	\$ 16,098,560	\$ 17,803,602	\$ 17,530,982
Interest	75,108,912	78,415,039	82,627,847	87,795,699
Changes of Benefit Terms <sup>(2)</sup>	—	—	—	(9,688,441)
Difference between Actual and Expected Experience	7,685,043	12,428,547	14,588,712	141,740
Assumption Changes <sup>(2)</sup>	—	5,686,196	2,447,885	34,969,254
Benefit Payments (including Refunds of Contributions)	<u>(53,605,094)</u>	<u>(62,686,716)</u>	<u>(54,861,660)</u>	<u>(57,182,029)</u>
<b>Net Change in Total Pension Liability</b>	43,952,456	49,941,626	62,606,386	73,567,205
<b>Total Pension Liability (Beginning of Year)</b>	<u>947,553,563</u>	<u>991,506,019</u>	<u>1,041,447,645</u>	<u>1,104,054,031</u>
<b>Total Pension Liability (End of Year) (a)</b>	<u><u>\$991,506,019</u></u>	<u><u>\$1,041,447,645</u></u>	<u><u>\$1,104,054,031</u></u>	<u><u>\$1,177,621,236</u></u>
<b><u>Plan Fiduciary Net Position</u></b>				
Contributions - City and State	\$ 35,960,326	\$ 33,149,388	\$ 34,970,641	\$ 34,265,000
Contributions - Employees	5,258,974	5,944,414	5,984,397	5,861,327
Net Investment Income	72,259,674	5,689,333	70,539,300	63,947,337
Benefit Payments (including Refunds of Contributions)	(53,605,094)	(62,686,716)	(54,861,660)	(57,182,029)
Administrative Expense	<u>(905,130)</u>	<u>(777,493)</u>	<u>(826,044)</u>	<u>(826,044)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	58,968,750	(18,681,074)	55,806,634	46,065,591
<b>Plan Fiduciary Net Position (Beginning of Year)</b>	710,329,822	769,298,572	750,617,498	806,424,132
<b>Plan Fiduciary Net Position (End of Year) (b)</b>	<u><u>\$769,298,572</u></u>	<u><u>\$750,617,498</u></u>	<u><u>\$806,424,132</u></u>	<u><u>\$852,489,723</u></u>
<b>City's Net Pension Liability (End of Year) (a) - (b)</b>	\$222,207,447	\$290,830,147	\$297,629,899	\$325,131,513
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	77.59%	72.07%	73.04%	72.39%
<b>Covered Employee Payroll<sup>(3)</sup></b>	\$ 50,740,542	\$ 56,545,113	\$ 56,759,632	\$ 58,277,802
<b>City's Net Pension Liability as a Percentage of Covered-Employee Payroll</b>	437.93%	514.33%	524.37%	557.90%

Source: City Pension Fund for Firefighters and Police Officers in the City of Miami Beach Actuarial Valuation as of October 1, 2016, prepared by Gabriel, Roeder, Smith and Company, dated May 3, 2017.

*Footnotes for the immediately preceding table are continued on the following page.*

(1) All amounts represent estimates only.



- (2) For a detailed description of the changes made in the benefits and assumptions for the Police and Firefighters' Plan, reference is made to the source of the table set forth above, a copy of which may be obtained from the City by contacting the City's Chief Financial Officer, 1700 Convention Center Drive, Miami Beach, Florida 33139, Telephone number: (305) 673-7466, Facsimile number: (305) 673-7795, Email address: [www.miamibeachfl.gov/finance](http://www.miamibeachfl.gov/finance).
- (3) Covered Payroll for the Fiscal Year ended September 30, 2016 was estimated based on the expected pensionable payroll from the October 1, 2015 actuarial valuation for the Police and Firefighters' Plan.

## **Other Retirement and Compensation Plans**

### Firemen's and Police Relief and Pension Funds

The City's firefighters and police officers are members of two (2) separate non-contributory money purchase benefit plans established under the provisions of Florida Statutes, Chapters 175 and 185, respectively. These plans are funded solely from proceeds of certain excise taxes levied by the City and imposed upon property and casualty insurance coverage within City limits. The excise taxes, which are collected from insurers by the State of Florida, are remitted to the Plans' Boards of Trustees. The City is under no obligation to make any further contributions to the plans.

The excise taxes received from the State of Florida and remitted to the plans for the year ended September 30, 2016 were \$1,533,042 for firefighters and \$741,513 for police officers. These payments were recorded on the City's books as revenues and expenditures during the fiscal year. Plan benefits are allocated to participants based upon their service during the year and the level of funding received during the year. Participants are fully vested after ten (10) years of service with no benefits vested prior to ten (10) years of service, except those prior to June 1983. All benefits are paid in a lump sum format, except for the Police Relief Funds, where participants may also elect not to withdraw, or to partially withdraw, his or her retirement funds.

### Defined Contribution Retirement Plan - 401(a)

The City has a defined contribution retirement plan (the "Defined Contribution Plan") that was created in accordance with Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"). The Defined Contribution Plan provides retirement and other related benefits for eligible employees as an option to the other retirement systems sponsored by the City. However, effective March 19, 2006, the Defined Contribution Plan was no longer offered to new employees of the City. Current employees are still participating in the Defined Contribution Plan.

The Defined Contribution Plan is administrated by a Board of Trustees, which has the general responsibility for the Plan's proper operation and management. The Defined Contribution Plan complies with the provisions of section 401(a) of the Code and may be amended by the City Commission. The City has no fiduciary responsibility for the Defined Contribution Plan. Consequently, amounts accrued for benefits are not recorded in the fiduciary fund.

Employees in the Defined Contribution Plan hired prior to February 21, 1994 are required to contribute ten percent (10%) of their salary while employees hired after February 21, 1994 are required to contribute eight percent (8%) of their salary. The City matches the employee's contribution one hundred percent (100%). The Defined Contribution Plan of each employee is the immediate property of the employee. Employees have a choice of plan administrators and are responsible for the investment of their funds amongst choices of investment vehicles offered by their selected plan administrator.



Defined Contribution Plan information, as of and for the Fiscal Year ended September 30, 2016, is as follows:

**Defined Contribution Plan Information**

Members in Defined Contribution Plan		30
City's contribution	\$142,476	
Percentage of covered payroll		8.14%
Employees' contribution	141,839	
Percentage of covered payroll		8.14

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Source: City of Miami Beach, Florida Comprehensive Annual Financial Report  
for Fiscal Year Ended September 30, 2016.

**Other Post Employment Benefits**

Plan Description

In accordance with Section 112.0801, Florida Statutes, the City is required to permit eligible retirees and their eligible dependents to participate in the City's health insurance program at a cost to the retirees that is no greater than the cost at which coverage is available for active employees. Although not required by law, the City pays a portion of such cost of participation for its retirees. The City also provides life insurance to the retirees. As with all governmental entities providing similar plans, the City is required to comply with the Governmental Accounting Standard's Board Statement No. 45 - Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions ("GASB 45"). GASB 45 applies accounting methodology similar to that used for pension liabilities to other post employment benefits ("OPEB") and attempts to more fully reveal the costs of employment by requiring governmental units to include future OPEB costs in their financial statements. While GASB 45 requires recognition and disclosure of the unfunded OPEB liability, there is no requirement that the liability of such plan be funded. The City's single employer OPEB Plan (the "OPEB Plan") currently provides the following post employment benefits:

(a) Health and Dental Insurance - Employees of the City hired prior to March 18, 2006 are eligible to receive a fifty percent (50%) health insurance contribution of the total premium cost. At age sixty-five (65), if the retiree is eligible for Medicare Part B, the City contributes fifty percent (50%) of the Medicare Part B payment. Employees hired after March 18, 2006, after vesting in City's retirement plans, are eligible to receive an offset to the retiree premium equal to \$10 per year of credible service, up to a maximum of \$250 per month until age sixty-five (65) and \$5 per year of credible service up to a maximum of \$125, thereafter.

(b) Life Insurance - Employees of the City are eligible to receive a life insurance benefit of \$1,000 towards the cost of such insurance.

As of September 30, 2008, the City established an OPEB Trust (the "OPEB Trust") and began funding its OPEB obligation. Stand alone financial statements for the OPEB Trust are not prepared. As of October 1, 2014, the date of the most recent actuarial valuation, OPEB Plan participation consisted of the following:



### **OPEB Plan Participation**

OPEB Plan Participants	1,997
Retirees receiving benefits	<u>894</u>
Total	<u><u>2,891</u></u>

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Source: City of Miami Beach, Florida Comprehensive Annual Financial Report  
for Fiscal Year Ended September 30, 2016.

### **Funding of OPEB Plan**

The City has the authority to establish and amend the funding policy of the OPEB Plan. For the Fiscal Year ended September 30, 2016, the City paid \$10,250,000 in OPEB benefits on a pay-as-go basis and \$185,959 to the OPEB Trust. The City's net OPEB obligation as of September 30, 2016 was \$59,386,932. The City intends to base future OPEB Trust contributions on the annual required contribution in subsequent annual actuarial reports. However, no OPEB Trust contributions are legally or contractually required.

The annual cost (expense) of the OPEB Plan is calculated based on the annual required contribution, an amount actuarially determined in accordance with the parameters of GASB 45. The annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liability over a period not to exceed thirty (30) years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed and the change in the net OPEB obligation.

### **OPEB Annual Costs and Net Obligation for Fiscal Year 2016**

Annual Required Contribution	\$15,579,959
Interest on Net OPEB Obligation	4,245,000
Adjustment to Annual Required Contribution	<u>(3,066,000)</u>
Annual OPEB Cost (expense)	16,758,959
Contributions Made	<u>10,435,959</u>
Net OPEB Obligation	6,323,000
Net OPEB Obligation - Beginning of Year	<u>53,063,932</u>
Net OPEB Obligation - End of Year	<u><u>\$59,386,932</u></u>

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Source: City of Miami Beach, Florida Comprehensive Annual Financial Report  
for Fiscal Year Ended September 30, 2016.

Set forth below is a description of the progress made by the City in accumulating sufficient assets to pay OPEB benefits, when due.



### OPEB Annual Costs and Contributions

<u>Fiscal Year Ended September 30</u>	<u>Annual OPEB Cost</u>	<u>Contribution</u>	<u>Percent of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2014	\$17,351,000	\$ 8,882,000	51%	\$47,202,000
2015	15,307,000	9,463,000	62	53,063,932
2016	16,758,958	10,435,958	62	59,386,932

Source: City of Miami Beach, Florida Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2016.

### OPEB Funding Status

<u>Valuation Date</u>	<u>Actuarial Value of Plan Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Participants Covered Payroll</u>	<u>UAAL as a Percent of Participants Covered Payroll</u>
10/1/13	\$22,167,000	\$203,809,000	\$181,642,000	10.9%	\$107,951,095	168.3%
10/1/14	24,761,000	203,509,000	178,748,000	12.2	109,003,000	164.0
10/1/15	24,853,000	213,212,000	188,359,000	11.7	117,436,761	160.4

Source: City of Miami Beach, Florida Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2016, September 30, 2015 and September 30, 2014.

For more detailed information concerning the Employee Plan, the Police and Firefighters' Plan, the City's other retirement and contribution plans and the OPEB Plan, including actuarial valuations, assumptions about future events and contact information for the acquisition of separate audited financial statements for each plan (except the OPEB Plan, which does not have separate audited financial statements), see "APPENDIX B - Excerpts from Comprehensive Annual Financial Report of the City of Miami Beach, Florida for the Fiscal Year Ended September 30, 2017" and, in particular, Note 16 and, with respect to the OPEB Plan, Note 17 of the Notes to the Financial Statements.

### TAX MATTERS

#### General

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law: (i) interest on the Series 2019 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax, and (ii) the Series 2019 Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida



Statutes, as amended. Bond Counsel expresses no opinion as to any other tax consequences regarding the Series 2019 Bonds.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the City contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2019 Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the City's representations and certifications or the continuing compliance with the City's covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Series 2019 Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the City may cause loss of such status and result in the interest on the Series 2019 Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2019 Bonds. The City has covenanted to take the actions required of it for the interest on the Series 2019 Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Series 2019 Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2019 Bonds or the market value of the Series 2019 Bonds.

Interest on the Series 2019 Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2019 Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2019 Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Series 2019 Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the Series 2019 Bonds ends with the issuance of the Series 2019 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City or



the owners of the Series 2019 Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2019 Bonds, under current IRS procedures, the IRS will treat the City as the taxpayer and the beneficial owners of the Series 2019 Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Series 2019 Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Series 2019 Bonds.

Prospective purchasers of the Series 2019 Bonds upon their original issuance at prices other than the respective prices indicated on the inside cover of this Official Statement, and prospective purchasers of the Series 2019 Bonds at other than their original issuance, should consult their own tax advisors regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

### **Risk of Future Legislative Changes and/or Court Decisions**

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Series 2019 Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2019 Bonds will not have an adverse effect on the tax status of interest on the Series 2019 Bonds or the market value or marketability of the Series 2019 Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Series 2019 Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, federal tax legislation that was enacted on December 22, 2017 reduced corporate tax rates, modified individual tax rates, eliminated many deductions, repealed the corporate alternative minimum tax and eliminated the tax-exempt advance refunding of tax-exempt bonds, among other things. Additionally, investors in the Series 2019 Bonds should be aware that future legislative actions might increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Series 2019 Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Series 2019 Bonds may be affected and the ability of holders to sell their Series 2019 Bonds in the secondary market may be reduced.

Investors should consult their own financial and tax advisers to analyze the importance of these risks.

### **Original Issue Discount and Original Issue Premium**

Certain of the Series 2019 Bonds (“Discount Bonds”) as indicated on the inside cover page of this Official Statement may be offered and sold to the public at an original issue discount (“OID”). OID is the excess of the stated redemption price at maturity (the principal amount) over the “issue price” of a Discount Bond. The issue price of a Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding



interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excluded from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2019 Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond. A purchaser of a Discount Bond in the initial public offering at the issue price described above for that Discount Bond who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Certain of the Series 2019 Bonds ("Premium Bonds") as indicated on the inside cover page of this Official Statement may be offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

***Owners of Discount Bonds and Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the existence of OID or bond premium, the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount Bonds or Premium Bonds, other federal tax consequences in respect of OID and bond premium, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.***

## **FINANCIAL STATEMENTS**

Excerpts from the Comprehensive Annual Financial Report of the City of Miami Beach, Florida for the Fiscal Year ended September 30, 2017 and the report of Crowe Horwath LLP, independent certified public accountants, in connection therewith, dated March 30, 2018, are included in APPENDIX B to this Official Statement as part of the public records of the City. Such financial statements and report contain information relating to the City and its financial position.

The consent of Crowe Horwath LLP was not requested for the reproduction of its audit report in this Official Statement. The auditor has performed no services in connection with the preparation of this Official Statement and is not associated with the offering of the Series 2019 Bonds.

## **CONTINUING DISCLOSURE**

The City will covenant for the benefit of the holders of the Series 2019 Bonds to provide certain financial information and operating data relating to the City not later than two hundred forty (240) days following the end of each Fiscal Year, commencing with the Fiscal Year ending September 30, 2019 (the "Annual Report"), and to provide, or cause to be provided, notices of the occurrence of certain enumerated



events. The Annual Report and notices of events will be filed with the Municipal Securities Rulemaking Board (the “MSRB”). Digital Assurance Certification, L.L.C. (“DAC”) will act as the initial disclosure dissemination agent for the City. The specific nature of the information to be contained in the Annual Report and the notices of events is contained in “APPENDIX F - Form of Disclosure Dissemination Agent Agreement.” These covenants have been made in order to assist the Underwriters in complying with Rule 15c2-12 of the Securities and Exchange Commission (the “SEC”).

On July 28, 2014 Standard & Poor’s Ratings Services (“Standard & Poor’s”) announced that it had raised its rating on the City’s general obligation debt two (2) notches to “AA+” from “AA-.” The disclosure agreements entered into by the City in connection with the issuance of various series of bonds (the “Disclosure Agreements”) require the City to provide, among other things, notice of rating changes affecting such series of bonds. Notice of the ratings increase announced by Standard & Poor’s on July 28, 2014 was not provided by the City within the time periods established in the Disclosure Agreements. Such notice was filed by DAC, on behalf of the City, with the MSRB on April 29, 2015.

In addition to Disclosure Agreements relating to bonds issued by the City, the City has entered into Disclosure Agreements for bonds issued by the Miami Beach Redevelopment Agency (the “Agency”). Such Disclosure Agreements require the City to file its audited financial statements and certain financial information and operating data (collectively, the “City Annual Information”) each year with nationally recognized municipal securities information repositories, as designated by the SEC. On July 1, 2009 the SEC designated the Electronic Municipal Market Access System (“EMMA”) of the MSRB as the repository for filing information in satisfaction of continuing disclosure requirements. Following such designation, the City has submitted the City Annual Information for filing electronically with EMMA each year.

For Fiscal Years 2010 through 2014 the City Annual Information submitted for filing with EMMA was not linked to the CUSIP number for the Agency’s Tax Increment Revenue Bonds, Taxable Series 1998A (City Center/Historic Convention Village) (the “Series 1998A Bonds”) when such information was posted on EMMA. Access to such information was updated in October 2015 so that the CUSIP number for the Series 1998A Bonds was included among the CUSIP numbers linked to the City Annual Information for Fiscal Years 2010 through 2014. All of the Series 1998A Bonds were advance refunded and defeased upon issuance by the Agency of its Tax Increment Revenue Refunding Bonds, Taxable Series 2015B (City Center/Historic Convention Village) on December 15, 2015.

Documents required to be filed pursuant to the Disclosure Agreements are currently on file and available electronically from the MSRB at <http://emma.msrb.org/>. Information regarding the Series 2019 Bonds and other outstanding bonds of the City may be found at the DAC internet site, “<http://www.dacbond.com>.”

## **LITIGATION**

There is no litigation or controversy of any nature now pending for which the City has received service of process or, to the actual knowledge of the City Attorney, threatened against the City that seeks to restrain or enjoin the issuance or delivery of the Series 2019 Bonds or contesting the proceedings or authority under which they are to be issued or the creation, organization or existence of the City or, if determined adversely to the City, would have a material adverse impact on the levy and collection of the ad valorem taxes pledged to pay the principal of and interest on the Series 2019 Bonds.



## **LEGAL MATTERS**

Certain legal matters incident to the issuance of the Series 2019 Bonds and with regard to the tax-exempt status of the interest on the Series 2019 Bonds (see “TAX MATTERS” herein) are subject to the legal opinion of Squire Patton Boggs (US) LLP, Bond Counsel to the City. The signed legal opinion of Bond Counsel, substantially in the form attached hereto as APPENDIX D, dated and premised on law in effect as of the date of issuance of the Series 2019 Bonds, will be delivered on the date of issuance of the Series 2019 Bonds. The actual legal opinion to be delivered may vary from the form attached hereto to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date of issuance.

While Bond Counsel has participated in the preparation of certain portions of this Official Statement, it has not been engaged by the City to confirm or verify such information. Except as may be set forth in an opinion of Bond Counsel delivered to the Underwriters, Bond Counsel expresses and will express no opinion as to the accuracy, completeness or fairness of any statements in this Official Statement, or in any other reports, financial information, offering or disclosure documents or other information pertaining to the City or the Series 2019 Bonds that may be prepared or made available by the City, the Underwriters or others to the Holders of the Series 2019 Bonds or other parties.

Certain legal matters incident to the issuance of the Series 2019 Bonds relating to disclosure will be passed on for the City by the Law Offices of Steve E. Bullock, P.A., Miami, Florida, whose legal services as Disclosure Counsel have been retained by the City. The signed legal opinion, dated and premised on law in effect as of the date of original delivery of the Series 2019 Bonds, will be delivered to the City by Disclosure Counsel at the time of original delivery of the Series 2019 Bonds.

The proposed text of the form of the legal opinion of Disclosure Counsel is set forth as APPENDIX E to this Official Statement. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Official Statement or otherwise shall create no implication that Disclosure Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date of issuance.

Certain legal matters will be passed on for the City by Raul J. Aguila, Esquire, Miami Beach, Florida, City Attorney. Greenberg Traurig, P.A., Miami, Florida, is serving as counsel to the Underwriters.

The legal opinions and other letters of counsel to be delivered concurrently with the delivery of the Series 2019 Bonds express the professional judgment of the attorneys rendering the opinions or advice regarding the legal issues and other matters expressly addressed therein. By rendering a legal opinion or advice, the giver of such opinion or advice does not become an insurer or guarantor of the result indicated by that opinion, or the transaction on which the opinion or advice is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

## **ENFORCEABILITY OF REMEDIES**

The remedies available to the owners of the Series 2019 Bonds upon the occurrence of a default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies



specified by the Resolution and the Series 2019 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2019 Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery and to general principles of equity (whether sought in a court of law or equity).

## **RATINGS**

Moody's Investors Service, Inc. ("Moody's") has assigned to the Series 2019 Bonds a rating of "\_\_\_\_," with a "\_\_\_\_ outlook," and S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P") has assigned a rating of "\_\_\_\_," with a "\_\_\_\_ outlook." Such ratings and outlooks reflect the view of such organizations. An explanation of the significance of such ratings and outlooks may be obtained only from Moody's and S&P, respectively. An explanation of the rating and outlook assigned by Moody's may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, 23<sup>rd</sup> Floor, New York, New York 10007, (212) 553-0300. An explanation of the rating and outlook assigned by S&P may be obtained from S&P at 55 Water Street, 38<sup>th</sup> Floor, New York, New York 10041, (212) 438-2124.

Generally, a rating agency bases its rating and outlook, if assigned, on the information and materials furnished to it and on investigations, studies and assumptions of its own. A securities rating and outlook is not a recommendation to buy, sell or hold securities. There is no assurance that the rating and outlook provided by Moody's and S&P, respectively, will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies if, in their judgment, circumstances so warrant. Any downward revision or withdrawal of such ratings or outlooks may have an adverse effect on the market price of the Series 2019 Bonds.

## **UNDERWRITING**

The Series 2019 Bonds are being purchased by J.P. Morgan Securities LLC (the "Senior Managing Underwriter"), Merrill Lynch, Pierce, Fenner & Smith Incorporated, Jefferies LLC and PNC Capital Markets LLC (collectively with the Senior Managing Underwriter, the "Underwriters"), subject to certain terms and conditions set forth in the bond purchase agreement between the City and the Underwriters, including the delivery of opinions on certain legal matters relating to the issuance of the Series 2019 Bonds by Bond Counsel and the existence of no material adverse change in the condition of the City from that set forth in this Official Statement.

The Series 2019 Bonds are being purchased at a purchase price of \$\_\_\_\_\_ (which represents the \$\_\_\_\_\_ principal amount of the Series 2019 Bonds, [plus / minus a net original issue premium / discount of \$\_\_\_\_\_,] minus an Underwriters' discount of \$\_\_\_\_\_). The Series 2019 Bonds are offered for sale to the public at the prices and yields set forth on the inside cover page of this Official Statement. The Series 2019 Bonds may be offered and sold to certain dealers at prices lower than or yields higher than such offering prices and yields. After the initial public offering, such public offering prices and yields may be changed from time to time by the Underwriters.

The Underwriters may have entered into distribution agreements with other broker-dealers (that have not been designated by the City as an underwriter) for the distribution of the Series 2019 Bonds at the original issue prices. Such agreements generally provide that the relevant underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.



Bond Counsel and Disclosure Counsel may, from time-to-time, serve as counsel to one or more of the Underwriters on matters unrelated to the issuance of the Series 2019 Bonds.

### **VERIFICATION OF MATHEMATICAL COMPUTATIONS**

The arithmetical accuracy of certain computations included in the schedules provided by the Senior Managing Underwriter relating to the sufficiency of the cash to be held uninvested in the Escrow Deposit Trust Fund to pay and redeem the Refunded Bonds was verified by Integrity Public Finance Consulting LLC, as the Verification Agent. Such computations were based solely upon assumptions and information supplied by the Senior Managing Underwriter.

The Verification Agent has restricted its procedures to examining the arithmetical accuracy of certain computations included in the schedules provided by the Senior Managing Underwriter. The Verification Agent has not made any study or evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted results.

### **FINANCIAL ADVISOR**

RBC Capital Markets, LLC, St. Petersburg, Florida, is serving as Financial Advisor to the City and has acted in such capacity with respect to the sale and issuance of the Series 2019 Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information in this Official Statement. RBC Capital Markets, LLC did not engage in any underwriting activities with regard to the issuance and sale of the Series 2019 Bonds.

### **CONTINGENT FEES**

The City has retained Bond Counsel, Disclosure Counsel and the Financial Advisor with respect to the authorization, sale, execution and delivery of the Series 2019 Bonds. Payment of the fees of such professionals and an underwriting discount to the Underwriters (including the fees of Underwriters' Counsel) are each contingent upon the issuance of the Series 2019 Bonds.

### **DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS**

Section 517.051, Florida Statutes, as amended, and Rule 3E400.003, Florida Administrative Code, requires the City to disclose each and every default as to payment of principal and interest after December 31, 1975 with respect to obligations issued or guaranteed by the City. Rule 3E400.003 further provides, however, that if the City in good faith believes that such disclosure would not be considered material by reasonable investors, such disclosure may be omitted. The City has not defaulted on the payment of principal or interest with respect to obligations issued or guaranteed by the City after December 31, 1975 that would be considered material by a reasonable investor.

### **AUTHORIZATION CONCERNING OFFICIAL STATEMENT**

The delivery of this Official Statement has been duly authorized by the City Commission. At the time of the delivery of the Series 2019 Bonds, the Mayor and the City Manager of the City will furnish a certificate to the effect that nothing has come to their attention which would lead them to believe that this Official Statement, as of its date and as of the date of delivery of the Series 2019 Bonds, contains an untrue statement of a material fact or omits to state a material fact which should be included therein for



the purpose for which this Official Statement is intended to be used, or which is necessary to make the statements contained herein, in the light of the circumstances under which they were made, not misleading.

A limited number of copies of the final Official Statement will be provided, at the City's expense, on a timely basis.

#### **MISCELLANEOUS**

All information included in this Official Statement has been provided by the City, except where attributed to other sources. The summaries of and references to all documents, statutes, reports, and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such reference or summary is qualified in its entirety by reference to each such document, statute, report or other instrument. The information in this Official Statement has been compiled from official and other sources and, while not guaranteed by the City, is believed to be correct. To the extent that any statements made in this Official Statement and the appendices attached hereto involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

This Official Statement has been duly executed and delivered by the Mayor and the City Manager of the City of Miami Beach, Florida.

CITY OF MIAMI BEACH, FLORIDA

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DAN GELBER, Mayor

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JIMMY L. MORALES, City Manager



## **APPENDIX A**

**General Information and Economic Data**

**Regarding the City of Miami Beach, Florida**

**and Miami-Dade County, Florida**



## **GENERAL INFORMATION REGARDING THE CITY OF MIAMI BEACH, FLORIDA AND MIAMI-DADE COUNTY, FLORIDA**

The following information pertaining to the City of Miami Beach, Florida (the “City”) and Miami-Dade County, Florida (the “County”) is set forth for purposes of providing background information only. The Series 2019 Bonds are payable only from ad valorem taxes assessed in an amount sufficient to pay the principal of and interest on the Series 2019 Bonds as they become due, as described in this Official Statement. The full faith, credit, and taxing power of the City have been irrevocably pledged to the punctual payment of the principal and interest as they become due and payable on the Series 2019 Bonds.

### **INTRODUCTION**

#### **The City**

The City is located on a barrier island surrounded by the Atlantic Ocean to the east and Biscayne Bay to the west. The City comprises approximately seven (7) square miles of land area and approximately ten (10) square miles of Biscayne Bay. The City is connected to the mainland by four (4) causeways.

The climate of the City is tropical, with an average annual temperature of 75 degrees Fahrenheit, 24 degrees Celsius. The City is the home of the Art Deco Historic District, consisting of one of the greatest concentrations of Art Deco architecture in the United States. Within the Art Deco Historic District is the world famous Ocean Drive, which has been called the “Riviera” of Florida. The economy of the area is based on tourism. For Fiscal Year 2016, hotel, food and beverage sales within the City were estimated to be in excess of \$4.0 billion.

The demographics of the City have drastically changed over the last thirty-five (35) years. In the 1980 Census, the average age of the City’s population was 65.3 years old. That average declined to a median age of 39.0 years of age by the 2000 Census and was 40.3 years of age in the 2010 Census. After the significant changes between 1980 and 2010, the City’s demographics are beginning to stabilize with a younger, more affluent population. Based on information provided by the U.S. Census Bureau for calendar year 2015 (the most recent year for which City estimates are currently available from the U.S. Census Bureau), the median age in the City was estimated to be 40.4 years of age. For calendar year 2016, the median family income for the City was estimated to be \$71,001.

#### **The County**

The County is the largest county in the southeastern United States in terms of population and one of the largest in terms of land area. The County consists of 2,209 square miles of land area. The population of the County is clustered mainly along the coastal, eastern areas, with the western area of the County comprising a part of the Florida Everglades. The County was created on January 18, 1836 under the Territorial Act of the United States. It included the land area now forming Palm Beach and Broward Counties, together with the land area of the present Miami-Dade County. In 1909, Palm Beach County was established from the northern portion of what was then Dade County. In 1915, Palm Beach County and then Dade County contributed nearly equal portions of land to create what is now Broward County. There have been no significant boundary changes to the County since 1915. There are thirty-four (34) incorporated municipalities in the County and the County serves as a municipal government for its



unincorporated areas. In addition to the City, the municipalities in the County include the cities of Miami, Hialeah and Coral Gables.

## POPULATION

The U.S. Census Bureau estimated the population of the City and of the County to be 91,917 and 2,712,945, respectively, in calendar year 2016. Set forth below are general population statistics for the City and the County and age data relating to the City's population growth.

### Population, City of Miami Beach and Miami-Dade County 1980 - 2016

Calendar Year	City of Miami Beach	Percent Change	Miami-Dade County	Percent Change
1980	96,298	10.6%	1,625,598	28.2%
1990	92,639	(3.8)	1,937,094	19.2
2000*	87,933	(5.1)	2,253,362	16.3
2010	87,779	(0.2)	2,496,435	10.8
2015	91,564	4.3	2,639,042	5.7
2016	91,917	0.4	2,712,945	2.8

Source: U.S. Department of Commerce, Bureau of Census.

\* Amount for 2000 for the County is revised from estimates previously provided for such year, reflecting more recent estimate provided by the U.S. Department of Commerce, Bureau of Census.

### Population Breakdown City of Miami Beach, 1990 - 2015

Age Group	1990	2000	2010	2015*
Under 18	14.2%	13.4%	12.8%	16.3%
18 and over	85.8	86.6	87.2	83.7
21 and over	83.1	84.1	84.9	81.7
65 and over	23.4	19.2	16.2	15.9
Median Age:	44.5	39.0	40.3	40.4

Source: U.S. Department of Commerce, Bureau of Census.

\* 2015 is the most recent year for which information is available.



## **GOVERNMENT**

The City was incorporated as a municipal corporation on March 26, 1915. The City operates under a Commission/City Manager form of government. The City Commission consists of the Mayor and six (6) Commissioners who serve as the policy-making body of the City. Authority is vested in the City Commission to enact ordinances, hold public hearings, approve contracts, establish the City's budget and tax assessments, and authorize construction of all public improvements.

The Mayor and City Commission are elected on a citywide, nonpartisan basis. Elections are held in odd numbered years, with the Mayor elected to serve two-year terms with a limit of three (3) consecutive terms. Commissioners are elected to serve four-year terms with a limit of two (2) consecutive terms. City Commission terms are staggered so that not all Commissioners are up for re-election at the same time. On a rotating basis, the City Commission selects one (1) of its members to serve as Vice Mayor for a three-month term. The Mayor, who is the presiding officer at City Commission meetings, may vote on all matters that come before the City Commission, but has no power of veto. The City Commission appoints the City Manager, the City Attorney and the City Clerk. All other department heads are appointed by the City Manager, with the consent of the City Commission.

The City Manager is vested with the responsibility to ensure that policies, directives, resolutions, and ordinances adopted by the City Commission are enforced and implemented. As the City's Chief Executive Officer, the City Manager is responsible for providing executive level leadership, vision and guidance to the organization, providing recommendations to the City Commission and implementing policy directives in an efficient and effective manner. In addition, the City Manager is responsible for the daily operations of the City, preparing and administering the budget, planning the development of the City, supervising City employees, interacting with citizen groups and other units of government, and is otherwise responsible for the health, safety, and welfare of the residents of and visitors to the City. With the exception of the City Attorney's Office and the City Clerk's Office, the City Manager has the power to appoint or remove all heads of the various departments of the City.

## **SCOPE OF SERVICES**

The City provides a full range of municipal services, including police and fire protection, recreational activities, parks, cultural events, sanitation services, water, sewer and storm water services, neighborhood and community services, and the construction and maintenance of streets and infrastructure.

## **ECONOMIC AND DEMOGRAPHIC DATA**

### **Family Income**

The estimated median family income for the City has been consistently higher than the median family income for the County. During the last five years, the median family income for the City has ranged from being as small as 11.4% higher than the median family income for the County in calendar year 2013 to being as much as 34.3% higher in calendar year 2015.

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### Estimated Median Family Incomes, 2012 - 2016\*

Calendar Year	City of Miami Beach	Percent Change	Miami-Dade County	Percent Change
2012	\$56,457	(1.5)	\$47,382	1.7
2013	52,576	(6.9)	46,904	(1.0)
2014	60,710	15.5	50,187	7.0
2015	70,166	15.6	49,609	(1.2)
2016	71,001	1.2	51,694	4.2

Source: U.S. Department of Commerce, Bureau of Census.

\* Amounts are presented in dollars, adjusted for inflation.

### Per Capita Personal Income

Between 2011 and 2015, the estimated per capita personal income for the County increased by 11.3 percent, from \$38,880 in 2011 to \$43,278 in 2015 (the most recent year for which such information is available for the County). Such increase is slightly higher than the rate of growth in the State of Florida, which experienced a per capita personal income growth rate of approximately 9.9 percent during the same period, and slightly less than the rate of growth in the United States, which experienced a per capita personal income growth rate of approximately 13.5 percent during the same period.

### Per Capita Personal Income, 2011 - 2016<sup>(1)</sup>

Calendar Year <sup>(2)</sup>	Miami-Dade County <sup>(3)</sup>	% of U.S.	State of Florida	% of U.S.	United States
2011	\$38,880	91.6%	\$40,494	95.4%	\$42,461
2012	39,414	89.0	41,000	92.6	44,282
2013	39,104	87.9	40,797	91.7	44,493
2014	41,587	89.5	42,905	92.3	46,464
2015	43,278	89.8	44,487	92.3	48,190
2016	N/A	N/A	45,819	92.4	49,571

Source: U.S. Department of Commerce, Bureau of Economic Analysis/Regional Economic Information System.

- (1) Information is provided as of the last available update, dated March 28, 2017.
- (2) Except as described in footnote 3 of this table for the County, amounts for 2011 through 2016 are revised from estimates previously provided by the U.S. Department of Commerce for such years.
- (3) Estimates for 2015 are new estimates. Amounts for 2011 through 2014 are revised from estimates previously provided for such years. Calendar year 2015 is the most recent year for which information is available.



## EMPLOYMENT

The following tables provide information relating to the City's labor force for calendar years 2012 through 2016 and the principal employers in the County for the fiscal year ended September 30, 2016 and comparative data for the fiscal year ended September 30, 2007.

### City of Miami Beach Employment 2012 - 2016\*

Labor Force	2012	2013	2014	2015	2016
Labor Force Employed	51,522	51,865	52,848	53,194	54,642
Labor Force Unemployed	3,032	2,482	2,386	2,315	2,337
Total Labor Force	54,554	54,347	55,234	55,509	56,979
Unemployment Rate	5.6%	4.6%	4.3%	4.2%	4.1%

Source: U.S. Department of Labor, Bureau of Labor Statistics.

\* Data provided for December of each year. Data last revised on April 21, 2017 from estimates previously provided by the U.S. Department of Labor, Bureau of Labor Statistics.

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**Miami-Dade County  
Ten Largest Public Employers**

<u>Employers</u>	<u>2016</u>			<u>2007</u>	
	<u>Employees</u>	<u>Rank</u>	Percentage of Total County <u>Employment</u>	<u>Employees</u>	<u>Rank</u>
Miami-Dade County Public Schools	33,477	1	2.64%	50,000	1
Miami-Dade County	25,502	2	2.01	32,000	2
Federal Government	19,200	3	1.51	20,400	3
Florida State Government	17,100	4	1.35	17,000	4
Jackson Health System	9,797	5	0.77	10,500	5
City of Miami	3,997	6	0.32	4,034	7
Florida International University	3,534	7	0.28	3,132	8
Homestead Air Force Base	3,250	8	0.26	—	—
Miami VA Medical Center	2,500	9	0.20	2,300	9
Miami-Dade College	2,390	10	0.19	6,500	6
City of Miami Beach	<u>—</u>	—	<u>—</u>	<u>1,979</u>	10
 TOTAL	 <u>120,747</u>		 <u>9.53%</u>	 <u>147,845</u>	

Source: City of Miami Beach Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2016.

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**Miami-Dade County  
Ten Largest Private Employers**

<u>Employers</u>	<u>2016</u>		Percentage of Total County Employment	<u>2007</u>	
	<u>Employees</u>	<u>Rank</u>		<u>Employees</u>	<u>Rank</u>
University of Miami	12,818	1	1.01%	9,874	3
Baptist Health South Florida	11,353	2	0.90	10,826	2
American Airlines	11,031	3	0.87	9,000	4
Carnival Cruise Lines	3,500	4	0.28	3,500	9
Miami Children's Hospital	3,500	4	0.28	—	—
Mount Sinai Medical Center	3,321	6	0.26	—	—
Florida Power & Light Co.	3,011	7	0.24	—	—
Royal Caribbean International	2,989	8	0.24	—	—
Wells Fargo Bank	2,050	9	0.16	—	—
Bank of America Merrill Lynch	2,000	10	0.16	—	—
Publix Super Markets	—	—	—	11,000	1
Precision Response Corporation	—	—	—	6,000	5
Bellsouth	—	—	—	5,500	6
Winn-Dixie Stores	—	—	—	4,833	7
Florida Power & Light Co.	—	—	—	3,900	8
Burdines-Macy's	<u>—</u>	—	<u>—</u>	<u>3,368</u>	10
 TOTAL	 <u>55,573</u>		 <u>4.40%</u>	 <u>67,801</u>	

Source: City of Miami Beach Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2016.

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## BUILDING PERMITS

The following is a calculation of the total value of the Building Permits issued by the City during the past ten (10) years.

**City of Miami Beach, Florida**  
**Value of Building Permits Issued**  
**Fiscal Years 2008 - 2017**

Fiscal Year Ended September 30,	Number of Permits*	Total Value*
2008	10,994	\$1,155,544,658
2009	10,281	577,461,927
2010	10,148	298,475,913
2011	11,088	371,534,297
2012	12,530	417,893,703
2013	13,790	497,902,181
2014	13,900	804,401,614
2015	14,396	742,450,180
2016	13,114	1,004,748,170
2017	10,978	990,230,904

Source: City of Miami Beach Building Department.

\* Amounts have been revised from numbers provided previously to reflect the most recent determination of actual number of permits issued and final valuations and improved calculation and reporting of such amounts from upgraded accounting software.

## LOCAL ECONOMY

Tourism is the largest sector of the City's economy, with over \$4.0 billion in direct tourist spending on hotel, food and beverage, and constitutes a large portion of the City's multi-billion dollar retail marketplace. In Fiscal Year 2016, the City's hotels hosted approximately 7.0 million overnight visitors, and approximately 11.0 million tourists visited South Beach and the Art Deco Historic District. Results reported thus far for Fiscal Year 2017 evidence a continued upward trend.

In Fiscal Year 2016, hotel room occupancy in the City was 72.2%, down from 74.5% in Fiscal Year 2015, reflecting continued absorption of an inventory of hotel rooms that has increased significantly in recent years, from 14,138 in 2008 to 20,144 in 2016. The increased inventory has provided the City with additional hotel room resources and product that is expected to continue to attract visitors and additional investment over the long term. Since the second quarter of 2008, hotel room demand has shown year over year increases.



The City's unemployment rate of 4.1% is below comparable geographies, such as 5.0% for the County and 4.9% for the State of Florida and the United States. The City's unemployment rate has also decreased significantly from the local unemployment rate of 9.5% in 2011.

The City is a regional destination, with approximately 7 to 9 million day trips annually by residents of the surrounding area, making it one of the most popular destinations in Florida. However, in recent years, the City has diversified beyond its traditional tourism based economy to become a leading multi-industry business center, with entertainment, health care, culture, and professional services industries. The City has attracted major television series and movies, including the currently airing television show *Ballers* (HBO), and recently released movies *Alvin and the Chipmunks: The Road Chip*, and *Arms and the Dudes*. In addition, in the recent past the City has served as host for several major television shows, including *Burn Notice* (USA) and *Magic City* (Starz), and has been the host for several feature productions, including *Iron Man 3*, *Step Up Revolution*, *Pain & Gain* and *Ride Along 2*.

The City also hosts several major conferences annually, including the eMerge Americas Conference, which showcases the best and brightest technology innovators and entrepreneurs, including Rokk3rlabs, a tech hub that is based in the City. For the past fifteen (15) years, the world's most prestigious art fair, Art Basel, based in Switzerland, has held its Miami Beach exhibition. Over 250 of the world's leading art galleries participate in Art Basel Miami Beach and an estimated 77,000 U.S. and international visitors attended the event in December, 2016. Art Basel Miami Beach has increased in attendance and sales every year since inception. In addition, in 2016 the City hosted the second annual Maison & Objet Americas, a world-renowned interior design trade show that attracted thousands of international visitors.

Although there are industrial factors beyond the City's control that have impacted the production of entertainment projects, the entertainment industry continues as an important part of the City's economy. The City remains a key location for the production of movies, fashion campaigns and television series. Many international talent and model agencies have established and continue operations in the City and the City continues to grow as an international destination for major events. In addition to Art Basel Miami Beach, Design Miami, the South Beach Food and Wine Festival, the Miami International Auto Show, the South Beach Comedy Festival, the Yachts Miami Beach Show and the Winter Music Conference continue to provide a strong base for the special events, meeting and trade show segment of the City's economy.

Retail tenants continue to open locations and expand in the City, joining established operations, such as Marshalls, Kenneth Cole, Urban Outfitters, Diesel, Nicole Miller, Forever 21, H&M, The Gap and a newly expanded flagship Apple store. As of September 30, 2016, Class A office space in prime locations continues to generate interest, with a vacancy rate at the low level of approximately 5.0%. Such office space is anchored by corporate tenants, such as LNR Property Corporation, Terranova, and Benetton, and recently added co-space operator WeWork. Class B office space in the City is similarly active, with a vacancy rate consistent with the average throughout the County of approximately 9.0%.

The City also remains a leader in the real estate industry, as the median price of homes and condominiums continued to stabilize through 2016. Development in the City continues to grow, specifically in North Beach, an area historically overlooked for significant projects by developers. Growth management initiatives in the late 1990's resulted in more limited supply, somewhat reducing the exposure of excess new residential inventory that was experienced in some other cities. Since the end of 2008, as recessionary pressures eased on the economy, the City has mostly experienced quarterly increases in condominium units sold, as developers have continued to introduce new projects to the market to add new units to the available inventory. Miami Real Estate Market Reports reflect a housing market that has become more stable during calendar year 2017. Total housing sales are reported to have increased in recent



years and, as of the second quarter of 2017, the City experienced the lowest market share of distressed sales for any period measured in the last four years. Condominium sales in the City have also improved when viewing a combination of sales and prices. Median sales prices are reported to have decreased by about 6.0%, while sales have risen nearly 4.0%.

### **CONVENTION CENTER RENOVATION**

The Miami Beach Convention Center (the “Convention Center”), originally built in 1957, is undergoing a \$515 million renovation and expansion. Once completed the Convention Center will set a high standard of excellence and redefine meeting and entertainment solutions when hosting large-scale business, trade, civic, and cultural events. The City’s professional design team, consisting of nationally recognized Fentress Architects, the local design firm of Arquitectonica, and international landscape architects West 8, have designed improvements to the Convention Center that are intended to position it among the top globally significant convention centers in the world.

The new 1.4 million square foot, LEED certified facility will include a state-of-the-art 60,000 square foot grand ballroom, additional meeting rooms with flexible arrangements, a 20,000 square foot glass rooftop junior ballroom, advanced technology, and new versatile indoor/outdoor public spaces. For added convenience, 800 parking spaces located across from the Convention Center will be relocated within the footprint of the building, thus allowing the 5.8 acre parking lot to be converted into a public park surrounded by canopy trees, a flexible lawn area, a food pavilion, and a public plaza to honor the City’s veterans. The park has potential to become the new civic “heart” of Miami Beach. The transformation will enable the Convention Center to keep up with the demands of the competitive national and international convention community, while new outdoor public spaces will create improved walkability, connecting the Convention Center and the City’s adjacent historical cultural district and resorts. The project commenced in December, 2015 and is scheduled to be substantially complete by August, 2018.

### **MIAMI BEACH VISITOR AND CONVENTION ACTIVITY**

Miami-Dade County and the Miami Beach Convention Center host a large number of conventions and the City welcomes a large number of overnight visitors each year. Set forth below is information relating to Convention Center attendance and overnight visitor activity.

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**City of Miami Beach, Florida**  
**Convention Center Attendance and Overnight Visitors**  
**Fiscal Years 2007 - 2016**

<u>Fiscal Year</u>	<u>Convention Center Attendance</u>	<u>Overnight Visitors</u>	<u>Total Overnight Visitor Spending</u>
2007	707,133	4,894,053	\$ 7,344,719,992
2008	889,695	4,863,569	7,468,633,814
2009	632,700	5,383,091	7,524,151,558
2010	708,875	5,558,408	8,104,378,579
2011	661,625	5,539,010	8,088,739,484
2012	661,327	5,841,612	9,201,340,602
2013	589,663	5,697,053	10,614,159,967
2014	737,954	6,961,200	10,500,000,000
2015	591,277	6,652,186	11,546,000,000
2016	388,641*	6,951,648	11,681,700,000

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Source: City of Miami Beach Finance Department.

\* Reduced attendance resulted from portions of the Convention Center being unavailable due to the current renovation and expansion project, which commenced in December 2015 and is scheduled to be completed in August 2018.

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**Tourism and Visitor Activity**  
**Domestic and International Overnight Visitors**  
**Miami-Dade County Fiscal Years 2012 - 2016**  
**(in 000)**

Origin	Fiscal Year Ended September 30,				
	2012	2013	2014	2015	2016
<i>Domestic Regions</i>					
Northeast	3,423.2	3,401.4	3,520.1	3,860.5	3,915.3
Southern	1,750.6	1,781.0	1,833.1	2,004.8	2,026.7
Midwest	1,300.9	1,263.6	1,270.8	1,385.1	1,405.5
Western	<u>600.2</u>	<u>641.2</u>	<u>679.2</u>	<u>739.8</u>	<u>752.5</u>
<i>Total Domestic Visitors</i>	<u>7,074.9</u>	<u>7,087.2</u>	<u>7,303.2</u>	<u>7,990.2</u>	<u>8,100.0</u>
<i>International Regions</i>					
South America	3,435.6	3,737.1	3,659.0	3,739.6	3,683.5
Caribbean	718.8	719.2	755.0	799.0	854.1
Central America	550.1	561.5	595.3	615.6	650.1
Europe	1,368.4	1,332.4	1,430.2	1,515.2	1,554.7
Canada	640.5	660.6	689.7	696.6	661.8
Other International Regions	<u>120.3</u>	<u>120.9</u>	<u>130.7</u>	<u>140.1</u>	<u>220.0</u>
<i>Total International Visitors</i>	<u>6,833.7</u>	<u>7,131.7</u>	<u>7,260.0</u>	<u>7,506.0</u>	<u>7,624.2</u>
<b><i>Total Overnight Visitors</i></b>	<u><u>13,908.6</u></u>	<u><u>14,218.9</u></u>	<u><u>14,563.2</u></u>	<u><u>15,496.3</u></u>	<u><u>15,724.3</u></u>
<i>Expenditures*</i>					
Domestic Overnight Visitors	\$ 7,482.27	\$ 7,840.00	\$ 8,206.24	\$ 8,757.31	\$ 9,782.05
International Overnight Visitors	<u>15,182.98</u>	<u>15,954.13</u>	<u>16,528.19</u>	<u>14,936.26</u>	<u>15,723.77</u>
<b><i>Total Expenditures</i></b>	<u><u>\$ 22,665.25</u></u>	<u><u>\$ 23,794.13</u></u>	<u><u>\$ 24,734.43</u></u>	<u><u>\$ 23,693.57</u></u>	<u><u>\$ 25,505.82</u></u>

Source: Greater Miami Convention and Visitors Bureau 2016 Visitor Industry Overview.

\* Average Daily Expenditures, in Billions.

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**Overnight Visitors by Region  
Fiscal Years 2012 - 2016\***

Region	Fiscal Year Ended September 30,				
	2012	2013	2014	2015	2016
Miami Beach	42.0%	47.3%	57.8%	54.7%	55.6%
Downtown Miami	17.6	12.1	13.2	14.3	15.0
North-Dade / Sunny Isles Beach	10.0	13.9	11.8	9.8	11.7
Airport Area	17.2	16.5	12.8	11.6	8.3
South Miami-Dade	5.0	6.8	3.9	4.1	3.8
Doral	0.7	1.2	3.3	4.4	2.9
Key Biscayne	2.9	1.3	1.5	2.1	2.4
Coconut Grove	0.5	0.5	1.5	1.2	1.7
Coral Gables	<u>5.2</u>	<u>1.7</u>	<u>1.4</u>	<u>1.4</u>	<u>1.3</u>
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

Source: Greater Miami Convention and Visitors Bureau 2016 Visitor Industry Overview.

\* Numbers may not add, due to rounding.

## TRANSPORTATION

### Surface Transportation

The County has a comprehensive transportation network designed to meet the needs of residents, travelers and area businesses. The County's internal transportation system includes (a) Metrorail, a 24.8 mile, 23 station, above-ground, electric rail system connecting South Miami-Dade and the City of Hialeah with the downtown Miami and civic center areas, as well as Miami International Airport, providing 21.5 million passenger trips annually; (b) Metromover, a fully automated, driverless, 4.4 mile above-ground, electric rail, double-loop people mover system that (i) is interfaced with Metrorail, (ii) completes approximately 10.3 million passenger trips annually throughout 21 stations and (iii) carries passengers around downtown Miami's central business center, south to the Brickell Avenue business and international banking centers and north to the Andrienne Arsht Performing Arts Center and Omni shopping center areas; and (c) the County's Metrobus system which (i) includes both directly operated and contracted conventional urban bus service, (ii) interconnects with all Metrorail stations and key Metromover stations, (iii) operates over approximately 29.6 million revenue miles per year, and (iv) provides over 65.2 million passenger trips annually.

The County also provides para-transit services to qualified elderly and handicapped riders through its Special Transportation Service. The County's para-transit services supply over 1.64 million passenger trips annually in a demand-response environment. In addition, cargo rail service is available from both Miami International Airport and the Port of Miami, and Amtrak has a passenger station in the City of Miami. Tri-Rail, a 72-mile train system, links the City of West Palm Beach, the City of Boca Raton, the City of Fort Lauderdale, the City of Hollywood and Miami International Airport.



## **Miami International Airport**

Miami International Airport is one of the busiest airports in the world for both passenger and cargo traffic. It ranks tenth (10<sup>th</sup>) in the nation and thirtieth (30<sup>th</sup>) in the world in passenger traffic and has the third (3<sup>rd</sup>) highest international passenger traffic in the United States. The airport ranks first (1<sup>st</sup>) in the nation and tenth (10<sup>th</sup>) in the world in tonnage of domestic and international cargo movement. During calendar year 2016, Miami International Airport handled 44,584,603 passengers and 2,220,773 tons of air freight. More than 88 airlines serve Miami International Airport, flying passengers to more than 160 destinations around the globe.

## **Port of Miami**

The Port of Miami, known as the “cruise capital of the world,” is an island port that encompasses 640 acres of land. It is the world’s largest multi-day cruise port and is operated by the Seaport Department of Miami-Dade County. Embarkations and debarkations on cruise ships totaled over 4,980,490 passengers at the Port of Miami during Fiscal Year 2016. The Port of Miami is currently home to forty-two (42) cruise ships that operate throughout the year. Such ships, owned by eighteen (18) separate cruise ship companies, include some of the largest cruise ships in the world.

The Port of Miami is also a hub for Caribbean and Latin American commerce. These countries accounted for 49% of the 8,777,974 tons of cargo transferred through the Port of Miami during Fiscal Year 2016. In addition, the Port of Miami has expanded its relationships in the global community. Further, in September 2015, the County completed its Deep Dredge Project, which deepened the shipping channel of the port to 52 feet, allowing the world’s largest cargo ships sailing through the expanded Panama Canal to bring cargo to the Port of Miami. Completion of the Deep Dredge Project, together with other improvements and upgrades at the port, makes the Port of Miami the only port in the United States south of Virginia capable of accommodating the world’s largest cargo ships. As a result of the foregoing, trade with the Far East, Asia and the Pacific coast is expected to continue to increase at the Port of Miami. Such trade accounted for 34% of the total cargo handled at the Port of Miami during Fiscal Year 2016.

In August 2014, access to the Port of Miami was increased by the opening of the *PortMiami* Tunnel. The *PortMiami* Tunnel consists of two (2) parallel tunnels (one in each direction) that travel underneath Biscayne Bay connecting MacArthur Causeway on Watson Island with the Port of Miami on Dodge Island. The *PortMiami* Tunnel provides direct access from highways I-95 and I-395, creating a highly desired additional entrance to the Port of Miami and a major improvement in traffic flow in downtown Miami. The *PortMiami* Tunnel is expected to be a significant catalyst for future development at the Port of Miami and in the downtown Miami area.

## **RECREATION**

There are numerous parks and playgrounds in the City. Each park provides different amenities, from tennis and bocce courts to swimming pools and tot lots, to Vita courses and barbecue pits. There are four (4) Vita courses, two (2) public swimming pools, and numerous tennis courts, including the Holtz Tennis Stadium, which hosts championship, professional and amateur tournaments.

Offshore, the Gulf Stream provides a variety of game fish, while the Miami Beach Marina provides an abundance of space to house boats as well as direct access to the Atlantic Ocean and the Gulf Stream. The Marina is a private development on City owned, bay front land in the South Pointe area of the City. Renovation has increased the number of boat slips to 400, making the Marina a first class facility and the largest marina in the area.



The City owns two (2) championship golf courses that are open to the public. The two (2) championship courses, Miami Beach Golf Course and Normandy, offer a clubhouse complete with a restaurant, lounge and pro shop.

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**APPENDIX B**

**Excerpts from the Comprehensive Annual Financial Report**

**of the City of Miami Beach, Florida**

**for the Fiscal Year Ended September 30, 2017**



## **APPENDIX C**

### **The Resolution**



## **APPENDIX D**

### **Proposed Form of Opinion of Bond Counsel**



## **APPENDIX E**

### **Proposed Form of Opinion of Disclosure Counsel**



Date of Delivery

Mayor and City Commission of the  
City of Miami Beach, Florida  
1700 Convention Center Drive  
Miami Beach, Florida 33139

\$ \_\_\_\_\_ \*

**CITY OF MIAMI BEACH, FLORIDA**  
**General Obligation and Refunding Bonds**  
**Series 2019**

Ladies and Gentlemen:

We have served as Disclosure Counsel to the City of Miami Beach, Florida (the “City”) in connection with the issuance by the City of its \$ \_\_\_\_\_ in aggregate principal amount of General Obligation and Refunding Bonds, Series 2019 (the “Series 2019 Bonds”). The Series 2019 Bonds are being issued with the terms, for the purposes and subject to the conditions set forth in Resolution No. \_\_\_\_\_ adopted by the Mayor and City Commission of the City on \_\_\_\_\_, 2019 (the “Resolution”), as described in the Official Statement dated \_\_\_\_\_, 2019 relating to the Series 2019 Bonds (the “Official Statement”). All capitalized terms used in this opinion that are not defined herein and not normally capitalized shall have the meaning ascribed to such terms in the Official Statement.

In connection with the issuance and delivery of this opinion, we have considered such matters of law and fact and have relied upon such certificates and other information furnished to us as we have deemed appropriate. We are not expressing any opinion or views herein on the authorization, issuance, delivery or validity of the Series 2019 Bonds. To the extent that the opinions expressed herein relate to or are dependent upon the determination that the proceedings and actions related to the authorization, issuance and sale of the Series 2019 Bonds are lawful and valid under the laws of the State of Florida, or that the Series 2019 Bonds are valid and binding obligations of the City enforceable in accordance with their terms, or that interest on the Series 2019 Bonds is excluded from the gross income of the owners thereof for federal income tax purposes or is exempt from taxation under the laws of the State of Florida, we understand that you are relying upon the opinions delivered on the date hereof of Squire Patton Boggs (US) LLP and no opinion is expressed herein as to such matters.

The scope of our engagement with respect to the issuance of the Series 2019 Bonds was not to establish factual matters and, because of the wholly or partially non-legal character of many of the determinations involved in the preparation of the Official Statement, we are not passing on and do not assume any responsibility for, except as set forth in the immediately succeeding paragraph, the accuracy or completeness of the contents of the Official Statement (including, without limitation, its appendices) and we make no representation that we have independently verified the accuracy, completeness or fairness of such contents. As Disclosure Counsel to the City, we have participated in the preparation of the Official Statement and in discussions and conferences with officials of the City, Bond Counsel for the City, the Financial Advisor for the City, the Underwriters and Greenberg Traurig, P.A., Counsel to the Underwriters, in which the contents of the Official Statement and related matters were discussed.

Solely on the basis of our participation in the preparation of the Official Statement, our examination of certificates, documents, instruments and records relating to the City and the issuance of the Series 2019 Bonds and the above-mentioned discussions, nothing has come to our attention which would lead us to



believe that the Official Statement (except for the financial, statistical and demographic data and information in the Official Statement, including, without limitation, the appendices thereto, the information relating to DTC, its operations and the book-entry only system, and the information under the caption "UNDERWRITING," as to which no opinion is expressed) contains an untrue statement of a material fact or omits to state a material fact that is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

We are also of the opinion that the continuing disclosure undertaking set forth in the Resolution and in the Disclosure Dissemination Agent Agreement of the City, dated as of the date of and delivered at the closing for the Series 2019 Bonds, satisfies the requirements set forth in Rule 15c2-12(b)(5) of the United States Securities and Exchange Commission, as such requirements apply to the issuance of the Series 2019 Bonds.

In reaching the conclusions expressed herein we have, with your concurrence, assumed and relied on, without independent verification, the genuineness and authenticity of all signatures not witnessed by us, the authenticity of all documents, records, instruments and letters submitted to us as originals, the conformity to originals of all items submitted to us as certified or photostatic copies, the legal capacity and authority of the persons who executed such items, the accuracy of all warranties, representations and statements of fact contained in the documents and instruments submitted to us, and the continuing accuracy on this date of any certificates or other items supplied to us regarding the matters addressed herein. As to questions of fact material to our opinions, we have relied upon and assumed the correctness of the public records and certificates by, and representations of, public officials and other officers, and representatives of the parties to this transaction. We have no actual knowledge of any factual information that would lead us to form a legal opinion that the public records or certificates which we have relied upon contain any untrue statement of a material fact.

The opinions expressed herein are based upon existing law as of the date hereof and we express no opinion herein as of any subsequent date or with respect to any pending legislation. We assume no obligation to supplement this opinion if any applicable laws change after the date hereof or if we become aware of any facts that might change the opinions expressed herein after the date hereof. The opinions expressed herein represent our professional judgment, are not a guarantee of result, and are limited to the laws of the State of Florida and the United States of America.

The opinions expressed herein are furnished by us as Disclosure Counsel to our client, the City, and solely for the use of the addressee named above. Such opinions shall not extend to, and may not be relied upon by, any other persons, firms, or corporations without our express prior written consent. The opinions expressed herein are limited to the matters set forth herein, and to the documents referred to herein, and do not extend to any other agreements, documents or instruments executed by the City. No other opinion should be inferred beyond the matters expressly stated herein.

Respectfully submitted,

LAW OFFICES OF STEVE E. BULLOCK, P.A.



## **APPENDIX F**

### **Form of Disclosure Dissemination Agent Agreement**