

City of Miami Beach Finance and Economic Resiliency Committee Meeting

April 17th, 2020

Discussion Items:

Proposed Miami Beach Marina
Redevelopment Project, Marina Lease
Amendment/Extension, and Proposed
Mixed-Use Project:

- Developer's Proposed Terms
- Fiscal Opportunities
- Economic Benefits

Content

Lease Extension Proposed Terms

Summary of Proposed Program

Additional Economic and Fiscal Benefits

(beyond enhanced Marina Lease Payments and FMV Air Rights Payment)

Summary of Community Benefits Timeline

Marina Lease Extension:

Proposed Financial Terms

CURRENT MARINA LEASE AGREEMENT		PROPOSED MARINA LEASE AMENDMENT AND EXTENSION
Initial Term - Commencement	June 24, 1983	No later than 90 days after the insurance of final permit and approvals for the Project and simultaneous with the closing on the payment to the city for the acquisition of the air rights
Initial Term - Expiration	January 1, 2022	99 years following Commencement of Initial Term
Extension Options	Three (3) 10-year extensions	None
Total Lease Term	69 years; 32 years remaining	99 years
Minimum Annual Guaranteed Rent	\$320,000	\$1,000,000
Annual Percentage Rent	Base Rent shall be the greater of a) Minimum Annual Guaranteed Rent, or b) the sum of the following: 1) \$0.02 per gallon from the sale of gasoline and diesel fuel; 2) 10% of all other Gross Receipts during each Lease Year throughout the Term of the Marina Lease and any extensions.	Base Rent shall be the greater of a) Minimum Annual Guaranteed Rent, or b) the sum of the following: 1) \$0.04 per gallon from the sale of gasoline and diesel fuel; 2) 10% of all other Gross Receipts during each Lease Year throughout the Term of the Marina Lease and any extensions.
Capital Improvements	None	\$35,000,000 over 30 years in marina infrastructure improvements
Air Rights Purchase	N/A	Fair market value TBD by 2 independent appraisals to be commissioned by the city, and paid for by the tenant. Estimated FMV \$50,000,000 Lump Sum Payment to the City.

Summary of Proposed Program



Marina Improvements

- Reposition and rebrand Miami Beach Marina to maintain and enhance market competitiveness
- \$35M Capital investment over 30 years
- Infrastructure and capital improvements to address resiliency and sea level rise issues
- Adjacent baywalk improvements
- New enhanced entrance, wayfinding, and marina & baywalk lighting.



Mixed Use Upland Development

- Approximately 2 acres of publicly accessible open green space, including a one-acre at grade fully permeable bayfront marina park
- Neighborhood oriented retail (30,000 SF) and office (15,000 SF)
APPROXIMATELY 20% REDUCTION IN CURRENT SITE RETAIL/OFFICE WHILE INCREASING MINIMUM ANNUAL GUARANTEED RENT
- Approximately 60 unit residential development

Additional Economic and Fiscal Benefits

Table 1
Economic Benefits*
(2020 Dollars)

Benefits	Non-recurring	Recurring
Jobs Created		
Direct	1,273	185
Indirect	355	30
Induced	483	46
Total Jobs Created	2,111	261
Total Additional Labor Income	\$ 112,082,100	\$9,575,099
Total Gross Domestic Product (Value-added)	\$ 146,788,500	\$ 15,992,800

*Source: Miami Economic Associates, Inc. Report, dated 4/14/2020

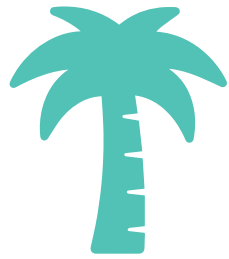
**Amount cannot be estimated until final lease terms are negotiated

***Road impact fees may vary because the proposed mixed use project will result in fewer peak hour trips than existing site uses.

Benefits	Non-recurring	Recurring
City of Miami Beach		
Proceeds from sale of air rights parcel	**	
General building permit fees	\$1,325,210	
Component/trade-related building permit fees	**	
Transportation Concurrency Management Fund**	\$0	
Water & sewer connection fees	**	
Land Lease Payment		**
Ad valorem taxes		
General Fund		\$2,911,376
Debt Service Fund		\$149,055
Utility taxes and franchise fees		**
Storm water fees		**
Miami-Dade County		
Road impact fees***	\$1,015,558	
Ad valorem taxes		
General Fund		\$2,371,719
Debt Service Fund		\$242,920
Library Fund		\$144,329
Local business taxes		**
Local option 1% sales tax		**
Water and sewer service fees		**
Miami-Dade County Public Schools		
School Impact Fees	\$228,692	
Ad valorem taxes		
Operating Fund		\$3,584,885
Debt Service Fund		\$62,767
Children's Trust		
Ad valorem taxes		\$237,838
Total Fiscal Benefits	\$2,569,460	\$9,704,919

Summary of Community Benefits

The proposed marina lease extension and mixed-use project will generate the following near term benefits:



Marina Park

Creating a new bayfront park and additional green space.



Marina

Taking the Miami Beach Marina to the next level



Baywalk

Enhancing a Treasured Community Asset



Lifestyle

Reprogram Existing Retail into a Neighborhood Amenity



\$35 Million Investment

The project will invest **\$35,000,000** in capital improvements over 30 years



Multi-million Payment to City

Capital payment to city for upland development rights (**\$50 million or Fair Market Value**)



\$6 Million Annual Taxes

The Marina redevelopment will generate **\$6,000,000** in local and property taxes



\$260 Million+ in Short Term Economic and Fiscal Benefits

The short term economic and fiscal benefit will exceed **\$260,000,000**



Jobs Created

2,372 total jobs (2,111 non-recurring jobs/ 261 recurring jobs)

**Thank
you!**

Proposed Timeline

Amended/Restated Lease Agreement
 Sale of Air Rights
 Development Agreement
 Comprehensive Plan Text Amendment

2020							
May 6	May 22	May 26	June 24	May 19, June 23, or July 28	July 29	July 31	November 3
Land Use Committee on Comprehensive Plan Text Amendment	Finance Committee -Status update.	Land Use Committee -Status Update, if needed	City Commission: (1) Referral of Comprehensive Plan Text Amendment to Planning Board (2) First Reading of Development Agreement/Sale of Air Rights, and First Reading of Amended/Restated Lease Agreement	Planning Board recommendation of Comprehensive Plan Text Amendment	City Commission First Reading of Comprehensive Plan Text Amendment; Second Reading of Development Agreement/Sale of Air Rights; Second Reading of Amended/Restated Lease Agreement; Approval of ballot questions	Deadline for Submission of Resolution to County Supervisor of Elections	Voter Referendum

*Subject to further review and discussion with City Attorney