MIAMI BEACH REVELOPMENT AGENCY
CITY CENTER REDEVELOPMENT AREA

FY 2016/17 OPERATING BUDGET AND STATUS REPORT

Mission/Purpose Statement

- To assure continued economic viability of the City Center Redevelopment Area and the City as a whole, through the implementation of the objectives and projects defined in the Redevelopment Plan and the amendment thereto.
- To incur minimum relocation and condemnation.
- To involve community residents in the redevelopment process.
- To establish the necessary linkages to tie in the Convention Center, area hotels, cultural amenities, entertainment, residential and business uses in the district.
- To enhance diversity of form and activity through the use of established planning and design principles.
- To create a traffic system to serve local and through traffic needs.
- To recognize the historic structures and designations within the historic districts and facilitate development accordingly.

Status Report



The 332-acre City Center/Historic Convention Village Redevelopment and Revitalization Area (CC/HCVRRA or City Center) was established in 1993, in order to provide the funding mechanism to foster the development of new convention hotel development within proximity of the Miami Beach Convention Center and to establish the necessary linkages between the City's many core area civic, cultural and entertainment uses in order to create the fabric of a true urban downtown.

Since its inception, the City Center Redevelopment Area has undergone dynamic change through a combination of public and private investment initiatives.

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Exciting projects which have transformed the area include:

- Two convention-quality hotels, both of which were the result of public/private partnerships between the Redevelopment Agency (RDA) and the respective Developers - the 800-room Loews Miami Beach Hotel and the 425-room Royal Palm Crowne Plaza Hotel, the latter of which had the distinction of being the first African-American owned hotel in the United States;

- The development of an 800-space public parking garage (Anchor Garage) to accommodate the parking needs for the Loews Miami Beach Hotel, the Crowne Plaza Hotel and other service and retail businesses in the area;

- A $20 million overhaul of Lincoln Road, partially funded with the participation of businesses on Lincoln Road;
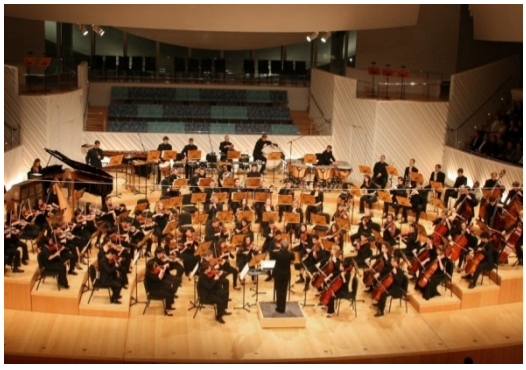


- An award-winning Beachwalk extending from 21st Street to Lummus Park, comprising an at-grade, landscaped pedestrian walkway;

- Implementation of a Cultural Arts Campus Master Plan for the area east of the Miami Beach Convention Center, which includes a new regional library, the headquarters of the Miami City Ballet, the expansion and renovation of the Bass Museum of Art, the re-landscaping of Collins Park, including the restoration of the Rotunda and extensive streetscape improvements throughout the area.



- The completion of the much heralded New World Campus, including the new state-of-the art Gehry-designed headquarters facility for the New World Symphony and two publicly-funded components, including a $15 million municipal Gehry-designed parking garage and a $21 million world-class park.





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Other important projects include the 650-space mixed-use parking facility built on the surface parking lot on the west side of City Hall, which includes 35,000 square feet of municipal office space; the implementation of major street and infrastructure improvements throughout City Center, valued at more than $26 million; and the acquisition and renovation of three multi-family buildings (Barclay, Allen House, The London House) to maintain the stock of affordable housing in the area.



Tax Increment Financing (TIF) through the sale of bonds has been a major tool for financing redevelopment activities. To date, four bond issues have occurred in City Center: one in 1994 for $25 million, to acquire land for the hotel development initiatives; one in 1996, in the amount of $43.2 million to fund contractual obligations and capital improvements related to the Loews Hotel and Crowne Plaza Hotel projects; one in 1998, in the amount of $38.2 million to finance capital expenditures related to the convention hotel projects, the Cultural Campus project and to repay the $21.5 million debt obligation to the City; and the most recent, which occurred in 2005, in the amount of $80.7 million to refinance the outstanding debt service on prior bond issues.



The City and Redevelopment Agency's commitment to upgrading and improving the area's infrastructure, addressing parking and circulation issues, and facilitating new development has fueled significant new private-sector investment in the area, evidenced by more than $600 million in new building permit activity since the area's inception.

Work Plan

Since its success in attracting two convention-quality hotels, the Redevelopment Agency has been focusing its efforts on a number of initiatives aimed at upgrading the area's infrastructure, streets and parks, alleviating traffic and parking congestion and encouraging the production and presentation of arts and cultural activities in the area. In 2003, the Redevelopment Agency amended its Redevelopment Plan for City Center to specifically address these objectives in the context of the New World Symphony's expansion plans involving the 17th Street surface lots and the resulting impact to the Convention Center and businesses in the area.

To this end, the Redevelopment Agency's mission is to coordinate, implement and fund the Plan's objectives and to compliment the City's established vision:

- Public Safety;
- Management and Service Delivery;
- Infrastructure;
- Premier Neighborhoods
- International Center for Tourism and Business; and
- Education Excellence

The Redevelopment Agency's objective over the next five years will focus on the planning and implementation of capital projects associated with, but not limited to the Master Plan for the expansion of the Convention Center, upgrading streetscapes and related infrastructure throughout City Center and increasing the inventory of parking facilities, including the pending construction of a new 450-space parking garage to be located on 23rd Street and Collins Avenue. The RDA will also continue to fund public service enhancements provided for under the Community Policing Program as well as ensure the on-going maintenance of capital assets funded with TIF. It should be noted that that a majority of the capital enhancements set forth in the Redevelopment Plan and the 2002 Amendment thereto, have been completed and/or are currently underway, including the City Center Right-of-Way improvements, the City Hall Expansion Garage, the Collins Park improvements and the development of the 17th Street surface lots into the New World Campus.

Miami Beach Convention Center Renovation and Expansion

Spanning four city blocks and located in the heart of the South Beach, the Miami Beach Convention Center (MBCC) currently accommodates meetings, conventions, tradeshows and consumer shows. The Convention Center originally opened in 1957 and received a major expansion and facelift in 1989, doubling it in size. Currently the MBCC boasts over 1 million square feet of flexible space, including; over 500,000 square feet of exhibit space, and over 100,000 square feet of versatile pre-function area space and 70 meeting rooms comprised of 127,000 square feet.

The expansion and renovation of the existing Miami Beach Convention Center include the re-orientation of the exhibit halls, façade modifications, site improvements along the canal, and along all roadways, the addition of a multi-story ballroom and meeting rooms, and two levels of parking. The interior renovation work focuses on the redistributed division of the four main exhibition hall spaces, and the additional programming of more flexible arrangements of private meeting rooms and additional indoor/outdoor versatile exhibition spaces. Currently, the four main exhibit halls are divided into quadrants—two accessible solely from Washington Avenue (Halls A and B) and the other two solely accessed from Convention Center Drive (Halls C and D). The new Convention Center re-orients the halls in an East/West direction with the primary access from Convention Center Drive, although Washington Avenue will serve as a secondary means of entry.

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The project will also include substantial improvements to the north of the property. The new addition at the northern portion of the property features an enclosed ground floor parking area and truck loading and delivery area. Above this, a grand multi-story ballroom is proposed offering vistas of the beautified 21st Street Park that will span along Collins Canal and feature the to-be-restored Historic Carl Fisher Clubhouse. This addition will create a new internalized loading area and will include two Helix ramping entrance accesses to the roof level parking. The Washington Avenue elevation will become predominately pedestrian in nature with the elimination of the visitor drop-off and cab cueing areas. The streetscape modifications will include a green edge along the avenue with native shade trees to promote a more pedestrian friendly experience. Convention Center Drive will in turn become the main access point for vehicular access and for the visitor drop-off area. Modifications will include a new median along Convention Center Drive and 19th Street creating a more sophisticated streetscape and a more celebrated boulevard experience. The Canal walk will be substantially improved and will create a softer northern edge to the MBCC.

The project also includes the demolition of the existing Recreation Center along Washington Avenue and the creation of a neighborhood park. Another architectural feature of the project is the proposed rooftop indoor and outdoor meeting space located in the southwestern corner of the roof. This will offer the patrons expansive views out onto the new Civic park proposed to replace the surface parking lot.

In association with the renovations to the Miami Beach Convention Center, a new urban park, pavilion and Veterans Plaza is being created to replace a surface parking lot that currently contains spaces for approximately 800 vehicles. Convention Center Park has been envisioned as a neighborhood park. The park includes a series of six clustered 'shaded edges' that will line the perimeter of the 6-acre park and surround an internal great lawn.

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Convention Headquarter Hotel

On January 27, 2015, the City Commission authorized the issuance of Request for Proposals No. 2015-103-ME (the RFP) for the Development of a Convention Headquarter Hotel Adjacent to the Miami Beach Convention Center ("MBCC"). On April 10, 2015, the City received proposals from Portman Holdings, LLC and Oxford Capital Group/RLB Swerdling ("Oxford Capital"). On April 21, 2015, the City Manager notified Oxford Capital that its proposal was not responsive to the RFP's minimum requirements. On April 29, 2015, the City Manager, via Letter to Commission (LTC) No. 176-2015, appointed an Evaluation Committee, which convened on May 7, 2015, to interview the Portman Holdings team and score the proposal, consistent with the evaluation criteria outlined in the RFP.

On May 20, 2015, the Mayor and City Commission approved Resolution No. 2015-29029, authorizing the Administration to negotiate a Development and Ground Lease Agreement, including a Room Block Agreement (collectively, the "Lease") with Portman Holdings, LLC, with said Lease subject to prior approval by the Mayor and City Commission before the final execution thereof. On June 3, 2015, the Administration submitted the proposed Lease for the Finance and Citywide Projects Committee's review and input, in accordance with the requirements of Section 82-37(a)(1) of the City Code.

The City Commission approved the Ground Lease on September 2, 2015.



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The project includes the development, design, construction, equipping and operation of a full-service convention headquarter hotel with approximately (but not-to-exceed) 800 hotel rooms and related improvements ("Hotel"), including the design, construction and operation of an enclosed overhead pedestrian walkway or "Skybridge" connecting the Hotel and the MBCC. However, the Lease was contingent upon sixty percent (60%) voter approval in accordance with Section 1.03(b)(3) of the City Charter. The referendum occurred March 2015 and failed to receive the required 60% voter approval. Subsequently, the Mayor established an Ad Hoc Blue Ribbon Steering Committee on the Convention Center Hotel who is charged with engaging the community in the development of a plan to build a Convention Center Hotel that will meet the needs of the Community and the expanded Convention Center. The Committee is been meeting regularly since.

Budget Highlights

- Based on the 2016 Certificate of Taxable Value from the Property Appraiser's Office released on July 1st, the preliminary value of property in City Center is increased by 16.4% over 2015 to $5.6 billion, marking the 6th year in a row that values are back on the rise. However, as in previous years, the City has received correspondence from the County, advising of the finalization of the tax roll for the prior year, which in the case 2014, reflects a significant decrease from the preliminary valuation for the same year and will result in a corresponding adjustment/reduction in TIF revenues totaling $3.1 million for 2016/17.

- Additional sources of revenue include a ½ mill levy in the amount of $2.5 million, to be set aside for the Children's Trust pursuant to an Interlocal Agreement, dated August 16, 2004 between the RDA, the City of Miami Beach and Miami-Dade County; and an estimated $60,000 in interest income.

- Project-related expenses account for approximately $10.8 million which includes $4.5 million to be allocated for community policing initiatives in City Center to continue to provide enhanced levels of staffing and services throughout the area, and $6.4 Million for maintenance of RDA capital projects. There is no additional funding for on-going and planned capital projects in City Center in the FY 2016/17 Budget due to the RDA extension for the renovation and expansion of the Convention Center.

- Administrative Expenses total $1.1 million which includes a management fee of $984,000 which is allocated to the General Fund to pay for direct and indirect staff support for the RDA; $23,000 for auditing fees; $54,000 for internal services; and $92,000 for capital renewal and replacement projects under $25,000.

- $21.7 million is budgeted to cover debt service costs related to the Convention Center bonds. On December 15, 2015, the RDA Agency issued $286,245,000 in Tax Increment Revenue and Revenue Refunding Bonds, Series 2015A and $35,850,000 in Tax Increment Revenue Refunding Bonds, Taxable Series 2015B. The Series 2015A bonds will be used, together with certain other legally available moneys of the Agency, to (i) provide for the current refunding of all the outstanding Series 2005B bonds, (ii) finance certain costs of acquiring

and constructing renovations to the Miami Beach Convention Center and certain other improvements, and (iii) pay costs of issuance of the Series 2015 bond and refunding the outstanding Series 2005B bonds. The Series 2015B will be used to (i) provide for the advance refunding of all the outstanding Series 1998 bonds, (ii) provide for the current refunding of all the outstanding Series 2005A bonds, and (iii) pay costs of issuance of the Series 2015B bonds and refunding the outstanding Series 1998A bonds and the outstanding Series 2015A bonds, including the portion of the premium allocable to the Series 2015B bonds for the reserve policy.

- Debt service payments on the portion of the Gulf Breeze Loan used to pay for the Bass Museum expansion and renovation, and the portion of the Sunshine State Loan Program used for Lincoln Road improvements have been paid off.

- $14.9 million is budgeted in Reserve for Contingency/Debt Service Funds in this reserve over and above the annual debt payment can be used to finance any potential shortfalls in the RDA fund or pay down the Convention Center bonds early, but not prior to FY 2023/24.

- Reserve line item expenditures include those items that, pursuant to the existing Bond Covenants, may only be expended once the annual debt service obligations have been met. These include the County's administrative fees, equivalent to 1.5% of its respective TIF payment; and the corresponding contribution to the City's General Fund, equivalent to 1.5% of the City's share of its TIF payment; and the remittance of the ½ mill tax levy back to the Children's Trust.

Miami Beach Redevelopment Agency
City Center Redevelopment Area
Proposed FY 2016/17 Operating Budget
Exhibit A

	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Adopted	FY 2016/17 Proposed	Variance From FY 15/16
Revenues and Other Sources of Income					
Tax Increment - City	$ 19,934,948	$ 21,435,094	$ 24,565,000	$ 28,856,000	$ 4,291,000
Proj Adjustment to City Increment	(94,491)	(1,381,292)	(1,452,000)	(1,723,000)	(271,000)
Tax Increment - County	15,991,409	17,264,754	20,080,000	23,588,000	3,508,000
Proj Adjustment to County Increment	(73,641)	(1,066,658)	(1,165,000)	(1,388,000)	(223,000)
50% Contribution from Resort Tax	5,885,927	0	0	0	0
'1/2 Mill Children's Trust Contribution	1,698,337	1,842,210	2,152,000	2,528,000	376,000
Interest Income	90,904	83,599	60,000	60,000	0
Fund Balance	0	0	0	0	0
Fund Balance Renewal and Replacement	0	0	0	0	0
Other Income/Adjustments:	114,748	3,091	0	0	0
TOTAL REVENUES	**$ 43,548,140**	**$ 38,180,798**	**$ 44,240,000**	**$ 51,921,000**	**$ 7,681,000**
Admin/Operating Expenses					
Management fee	$ 1,043,000	$ 972,000	$ 982,000	$ 984,000	$ 2,000
Salaries and Benefits	71,006	0	0	0	(0)
Advertising & promotion	0	0	50,000	0	(50,000)
Postage & mailing	9	0	1,000	0	(1,000)
Office supplies & equipment	1,701	533	2,000	0	(2,000)
Other Operating	655	200	1,000	0	(1,000)
Meetings & conferences	0	0	1,000	0	(1,000)
Dues & subscriptions	175	0	2,000	0	(2,000)
Licences & Taxes	56,028	0	60,000	0	(60,000)
Audit fees	21,000	18,999	23,000	23,000	0
Professional & related fees	98,655	316,133	40,000	0	(40,000)
Repairs and Maintenance	24,141	14,924	8,000	92,000	84,000
Internal Services	79,645	220,267	53,000	54,000	1,000
Total Admin/Operating Expenses	**$ 1,396,015**	**$ 1,543,056**	**$ 1,223,000**	**$ 1,153,000**	**$ (70,000)**
Project Expenses					
Community Policing	$ 4,019,542	$ 4,438,935	$ 4,502,000	$ 4,468,000	$ (34,000)
Capital Projects Maintenance:					
Code	68,527	182,121	182,000	196,000	14,000
Property Mgmt	937,890	1,279,683	1,319,500	1,346,000	26,500
Sanitation	2,905,911	3,061,000	3,339,000	3,339,000	0
Greenspace	774,512	644,273	864,500	877,000	12,500
Parks Maintenance	0	178,579	432,000	493,000	61,000
Transfer to Penn Garage Parking	142,765	0	0	0	0
Transfer to Penn Garage Retail	0	0	0	0	0
Transfer to Renewal and Replacement	67,000	0	0	180,000	180,000
Transfer to Capital Projects	16,561,285	0	0	0	0
Total Project Expenses	**$ 25,477,431**	**$ 9,784,591**	**$ 10,639,000**	**$ 10,899,000**	**$ 260,000**
Reserves, Debt Service and Other Obligations					
Debt Service Cost	$ 8,533,119	$ 7,074,060	$ 10,550,000	$ 21,678,000	$ 11,128,000
City Debt Service - Lincoln Rd Project	825,000	832,000	806,000	0	(806,000)
City Debt Service - Bass Museum	547,000	548,000	516,000	0	(516,000)
Reserve for County Admin Fee	238,767	242,971	284,000	333,000	49,000
Reserve for CMB Contribution	297,607	300,807	347,000	407,000	60,000
Reserve for Children's Trust Contribution	1,698,337	1,842,210	2,152,000	2,528,000	376,000
Reserve Debt Service/ Contingency	0	0	17,723,000	14,923,000	(2,800,000)
Total Reserves, Debt Service and Other Obligations	**$ 12,139,829**	**$ 10,840,048**	**$ 32,378,000**	**$ 39,869,000**	**$ 7,491,000**
TOTAL EXPENSES AND OBLIGATIONS	**$ 39,013,275**	**$ 22,167,695**	**$ 44,240,000**	**$ 51,921,000**	**$ 7,681,000**
SURPLUS / (DEFICIT)	**$ 4,534,865**	**$ 16,013,103**	**$ 0**	**$ 0**	**$ 0**

Proposed FY 2016/17 Anchor Shops and Parking Garage Operating Budget

Anchor Parking Garage	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	Variance
Revenues:	**Actual**	**Actual**	**Adopted**	**Proposed**	**From FY 15/16**
Revenue Area	$ 413,510	$ 389,992	$ 402,000	$ 317,000	$ (85,000)
Valet Parking	490,401	574,437	489,000	430,000	(59,000)
Monthly Permits	2,793,989	2,631,829	3,074,000	3,004,000	(70,000)
Attended Parking	45,925	45,720	54,000	43,000	(11,000)
Interest Income	50,055	16,158	61,000	17,000	(44,000)
Misc./ Other	0	0	0	0	0
Fund Balance - Retained Earnings					
TOTAL REVENUES	**$ 3,793,880**	**$ 3,658,135**	**$ 4,080,000**	**$ 3,811,000**	**$ (269,000)**
Operating Expenses:					
Salaries & Benefits	$ 0	$ 0	$ 0	$ 0	$ 0
Operating Expenses	2,627,351	2,803,205	3,881,000	3,613,000	(268,000)
Internal Services	194,696	266,582	199,000	198,000	(1,000)
Capital	0	0	0	0	0
TOTAL EXPENSES	**$ 2,822,047**	**$ 3,069,788**	**$ 4,080,000**	**$ 3,811,000**	**$ (269,000)**
Revenues Less Expenditures	**$ 971,833**	**$ 588,347**	**$ 0**	**$ 0**	**$ (0)**

Anchor Shops	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	Variance
Revenues:	**Actual**	**Actual**	**Adopted**	**Proposed**	**From FY 15/16**
Retail Leasing	$ 829,924	$ 754,327	$ 792,000	$ 1,100,000	$ 308,000
Capital & Maintenance	15,597	27,209	25,000	154,000	129,000
Interest earned	29,629	29,500	30,000	30,000	0
Miscellaneous	385	0	0	0	0
TOTAL REVENUES	**$ 875,534**	**$ 811,036**	**$ 847,000**	**$ 1,284,000**	**$ 437,000**
Operating Expenses:					
Salaries & Benefits	$ 0	$ 0	$ 0	$ 0	**$ 0**
Operating Expenses	89,628	75,453	791,000	929,000	138,000
Internal Services	20,000	24,000	56,000	55,000	(1,000)
Capital	-			300,000	300,000
TOTAL EXPENSES	**$ 109,628**	**$ 99,453**	**$ 847,000**	**$ 1,284,000**	**$ 437,000**
Revenues Less Expenditures	**$ 765,906**	**$ 711,583**	**$ 0**	**$ 0**	**$ 0**
COMBINED REVENUES - EXPENSES	**$ 1,737,739**	**$ 1,299,931**	**$ 0**	**$ 0**	**$ 0**

Proposed FY 2016/17 Pennsylvania Ave Shops and Garage Operating Budget

Pennsylvania Parking Garage	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	Variance
Revenues:	**Actual**	**Actual**	**Adopted**	**Proposed**	**From FY 15/16**
Transient	$ 631,358	$ 652,296	$ 841,000	$ 610,000	$ (231,000)
Monthly	180,091	187,422	267,000	272,000	5,000
Miscellaneous	1,473	196	0	0	0
Interest Income	2,983	4,273	3,000	3,000	0
Transfer In from RDA (Garage)	142,765	96,198	47,000	334,000	287,000
Retained Earnings	0	0	0	0	-
TOTAL REVENUES	**$ 958,670**	**$ 940,385**	**$ 1,158,000**	**$ 1,219,000**	**$ 61,000**
Operating Expenses:					
Salaries & Benefits	$ 0	$ 0	$ 0	$ 0	$ 0
Operating Expenses	957,354	940,385	1,158,000	1,219,000	61,000
Internal Services	0	23,059	0	0	0
Capital	0	0	0	0	0
TOTAL EXPENSES	**$ 957,354**	**$ 963,445**	**$ 1,158,000**	**$ 1,219,000**	**$ 61,000**
Revenues Less Expenditures	**$ 1,316**	**$ (23,059)**	**$ 0**	**$ 0**	**$ (0)**

Pennsylvania Shops	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	Variance
Revenues:	**Actual**	**Actual**	**Adopted**	**Proposed**	**From FY 15/16**
Retail Leasing	$ 461,374	$ 103,676	$ 0	$ 0	**$ 0**
Capital & Maintenance	75,969	27,643	0	0	0
Interest earned	312	790	1,000	0	(1,000)
Miscellaneous	120,520	0	0	0	0
Prior Years' Adjustment	70,563	0	0	0	0
Transfers In	283,500	0	526,000	389,000	(137,000)
TOTAL REVENUES	**$ 1,012,239**	**$ 132,108**	**$ 527,000**	**$ 389,000**	**$ (138,000)**
Operating Expenses:					
Salaries & Benefits	$ 0	$ 0	$ 0	$ 0	**$ 0**
Operating Expenses	352,891	360,107	527,000	389,000	(138,000)
Internal Services	0	0	0	0	0
Capital	0	0	0	0	0
TOTAL EXPENSES	**$ 352,891**	**$ 360,107**	**$ 527,000**	**$ 389,000**	**$ (138,000)**
Revenues Less Expenditures	**$ 659,348**	**$ (227,999)**	**$ 0**	**$ 0**	**$ (0)**
COMBINED REVENUES - EXPENSES	**$ 660,664**	**$ (251,058)**	**$ 0**	**$ 0**	**$ (0)**