

PRELIMINARY OFFICIAL STATEMENT DATED MAY ____, 2022

NEW ISSUE - Book-Entry Only

Ratings: 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 2022A 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 2022 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 2022A Bonds may be subject to certain federal taxes imposed only on certain corporations. INTEREST ON THE SERIES 2022B BONDS IS NOT EXCLUDED FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. For a more complete discussion of the tax aspects relating to the Series 2022 Bonds, see the discussion under the heading “TAX MATTERS” herein.

MIAMI BEACH

\$ _____ *
CITY OF MIAMI BEACH, FLORIDA

\$ _____ *	\$ _____ *
Parking Revenue Bonds Series 2022A	Parking Revenue Refunding Bonds, Taxable Series 2022B

Dated: Date of Delivery

Due: September 1, as shown on inside cover page

The City of Miami Beach, Florida Parking Revenue Bonds, Series 2022A (the “Series 2022A Bonds”) and the City of Miami Beach, Florida Parking Revenue Refunding Bonds, Taxable Series 2022B (the “Series 2022B Bonds”) and, collectively with the Series 2022A Bonds, the “Series 2022 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 whole multiple thereof. When issued, the Series 2022 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 2022 Bonds. Purchasers will not receive certificates representing their ownership interests in the Series 2022 Bonds purchased. See “DESCRIPTION OF THE SERIES 2022 BONDS - Book-Entry Only System” herein. Interest on the Series 2022 Bonds will accrue from their date of delivery and will be payable on September 1, 2022 and semiannually on each March 1 and September 1 thereafter. U.S. Bank Trust Company, National Association, Fort Lauderdale, Florida, will serve as the initial bond registrar and paying agent (collectively, the “Bond Registrar”) for the Series 2022 Bonds. While the Series 2022 Bonds are registered through the DTC book-entry only system, principal of and interest on the Series 2022 Bonds will be payable by the Bond Registrar to DTC.

The Series 2022A Bonds are being issued for the purpose of providing funds, together with any other legally available moneys of the City, to (i) finance a portion of the Cost of constructing Improvements that constitute the Series 2022 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 Series 2022 Project (as such terms are hereinafter defined); (ii) fund a deposit to the Reserve Account, if necessary (including any Reserve Account Insurance Policy determined by the City to be advisable) to satisfy the portion of the Reserve Account Requirement relating to the Series 2022A Bonds (as such terms are hereinafter defined); and (iii) pay the costs of issuing the Series 2022A Bonds, including the portion of the premium allocable to the Series 2022A Bonds for any municipal bond insurance policy or Reserve Account Insurance Policy that may be obtained in connection with the issuance of the Series 2022A Bonds. The Series 2022B Bonds are being issued for the purpose of providing funds, together with

any other legally available moneys of the City, to (i) provide for the advance refunding of all* of the outstanding City of Miami Beach, Florida Parking Revenue Bonds, Series 2015, which will be outstanding immediately prior to issuance of the Series 2022B Bonds in the aggregate principal amount of \$58,425,000 (the “Outstanding Series 2015 Bonds”); (ii) fund a deposit to the Reserve Account, if necessary (including any Reserve Account Insurance Policy determined by the City to be advisable) to satisfy the portion of the Reserve Account Requirement relating to the Series 2022B Bonds; and (iii) pay the costs of issuing the Series 2022B Bonds and refunding all* of the Outstanding Series 2015 Bonds, including the portion of the premium allocable to the Series 2022B Bonds for any municipal bond insurance policy or Reserve Account Insurance Policy that may be obtained in connection with the issuance of the Series 2022B Bonds. See “PURPOSE OF THE ISSUE” herein.

The Series 2022 Bonds are payable from and secured by a lien on and a pledge of the Net Revenues derived from the City’s ownership or operation of the Parking System and certain other moneys held under the Resolution (as such terms are defined herein). Such lien on and pledge of Net Revenues and certain other moneys held under the Resolution, as described herein (the “Pledged Revenues”), shall be on a parity with the lien on and pledge of the Pledged Revenues (i)* granted in favor of any of the Outstanding Series 2015 Bonds that are not refunded upon issuance of the Series 2022B Bonds (the “Unrefunded Series 2015 Bonds”), and (ii) that may be granted by the City in favor of Additional Bonds, Refunding Bonds, Alternative Parity Debt and parity Short-Term Indebtedness; **provided, however, that if the City determines that (i) no deposit shall be made to the Reserve Account in connection with the issuance of the Series 2022 Bonds, or either Series of the Series 2022 Bonds, the Series 2022 Bonds, or such Series, shall not be secured by, or entitled to any benefit from, amounts, Reserve Account Insurance Policies or Reserve Account Letters of Credit held in the Reserve Account for the benefit of other Bonds issued and Outstanding under the Bond Resolution (as such terms are defined herein) or (ii) a deposit of proceeds of the Series 2022 Bonds, or either Series of the Series 2022 Bonds, or of a Reserve Account Insurance Policy, or any combination thereof, shall be made into a separate subaccount within the Reserve Account for the sole benefit of the Holders of the Series 2022 Bonds, or either Series of the Series 2022 Bonds, the Series 2022 Bonds, or such Series, shall be secured by such separate subaccount and shall not be secured by, or entitled to any benefit from, amounts, Reserve Account Insurance Policies or Reserve Account Letters of Credit held in the Reserve Account for the benefit of other Bonds issued and Outstanding under the Bond Resolution.** See “SECURITY AND SOURCES OF PAYMENT” herein.

The Series 2022 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described in this Official Statement. See “DESCRIPTION OF THE SERIES 2022 BONDS - Redemption Provisions” herein.

THE CITY IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THE SERIES 2022 BONDS SOLELY FROM THE PLEDGED REVENUES. THE SERIES 2022 BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY, MIAMI-DADE COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION AND THE FAITH AND CREDIT OF THE CITY, MIAMI-DADE COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2022 BONDS. ISSUANCE OF THE SERIES 2022 BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE CITY, MIAMI-DADE COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR, NOR SHALL THE SERIES 2022 BONDS CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE CITY, MIAMI-DADE COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF, EXCEPT AS PROVIDED IN THE RESOLUTION.

The City may elect to purchase a municipal bond insurance policy to be delivered by a municipal bond insurance provider concurrently with the delivery of the Series 2022 Bonds, or either Series of the Series 2022 Bonds, to guarantee timely payment of the principal of and interest on the Series 2022 Bonds, or such Series, or one or more maturities of the Series 2022 Bonds, or of either Series of the Series 2022 Bonds, and may elect to satisfy any Reserve Account Deposit Requirement upon issuance of the Series 2022 Bonds with a Reserve Account Insurance Policy. See “SECURITY AND SOURCES OF PAYMENT - Reserve Account” and “MUNICIPAL BOND INSURANCE” 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 2022 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 Rafael A. Paz, Esquire, Miami Beach, Florida, 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. Greenberg Traurig, P.A., Miami, Florida, is serving 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 2022 Bonds. It is expected that the Series 2022 Bonds will be available for delivery through DTC in New York, New York on or about June ____, 2022.

Wells Fargo Securities

Siebert Williams Shank & Co., LLC



Dated: _____, 2022

* 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 2022 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 2022 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 2022A 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>
2023	\$				593235 ____
2024					593235 ____
2025					593235 ____
2026					593235 ____
2027					593235 ____
2028					593235 ____
2029					593235 ____
2030					593235 ____
2031					593235 ____
2032					593235 ____
2033					593235 ____
2034					593235 ____
2035					593235 ____
2036					593235 ____
2037					593235 ____
2038					593235 ____
2039					593235 ____
2030					593235 ____
2041					593235 ____
2042					593235 ____
2043					593235 ____
2044					593235 ____
2045					593235 ____

\$ _____ Series 2022A Term Bonds

\$ _____ % Series 2022A Term Bond Due September 1, 20____ – Price: ____ / Yield: ____%
Initial CUSIP Number: 593235 ____

\$ _____ % Series 2022A Term Bond Due September 1, 2052 – Price: ____ / Yield: ____%
Initial CUSIP Number: 593235 ____

\$ _____ **Series 2022B Serial Bonds**

<u>Due</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Yield</u>	<u>Initial</u> <u>CUSIP Number</u>
2023	\$				593235 _____
2024					593235 _____
2025					593235 _____
2026					593235 _____
2027					593235 _____
2028					593235 _____
2029					593235 _____
2030					593235 _____
2031					593235 _____
2032					593235 _____
2033					593235 _____
2034					593235 _____
2035					593235 _____
2036					593235 _____
2037					593235 _____
2038					593235 _____
2039					593235 _____

\$ _____ **Series 2022B Term Bonds**

\$ _____ % Series 2022B Term Bond Due September 1, 20____ – Price: ____ / Yield: ____ %
Initial CUSIP Number: 593235 _____

\$ _____ % Series 2022B Term Bond Due September 1, 2045 – Price: ____ / Yield: ____ %
Initial CUSIP Number: 593235 _____

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the City or the Underwriters and are included solely for the convenience of the holders of the Series 2022 Bonds. Neither the City nor the Underwriters is responsible for the selection or uses of the CUSIP numbers assigned to the Series 2022 Bonds, and no representation is made as to their correctness on the Series 2022 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to change after issuance of the Series 2022 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Series 2022 Bonds.

CITY OF MIAMI BEACH, FLORIDA

MAYOR

Dan Gelber

VICE MAYOR

Kristen Rosen Gonzalez

CITY COMMISSION

Ricky Arriola, *Commissioner*
Alex J. Fernandez, *Commissioner*
Steven Meiner, *Commissioner*
David Richardson, *Commissioner*
Mark Samuelian, *Commissioner*

ADMINISTRATION

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Independent Auditor
RSM US LLP
Miami, Florida

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 2022 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 statements in this Official Statement involving estimates, assumptions or 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 or opinions will be realized or fulfilled. Any information, estimates, assumptions or 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 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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. 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 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

\$ _____ *
Parking Revenue Bonds
Series 2022A

\$ _____ *
Parking Revenue Refunding Bonds,
Taxable Series 2022B

INTRODUCTION

The purpose of this Official Statement, including the cover page and all appendices, is to set forth certain information relating to the City of Miami Beach, Florida (the “City”), the facilities owned or leased by the City for public parking of automobiles and other motor vehicles upon payment of a fee or charge for the privilege of parking, excluding Separate Parking Facilities (as hereinafter defined) (the “Parking System”) and the sale by the City of its \$ _____ * aggregate principal amount of Parking Revenue Bonds, Series 2022A (the “Series 2022A Bonds”) and \$ _____ * aggregate principal amount of Parking Revenue Refunding Bonds, Taxable Series 2022B (the “Series 2022B Bonds” and, collectively with the Series 2022A Bonds, the “Series 2022 Bonds”). The Series 2022 Bonds are being issued pursuant to the Constitution and Laws of the State of Florida (the “State”), including Chapter 166, Florida Statutes, as amended, the City of Miami Beach Charter (collectively, the “Act”) and other applicable provisions of law, and pursuant and subject to the terms and conditions of Resolution No. 2010-27491 adopted by the Mayor and City Commission of the City (collectively, the “City Commission”) on September 20, 2010 (the “Bond Resolution”) and Resolution No. 2022- _____ adopted by the City Commission on May ____, 2022 (the “Series 2022 Resolution” and, collectively with the Bond Resolution, the “Resolution”). For a complete description of the terms and conditions of the Series 2022 Bonds and the provisions of the Resolution, see “APPENDIX C - The Resolution.”

The Series 2022 Bonds will be issued in book-entry only form and purchasers of the Series 2022 Bonds will not receive certificates representing their ownership interests in the Series 2022 Bonds purchased. The Series 2022 Bonds will contain such other terms and provisions, including provisions regarding redemption, as described in “DESCRIPTION OF THE SERIES 2022 BONDS” herein.

The City has previously issued pursuant to the Bond Resolution and Resolution No. 2015-29176 adopted by the City Commission on October 14, 2015 its \$58,825,000 original principal amount of City of Miami Beach, Florida Parking Revenue Bonds, Series 2015 (the “Outstanding Series 2015 Bonds”), \$58,425,000 of which will be Outstanding immediately prior to issuance of the Series 2022 Bonds. The Series 2022 Bonds, [any of the Outstanding Series 2015 Bonds that are not refunded upon issuance of the Series 2022B Bonds (the “Unrefunded Series 2015 Bonds”)] and any Additional Bonds and Refunding Bonds hereafter issued are collectively referred to herein as the “Bonds.”

The principal of and interest on the Series 2022 Bonds will be secured by a lien on and pledge of the Pledged Revenues as described herein, on a parity with the other Outstanding Bonds, Alternative Parity Debt or parity Short-Term Indebtedness that may be issued from time to time under the Bond Resolution; **provided, however, that if the City determines that (i) no deposit shall be made to the Reserve Account in connection with the issuance of the Series 2022 Bonds, or either Series of the Series 2022**

* Preliminary, subject to change.

Bonds, the Series 2022 Bonds, or such Series, shall not be secured by, or entitled to any benefit from, amounts, Reserve Account Insurance Policies or Reserve Account Letters of Credit held in the Reserve Account for the benefit of other Bonds issued and Outstanding under the Bond Resolution (as such terms are defined herein) or (ii) a deposit of proceeds of the Series 2022 Bonds, or either Series of the Series 2022 Bonds, or of a Reserve Account Insurance Policy, or any combination thereof, shall be made into a separate subaccount within the Reserve Account for the sole benefit of the Holders of the Series 2022 Bonds, or either Series of the Series 2022 Bonds, the Series 2022 Bonds, or such Series, shall be secured by such separate subaccount and shall not be secured by, or entitled to any benefit from, amounts, Reserve Account Insurance Policies or Reserve Account Letters of Credit held in the Reserve Account for the benefit of other Bonds issued and Outstanding under the Bond Resolution. See “SECURITY AND SOURCES OF PAYMENT - General” and “- Reserve Account” herein.

The Series 2022 Bonds shall be limited obligations of the City payable solely from the Pledged Revenues. The Series 2022 Bonds shall not constitute an indebtedness of the City, the County, the State or any political subdivision thereof within the meaning of any constitutional or statutory provision or limitation and the faith and credit of the City, the County, the State or any political subdivision thereof is not pledged to the payment of the principal of or interest on the Series 2022 Bonds. See “SECURITY AND SOURCES OF PAYMENT - Limited Obligations” herein.

The City may elect to purchase a municipal bond insurance policy (the “Bond Insurance Policy”) to be delivered by a municipal bond insurance provider (the “Bond Insurer”) concurrently with the delivery of the Series 2022 Bonds, or either Series of the Series 2022 Bonds, to guarantee timely payment of the principal of and interest on the Series 2022 Bonds, or such Series, or one or more maturities of the Series 2022 Bonds, or of either Series of the Series 2022 Bonds, and may elect to satisfy any Reserve Account Deposit Requirement upon issuance of the Series 2022 Bonds with a Reserve Account Insurance Policy. See “SECURITY AND SOURCES OF PAYMENT - Reserve Account” and “MUNICIPAL BOND INSURANCE” 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 2022 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.

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

PURPOSE OF THE ISSUE

General

The Series 2022A Bonds are being issued by the City for the purpose of providing funds, together with any other legally available moneys of the City, to (i) finance a portion of the Cost of constructing the Improvements described in Exhibit A to the Series 2022 Resolution (collectively, the “Series 2022

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 such Improvements, as more particularly described below in “The Series 2022 Project;” (ii) fund a deposit to the Reserve Account, if necessary (including any Reserve Account Insurance Policy determined by the City to be advisable) to satisfy the portion of the Reserve Account Requirement relating to the Series 2022A Bonds (see “SECURITY AND SOURCES OF PAYMENT - Reserve Account” herein); and (iii) pay the costs of issuing the Series 2022A Bonds, including the portion of the premium allocable to the Series 2022A Bonds for any municipal bond insurance policy or Reserve Account Insurance Policy that may be obtained in connection with the issuance of the Series 2022A Bonds (see “ESTIMATED SOURCES AND USES OF FUNDS” and “MUNICIPAL BOND INSURANCE” herein).

The Series 2022B Bonds are being issued for the purpose of providing funds, together with any other legally available moneys of the City, to (i) provide for the advance refunding of all* of the Outstanding Series 2015 Bonds, as more particularly described below in “Plan of Refunding” (the “Refunded Bonds”); (ii) fund a deposit to the Reserve Account, if necessary (including any Reserve Account Insurance Policy determined by the City to be advisable) to satisfy the portion of the Reserve Account Requirement relating to the Series 2022B Bonds (see “SECURITY AND SOURCES OF PAYMENT - Reserve Account” herein); and (iii) pay the costs of issuing the Series 2022B Bonds and refunding the Refunded Bonds, including the portion of the premium allocable to the Series 2022B Bonds for any municipal bond insurance policy or Reserve Account Insurance Policy that may be obtained in connection with the issuance of the Series 2022B Bonds.

Series 2022 Project

The Improvements constituting the Series 2022 Project consist of a new parking structure that is part of the City-owned 72nd Street Community Complex and any related Improvements. The 72nd Street Community Complex is a signature development for the City, designed to highlight the City’s prime Atlantic ocean views, renowned beaches and lively urban environment. The Complex will integrate a multi-level, 500+ space parking garage that will constitute the major component of the Series 2022 Project, a rooftop aquatic center with recreational and competition pools and a significant neighborhood open greenspace, while incorporating a community center, a library and a fitness center. The multi-level 500+ space parking garage is designed to be concealed from public views, while maintaining easy access from the signalized intersection at 72nd Street.

The Commission may determine by resolution to undertake authorized capital improvements to the Parking System in addition to and/or in lieu of the Improvements or any portion of the Improvements described herein as constituting the Series 2022 Project. The Series 2022 Project will be included among the facilities of the Parking System. See “THE PARKING SYSTEM - General” herein.

The portion of the proceeds of the Series 2022A Bonds that is to be used to pay the Costs of the Series 2022 Project will be deposited into the Series 2022A Construction Subaccount of the Series 2022 Construction Account of the Construction Fund established under the Series 2022 Resolution. Until withdrawn to pay Costs of the Series 2022 Project in accordance with the Resolution, the proceeds of the Series 2022 Bonds deposited into the Series 2022A Construction Subaccount will be held in trust and subject to the lien and pledge of the Resolution created for the benefit of the holders of the Series 2022 Bonds.

* Preliminary, subject to change.

Plan of Refunding

A portion of the proceeds of the Series 2022 Bonds, together with other legally available moneys, will be used to provide for the advance refunding and defeasance of the Refunded Bonds. The City will provide for the Refunded Bonds to be redeemed on September 1, 2025 at a redemption price equal to one hundred percent (100%) of the principal amount of the Refunded Bonds, without premium.

To effect the advance refunding of the Refunded Bonds, the City will enter into an Escrow Deposit Agreement (the “Escrow Deposit Agreement”) on or prior to the delivery of the Series 2022B Bonds with U.S. Bank Trust Company, National Association (the “Escrow Agent”). Pursuant to the terms of the Escrow Deposit Agreement, on the date of issuance of the Series 2022B Bonds, the City will deposit a portion of the proceeds of the Series 2022B Bonds, together with other legally available moneys, into an escrow deposit trust fund to be maintained by the Escrow Agent (the “Escrow Deposit Trust Fund”). A portion of such proceeds and other legally available moneys will be applied on the date of delivery of the Series 2022B Bonds to the purchase of 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 September 1, 2025, 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, in the opinion of Bond Counsel, rendered in reliance upon schedules verified as to accuracy by _____ (the “Verification Agent”), the Refunded Bonds will no longer be Outstanding under the provisions of the Bond Resolution. 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 any of the Series 2022 Bonds [or the Unrefunded Series 2015 Bonds.]

The Refunded Bonds consist of the following:*

<u>Maturity (September 1)</u>	<u>Principal Amount</u>	<u>Maturity (September 1)</u>	<u>Principal Amount</u>
2022	\$ 200,000	2030	\$ 1,560,000
2023	1,110,000	2031	1,635,000
2024	1,165,000	2032	1,715,000
2025	1,220,000	2033	1,805,000
2026	1,280,000	2034	1,895,000
2027	1,345,000	2035	1,990,000
2028	1,415,000	2040 ⁽¹⁾	11,540,000
2029	1,485,000	2045 ⁽¹⁾	27,065,000

(1) Term Bonds.

* Preliminary, subject to change.

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 2022 Bonds:

Sources of Funds

Par Amount of Series 2022 Bonds	\$
[Net] Original Issue Discount/Premium	
Other Legally Available Moneys ⁽¹⁾	_____
Total Estimated Sources of Funds	\$ <u> </u>

Uses of Funds

Deposit to Series 2022A Construction Subaccount ⁽²⁾	\$
Deposit to Escrow Deposit Trust Fund ⁽³⁾	
Deposit to Reserve Account ⁽⁴⁾	
Deposit to Series 2022A Cost of Issuance Account ⁽⁵⁾	
Deposit to Series 2022B Cost of Issuance Account ⁽⁶⁾	
Underwriters' Discount ⁽⁷⁾	_____
Total Estimated Uses of Funds	\$ <u> </u>

-
- (1) Represents _____
 - (2) See "PURPOSE OF THE ISSUE - Series 2022 Project" herein.
 - (3) See "PURPOSE OF THE ISSUE - Plan of Refunding" herein.
 - (4) See "SECURITY AND SOURCES OF PAYMENT - Reserve Account" herein.
 - (5) To pay certain costs of issuance of the Series 2022A Bonds, including, without limitation, printing costs, bond counsel fees, disclosure counsel fees, fees of the financial advisor and rating agencies and any premiums paid to the Bond Insurer for issuance of the Bond Insurance Policy and the Reserve Account Insurance Policy allocable to the Series 2022A Bonds.
 - (6) To pay certain costs of issuance of the Series 2022B Bonds, including, without limitation, printing costs, bond counsel fees, disclosure counsel fees, fees of the financial advisor and rating agencies and any premiums paid to the Bond Insurer for issuance of the Bond Insurance Policy and the Reserve Account Insurance Policy allocable to the Series 2022B Bonds.
 - (7) Includes the fees of Underwriters' Counsel.

DESCRIPTION OF THE SERIES 2022 BONDS

General

The Series 2022 Bonds will be dated their date of delivery. The Series 2022 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 2022 Bonds is payable semiannually commencing on September 1, 2022 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 Trust Company, National Association, Fort Lauderdale, Florida, to serve as the paying agent and as the bond registrar for the Series 2022 Bonds (collectively, the "Bond Registrar").

In any case where the maturity date of, or the date for the payment of the principal of or interest on the Series 2022 Bonds, or the date fixed for redemption of the Series 2022 Bonds shall not be a business day, then payment of such interest or principal or redemption price need not be made by the Bond Registrar on such date but may be made on the next succeeding business day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date of maturity or redemption.

The Series 2022 Bonds will be issued as fully registered bonds, without coupons, in denominations of \$5,000 or any whole 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 2022 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 2022 Bonds shall be in book-entry only form, the principal of and interest on the Series 2022 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 2022 BONDS – Book-Entry Only System” herein.

Redemption Provisions

Optional Redemption

The Series 2022 Bonds maturing on or before September 1, 20__ are not subject to redemption prior to maturity. The Series 2022 Bonds maturing on or after September 1, 20__, are subject to redemption prior to maturity, at the option of the City, on or after September 1, 20__, in whole or in part at any time, in any order of maturity selected by the City and by lot or by such other manner as the Bond Registrar shall deem appropriate within a maturity, at a redemption price equal to one hundred percent (100%) of the principal amount of the Series 2022 Bonds to be redeemed, together with accrued interest to the date fixed for redemption and without premium.

Mandatory Sinking Fund Redemption (†)

The Series 2022A Bonds maturing on September 1, 20__ are subject to mandatory sinking fund redemption prior to maturity, in part, by lot or by such other manner as the Bond Registrar shall deem appropriate, through the application of Amortization Requirements, at a redemption price equal to one hundred percent (100%) of the principal amount thereof, on September 1 of each year in the following amounts and in the years specified:

<u>Due</u> <u>(September 1)</u>	<u>Amortization</u> <u>Requirement</u>
*	\$

* Final maturity.

The Series 2022A Bonds maturing on September 1, 2052 are subject to mandatory sinking fund redemption prior to maturity, in part, by lot or by such other manner as the Bond Registrar shall deem

(†) Preliminary, subject to change.

appropriate, through the application of Amortization Requirements, at a redemption price equal to one hundred percent (100%) of the principal amount thereof, on September 1 of each year in the following amounts and in the years specified:

<u>Due</u> <u>(September 1)</u>	<u>Amortization</u> <u>Requirement</u>
*	\$

* Final maturity.

The Series 2022B Bonds maturing on September 1, 20__ are subject to mandatory sinking fund redemption prior to maturity, in part, by lot or by such other manner as the Bond Registrar shall deem appropriate, through the application of Amortization Requirements, at a redemption price equal to one hundred percent (100%) of the principal amount thereof, on September 1 of each year in the following amounts and in the years specified:

<u>Due</u> <u>(September 1)</u>	<u>Amortization</u> <u>Requirement</u>
*	\$

* Final maturity.

The Series 2022B Bonds maturing on September 1, 2045 are subject to mandatory sinking fund redemption prior to maturity, in part, by lot or by such other manner as the Bond Registrar shall deem appropriate, through the application of Amortization Requirements, at a redemption price equal to one hundred percent (100%) of the principal amount thereof, on September 1 of each year in the following amounts and in the years specified:

<u>Due</u> <u>(September 1)</u>	<u>Amortization</u> <u>Requirement</u>
*	\$

* Final maturity.

Notice of Redemption

Mailing of Notice of Redemption. At least thirty (30) days, but not more than sixty (60) days, before the redemption date, a notice of any such redemption, in whole or in part, signed by the Chief Financial Officer, shall be (a) filed with the Bond Registrar and (b) mailed, first class mail, postage prepaid, to all registered owners of Series 2022 Bonds (which, so long as DTC shall act as securities depository for the Series 2022 Bonds, shall be Cede & Co.) to be redeemed at their addresses as they appear on the

registration books of the Bond Registrar. Failure so to mail any such notice to any registered owner shall not affect the validity of the proceedings for such redemption.

Each such notice shall specify the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Series 2022 Bonds are to be redeemed, the numbers or other distinguishing marks of such Series 2022 Bonds to be redeemed in part and the respective portions thereof to be redeemed. Subject to the next succeeding paragraph, such notice shall further state that on such date there shall become due and payable upon each of the Series 2022 Bonds to be redeemed the redemption price or the specified portions thereof in the case of Series 2022 Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable on such Series 2022 Bonds or portions thereof so redeemed.

In the case of an optional redemption of the Series 2022 Bonds, the redemption notice may state that (a) it is conditioned upon the deposit of moneys with the Bond Registrar or with a bank, trust company or other appropriate fiduciary institution acting as escrow agent (the “escrow agent”), in amounts necessary to effect the redemption, no later than the redemption date, or (b) the City retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a “Conditional Redemption”), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in this paragraph. Any such notice of Conditional Redemption shall be captioned “Conditional Notice of Redemption.” Any Conditional Redemption may be rescinded at any time prior to the redemption date if the City delivers a written direction to the Bond Registrar directing the Bond Registrar to rescind the redemption notice. The Bond Registrar shall give prompt notice of such rescission to the affected Bondholders. Any Series 2022 Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the City to make such moneys available shall constitute an Event of Default under the Resolution.

Effect of Calling for Redemption. On the date so designated for redemption, notice having been filed and mailed in the manner and under the conditions described above, the Series 2022 Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2022 Bonds on such date and, moneys for payment of the redemption price being held in separate accounts by the Chief Financial Officer or by the Bond Registrar in trust for the Holders of the Series 2022 Bonds to be redeemed, all as provided in the Resolution, interest on the Series 2022 Bonds so called for redemption shall cease to accrue, such Series 2022 Bonds shall cease to be entitled to any lien, benefit or security under the Resolution and the Holders or registered owners of such Series 2022 Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and accrued interest thereon.

Book-Entry Only System

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Series 2022 Bonds, payment of the principal of and interest on the Series 2022 Bonds to DTC Participants or Beneficial Owners (as such terms are hereinafter defined) of the Series 2022 Bonds, confirmation and transfer of beneficial ownership interests in the Series 2022 Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners of the Series 2022 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 2022 Bonds. The Series 2022 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 2022 Bond certificate will be issued for each maturity of the Series 2022 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 securities 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.

Purchases of Series 2022 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2022 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 2022 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 2022 Bonds, except in the event that use of the book-entry system for the Series 2022 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2022 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 2022 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 2022 Bonds. DTC has no knowledge of the actual Beneficial Owners of the Series 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2022 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 2022 Bonds may wish to take certain steps to augment the

transmission to them of notices of significant events with respect to the Series 2022 Bonds, such as redemptions, defaults and proposed amendments to the documents securing the Series 2022 Bonds. For example, Beneficial Owners of the Series 2022 Bonds may wish to ascertain that the nominee holding the Series 2022 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 2022 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 2022 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 2022 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2022 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 Bond Registrar 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 Bond Registrar 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 Bond Registrar, 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 NOR THE BOND REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DTC PARTICIPANT OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2022 BONDS IN RESPECT OF THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT, THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2022 BONDS, ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS UNDER THE BOND RESOLUTION, THE SELECTION BY DTC OR ANY DTC PARTICIPANT OR ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2022 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 2022 BONDS, AS NOMINEE OF DTC, REFERENCES IN THIS OFFICIAL STATEMENT TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2022 BONDS SHALL

MEAN CEDE & CO., AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2022 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 2022 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 2022 Bond certificates. In such event, the City shall prepare and execute, and the Bond Registrar shall authenticate, transfer and exchange, Series 2022 Bond certificates as requested by DTC in appropriate amounts and within the guidelines set forth in the Bond Resolution. DTC may also determine to discontinue providing its services with respect to the Series 2022 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 2022 Bond certificates as described herein.

In the event Series 2022 Bond certificates are issued, the provisions of the Bond Resolution shall apply to, among other things, the transfer and exchange of such certificates 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 2022 Bonds to any DTC Participant having Series 2022 Bonds credited to its DTC account; or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2022 Bonds.

SECURITY AND SOURCES OF PAYMENT

General

The Bonds issued under the Bond Resolution are limited obligations of the City, payable solely from and secured by a lien upon and pledge of Net Revenues, and all moneys held in the respective Funds and Accounts established under the Bond Resolution other than the Subordinated Indebtedness Account and the Arbitrage Rebate Fund (collectively, the “Pledged Revenues”). See “APPENDIX C - The Resolution” for a further description of the sources of funds pledged as security for the Bonds and referred to herein as the Pledged Revenues. The Series 2022 Bonds are payable from and secured by the Pledged Revenues on a parity with the Outstanding Bonds and any other Bonds, Alternative Parity Debt or parity Short-Term Indebtedness that may be issued from time to time under the Bond Resolution; **provided, however, that if the City determines that (i) no deposit shall be made to the Reserve Account in connection with the issuance of the Series 2022 Bonds, or either Series of the Series 2022 Bonds, the Series 2022 Bonds, or such Series, shall not be secured by, or entitled to any benefit from, amounts, Reserve Account Insurance Policies or Reserve Account Letters of Credit held in the Reserve Account for the benefit of other Bonds issued and Outstanding under the Bond Resolution (as such terms are defined herein) or (ii) a deposit of proceeds of the Series 2022 Bonds, or either Series of the Series 2022 Bonds, or of a Reserve Account Insurance Policy, or any combination thereof, shall be made into a separate subaccount within the Reserve Account for the sole benefit of the Holders of the Series 2022 Bonds, or either Series of the Series 2022 Bonds, the Series 2022 Bonds, or such Series, shall be secured by such separate subaccount and shall not be secured by, or entitled to any benefit from, amounts, Reserve Account Insurance Policies or Reserve Account Letters of Credit held in the Reserve Account for the benefit of other Bonds issued and Outstanding under the Bond Resolution.**

“Net Revenues” is defined in the Bond Resolution as being, for any particular period, the amount of Revenues for such period less Current Expenses for such period.

“Revenues” is defined in the Bond Resolution as all moneys received by the City in connection with or as a result of its ownership or operation of the Parking System, including, but not limited to, the income derived by the City from the direct fees and charges made for parking, all indirect revenues received through the supplying of any other services legally suppliable by the City to users of the Parking System, all rents received by the City from the rental of space comprising any part of the Parking System, including receipts from concessionaires, all fees received by the City from the management by other parties of all or any part of the Parking System, income received by the City from parking violation fines imposed upon users of the Parking System which under State law may be applied to purposes consistent with the Bond Resolution, Federal Direct Payments received by the City, any proceeds of use and occupancy insurance on the Parking System or any part thereof, payments made to the City under Interest Rate Swap arrangements, and income from investments made under the Bond Resolution; provided, however, Revenues shall not include grants, contributions or donations, investment income from investments of moneys on deposit in the Construction Fund and the Subordinated Indebtedness Account, proceeds of insurance (except use and occupancy insurance) and condemnation awards, moneys held in the Subordinated Indebtedness Account and in any Arbitrage Rebate Fund created pursuant to the Bond Resolution, proceeds of sales of property constituting a part of the Parking System, and the proceeds of Bonds or other System Debt; and provided further, however, Revenues shall not include Federal Direct Payments for purposes of the calculations of Net Revenues in connection with the issuance of Additional Bonds and Refunding Bonds and in connection with the rate covenant. No Federal Direct Payments will be received by the City with respect to the Series 2022 Bonds.

“Current Expenses” is defined in the Bond Resolution as the City’s reasonable and necessary current expenses of maintenance, repair and operation of the Parking System and shall include, without limiting the generality of the foregoing, all ordinary and usual expenses of maintenance, repair and operation, which may include expenses not annually recurring, any reasonable payments to pension or retirement funds properly chargeable to the Parking System, insurance premiums, engineering expenses relating to maintenance, repair and operation, management fees paid by the City to any independent operators or managers of any part of the Parking System, fees and expenses of the Bond Registrar and Escrow Agent, legal and accounting expenses, expenses incurred in the collection of parking violation fines imposed on users of the Parking System which under State law may be applied to purposes consistent with the Bond Resolution, costs of complying with the continuing disclosure requirements under the Rule, any fees, fines, or penalties lawfully imposed on the Parking System, any taxes which may be lawfully imposed on the Parking System or its income or operations and reserves for such taxes, annual fees for the maintenance of Credit Facilities, Liquidity Facilities, Reserve Account Insurance Policies, Reserve Account Letters of Credit or Interest Rate Swaps (other than payments due under an Interest Rate Swap on a parity with interest due on the Bonds and termination payments thereunder), and any other expenses required to be paid by the City in connection with the Parking System under the provisions of the Bond Resolution or by law, including any amounts required from time to time to pay arbitrage rebate to the United States of America directly or to fund the Arbitrage Rebate Fund, but shall not include any reserves for extraordinary maintenance or repair, or any allowance for depreciation, or any administrative expenses payable to the City’s General Fund, or any deposits or transfers to the credit of the Debt Service Account, the Reserve Account, or the Subordinated Indebtedness Account.

“Parking System” is defined in the Bond Resolution as the City’s parking system pursuant to which parking facilities are made available by the City for public parking of automobiles and other motor vehicles upon payment of a fee or charge for the privilege of parking, whether such facilities are owned by the City, leased by the City as lessor or lessee, or consist of parking spaces on public streets (whether such streets are City streets, County roads or State roads) for which the City lawfully charges a parking fee by meter

or otherwise, and shall (i) include the Project, any Improvements and any Separate Parking Facilities consolidated with the Parking System pursuant to Section 709 of the Bond Resolution, and (ii) exclude any Separate Parking Facilities not so consolidated with the Parking System.

Flow of Funds

The City maintains a special fund designated the "Parking System Enterprise Fund" (the "Enterprise Fund"). The Bond Resolution establishes within the Enterprise Fund the Debt Service Account (and within the Debt Service Account, the Bond Service Subaccount and the Redemption Subaccount), the Reserve Account and the Subordinated Indebtedness Account. The Bond Resolution also establishes the Construction Fund. All such Funds and Accounts are held by the City; no independent trustee has been appointed to hold the moneys in such Funds and Accounts for the benefit of the Bondholders.

The City deposits all Revenues collected from the operation of the Parking System into the Enterprise Fund. Not later than the twentieth (20th) day of each month, the City withdraws from the Enterprise Fund (except for an amount equal to the next two (2) month's Current Expenses under the Annual Budget, which amount shall be held for the payment of Current Expenses) the amounts required to make the deposits described below, or if the available amounts on deposit in the Enterprise Fund are less than the required amounts, the entire balance of the Enterprise Fund (other than the amount required to be retained therein for the payment of Current Expenses) and deposits the funds withdrawn in the following order:

(a) To the Bond Service Subaccount of the Debt Service Account, an amount which will equal one-sixth (1/6) of the interest payable on the Bonds of each Series on the next Interest Payment Date, plus one-twelfth (1/12) or, if principal is payable semiannually, one-sixth (1/6), of the next maturing installment of principal on all Serial Bonds then Outstanding; provided, however, that in each month intervening between the date of delivery of Bonds and the next succeeding Interest Payment Date or principal payment date, respectively, the amount specified in this subparagraph shall be the amount which, when multiplied by the number of deposits to the credit of the Bond Service Subaccount required to be made during such respective periods, as provided above, will equal the amounts required (taking into account any amounts received as accrued interest or capitalized interest from the proceeds of the Bonds) for such next succeeding interest payment and next maturing installment of principal, respectively;

(b) To the Redemption Subaccount of the Debt Service Account, an amount which will equal one-twelfth (1/12) or, if any Bonds are required to be retired semiannually, one-sixth (1/6), of the principal amount of Term Bonds of each Series required to be retired in satisfaction of the Amortization Requirements, if any, for such Fiscal Year;

(c) To the Reserve Account, the amount, if any, as may be required to make the amount deposited to the credit of the Reserve Account in such month equal to the Reserve Account Deposit Requirement for such month; provided, however, that if the Reserve Account Deposit Requirement is being satisfied by the restoration of any amounts drawn or paid under a Reserve Account Insurance Policy or a Reserve Account Letter of Credit, there shall be paid to the provider thereof such amount, if any, of any balance remaining after the deposits under clauses (a) and (b) above, as may be required to cause the Reserve Account Deposit Requirement to be satisfied; and

(d) To the Subordinated Indebtedness Account, an amount, if any, equal to the sum of one-twelfth (1/12) of the principal, redemption premium, if any, and interest coming due on any Subordinated Indebtedness during the succeeding twelve (12) month period and the amount, if any,

required to be deposited in any special reserve subaccount established within the Subordinated Indebtedness Account.

If the amount deposited in any month to the credit of any of the Accounts or subaccounts created under the Bond Resolution shall be less than the amount required to be deposited under the foregoing provisions of this Section, the requirement therefor shall nevertheless be cumulative and the amount of any deficiency in any month shall be added to the amount otherwise required to be deposited in each month thereafter until such time as all such deficiencies have been satisfied.

Reserve Account

Under the Bond Resolution, the City has established the Reserve Account within the Enterprise Fund. The Reserve Account is held for the benefit of all Bonds Outstanding, except (i) for a Series of Bonds that is not secured by the Reserve Account, and (ii) that the Series Resolution for one or more particular Series of Bonds may establish a separate subaccount within the Reserve Account for such particular Series of Bonds and, in such event, such Series of Bonds shall be secured only by the moneys held for the credit of such subaccount and by no other amounts held for the credit of the Reserve Account, and the Bonds Outstanding of any other Series will have no claim whatsoever on the moneys held for the credit of such separate subaccount in the Reserve Account. No separate subaccount is being established within the Reserve Account for the benefit of the Series 2022 Bonds.

The Reserve Account Requirement under the Bond Resolution is an amount equal to the lesser of (i) the Maximum Principal and Interest Requirements for all Bonds Outstanding secured by the Reserve Account in the current or any subsequent Fiscal Year, or (ii) the maximum amount allowed to be funded from Bond proceeds under the Code; provided, however, that if the Series Resolution corresponding to a Series of Bonds provides for the establishment of a separate subaccount in the Reserve Account to secure only such Series of Bonds (with such Series of Bonds having no claim on the other moneys deposited to the credit of the Reserve Account), the Reserve Account Requirement for such Series of Bonds shall be calculated as set forth in the corresponding Series Resolution; and provided further that, if the Series Resolution corresponding to a Series of Bonds provides that such Series of Bonds shall not be secured by the Reserve Account or any separate subaccount therein, the Reserve Account Requirement shall be calculated without taking into account such Series of Bonds.

Upon the issuance of a Series of Bonds, unless funded from the proceeds of such Series of Bonds, the City is required to provide for the funding of the Reserve Account in equal monthly installments over a period of twelve (12) months (the "Reserve Account Deposit Requirement") in an amount equal to the increase in the Reserve Account Requirement resulting from the issuance of such Series of Bonds, unless the Series Resolution for such Series of Bonds establishes a separate subaccount in the Reserve Account to secure only such Series of Bonds (with such Series of Bonds having no claim on the other moneys deposited to the credit of the Reserve Account). If the Reserve Account contains less than the Reserve Account Requirement, then the City is required to make deposits therein from the Enterprise Fund each month (after making deposits to the Debt Service Account), of one-twelfth (1/12) of the deficiency, until the Reserve Account Requirement is met.

Moneys held for the credit of the Reserve Account will first be used for the purpose of paying the interest on and the principal of the Bonds which are secured by the Reserve Account whenever and to the extent that the moneys held for the credit of the Bond Service Subaccount shall be insufficient for such purpose and thereafter for the purpose of making deposits to the credit of the Redemption Subaccount in respect of such Bonds whenever and to the extent that withdrawals from the Enterprise Fund are insufficient for such purposes; provided, however, that moneys held for the credit of a separate subaccount in the Reserve Account shall be applied to the foregoing purposes and in the foregoing manner, but only

for the benefit of the Series of Bonds for which such separate subaccount was established. Unless otherwise specified by a Series Resolution, if the moneys held in the Reserve Account exceed the Reserve Account Requirement, such excess is required to be withdrawn and deposited to the credit of the Enterprise Fund.

The Bond Resolution permits the City to provide all or a portion of the Reserve Account Requirement by depositing in the Reserve Account (or any subaccount therein) an insurance policy, surety bond, letter of credit or other acceptable evidence of insurance maintained by the City, in lieu of or in partial substitution for cash or securities on deposit in the Reserve Account (or the applicable subaccount therein), covering such amount of the Reserve Account Requirement; provided, however, that the entity providing such facility is, at the time of so providing, of sufficient credit quality to enable debt backed by its facilities to be rated in one of the two highest rating categories (without regard to any gradations within such categories) by Fitch Ratings Inc., S&P Global Ratings or Moody's Investors Service, Inc.

In the event that upon the occurrence of any deficiency in the Debt Service Account, the Reserve Account is then funded with one or more Reserve Account Insurance Policies and/or Reserve Account Letters of Credit, the City or the Bond Registrar, as applicable pursuant to the provisions of any such facilities, shall, on the Interest Payment Date or principal payment date or redemption date to which such deficiency relates, draw upon or cause to be paid under such facilities, on a pro-rata basis thereunder, an amount sufficient to remedy such deficiency, in accordance with the terms and provisions of such facilities and any corresponding reimbursement or other agreement governing such facilities; provided however, that if at the time of such deficiency the Reserve Account is only partially funded with one or more Reserve Account Insurance Policies and/or Reserve Account Letters of Credit, prior to drawing on such facilities or causing payments to be made thereunder, there shall first be applied any cash and securities on deposit in the Reserve Account to remedy the deficiency and, if after such application a deficiency still exists, the City or the Bond Registrar, as applicable, shall make up the balance of the deficiency by drawing on such facilities or causing payments to be made thereunder, as provided in this paragraph.

Notwithstanding anything to the contrary contained in the Bond Resolution, the Series Resolution for a Series of Bonds may provide that such Series of Bonds shall not be secured by the Reserve Account or any subaccount therein and, in such event, such Series of Bonds shall not be secured by the Reserve Account or any subaccount therein and shall not have a claim upon any moneys held for the credit of the Reserve Account or any subaccount therein and such moneys shall not be applied for the benefit of such Series of Bonds.

The City will, on the date of issuance of the Series 2022 Bonds, (i) deposit into the Reserve Account from proceeds of the Series 2022 Bonds an amount equal to the Reserve Account Requirement for the Series 2022 Bonds, (ii) in lieu of such a deposit or any portion thereof, deposit a Reserve Account Insurance Policy, or (iii) determine that the Series 2022 Bonds shall not be secured by the Reserve Account, nor any separate subaccount created therein and, therefore, no deposit of proceeds of the Series 2022 Bonds or of a Reserve Account Insurance Policy shall be made into the Reserve Account. The decision of whether any deposit into the Reserve Account shall be required and, if so, the form of such deposit, shall be made at the time of pricing of the Series 2022 Bonds, based on market conditions existing at such time. If a Reserve Account Insurance Policy is purchased, additional information relating to the Reserve Account Insurance Policy will be included in the Official Statement.

Rate Covenant

The City has covenanted in the Bond Resolution that it will fix, charge and collect reasonable rates and charges for the use of the services and facilities furnished by the Parking System and that from time to time, and as often as it shall appear necessary, it will adjust such rates and charges by increasing or

decreasing the same or any selected categories of rates and charges so that the Net Revenues (excluding from the computation of Current Expenses for any Fiscal Year any amount received from any source other than Revenues and applied to the payment of Current Expenses in such Fiscal Year) will be sufficient to provide an amount in each Fiscal Year at least equal to one hundred thirty-five percent (135%) of the Principal and Interest Requirements on all Bonds then Outstanding for such Fiscal Year and one hundred percent (100%) of all amounts required to be deposited to the Reserve Account (or paid to the provider of a Reserve Account Insurance Policy or Reserve Account Letter of Credit) and Subordinated Indebtedness Account for such Fiscal Year.

If in any Fiscal Year the Net Revenues are less than the amount required under the preceding paragraph, within thirty (30) days of the receipt of the audit report for such Fiscal Year (which may be the City's Consolidated Audited Financial Report relating to the Parking System), the City is required to employ a Rate Consultant, to review and analyze the financial status and operations of the Parking System, and to submit, within sixty (60) days thereafter, a written report to the City recommending revisions of the rates, fees and charges of the Parking System and the methods of operation of the Parking System that will result in producing the amount so required in the following Fiscal Year. Promptly upon its receipt of such recommendations, the City is required to transmit copies thereof to the City Manager, the Parking Director and the Chief Financial Officer and to revise its rates, fees and charges, or alter its methods of operation and take such other action as will conform with such recommendations.

If the City fails to comply with the recommendations of the Rate Consultant, the registered owners of not less than ten percent (10%) in principal amount of all Bonds then Outstanding may institute and prosecute an action or proceeding in any court or before any board or commission having jurisdiction to compel the City to comply with the recommendations and the requirements of the preceding paragraph.

If the City complies with all recommendations of the Rate Consultant in respect to its rates, fees, charges and methods of operation, the failure of Net Revenues to meet the rate covenant described above shall not constitute an Event of Default so long as the Revenues, together with available moneys in the Funds and Accounts created under the Bond Resolution, other than the Construction Fund and the Arbitrage Rebate Fund, are sufficient to pay in cash the Current Expenses and to pay the Principal and Interest Requirements on all Bonds Outstanding under the Bond Resolution and other System Debt for such Fiscal Year.

Additional Bonds

Additional Bonds of the City may be issued from time to time under and secured by the Bond Resolution, on a parity as to the pledge of the Net Revenues with the Bonds and any Alternative Parity Debt and parity Short-Term Indebtedness that may be issued and then Outstanding under the Bond Resolution, subject to the conditions described below, for the purpose of paying all or any part of the Cost of any Improvements and the funding, as necessary, of the Reserve Account.

Before any Additional Bonds are permitted to be issued under the Bond Resolution, the City Commission shall adopt a Series Resolution authorizing the issuance of such Additional Bonds and there shall be filed with the City, among other things, the following:

- (a) a certificate of the Chief Financial Officer, an Accountant or the Rate Consultant demonstrating that either (i) (A) the percentage derived by dividing the Net Revenues for any period of twelve (12) consecutive months selected by the City out of the eighteen (18) months preceding the delivery of such certificate by the Maximum Principal and Interest Requirements, including the Principal and Interest Requirements with respect to the Additional Bonds then to be delivered, for any future Fiscal Year is not less than one hundred ten per centum (110%) and (B)

the percentage derived by dividing the Net Revenues projected for the Parking System for the Fiscal Year following the Fiscal Year in which the Completion Date of the Improvements to be financed by the Additional Bonds then to be delivered is expected to occur, including the Net Revenues attributable to the Improvements, as certified by the Rate Consultant, adjusted as permitted below, by the Maximum Principal and Interest Requirements, including the Principal and Interest Requirements with respect to the Additional Bonds then to be delivered, for any future Fiscal Year is not less than one hundred fifty per centum (150%); or (ii) the percentage derived by dividing the Net Revenues for any period of twelve (12) consecutive months selected by the City out of the eighteen (18) months preceding the delivery of such certificate, by the Maximum Principal and Interest Requirements, including the Principal and Interest Requirements with respect to the Additional Bonds then to be delivered, for any future Fiscal Year is not less than one hundred fifty per centum (150%) (the period during which Net Revenues are determined being referred to hereinafter as the "Measurement Period"); and

(b) if the certificate described in (a)(i) above is being delivered, a certificate of the Rate Consultant setting forth the projected Net Revenues for the Fiscal Year following the Fiscal Year in which the Completion Date of the Improvements to be financed by the Additional Bonds then to be delivered is expected to occur;

(c) a certificate of the Chief Financial Officer to the effect that no event of default under the Bond Resolution and no event which with the passage of time, the giving of notice or both would become an event of default, has occurred within the twelve (12) consecutive calendar months prior to the date of such certificate and is continuing, or, if any such event or event of default has occurred and is continuing, that the issuance of such Series of Additional Bonds will cure the same; and

(d) an opinion of the City Attorney or Bond Counsel that the issuance of such Additional Bonds has been duly authorized and that all conditions precedent to the delivery of such Additional Bonds have been fulfilled.

In determining whether to execute and deliver the certificate mentioned in paragraph (a) above, the following adjustments to Net Revenues may be made:

(1) If the City, prior to the issuance of the proposed Additional Bonds, shall have increased the rates, fees, rentals or other charges for the services of the Parking System, the Net Revenues for the Measurement Period shall be adjusted to show the Net Revenues which would have been derived from the Parking System in such Measurement Period as if such increased rates, fees, rentals or other charges for the services of the Parking System had been in effect during all of such Measurement Period.

(2) If the City shall have acquired or has contracted to acquire any privately or publicly owned existing automobile parking facilities, then the Net Revenues derived from the Parking System during the Measurement Period shall be increased by addition to the Net Revenues for the Measurement Period of the Net Revenues which would have been derived from said existing automobile parking facilities as if such existing automobile parking facilities had been a part of the Parking System during the Measurement Period. For the purposes of this paragraph, the Net Revenues derived from said existing automobile parking facilities during the Measurement Period shall be adjusted by deducting the cost of operation and maintenance of said existing automobile parking facilities from the gross revenues of said existing automobile parking facilities in the same manner provided in the Bond Resolution for the determination of Net Revenues.

(3) If the City, in connection with the issuance of Additional Bonds, shall enter into a contract (with a duration not less than the final maturity of such Additional Bonds) with any public or private entity whereby the City agrees to furnish services in connection with any automobile parking facilities, then the Net Revenues of the Parking System during the Measurement Period shall be increased by the least amount which said public or private entity shall guarantee to pay in any one year for the furnishing of said services by the City, after deducting therefrom the proportion of operating expenses and repair, renewal and replacement cost attributable in such year to such services. Such payments shall be deemed to be Net Revenues of the Parking System and pledged for the Bonds in the same manner as other Net Revenues of the Parking System.

For a more detailed description of the conditions required to be satisfied in connection with the issuance of Additional Bonds and the effect of issuing such Bonds, see “APPENDIX C - The Resolution” and, in particular, Sections 209 of the Bond Resolution. The Series 2022A Bonds are being issued as Additional Bonds.

Refunding Bonds

Under the provisions of the Bond Resolution, Refunding Bonds of the City may be issued under and secured by the Bond Resolution, on a parity as to the pledge of the Net Revenues with the Bonds and any Alternative Parity Debt and parity Short-Term Indebtedness that may be issued under the Bond Resolution, for the purpose of refunding all or a portion of any Bonds Outstanding of any one or more Series, funding the Reserve Account, if necessary, and paying any expenses in connection with such refunding.

Before any Refunding Bonds are permitted to be issued under the Bond Resolution, the City Commission shall adopt a Series Resolution authorizing the issuance of such Refunding Bonds and there shall be filed with the City, among other things, (A) either: (i) a certificate of the Chief Financial Officer that the issuance of the Refunding Bonds will result in a decrease in total Principal and Interest Requirements for all Bonds Outstanding, or (ii) the certificates required by (a), (b) and (c) under the caption “Additional Bonds” above; provided, however, that with respect to the certificates required by (a)(i) and (b), the projected Net Revenues shall be computed for the Fiscal Year immediately following the issuance of the Refunding Bonds; (B) an opinion of the City Attorney or Bond Counsel that the issuance of such Refunding Bonds has been duly authorized and that all conditions precedent to the delivery of such Refunding Bonds have been fulfilled and (C) an opinion of Bond Counsel to the effect that upon the issuance of such Refunding Bonds and the application of the proceeds thereof, the Bonds to be refunded will no longer be deemed to be Outstanding under the Bond Resolution and that the issuance of the Refunding Bonds will not adversely affect the exclusion of interest on any Bonds then Outstanding from gross income for federal income tax purposes.

For a more detailed description of the conditions required to be satisfied in connection with the issuance of Refunding Bonds and the effect of issuing such Bonds, see “APPENDIX C - The Resolution” and, in particular, Sections 210 of the Bond Resolution. The Series 2022B Bonds are being issued as Refunding Bonds.

Limited Obligations

The City is obligated to pay the principal of and interest on the Series 2022 Bonds solely from the Pledged Revenues. The Series 2022 Bonds shall not constitute an indebtedness of the City, the County, the State or any political subdivision thereof within the meaning of any constitutional or statutory provision or limitation and the faith and credit of the City, the County, the State or any political subdivision thereof

is not pledged to the payment of the principal of or interest on the Series 2022 Bonds. Issuance of the Series 2022 Bonds shall not directly, indirectly or contingently obligate the City, the County, the State or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor, nor shall the Series 2022 Bonds constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City, the County, the State or any political subdivision thereof, except as provided in the Resolution.

Other Parity Indebtedness

In addition to the issuance of Additional Bonds and Refunding Bonds, the City may issue other obligations on a parity with the Series 2022 Bonds and other Bonds Outstanding under the Bond Resolution as long as such obligations are issued in accordance with the provisions of the Bond Resolution authorizing their issuance as parity indebtedness. Such obligations include the issuance of Convertible Bonds and Alternative Parity Debt that satisfy the conditions established in the Bond Resolution for the issuance of Additional Bonds or Refunding Bonds. Such obligations also include the issuance of Short-Term Indebtedness without the delivery of the certificates described under the captions “Additional Bonds” or “Refunding Bonds” above as long as immediately following the issuance of such Short-Term Indebtedness, the outstanding principal amount of all Short-Term Indebtedness does not exceed ten per cent (10%) of the Net Revenues of the Parking System, as shown on the Annual Budget for the current Fiscal Year.

For a more detailed description of the other types of indebtedness that may be issued from time to time on a parity with the Series 2022 Bonds and other Bonds Outstanding under the Bond Resolution, in addition to Additional Bonds and Refunding Bonds, and the tests applicable to the issuance of such other types of indebtedness, see “APPENDIX C - The Resolution” and, in particular, Section 211 of the Bond Resolution.

Subordinated Indebtedness

The City may issue obligations under the Bond Resolution that are secured by the Net Revenues without satisfying the conditions for the issuance of Additional Bonds, Refunding Bonds or Alternative Parity Debt so long as such obligations are issued as Subordinated Indebtedness. Subordinated Indebtedness is payable solely from amounts on deposit in the Subordinated Indebtedness Account. Net Revenues may be deposited in the Subordinated Indebtedness Account only after the deposit of amounts required to be made to the accounts securing the Bonds or Alternative Parity Debt. As a result, the lien on Net Revenues in favor of Subordinated Indebtedness is junior and subordinate to the pledge of and lien on Net Revenues in favor of the Outstanding Bonds, the Series 2022 Bonds and any other Bonds or Alternative Parity Debt issued under the Bond Resolution.

Modifications or Supplements to Resolution

Except as set forth in the third (3rd) succeeding paragraph below, no supplemental resolution may be adopted by the City Commission for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions of the Bond Resolution or of any resolution supplemental thereto without the consent in writing of the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding; provided, however, that no such supplemental resolution shall permit, or be construed as permitting (i) an extension of the maturity of the principal of or the interest on any Bond, (ii) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon, (iii) the creation of a superior or parity pledge or lien to the pledge and lien created by the Bond Resolution, other than as permitted by the Bond Resolution, (iv) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (v) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental resolution.

The consent of the Holders of any Additional Bonds or Refunding Bonds issued under the Bond Resolution shall be deemed given if the underwriters or initial purchasers for resale consent in writing to such supplemental resolution and the nature of the amendment effected by such supplemental resolution is disclosed in the official statement or other offering document pursuant to which such Additional Bonds or Refunding Bonds are offered and sold to the public.

In addition, for purposes of providing the written consent of the Holders of any Series of Bonds to any supplemental resolution modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions of the Bond Resolution or of any resolution supplemental thereto, to the extent any Series of Bonds is secured by a Credit Facility, so long as the issuer of such Credit Facility shall not be in default in its obligations under such Credit Facility, the consent of the issuer of the Credit Facility for such Series of Bonds shall constitute the consent of the Holders of such Bonds.

Notwithstanding the foregoing, the City may, from time to time, without the consent of the Holders of any Series of Bonds or providers of Credit Facilities, Liquidity Facilities, Reserve Account Insurance Policies or Reserve Account Letters of Credit, amend, change, modify or alter the Bond Resolution for any of the specifically authorized reasons set forth in Sections 1001(a) through (l) of the Bond Resolution. See “APPENDIX C - The Resolution.”

MUNICIPAL BOND INSURANCE

The City may elect to purchase the Bond Insurance Policy. If purchased, the Bond Insurance Policy shall be delivered by the Bond Insurer concurrently with the delivery of the Series 2022 Bonds and shall guarantee timely payment of the principal of and interest on the Series 2022 Bonds, either Series of the Series 2022 Bonds, or one or more maturities of the Series 2022 Bonds or of either Series of the Series 2022 Bonds. The decision of whether to purchase the Bond Insurance Policy shall be made at the time of pricing of the Series 2022 Bonds, based on market conditions existing at such time. If the Bond Insurance Policy is purchased, additional information relating to the Bond Insurance Policy and the Bond Insurer will be provided in the Official Statement.

BOND INSURANCE CONSIDERATIONS

Assuming the Bond Insurance Policy is purchased, the following information describes certain risk factors relating to the Series 2022 Bonds insured by the Bond Insurance Policy (the “Insured Series 2022 Bonds”). For a description of other risk factors to be considered in connection with a purchase of the Series 2022 Bonds, see “RISK FACTORS” herein.

In the event of default of the payment of the principal of or interest on the Insured Series 2022 Bonds when all or any portion becomes due, any owner of the Insured Series 2022 Bonds shall have a claim under the Bond Insurance Policy for such payment. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the Insured Series 2022 Bonds shall be paid in such amounts and at such times as such payments would have been due had there not been any such acceleration. The payment of principal and interest in connection with a mandatory or optional prepayment of the Insured Series 2022 Bonds by the City which is recovered by the City from the Owner of such Insured Series 2022 Bonds as a voidable preference under applicable bankruptcy law is expected to be covered by the Bond Insurance Policy. However, such payments will be made by the Bond Insurer at such time and in such amounts as would have been due absent such prepayment by the City, unless the Bond Insurer chooses to pay such amounts on an earlier date.

In the event the Bond Insurer becomes obligated to make payments with respect to the Insured Series 2022 Bonds, no assurance is given that such event will not adversely affect the market price of any of the Series 2022 Bonds or the marketability (liquidity) of any of the Series 2022 Bonds.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Bond Insurer without appropriate consent. So long as the Bond Insurer shall not be in default in the payment obligations under the Bond Insurance Policy, the Bond Insurer shall be deemed to be the Holder of all Insured Series 2022 Bonds for the purposes of determining remedies under the Bond Resolution.

The obligations of the Bond Insurer are general obligations of the Bond Insurer. In an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law or other similar laws related to insolvency. In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Bond Insurance Policy, the Insured Series 2022 Bonds are payable solely from the Pledged Revenues, in the manner and to the extent provided in the Resolution.

The ratings on the Insured Series 2022 Bonds that result from the issuance of the Bond Insurance Policy are dependent in part on the financial strength of the Bond Insurer and its claims paying ability. The Bond Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Bond Insurer and of the ratings on the Insured Series 2022 Bonds will not be subject to downgrade. Any such downgrade could adversely affect the market price of the Insured Series 2022 Bonds or the marketability (liquidity) of the Insured Series 2022 Bonds. See "RATINGS" herein.

Neither the City nor the Underwriters have made an independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the City to pay principal and interest on the Insured Series 2022 Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment. See "MUNICIPAL BOND INSURANCE" herein for further information provided by the Bond Insurer and the Bond Insurance Policy, which includes further instructions for obtaining current financial information concerning the Bond Insurer.

THE PARKING SYSTEM

General

The Parking System includes all parking facilities made available by the City for public parking of automobiles and other motor vehicles upon payment of a fee or charge for the privilege of parking, whether such facilities are owned by the City, leased by the City as lessor or lessee, or consist of parking spaces on public streets (whether such streets are City streets, County roads or State roads) for which the City lawfully charges a parking fee by meter or otherwise, and any space within such parking facilities which is intended to be used as retail space as of the date of issuance of the Series 2022 Bonds, and shall (i) include the Series 2022 Project, any Improvements and any Separate Parking Facilities consolidated with the Parking System pursuant to the Bond Resolution and (ii) exclude any Separate Parking Facilities not so consolidated with the Parking System.

At the time of issuance of the Series 2022 Bonds, the excluded Separate Parking Facilities consist of the four (4) parking facilities located at (i) Seventh Street and Collins Avenue, (ii) Sixteenth Street between Washington Avenue and Collins Avenue, (iii) Fifth Street and Alton Road and (iv) Collins Park. In addition, the City Commission may by resolution determine to own or operate additional Separate

Parking Facilities; provided, however, that prior to the adoption of any such resolution designating any facility as a Separate Parking Facility, there shall be delivered to the City Manager a certificate of the Chief Financial Officer containing such officer's determination that the ownership and operation of such Separate Parking Facility will not have a material adverse impact on the Net Revenues of the Parking System and stating the Chief Financial Officer's reasons for such determination. The City Commission also may by resolution determine to change the status of any Separate Parking Facility not consolidated with the Parking System to a Separate Parking Facility that shall be consolidated with the Parking System pursuant to the Bond Resolution.

The City may incur debt to acquire or improve Separate Parking Facilities without compliance with any test or limit contained in the Bond Resolution so long as such debt is payable solely from the revenues generated by such Separate Parking Facilities and the holders of such debt have no recourse and are in no way payable from the Revenues of the Parking System. The revenues, current expenses and debt service associated with the Separate Parking Facilities and any debt of the City incurred therefor shall not be included in Revenues, Current Expenses and Principal and Interest Requirements under the Bond Resolution.

Any of the Separate Parking Facilities may be consolidated with the Parking System upon demonstration of compliance with the tests for the incurrence of Additional Bonds contained in the Bond Resolution. In determining such compliance, the revenues and current expenses of the Separate Parking Facility shall be included in computing Net Revenues and the debt service on any debt payable from revenues of such Separate Parking Facility shall be included in Principal and Interest Requirements. Currently, the Separate Parking Facility located at Seventh Street and Collins Avenue is under consideration to be consolidated with the Parking System pursuant to the Bond Resolution. If the Separate Parking Facility located at Seventh Street and Collins Avenue is determined to be consolidated, such consolidation is expected to occur in Fiscal Year 2023.

Organization

The City's Parking Department (the "Department") is the single largest provider of parking in the City, serving residential, commercial, visitor and tourist parking needs. The Department is comprised of three (3) divisions: administration, on-street parking and off-street parking. The Department has ninety (90) full time positions, twenty-four (24) part-time positions and [approximately / over] ____ hundred (____) contract employees who manage and operate sixty-six (66) surface parking lots and twelve (12) parking garages. There are twenty (20) residential parking permit zones within the City. See "THE PARKING SYSTEM - Facilities" herein. The Department is also responsible for ensuring that the regulations governing parking within the City are followed and operates a parking enforcement unit for such purpose. The budget for the Department for Fiscal Year 2022 is approximately \$45.0 million.

The City exercises exclusive jurisdiction, control and supervision over the Parking System. The City Commission has the legal authority to fix rates, fees and charges, and to acquire, construct, finance and operate the Parking System and any additions thereto, without supervision or regulation by the County or the State or any other political subdivision thereof, or by any other commission, board, bureau or agency.

The City uses the concept of private sector expertise with public sector oversight. The City has a parking management team consisting of a Director, an Assistant Director, a Senior Operations Manager, three (3) Parking Operations Managers, and thirteen (13) Parking Operations Supervisors, all of whom are employees of the City. The City has competitively bid for contract services, including, but not limited to cashiers, attendants, supervisors, security services, janitorial services and landscaping services, with the objective being to obtain the best value for such contract services at the lowest cost. The City manages

and operates all municipal parking facilities by retaining all operating controls. All contracts are based on a unit price - either through an hourly rate or set unit price - and all contracts may be terminated at the convenience of the City, with thirty (30) days' prior notice. [Contractors also may terminate their contracts for the reasons and after the prior notice provided in each contract.] Towing services are also outsourced by the City.

The Department is managed by the City Manager, the Deputy City Manager in charge of the Department, the Director and the Assistant Director of the Department. Certain matters also may be handled by the City's Chief Financial Officer. In addition to overseeing the office of the Assistant Director, the Director of the Department specifically manages the Department's finances, revenue collections, purchasing and payroll matters. She also specifically oversees the Department's human resources, labor relations, organizational development, customer relations, public information, meter rentals, sales and marketing activities. The Assistant Director of the Department specifically manages all (i) aspects of (a) on-street parking operations, including meter installations, repairs, maintenance and collections, and (b) off-street parking operations, including issues relating to safety, cleanliness and affordable service; (ii) matters relating to (a) enforcement of parking rules and regulations and traffic flow and (b) private contracts to provide services for the Parking System; and (iii) parking-related sign installations, maintenance and removals, light maintenance, painting, striping and pressure cleaning.

In addition to being in charge of the Department, the Deputy City Manager overseeing the Department is also responsible for the following departments of the City: Building, Code Compliance, Economic Development, and Planning.

Set forth below is a description of the management officials of the City who are responsible for the operation of the Parking System:

Alina T. Hudak, City Manager. Ms. Hudak was appointed City Manager for the City in April 2021, after serving as Assistant City Manager for the City since February 2020, overseeing several major departments, including the Public Works Department. Prior to her employment with the City, Ms. Hudak spent 35 years serving in various upper management and leadership positions for Miami-Dade County. Her career began with the County in 1984 as a management trainee. In 1993, she was appointed Assistant County Manager and, in 1996, was appointed Director of the General Services Administration, one of the County's largest and most complex operational responsibilities, then composed of seven divisions and over 800 employees. In 1998, she returned to the County Manager's Office as an Assistant County Manager, where she led an extensive procurement reform effort that culminated in the creation of improved and expedited procurement legislation. In 2011, Ms. Hudak was appointed County Manager to ensure County business continuity and excellence during a transformation in leadership and governance. Prior to accepting the position as Assistant City Manager for the City, Ms. Hudak served as a Deputy Mayor for Miami-Dade County.

Winning a myriad of accolades from national and local community organizations, Ms. Hudak has been a trailblazer as the first woman Director of a large operational department for Miami-Dade County, the first Hispanic woman appointed Assistant County Manager, and the first woman to serve as County Manager. Ms. Hudak led Miami-Dade County's nationally-recognized response to the ZIKA emergency in 2016, recognized by the Centers for Disease Control and Prevention as the only government to eradicate the disease transmission successfully. She also led the County's largest debris removal effort after Hurricane Irma in 2017. Ms. Hudak holds a Bachelor's degree in Business Administration and a Master's degree in Public Administration, both from the University of Miami.

Eric T. Carpenter, P.E., Deputy City Manager. Mr. Carpenter was appointed Deputy City Manager for the City in July 2021. Mr Carpenter served as Assistant City Manager for the City from

August 2015 until his promotion to Deputy City Manager. Prior to his employment with the City, Mr. Carpenter served as the Director of Public Works for the City of Doral, Florida from 2006 to 2013. Prior to his employment with the City of Doral, Mr. Carpenter worked in the private sector as an engineering consultant in the environmental, stormwater, and geotechnical fields. He has over 24 years of experience in the industry. Mr. Carpenter has served for 15 years as a member of the Board of Directors, and is a Past Chair of the South Florida Branch of the American Public Works Association. He has received numerous awards and accolades and, in 2010, was awarded the Government Engineer of the Year Award by the Miami-Dade County Chapter of the American Society of Civil Engineers. Mr. Carpenter received his Bachelor of Science in Civil Engineering, with a minor in Chemistry, from the University of Maryland. He received his license as a Professional Engineer in Florida in 2004.

Lester Sola, Assistant City Manager. Mr. Sola was appointed Assistant City Manager for the City in September 2021. Mr. Sola has close to three decades of experience in public service, serving in various high level management positions. Prior to his employment with the City, since February 2018, Mr. Sola served as the Director and CEO of the Miami-Dade County Aviation Department, overseeing one of the country's busiest international passenger and cargo airports and four general aviation airports that collectively generate \$33.7 billion in business revenue and support more than 280,000 direct and indirect jobs. From January 2015 to January 2018, Mr. Sola served as Director of the Miami-Dade County Water and Sewer Department, the largest utility in the southeastern United States. In such position, Mr. Sola was responsible for providing high-quality drinking water and wastewater disposal services to more than 2.3 million residents, businesses and visitors. He managed more than 2,700 employees, with an annual operating budget of \$796 million, and led the largest capital improvement program in Miami-Dade County history, completing nearly 1,000 capital projects worth more than \$1.1 billion. Prior to his appointment to the Water and Sewer Department, Mr. Sola served as Director of the Internal Services Department for Miami-Dade County from August 2011 to May 2015, where he managed an operating budget of \$370 million, capital projects totaling over \$400 million and more than 850 employees.

Mr. Sola has served in several other key positions for Miami-Dade County, including Supervisor of Elections from January 2003 through August 2011, Deputy Director of the Department of Business Development from July 2001 to January 2003, and Assistant to the County Manager from December 1998 to February 2001. Mr. Sola received his Bachelor of Arts in Public Administration and Master in Public Administration from Florida International University.

John Woodruff, Chief Financial Officer. Mr. Woodruff was appointed Chief Financial Officer for the City in February 2017. Mr. Woodruff previously served as Interim Chief Financial Officer for the City from September 2015 through January 2016. Mr. Woodruff also served as the Director of the Office of Budget and Performance Improvement for the City from 2013 through March 2016, prior to leaving the City to become the Director of the Office of Management and Budget for the City of San Antonio, Texas. Prior to joining the City, Mr. Woodruff served as co-owner of Panama Realtor Property Management Services from August 2012 to June 2013. He also served in various capacities for Pinellas County, Florida, including serving as Director of the Pinellas County Office of Management and Budget from April 2007 to July 2012 and as a Manager in such office from April 2002 to April 2007. Prior to employment in Florida, Mr. Woodruff served in various positions for the City of San Antonio, Texas, including serving as a Senior Budget and Management Analyst in the Office of Management and Budget for the City of San Antonio from February 2000 to April 2002 and as a Budget and Management Analyst in such office from January 1998 to February 2000. He also interned with the U.S. Department of Commerce, the International Affairs Department for the City of San Antonio and the Mayor's Office for the City of San Antonio. Mr. Woodruff received a Master of Business Administration, in International Business, from the University of Texas at San Antonio and a Bachelor of Arts in History from the University of Texas at Austin.

Monica Beltran, Parking Director. Monica Beltran was appointed Parking Director for the City in October 2020. Ms. Beltran served as Assistant Parking Director for the City from December 2014 to her appointment as Director. Prior to joining the City, Ms. Beltran served in various capacities with the Miami-Dade County Aviation Department in a career that spanned over thirty-five (35) years. During her tenure with County government, Ms. Beltran served as Landside Operations Supervisor from 1987 -2006 and as Director of Landside Operations from 2006-2014. Among other responsibilities, Ms. Beltran was responsible for the management of public roadways, ground transportation and employee and public parking at the Miami International Airport. Ms. Beltran also served as the airport's American with Disabilities Act Coordinator. Ms. Beltran holds Bachelor of Arts degrees in French and Spanish and a Master of Public Administration from Florida International University. She has been recognized by the National Parking Association as a Certified Parking Professional.

Alberto Ventura, Assistant Parking Director. Alberto Ventura was appointed Assistant Parking Director for the City in December 2021. Prior to his appointment, Mr. Ventura served as Senior Parking Operations Manager for the City from November 2013 to December 2021 and Parking Operations Manager from July 2008 to November 2013. Before joining the City, Mr. Ventura worked for the Miami Parking Authority where his last assignment was Parking Director for the Jackson Health System. Mr. Ventura has over 24 years of parking experience, all in a supervisory capacity. Mr. Ventura is a veteran of the U.S Navy honorably discharged after four (4) years of service.

Operations

A major portion of the Revenues collected annually is received from on-street parking, which provides varying enforcement hours that range from twenty-four (24) hours in certain areas to limited hours such as 9:00 a.m. to 3:00 a.m. and 8:00 a.m. to 6:00 p.m., depending on the area. See "THE PARKING SYSTEM - Parking Rates" herein. The Department also collects Revenues from off-street parking, which includes the issuance of monthly parking permits. [The Department also sells virtual residential parking permits enforced through vehicle tags for certain on-street parking and off-street parking spaces]. In addition, a limited number of parking spaces are leased to private organizations, provided such an arrangement is legally permissible and practical, from a financial and operational perspective. Other sources of Revenue include, among others, citation revenue, administrative fees, bike sharing contracts, and towing fees.

Facilities

The Parking System currently consist of 17,044 parking spaces. Of this total, 9,640 were metered spaces on streets and in off-street lots and 7,404 were spaces contained in twelve (12) garages. All City garages are equipped with state-of-the-art revenue control systems that include ticket dispensers, card readers central cashiering, pay-on-foot machines and a mobile payment option.

Parking Rates

Historical debt service coverage for the Parking System has been at ample levels, which has allowed the City to fund several projects from revenues of the Parking System. One notable example of the strength of revenues of the Parking System historically is the City Hall Garage ("CHG") located on Meridian Avenue and 17th Street. The CHG supports the City Center area of the City and was fully funded without debt. Construction of the CHG was funded with impact fees, excess Net Revenues and funds provided by the Miami Beach Redevelopment Agency.

Rates of the Parking System are reviewed as part of the budget process from various perspectives, including, without limitation: (i) Revenues versus Current Expenses and the overall financial position of

the Enterprise Fund; (ii) local private and public sector rates; and (iii) other communities with similar economic generators and land uses. If the internal review warrants further examination, a rate analysis is conducted by a reputable and nationally recognized firm, which is typically, an engineering firm with experience as a parking consultant. The firm's recommendations are analyzed by City staff and thereafter, provided to the City Commission.

Additionally, the Parking System receives parking fine revenue from the Miami-Dade County Clerk of Courts, the entity that performs all processing, collection and adjudication of parking fines for all jurisdictions in the County. The City receives two-thirds (2/3) and the State receives one-third (1/3) of all revenues collected for parking fines assessed within the City.

The City Commission has identified traffic congestion throughout the City as a priority issue. Studies have shown that up to thirty percent (30%) of traffic congestion is attributable to drivers seeking parking opportunities ("circling the block"). Further congestion is caused by drivers pulling into and out of on-street parking spaces. With the goal of reducing on-street parking demand, the City has implemented a demand pricing strategy. In the busy areas such as South Beach and the eastern portion of Mid-Beach, on-street parking rates are set at levels sufficiently higher than off-street parking rates to provide incentive for drivers to park off-street. The goal is to provide incentive for drivers to use parking lots and garages, thereby reducing on-street parking demand. Hence, only those drivers willing to pay a premium will use on-street parking spaces, while others will seek other parking or mobility alternatives, like using parking garages or accessing travel options within the City that do not require or that reduce personal automobile usage.

Based on recommendations received from transportation professionals, the City Commission enacted Ordinance No. 2015-3966 on September 30, 2015 to implement a major increase in the rates of the Parking System. Rates in each category of parking were increased, as well as the hours of operation for parking meters and garages. Other less comprehensive changes have been made to the rates of the Parking System since the rate increase in 2015. Set forth below is a table which provides the current rates charged for the Parking System.

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Parking System Rates

<u>Category of Parking</u>		<u>Fiscal Year 2022 Rates</u>
Parking Meter Hourly Rates		
<u>Entertainment District and South Beach Parking Zones</u>	On-Street Meters	\$4.00
	Off-Street Meters	2.00
<u>East Middle Beach Parking Zone</u>	On-Street Meters	3.00
	Off-Street Meters	2.00
<u>Middle Beach and North Beach Parking Zones</u>	On-Street Meters	1.00
	Off-Street Meters	1.00
Parking Meter Hours of Operation		
Entertainment District		24/7
South Beach and East Middle Beach Parking Zones		9:00 a.m. - 3:00 a.m.
West Middle Beach and North Beach Parking Zones		8:00 a.m. - 6:00 p.m.
Municipal Parking Garages		
Each of first 4 hours		\$ 2.00
4 to 15 hours - hourly		1.00
15 to 24 hours		20.00
Monthly Rate		106.00
Parking Spaces Daily Rentals		
<u>Administrative service fees for space rental requests</u>	5 spaces or less	\$ 22.00*
	6 - 10 spaces	27.00*
	11 spaces or more	32.00*
Valet ramp space rental, per day		34.00*
Valet storage spaces, per day		34.00*
Construction space rental, per day		38.00*
Production and film space rental, per day		12.00*
Special event space rental, per day		27.00*
Special event space rental, per day for non-profits		12.00*
Freight and Alley Permits		
<u>Freight loading zone permit</u>	Annual permit fee for each vehicle	\$ 383.00*
	Permit fee for up to 5 vehicles (if fleet of over 10 vehicles)	1,575.00*
<u>Alley loading permit</u>	Annual permit fee for each vehicle	192.00*
	Permit fee for up to 5 vehicles (if fleet of over 10 vehicles)	788.00*
Residential Daily Visitor Parking		\$ 3.00*

* Source: City of Miami Beach, Florida Parking Department.

* Subject to annual consumer price index.

Based on studies and surveys conducted of charges for parking within the City, the rates currently charged by the City remain lower than private sector or market rates for public parking. A parking rate survey of thirteen (13) privately owned/operated garages and surface parking lots in South Beach and the entertainment district revealed an average hourly rate of \$5.00, a maximum daily rate of \$30.00 and a monthly rate of \$150.00 to \$200.00, as compared to an average hourly rate of \$2.00, a daily rate of \$15.00, and a monthly rate of \$108.00, respectively, charged by the City for use of the facilities of the Parking System. The City has noted that, to the extent additional Revenues are needed to fund expenses or initiatives of the Department, future rate increases may be required.

Current Developments

The current capital budget plan approved by the City for the Parking System includes funding for parking garage expansions, construction of new parking garages, surface lot improvements and technology enhancements. In addition to its development of new parking facilities, the City has several initiatives that were recently developed to increase mobility for residents and visitors of the City. Such initiatives help to reduce the pressure to access limited parking resources in certain areas of the City and during peak hours of demand. The initiatives include the following:

Freight Loading Zones and Valet Parking

Freight Loading Zones are regulated parking zones strategically located within the City for vehicles weighing in excess of 10,000 pounds. The zones are designed to facilitate deliveries within the City with minimal traffic disruption. The recent creation of such zones in the City, coupled with strict enforcement of violations, has significantly reduced traffic congestion. In addition, valet parking on certain City property and rights-of-way has contributed to traffic congestion. To address the problem, the City Commission has amended the City Code to strengthen regulation and enforcement provisions relating to valet parking operations in the City.

Other Parking Initiatives

In [2015,] the City implemented the first fully integrated license plate enabled parking payment platforms in the country. The platforms included: (i) payment for parking by license plate at multi-space pay stations (currently 300 units throughout the City); (ii) ParkMobile pay by phone services; (iii) commercial and residential virtual parking permits; and (iv) LPR (License Plate Recognition) enabled mobile and handheld enforcement devices.

Future Plans for Parking Projects

By adoption of Resolution No. 2022-_____ on September 30, 2021, the City Commission approved the Fiscal Years 2022 - 2026 Capital Improvement Plan and Fiscal Year 2022 Capital Budget (the "CIP"). The CIP includes capital projects designed to upgrade and enhance the Parking System. The CIP contemplates funding for parking garage improvements, construction of new parking garages, surface lot maintenance and improvements and technology enhancements. Parking structures are contemplated for each of the North Beach, Middle Beach and South Beach areas of the City.

Except for issuance of the Series 2022 Bonds to finance the Series 2022 Project, no issuance of Bonds is currently planned to finance the projects in the CIP. Future development of parking facilities by the City will be determined based on demand, by location, and identification of available funding sources. As a result, funding for the development of future Parking System projects may involve the issuance of obligations secured by Net Revenues. Such issuance would be required to comply with the provisions of the Bond Resolution. See "SECURITY AND SOURCES OF PAYMENT" herein.

Reference is made to the CIP for more specific information concerning the various improvements currently planned for the Parking System, the time period provided for the implementation of such improvements and the sources of funding anticipated to be utilized to acquire, construct and install such improvements. A copy of the CIP is available from the following City website address: <https://www.miamibeachfl.gov/city-hall/office-of-budget-peformance/budget/> or from the Chief Financial Officer for the City. See “INTRODUCTION” herein.

Parking System Covenants

The Bond Resolution contains the following covenants of the City:

Construction of Series 2022 Project and Improvements; Operation of Parking System. The City covenants that it will construct the Series 2022 Project and all other Improvements for the construction or acquisition of which Bonds or other System Debt shall be issued under the provisions of the Bond Resolution, or for which moneys repayable from the proceeds of Bonds or other System Debt issued under the provisions of the Bond Resolution shall have been advanced to the City, in accordance with the plans theretofore approved by the Consulting Engineers and that, upon the completion of the Series 2022 Project or any such other Improvements, it will operate and maintain the same as a part of the Parking System. Any contract with any person for the construction of all or a portion of the Series 2022 Project or any other Improvements shall provide for such performance and payment bonds or security in lieu thereof and for such ratings as shall be in compliance with the laws of the State of Florida and the normally established practices of the City from time to time in effect.

The City further covenants that it will establish and enforce reasonable rules and regulations governing the use of the Parking System and the operations thereof, that all compensation, salaries, fees and wages paid by it in connection with the maintenance, repair and operation of the Parking System will be reasonable, that it will operate the Parking System in an efficient and economical manner, that it will at all times maintain the Parking System or any part thereof in good repair and in sound operating condition and will make all necessary repairs, renewals and replacements, that it will duly observe and comply with all valid requirements of any municipal or governmental authority relative to the Parking System, that, except as permitted by the Bond Resolution, the City will not create or suffer to be created any lien or charge upon the Parking System or any part thereof or upon the Net Revenues ranking equally with or prior to the Bonds, and that, out of the Net Revenues, it will pay or cause to be discharged, within sixty (60) days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the Parking System or any part thereof or upon the Revenues; provided, however, that nothing contained in this paragraph shall require the City to pay or cause to be discharged, or make provision for, any such lien or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

No Free Parking. To the extent permitted by law, the City will not permit free parking or services to be supplied by the Parking System, except that (i) the City Commission, officers and employees may use facilities of the Parking System free of charge only while on official City business, (ii) the City may establish the hours during which meter charges shall be applicable and (iii) the City may permit free parking during hours when the volume of parking business does not justify the expense of collecting parking charges.

Enforcement of Collections. The City will diligently enforce and collect, or cause to be enforced and collected, the rates, fees and other charges for the use of the Parking System, will take, or cause to be taken, all steps, actions and proceedings for the enforcement and collection of such rates, fees and charges to the full extent permitted or authorized by law, and will maintain accurate records with respect thereto.

All such rates, fees, charges and revenues pledged under the Bond Resolution shall, as collected, be held in trust to be applied as provided in the Bond Resolution and not otherwise.

Management by Others of the Parking System. All or any part of the Parking System may be managed by independent managers or operators or by any authority created by the City for such purpose under such provisions as are acceptable to the City Commission; provided, however, that prior to the approval of any such management arrangement, there shall be delivered to the City Manager (i) a certificate of the Chief Financial Officer containing the Chief Financial Officer's determination that such management arrangements will not have a material adverse impact on the Net Revenues of the Parking System and stating the Chief Financial Officer's reasons for such determination and (ii) an opinion of Bond Counsel to the effect that such management arrangement will have no adverse impact on the exclusion of interest on any of the Bonds or other System Debt from gross income for federal income tax purposes. Any and all financial considerations received by the City by reason of such management arrangement shall be regarded as Revenues for purposes of the Bond Resolution.

Sale or Other Disposition of the Parking System. Except as otherwise provided in the Bond Resolution, the City shall not sell, lease or otherwise dispose of all or any part of the Parking System.

(a) To the extent permitted by law, the City, without restriction, may in any Fiscal Year sell, lease or otherwise dispose of assets forming a part of the Parking System, the aggregate value of which in each such Fiscal Year does not exceed the lesser of \$1,000,000 or one half of one per centum (1/2 of 1%) of the book value of the net property, plant and equipment of the Parking System, as shown on the Financial Statements for the latest Fiscal Year for which such Financial Statements are available.

(b) To the extent permitted by law, the City may in any Fiscal Year sell, lease or otherwise dispose of assets forming a part of the Parking System in excess of the amount set forth in clause (a) above if, before any such transfer, there is delivered to the City Manager a report of the Consulting Engineers or Rate Consultant demonstrating that the sale, lease or other disposition of such property will not have a material adverse impact on the Net Revenues and stating such consultant's reasons therefor. In determining whether to render such report, the Consulting Engineers or the Rate Consultant shall consider the usefulness of the assets to be disposed of to the operations of the Parking System, the uses to be made of any proceeds of a sale and the rental income to be received with respect to any lease thereof.

(c) To the extent permitted by law, the City may in any Fiscal Year sell, lease or otherwise dispose of any assets forming a part of the Parking System, without regard to the limitations and conditions in clauses (a) and (b) above, if the City Commission by resolution declares that such assets are not needed or serve no useful purpose in connection with the maintenance and operation of the Parking System.

The proceeds of any disposition pursuant to immediately preceding subparagraphs (a), (b) or (c) above shall be applied as described in "SECURITY AND SOURCES OF PAYMENT - Flow of Funds" herein or to the defeasance of Bonds pursuant to the Bond Resolution.

(d) To the extent permitted by law, the City may sell, lease or otherwise dispose of the assets of the entire Parking System if, upon application of the proceeds of any such disposition as hereinafter described, there shall be no Bonds deemed to be Outstanding under the provisions of the Bond Resolution and the City shall have paid or made full provision for the payment of all other obligations of the City payable from the Revenues of the Parking System, including but not limited to, Current Expenses then due and payable or to become due and payable, and all other

System Debt payable in any way from the Revenues of the Parking System and all fees then due and owing or to become due in the future with respect to Credit Facilities. The proceeds of any sale, lease or other disposition permitted by this clause (d) shall be applied first to the payment or provision for payment of the obligations, including the Bonds, set forth above, and only after all such obligations shall have been paid or full provision for their payment been made, shall the City apply any of such proceeds to any other lawful purpose of the City.

No sale, lease or any other disposition of assets of the Parking System pursuant to immediately preceding subparagraphs (a) through (d) above shall be consummated, nor shall the proceeds of any such disposition be applied, unless prior to such consummation or application there shall be delivered an opinion of Bond Counsel to the effect that such disposition and the application of the proceeds as described in such immediately preceding subparagraphs will have no adverse impact on the exclusion of interest on any of the Bonds or other System Debt from gross income for federal income tax purposes.

The Bond Resolution provides that without complying with the above provisions but subject to compliance with the rate covenant and the tax covenants contained in the Bond Resolution, to the extent permitted by law, the City may permit at such rates as the City shall deem reasonable (i) the exclusive use of parking lots or structures, or any portion thereof, which are part of the Parking System in connection with special events or occasions for periods of no more than one (1) week, including renewals; (ii) the exclusive use of spaces in parking lots or structures which are part of the Parking System by individuals who are members of the general public for periods of no more than one (1) month (however, such use may be renewed for successive periods of no more than one (1) month each); (iii) the exclusive use of parking lots or structures, or any portion thereof, which are part of the Parking System during periods (e.g., at night) when there is little or no reasonably expected demand for use of such lots or structures by members of the general public and when such exclusive use for such periods will not prevent any foreseeable use of such lots or structures by members of the general public; or (iv) the rental of retail space within parking structures that are part of the Parking System and intended, upon initial acquisition or construction by the City of such structures, to be used as retail space. The income from such use as described in this paragraph shall be deposited in the Enterprise Fund and applied as described in “SECURITY AND SOURCES OF PAYMENT - Flow of Funds” herein.

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Summary Statement of Revenues and Expenses

Set forth below is a summary of Revenues by source for Fiscal Years 2017 through 2021.

Parking System Revenues By Source Subject to update

Fiscal Year Ended September 30,

<u>Source of Revenues</u>	<u>2017</u> ⁽¹⁾	<u>2018</u> ⁽¹⁾	<u>2019</u> ⁽¹⁾	<u>2020</u> ⁽¹⁾⁽²⁾	(Unaudited) <u>2021</u> ⁽²⁾⁽³⁾
Meters	\$29,042,117	\$29,275,458	\$28,056,349	\$18,096,219	\$23,456,187
Garages	11,534,570	12,308,993	13,538,400	8,569,886	9,925,767
Parking Citations	2,915,802	2,596,982	2,419,230	2,661,733	2,606,914
Valet	1,984,182	1,746,960	1,634,138	832,133	610,549
Meter Space Rentals	1,707,934	1,651,655	1,998,362	1,593,566	925,141
Residential Permits	882,911	1,139,478	1,068,627	975,075	933,330
Towing Fees	602,184	588,033	602,024	267,578	333,915
Deco Bike Concessions	411,286	491,731	551,530	344,252	622,187
Earnings on Investments ⁽⁴⁾	756,641	1,319,604	1,606,142	1,215,915	500,555
Miscellaneous	303,936	285,193	686,512	254,490	930,268
Park/Mobile	722,947	784,516	874,163	796,036	- 0 -
7th Street Management Fee	67,591	77,261	75,226	46,023	79,433
RDA Management Fee	<u>77,000</u>	<u>94,000</u>	<u>85,000</u>	<u>78,000</u>	<u>80,000</u>
Total ⁽⁵⁾⁽⁶⁾	<u>\$51,009,100</u>	<u>\$52,359,863</u>	<u>\$53,195,703</u>	<u>\$35,730,907</u>	<u>\$41,004,247</u>

Source: City of Miami Beach, Florida Parking Department.

- (1) Based on actual, audited amounts for the period indicated.
- (2) Decrease in Revenues for Fiscal Years 2020 and 2021, as compared to prior years, is primarily the result of the impacts of the COVID-19 pandemic. See "CERTAIN INVESTMENT CONSIDERATIONS - COVID-19" herein.
- (3) Represents estimated actual amounts and is subject to year-end adjustments.
- (4) Includes interest earnings on all funds and accounts relating to the Parking System, including interest earned on unspent proceeds of the Outstanding Bonds. However, see "NET REVENUES, DEBT SERVICE AND DEBT SERVICE COVERAGE - Historical Net Revenues and Debt Service Coverage" herein for total Revenues that, in accordance with the Bond Resolution, do not include interest earned on unspent proceeds of the Outstanding Bonds.
- (5) Represents total operating revenues, intergovernmental revenues, gains on the disposal of capital assets, unrealized gains or losses on investments and interest income, each as reflected in the immediately following table captioned "Statement of Historical Revenues, Expenses and Changes in Net Assets of the Enterprise Fund." Also, see footnote number 4 of this table.
- (6) Totals may not add due to rounding.

A summary of historical and current comparative financial information of the Enterprise Fund is presented below.

**Statement of Historical Revenues, Expenses and
Changes in Net Assets of the Enterprise Fund**
Numbers to be Updated

	Fiscal Year Ended September 30,				
	<u>2017⁽¹⁾</u>	<u>2018⁽¹⁾</u>	<u>2019⁽¹⁾</u>	<u>2020⁽¹⁾⁽²⁾</u>	(Unaudited) <u>2021⁽²⁾⁽³⁾</u>
Operating revenues:					
Charges for services	\$ 41,834,790	\$ 42,365,567	\$ 42,479,960	\$ 27,219,353	\$ 32,000,689
Permits, rentals and other	<u>2,480,391</u>	<u>2,851,801</u>	<u>3,255,581</u>	<u>2,443,067</u>	<u>1,992,557</u>
Total operating revenues ⁽⁴⁾	<u>44,315,181</u>	<u>45,217,369</u>	<u>45,735,540</u>	<u>29,662,420</u>	<u>33,993,245</u>
Operating expenses:					
Personal services	12,733,961	13,056,930	14,882,869	12,413,905	8,906,111
Operating supplies	75,807	133,074	43,277	45,354	47,835
Contractual services	10,875,190	11,770,509	10,046,507	6,519,626	5,133,241
Utilities	2,698,974	2,886,518,	2,997,807	2,257,117	1,588,568
Internal services charges	3,208,011	3,453,481	4,139,458	3,991,000	3,977,207
Depreciation	5,593,339	5,505,338	5,518,070	4,971,392	4,341,403
Administrative fees	2,080,000	3,315,000	3,387,000	- 0 -	1,149,000
Amortization	(362,029)	(347,901)	(335,076)	(319,398)	(281,864)
Other operating	<u>2,920,197</u>	<u>3,065,376</u>	<u>2,974,128</u>	<u>694,805</u>	<u>2,135,285</u>
Total operating expenses ⁽⁴⁾	<u>39,823,449</u>	<u>42,838,415</u>	<u>43,654,040</u>	<u>30,573,803</u>	<u>26,996,786</u>
Operating income	<u>4,491,733</u>	<u>2,378,954</u>	<u>2,081,501</u>	<u>(911,383)</u>	<u>6,996,459</u>
Non-operating revenues (expenses):					
Intergovernmental revenues	4,002,947	4,012,950	3,519,248	2,973,729	2,277,165
Interest and fiscal charges	(771,594)	(815,935)	(750,090)	(666,355)	(1,907,591)
Gain on disposal of capital assets	23,878	14,188	16,440	27,438	35,144
Unrealized gains (losses) on investments	- 0 -	- 0 -	(9,221)	18,066	2,898
Interest income ⁽⁵⁾	<u>643,923</u>	<u>499,636</u>	<u>501,139</u>	<u>417,348</u>	<u>179,785</u>
Total non-operating revenues ⁽⁴⁾	<u>3,899,153</u>	<u>3,710,839</u>	<u>3,277,515</u>	<u>2,770,225</u>	<u>587,401</u>
Income before transfers and capital contributions	11,721,168	13,049,525	10,668,057	5,779,520	5,963,701
Capital contributions	245,834	(4,804,668)	- 0 -	(517,538)	- 0 -
Transfers in	202,705	4,889,763	4,090,316	5,469,654	26,956
Transfers out	<u>(5,363,864)</u>	<u>(8,652,304)</u>	<u>(8,264,833)</u>	<u>(9,010,159)</u>	<u>(9,784,000)</u>
Change in net position	6,805,842	4,482,316	6,493,540	1,721,477	(3,793,343)
Net position - beginning	<u>108,472,702</u>	<u>115,278,544</u>	<u>119,760,859</u>	<u>125,772,149</u>	<u>127,493,625</u>
Net position - ending	<u>\$115,278,544</u>	<u>\$119,760,859</u>	<u>\$126,254,399</u>	<u>\$127,493,625</u>	<u>\$123,700,282</u>

Source: City of Miami Beach, Florida, Department of Finance.

Footnotes below are provided for the table on the immediately preceding page.

- (1) Based on actual, audited amounts for the period indicated.
- (2) Decrease in Revenues for Fiscal Years 2020 and 2021, as compared to prior years, is primarily the result of the impacts of the COVID-19 pandemic. See “CERTAIN INVESTMENT CONSIDERATIONS - COVID-19” herein.
- (3) Represents estimated actual amounts and is subject to year-end adjustments.
- (4) Totals may not add due to rounding.
- (5) Includes interest earned on unspent proceeds of the Outstanding Bonds. However, see “NET REVENUES, DEBT SERVICE AND DEBT SERVICE COVERAGE - Historical Net Revenues and Debt Service Coverage” herein for total Revenues that, in accordance with the Bond Resolution, do not include interest earned on unspent proceeds of the Outstanding Bonds.

A summary of the projected financial information for the Enterprise Fund is presented below.

**Statement of Projected Revenues, Expenses and
Changes in Net Assets of the Enterprise Fund**
Numbers to be updated

	Fiscal Year Ending September 30,				
	<u>2022⁽¹⁾⁽²⁾</u>	<u>2023⁽²⁾</u>	<u>2024⁽²⁾</u>	<u>2025⁽²⁾</u>	<u>2026⁽²⁾</u>
Operating revenues:					
Charges for services	\$ 58,406,400	\$ 58,406,400	\$ 58,406,400	\$ 61,844,400	\$ 61,844,400
Permits, rentals and other	<u>2,262,600</u>	<u>2,262,600</u>	<u>2,262,600</u>	<u>2,262,600</u>	<u>2,262,600</u>
Total operating revenues	<u>60,669,000</u>	<u>60,669,000</u>	<u>60,669,000</u>	<u>64,107,000</u>	<u>64,107,000</u>
Operating expenses:					
Personal services	12,804,800	13,188,944	13,584,612	13,992,151	14,411,915
Operating supplies	102,200	105,266	108,424	111,677	115,027
Contractual services	9,304,800	9,583,944	9,871,462	10,167,606	10,472,634
Utilities	2,138,200	2,202,346	2,268,416	2,336,469	2,406,563
Internal services charges	2,850,000	2,935,500	3,023,565	3,114,272	3,207,700
Depreciation	6,883,000	6,883,000	6,883,000	6,883,000	6,883,000
Administrative fees	1,856,000	1,911,680	1,969,030	2,028,101	2,088,944
Other operating	<u>4,865,000</u>	<u>5,365,730</u>	<u>5,881,482</u>	<u>7,266,706</u>	<u>8,714,488</u>
Total operating expenses	<u>40,804,000</u>	<u>42,176,410</u>	<u>43,589,992</u>	<u>45,899,982</u>	<u>48,300,272</u>
Operating income	<u>19,865,000</u>	<u>18,492,590</u>	<u>17,079,008</u>	<u>18,207,018</u>	<u>15,806,728</u>
Non-operating revenues (expenses):					
Intergovernmental revenues	4,047,000	4,047,000	4,047,000	4,047,000	4,047,000
Interest and fiscal charges	(8,648,000)	(6,585,000)	(6,591,000)	(6,586,000)	(6,586,000)
Interest income ⁽³⁾	<u>244,000</u>	<u>244,000</u>	<u>244,000</u>	<u>244,000</u>	<u>244,000</u>
Total non-operating revenues (expenses)	<u>(4,357,000)</u>	<u>(2,294,000)</u>	<u>(2,300,000)</u>	<u>(2,295,000)</u>	<u>(2,295,000)</u>
Income before transfers and capital contributions	15,508,000	16,198,590	14,779,008	15,912,018	13,511,728
Transfers out	<u>(11,826,000)</u>	<u>(11,826,000)</u>	<u>(11,826,000)</u>	<u>(11,826,000)</u>	<u>(11,826,000)</u>
Change in net position	3,682,000	4,372,590	2,953,008	4,086,018	1,685,728
Net position - beginning	<u>125,284,683</u>	<u>128,966,683</u>	<u>133,339,273</u>	<u>136,292,280</u>	<u>140,378,298</u>
Net position - ending	<u>\$128,966,683</u>	<u>\$133,339,273</u>	<u>\$136,292,280</u>	<u>\$140,378,298</u>	<u>\$142,064,027</u>

Source: City of Miami Beach, Florida, Department of Finance.

Footnotes below are provided for the table on the immediately preceding page.

- (1) Projected, based on amounts included in the adopted budget of the City for the Fiscal Year ending September 30, 2022.
- (2) Projected, based on the rates currently in effect for use of the facilities and services of the Parking System. See “THE PARKING SYSTEM - Parking Rates” herein.
- (3) Does not include interest projected to be earned on investments.

NET REVENUES, DEBT SERVICE AND DEBT SERVICE COVERAGE

Historical Net Revenues and Debt Service Coverage

The information in the following table sets forth the historical Revenues, Current Expenses, Net Revenues available for debt service payments and debt service coverage of the Parking System for the Fiscal Years ended September 30, 2017 through 2021.

	Historical Net Revenues, Debt Service and Debt Service Coverage				
	<u>Numbers to be Updated</u>				
	<u>Fiscal Year Ended September 30,</u>				
	<u>2017⁽¹⁾</u>	<u>2018⁽¹⁾</u>	<u>2019⁽¹⁾</u>	<u>2020⁽¹⁾</u>	(Unaudited) <u>2021⁽²⁾</u>
Revenues ⁽³⁾	\$38,157,746	\$40,280,843	\$41,659,049	\$40,506,984	\$41,942,869
Current Expenses ⁽⁴⁾	19,431,378	20,364,736	22,083,741	25,554,846	27,676,716
Net Revenues Available for Debt Service	18,726,368	19,916,108	19,575,308	14,952,138	14,266,153
Debt Service ⁽⁵⁾	3,789,417	4,030,601	4,022,563	4,026,994	4,022,571
Debt Service Coverage	4.94x	4.94x	4.87x	3.71x	3.55x

Source: City of Miami Beach, Florida, Department of Finance.

- (1) Based on actual, audited amounts for the period indicated.
- (2) Represents estimated actual amounts and is subject to year-end adjustments.
- (3) Revenues include operating revenues, intergovernmental revenues and non-operating interest income and exclude any interest earned on unspent proceeds of the Outstanding Bonds. See the table captioned “Statement of Historical Revenues, Expenses and Changes in Net Assets of the Enterprise Fund” in “THE PARKING SYSTEM - Summary Statement of Revenues and Expenses” herein.
- (4) Current Expenses do not include depreciation, amortization, administrative fees or unrealized gains or losses on investments. See the table captioned “Statement of Historical Revenues, Expenses and Changes in Net Assets of the Enterprise Fund” in “THE PARKING SYSTEM - Summary Statement of Revenues and Expenses” herein.
- (5) Represents Principal and Interest Requirements on the Outstanding Bonds, plus debt service on any other System Debt. Upon issuance of the Series 2022 Bonds, the only other System Debt Outstanding will be the Outstanding Bonds. See “DEBT SERVICE SCHEDULE” herein.

Projected Net Revenues and Debt Service Coverage

The information in the following table sets forth the projected Revenues, Current Expenses, Net Revenues available for debt service payments and debt service coverage of the Parking System for the Fiscal Years ending September 30, 2022 through 2026.

	Projected Net Revenues, Debt Service and Debt Service Coverage				
	<u>Numbers to be Updated</u>				
	<u>Fiscal Year Ending September 30,</u>				
	<u>2022⁽¹⁾</u>	<u>2023⁽¹⁾</u>	<u>2024⁽¹⁾</u>	<u>2025⁽¹⁾</u>	<u>2026⁽¹⁾</u>
Revenues ⁽²⁾	\$64,960,000	\$64,960,000	\$64,960,000	\$68,398,000	\$68,398,000
Current Expenses ⁽³⁾	32,065,000	33,381,730	34,737,962	36,988,881	39,328,327
Net Revenues Available for Debt Service	32,895,000	31,578,270	30,222,038	31,409,119	29,069,673
Debt Service ⁽⁴⁾	6,599,500	6,599,500	6,599,500	6,599,500	6,599,500
Debt Service Coverage Ratio	4.98x	4.78x	4.58x	4.76x	4.40x

Source: City of Miami Beach, Florida, Department of Finance.

- (1) Amounts for Fiscal Year 2022 are based on the adopted budget of the City for the Fiscal Year ending September 30, 2022. All amounts include projections based on the rates for use of the facilities and services of the Parking System (see "THE PARKING SYSTEM - Parking Rates" herein).
- (2) Revenues include projected operating revenues, intergovernmental revenues and non-operating interest income and exclude any interest projected to be earned on unspent proceeds of the Bonds. See the table captioned "Statement of Projected Revenues, Expenses and Changes in Net Assets of the Enterprise Fund" in "THE PARKING SYSTEM - Summary Statement of Revenues and Expenses" herein.
- (3) Current Expenses do not include projected depreciation and administrative fees. See the table captioned "Statement of Projected Revenues, Expenses and Changes in Net Assets of the Enterprise Fund" in "THE PARKING SYSTEM - Summary Statement of Revenues and Expenses" herein.
- (4) Represents the Maximum Principal and Interest Requirement on the Outstanding Bonds and the Series 2022 Bonds, assuming an issuance of the Series 2022 Bonds in the aggregate principal amount of \$ _____, at a true interest cost of _____% per annum, with a final maturity of September 1, 2052. All amounts are preliminary, subject to change. The Outstanding Bonds and the Series 2022 Bonds will constitute the only System Debt Outstanding upon issuance of the Series 2022 Bonds. See "DEBT SERVICE SCHEDULE" herein.

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DEBT SERVICE SCHEDULE

Set forth below are the debt service requirements of the Series 2022 Bonds, all other Bonds Outstanding upon issuance of the Series 2022 Bonds and the total combined debt service on all Bonds Outstanding immediately following issuance of the Series 2022 Bonds.

Fiscal Year Ending September 30	Series 2022 Bonds			Outstanding Bonds	Total Series 2022 Bonds and Outstanding Bonds
	Principal	Interest	Total		
2022	\$	\$	\$	\$ 3,132,362.50	\$
2023				2,230,762.50	
2024				2,231,162.50	
2025				2,233,662.50	
2026				2,234,018.76	
2027				2,233,375.00	
2028				2,230,418.76	
2029				2,230,150.00	
2030				2,232,337.50	
2031				2,231,750.00	
2032				2,233,250.00	
2033				2,231,250.00	
2034				2,230,750.00	
2035				2,231,500.00	
2036				2,233,250.00	
2037				2,230,750.00	
2038				2,234,000.00	
2039				2,232,500.00	
2040				2,231,250.00	
2041				- 0 -	
2042				- 0 -	
2043				- 0 -	
2044				- 0 -	
2045				- 0 -	
2046				- 0 -	
2047				- 0 -	
2048				- 0 -	
2049				- 0 -	
2050				- 0 -	
2051				- 0 -	
2052				- 0 -	
Total	\$	\$	\$	\$	\$

RISK FACTORS

General

The following discussion provides information relating to certain risks that could affect payments of the principal of and interest on the Series 2022 Bonds. The order in which the following information is presented is not intended to reflect the relative importance of the risks discussed. The following information is not, and is not intended to be, exhaustive and should be read in conjunction with all of the other sections of this Official Statement, including its appendices. Prospective purchasers of the Series 2022 Bonds should analyze carefully the information contained in this Official Statement, including its appendices (and including the additional information contained in the form of the complete documents referenced or summarized herein), for a more complete description of the investment considerations relevant to purchasing the Series 2022 Bonds. Copies of any documents referenced or summarized in this Official Statement are available from the City. See “INTRODUCTION” herein.

Limited Obligation of City

Payment from Pledged Revenues Only

The ability of the City to make timely payments of the principal of and interest on the Series 2022 Bonds depends upon the City’s collection of Net Revenues which, together with earnings thereon and on amounts held in the funds and accounts created under the Resolution, will be adequate to make such payments. The Series 2022 Bonds are not general obligations supported by the full faith and credit of the City, the County or the State or any political subdivision of the foregoing, but are payable solely from the Pledged Revenues. None of the City, the County, the State or any political subdivision of the foregoing has any obligation or power under the Resolution or under Florida law to levy any taxes in order to pay debt service on the Series 2022 Bonds or to cure any default in any such payments.

Limited Replenishment of Deficiencies

Except for the Reserve Account, there is no fund or account under the Resolution which is required to contain amounts to make up for any deficiencies in the event of one or more defaults by the City in making payments of debt service on the Series 2022 Bonds. There is no source from which the Enterprise Fund will be replenished, except the Revenues and certain investment income on moneys in the funds and accounts held under the Resolution. There can be no representation or assurance that the City will realize sufficient Net Revenues to pay, when due, all required payments of debt service on the Series 2022 Bonds.

Parking System Financing

Concentration of Revenues

A significant portion of the Revenues received by the City in the past is from meter collections. See “THE PARKING SYSTEM - Summary Statement of Revenues and Expenses” herein. The City has implemented measures to decrease demand for on-street metered parking, since such parking has been determined to have the most negative impact on traffic flow within the City. See “THE PARKING SYSTEM - Parking Rates” herein. If the decrease in on-street metered parking is to a level that significantly impacts Revenues generated by metered parking, without a correlative increase in Revenues generated by other categories of parking, the reduction could have a material adverse impact on the ability of the City to produce sufficient Net Revenues to pay debt service on the Series 2022 Bonds.

Natural Disasters

Net Revenues are generated, in part, from the use of the facilities of the Parking System. The occurrence of any event that has a major negative impact on such facilities, including, without limitation, natural disasters (such as hurricanes and other major tropical storms to which South Florida is naturally subject), could significantly reduce available Net Revenues which could, in turn, have a material adverse impact on the ability of the City to pay debt service on the Series 2022 Bonds. Also, see “CERTAIN INVESTMENT CONSIDERATIONS - Climate Change” herein.

Competition from Private Facilities

Except for on-street metered parking, use of the facilities and services of the Parking System is in competition with similar or comparable parking facilities and services provided by private owners. The determination of whether to use the facilities and services of the Parking System or those made available by private owners is dependent upon numerous factors, including, without limitation, the accessibility of the facility or service or its proximity to the location visited, the physical appearance of the facility and the cost charged for such use. Although the City recently adopted a significant increase in rates for use of the facilities and services of the Parking System, the new rates charged by the City are still generally lower than rates charged by private owners. See “THE PARKING SYSTEM - Parking Rates” herein. However, the City can provide no assurance that (i) it will not increase rates in the future for use of the facilities and services of the Parking System, (ii) private owners will not reduce rates for use of its parking facilities and services, (iii) private owners will not provide access to parking in the future that is more convenient or more desirable to use than the parking facilities and services offered generally by the City or in certain areas of the City or (iv) other changes in parking availability, prices or preferences will not occur which make use of the parking facilities and services offered by private owners generally more desirable than use of the facilities and services of the Parking System. The occurrence of any of such events could significantly reduce Net Revenues which could, in turn, have a material adverse impact on the ability of the City to pay debt service on the Series 2022 Bonds.

Decreases in Demand

The amount of Net Revenues collected historically and expected to be collected in the future to pay debt service on the Series 2022 Bonds is, in part, heavily dependent upon the attractiveness of the City to day and overnight visitors, including, without limitation, the strength and vitality of tourism in the area. Numerous factors could lead to a significant decrease in visitors to the City or in the level of tourism experienced in the area, including, without limitation, (i) the ability of other areas in South Florida to become more desirable to visit for tourists and other visitors, (ii) the economic and political factors described in “State, National and International Economic and Political Factors” or (iii) natural disasters which cause significant damage to hotels, restaurants and other business establishments within the City (such as hurricanes and other major tropical storms to which South Florida is naturally subject) which render the City a less desirable location to visit. Any or all of such events could significantly reduce Net Revenues which could, in turn, have a material adverse impact on the ability of the City to pay debt service on the Series 2022 Bonds.

In addition, the use of the facilities and services of the Parking System is dependent upon the number and frequency of use of personal motor vehicles within the City. Personal motor vehicle usage is influenced by numerous factors, including, without limitation, (i) the price of motor vehicle fuel, (ii) the availability or difficulty of use of roads and other access arterials into and throughout the City and (iii) the ability to access, and the ease of access to, destinations within the City by using forms of transportation other than personal motor vehicles. The City has developed initiatives designed to encourage less usage of personal motor vehicles within the City. See “THE PARKING SYSTEM - Current Developments”

herein. Any of the circumstances described in this paragraph which reduces personal motor vehicle usage within the City, or other circumstances that reduce such usage that are not described herein, could significantly reduce Net Revenues which could, in turn, have a material adverse impact on the ability of the City to pay debt service on the Series 2022 Bonds.

State, National and International Economic and Political Factors

Certain economic or political developments, such as new downturns in the State, national or international economy, international currency fluctuations, increased national or international restrictions on travel or other increased national or international barriers to tourism or trade, could all materially, adversely affect the ability of the City to attract individuals, businesses and organizations to utilize the hotels, restaurants and other business establishments within the City, which could result in a significant reduction in the use of the facilities and services of the Parking System. Such reduction could significantly reduce Net Revenues which could, in turn, have a material adverse impact on the ability of the City to pay debt service on the Series 2022 Bonds.

Adverse Legislative, Judicial or Administrative Action

The State legislature, the courts or an administrative agency with jurisdiction in the matter could enact new laws or regulations or interpret, amend, alter, change or modify the laws or regulations governing the definition, collection or distribution of municipal government fees generally, or fees, fines or penalties collected for the use of parking facilities and services specifically, in a fashion that would materially, adversely affect the ability of the City to receive or use Net Revenues in an amount sufficient to pay debt service on the Series 2022 Bonds.

No Feasibility Consultant

This Official Statement provides historical information and projections to demonstrate that the City collects, and expects to continue to collect, sufficient Net Revenues to pay debt service on the Series 2022 Bonds. See “THE PARKING SYSTEM - Summary Statement of Revenues and Expenses” and “NET REVENUES, DEBT SERVICE AND DEBT SERVICE COVERAGE” herein. In connection with the issuance of the Series 2022 Bonds, the City determined that it would not engage an independent feasibility consultant to provide an analysis of projected growth in the City, in the use of the Parking System, or to calculate projected Net Revenues. As a result, while the City reasonably believes Net Revenues will be sufficient to satisfy Principal and Interest Requirements, no forecasts or projections of Net Revenues, that have been independently verified by a consultant experienced in such matters, are included in this Official Statement.

THE CITY

General

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 seven (7) square miles of land area and 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 2021, hotel, food and beverage sales accounted for an estimated \$ ___ billion in sales within the City.

City 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.

Dan Gelber serves as the Mayor of the City. Mayor Gelber was re-elected as Mayor on November 2, 2021 for his third term. His current term of office will expire in November 2023. Set forth below is a list of the current members of the City Commission and the expiration of their respective current terms of office:

Miami Beach, Florida City Commission

<u>City Commission Members</u>	<u>Date Term Ends</u>
Kristen Rosen Gonzalez, Vice Mayor	November 2025
Ricky Arriola	November 2023
Alex J. Fernandez	November 2025
Steven Meiner	November 2023
David Richardson	November 2023
Mark Samuelian	November 2025

For more detailed information relating to the City, see “APPENDIX A - General Information and Economic Data Regarding the City of Miami Beach, Florida and Miami-Dade County, Florida.”

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, 2019, the date of the latest accrual valuation:

Employee Plan Membership

Inactive plan members and beneficiaries currently receiving benefits	1,086
Inactive plan members entitled to benefits but not yet receiving them	208*
Active plan members	<u>1,254</u>
Total members	<u><u>2,548</u></u>

Source: City of Miami Beach, Florida Annual Comprehensive Financial Report for Fiscal Year Ended September 30, 2020.

* 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, 2020, there were one hundred twenty-seven (127) members of the Employee Plan in the DROP and the value of the DROP investment was \$15,209,171, which is included in the Plan's net position. The DROP also allows for member loans. Approximately \$246,000 of DROP loans for the Employee Plan were outstanding as of September 30, 2020.

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, 2020, the City was required to make contributions of \$31,475,930 or 35.70% of covered payroll to the Employee Plan in accordance with actuarially determined requirements computed through an actuarial valuation performed as of October 1, 2018. For the Fiscal Year ended September 30, 2020, the employees contributed \$8,665,597 and buybacks were \$1,177,837.

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Net Pension Liability. The City's net pension liability and related ratios for the Employee Plan for the Fiscal Years ended September 30, 2017 through September 30, 2020 are set forth below.

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

	Fiscal Year Ended September 30			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Total Pension Liability</u>				
Service Cost	\$ 16,171,537	\$ 15,232,372	\$ 13,720,496	\$ 12,906,811
Interest	65,045,122	63,015,047	57,800,541	56,164,518
Difference between Actual and Expected Experience	1,117,690	18,961	(4,242,257)	(2,210,692)
Assumption Changes ⁽¹⁾	10,022,465	4,771,684	52,573,659	11,676,037
Benefit Payments	(51,014,104)	(49,726,168)	(44,576,144)	(41,900,843)
Refunds of Contributions	<u>(1,571,361)</u>	<u>(1,381,297)</u>	<u>(905,574)</u>	<u>(948,535)</u>
Net Change in Total Pension Liability	39,771,349	31,930,599	74,370,721	35,687,296
Total Pension Liability (Beginning of Year)	<u>865,978,062</u>	<u>834,047,463</u>	<u>759,676,742</u>	<u>723,989,446</u>
Total Pension Liability (End of Year) (a)	<u>\$905,749,411</u>	<u>\$865,978,062</u>	<u>\$834,047,463</u>	<u>\$759,676,742</u>
<u>Plan Fiduciary Net Position</u>				
Contributions - Employer	\$ 31,864,304	\$ 31,892,485	\$ 29,358,098	\$ 27,783,852
Contributions - Employees (includes buybacks)	8,512,207	8,242,590	7,871,072	7,341,533
Net Investment Income	23,328,881	51,285,893	70,646,599	55,818,905
Benefit Payments	(51,014,104)	(49,726,168)	(44,576,144)	(41,900,843)
Refunds of Contributions	(1,571,361)	(1,381,297)	(905,574)	(948,535)
Administrative Expense	(827,919)	(730,118)	(703,539)	(677,509)
Other (Adjustment)	<u>—</u>	<u>—</u>	<u>(68,222)</u>	<u>—</u>
Net Change in Plan Fiduciary Net Position	10,292,008	39,583,385	61,622,290	47,417,403
Plan Fiduciary Net Position (Beginning of Year)	<u>656,207,611</u>	<u>616,624,226</u>	<u>555,001,936</u>	<u>507,584,533</u>
Plan Fiduciary Net Position (End of Year) (b)	<u>\$666,499,619</u>	<u>\$656,207,611</u>	<u>\$616,624,226</u>	<u>\$555,001,936</u>
City's Net Pension Liability (End of Year) (a) - (b)	\$239,249,792	\$209,770,451	\$217,423,237	\$204,674,806
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.59%	75.78%	73.93%	73.06%
Covered Employee Payroll	\$ 84,980,438	\$ 85,003,174	\$ 77,013,213	\$ 71,863,150
City's Net Pension Liability as a Percentage of Covered-Employee Payroll	281.54%	246.78%	282.32%	284.81%

Source: City of Miami Beach, Florida Annual Comprehensive Financial Report for Fiscal Year Ended September 30, 2020.

Footnote for the immediately preceding table is provided on the next page.

- (1) For a detailed description of the changes made in the assumptions for the Employee Plan, reference is made to the source of the table set forth above and to the City of Miami Beach Employees' Retirement Plan Actuarial Valuation Report, prepared by Gabriel, Roeder, Smith and Company, for each of the years indicated. A copy of such documents 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.

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 five (5) 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"), on or after June 8, 2016 but prior to May 8, 2019 for firefighters and on or after July 20, 2016 but prior to July 31, 2019 for police officers ("Police and Firefighters' Plan Tier Four"), or on or after May 8, 2019 for firefighters and on or after July 31, 2019 for police officers ("Police and Firefighters' Plan Tier Five").

Membership in the Police and Firefighters' Plan consisted of the following as of September 30, 2020, the date of the latest accrual valuation:

Police and Firefighters' Plan Membership

Active members		494
Deferred vested members		20
Retired members		
a. Service	737*	
b. Disabled	<u>57</u>	
	794	<u>794</u>
Total members		<u><u>1,308</u></u>

Source: City of Miami Beach, Florida Annual Comprehensive Financial Report for Fiscal Year Ended September 30, 2020.

* 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 who 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 and Police and Firefighters' Plan Tier Five 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 and of a Police and Firefighters' Plan Tier Five 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' member may enter into a DROP on the first day of any month after becoming eligible to retire. Police and Firefighters' Plan Tier One members who entered the DROP on or before September 30, 2015, are eligible to participate for a period not to exceed seventy-two (72) months. Police and Firefighters' Plan members who entered the DROP on or after October 1, 2015 are eligible to participate for a period not to exceed ninety-six (96) months. All Police and Firefighters' Plan Tier One members receive a 2.5% cost of living adjustment ("COLA") increase in benefits annually on the anniversary date of the member's entry into the DROP, with a few annual exceptions provided in the Police and Firefighters' Plan. All other Police and Firefighters' Plan tier members receive a 1.5% COLA increase in benefits annually on the anniversary date of the member's entry into the DROP, with a few annual exceptions provided in the Police and Firefighters' Plan.

Once a Police and Firefighters' Plan member enters the DROP, their monthly retirement benefit is fixed, and their monthly benefit is paid into their DROP account. Upon termination of employment, the balance in the member's DROP account, including earnings, is payable to them and they will begin to receive their normal retirement benefit.

At September 30, 2020, the total amount of the DROP payable, \$32,473,684, represents the balance of the self-directed participants as all 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, Police and Firefighters' Plan Tier Four members, and Police and Firefighters' Plan Tier Five 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 for active employees for the Fiscal Year ended September 30, 2020, was \$42,658,455 and \$120,549, respectively. Covered payroll, excluding DROP members, was \$66,441,610. The contribution required from the City and the State for the Fiscal Year ended September 30, 2020 was actuarially determined by the October 1, 2018 valuation to be \$42,307,243 subsequent to the measurement date.

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, 2017 through September 30, 2020 are set forth in the table on the following page.

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

	Fiscal Year Ended September 30			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Total Pension Liability</u>				
Service Cost	\$ 20,212,389	\$ 18,462,961	\$ 17,530,982	\$ 17,803,602
Interest	94,542,878	91,544,984	87,422,136	82,627,847
Changes of Benefit Terms ⁽¹⁾	—	—	(9,686,441)	—
Difference between Actual and Expected Experience	7,883,134	11,814,591	141,740	14,588,712
Assumption Changes ⁽¹⁾	7,294,349	6,951,571	34,969,254	2,447,885
Benefit Payments (including Refunds of Contributions)	<u>(68,466,325)</u>	<u>(75,460,821)</u>	<u>(58,574,937)</u>	<u>(54,861,660)</u>
Net Change in Total Pension Liability	61,466,425	53,313,286	71,800,734	62,606,386
Total Pension Liability (Beginning of Year)	<u>1,229,168,051</u>	<u>1,175,854,765</u>	<u>1,104,054,031</u>	<u>1,041,447,645</u>
Total Pension Liability (End of Year) (a)	<u>\$1,290,634,476</u>	<u>\$1,229,168,051</u>	<u>\$1,175,854,765</u>	<u>\$1,104,054,031</u>
<u>Plan Fiduciary Net Position</u>				
Contributions - City and State	\$ 39,747,149	\$ 37,639,937	\$ 35,367,866	\$ 34,970,641
Contributions - Employees	6,972,214	6,593,715	6,198,244	5,984,397
Net Investment Income	39,053,408	82,094,851	85,791,174	70,539,300
Benefit Payments (including Refunds of Contributions)	(68,466,325)	(75,460,821)	(58,574,937)	(54,861,660)
Administrative Expense	<u>(855,761)</u>	<u>(802,106)</u>	<u>(769,079)</u>	<u>(826,044)</u>
Net Change in Plan Fiduciary Net Position	16,450,685	50,065,576	68,013,268	55,806,634
Plan Fiduciary Net Position (Beginning of Year)	<u>924,502,976</u>	<u>874,437,400</u>	<u>806,424,132</u>	<u>750,617,498</u>
Plan Fiduciary Net Position (End of Year) (b)	<u>\$940,953,661</u>	<u>\$924,502,976</u>	<u>\$874,437,400</u>	<u>\$806,424,132</u>
City's Net Pension Liability (End of Year) (a) - (b)	\$349,680,815	\$304,665,075	\$301,417,365	\$297,629,899
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.91%	75.21%	74.37%	73.04%
Covered Employee Payroll	\$ 66,441,610	\$ 64,181,403	\$ 59,907,167	\$ 56,759,632
City's Net Pension Liability as a Percentage of Covered-Employee Payroll	526.30%	474.69%	503.14%	524.37%

Source: City of Miami Beach, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2020.

Footnote for the immediately preceding table is provided on the next page.

- (1) 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, to the 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 and to the City Pension Fund for Firefighters and Police Officers in the City of Miami Beach Actuarial Valuation as of October 1, 2017, prepared by Gabriel, Roeder, Smith and Company, dated April 16, 2018. A copy of such documents 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.

Other Retirement and Compensation Plans

Florida's Federal-State Social Security Agreement

Pursuant to Modification 29 of the Florida State Social Security Agreement, effective January 1, 1955, the City does not participate in the Federal Old-Age and Survivors Insurance System embodied in the federal Social Security Act. Instead, the City provides eligible employees a comprehensive defined benefit pension plan. Contributions pursuant to the federal Social Security Act for Fiscal Years 2020 and 2019 would have been \$11,772,376 and \$11,498,175, respectively. The City, however, does participate in the hospital insurance tax, also known as Medicare, and withholds taxes accordingly.

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, 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 and remitted to the plans for the Fiscal Year ended September 30, 2020 were \$1,521,666 for firefighters and \$756,953 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.

Any person employed on or after October 18, 1992, in the unclassified service of the City, had the right to select the Defined Contribution Plan as an optional retirement plan to the Unclassified Employees and Elected Officials Retirement System (the "Unclassified Employee System"). At the time of the creation of the Defined Contribution Plan, employees of the City who were members of the Unclassified Employee System had the irrevocable right to elect to transfer membership from the Unclassified Employee System to the Defined Contribution Plan for a limited period of time. Effective March 19, 2006, the

Defined Contribution Plan is no longer offered to new employees of the City. Employees participating in the Defined Contribution Plan prior to March 19, 2006 were given the option to transfer membership to the Unclassified Employee System, which was merged into the Employee Plan. See “PENSION AND OTHER POST EMPLOYMENT BENEFITS - Defined Benefit Plans - Employees’ Retirement Plan” herein.

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, 2020, is as follows:

Defined Contribution Plan Information

Members in Defined Contribution Plan		22
City’s contribution	\$108,809	
Percentage of covered payroll		7.71%
Employees’ contribution	108,797	
Percentage of covered payroll		7.73

Source: City of Miami Beach, Florida Annual Comprehensive Financial Report
for Fiscal Year Ended September 30, 2020.

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.

In June 2015, the Governmental Accounting Standard’s Board (“GASB”) issued Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” (“GASB 75”). GASB 75 replaces the requirements of GASB Statement No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,” as amended, and GASB Statement No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans.” The objective of GASB 75 is to improve the financial reporting by state and local governments for postemployment benefits other

than pensions (“OPEB”) and improve information for OPEB that is provided by other entities. The provisions of GASB 75 are effective beginning with for the financial statements of the City for the Fiscal Year ended September 30, 2018. While GASB 75 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 September 30, 2020, the date of the most recent actuarial valuation, OPEB Plan participation consisted of the following:

OPEB Plan Participation

OPEB Plan Participants	2,296
Retirees receiving benefits	<u>1,359</u>
Total	<u><u>3,655</u></u>

Source: City of Miami Beach, Florida Annual Comprehensive Financial Report
for Fiscal Year Ended September 30, 2020.

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, 2020, the City paid \$8,886,242 in OPEB benefits on a pay-as-go basis and \$830,000 to the OPEB Trust. The City’s net OPEB obligation as of September 30, 2020 was \$446,541,349. The City intends to consider future OPEB Trust contributions each year during the annual budget process. 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 75. 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 net OPEB liability of the City as of September 30, 2020.

Net OPEB Liability

Total OPEB Liability	\$487,686,998
OPEB Plan Fiduciary's Net Position	<u>40,398,372</u>
Net OPEB Liability	<u>\$447,288,626</u>
Plan Fiduciary Net Position as a Percentage of the total OPEB Liability	8.28%

Source: City of Miami Beach, Florida Annual Comprehensive Financial Report
for Fiscal Year Ended September 30, 2020.

The City's net OPEB liability and related ratios for the Fiscal Years ended September 30, 2017 through September 30, 2020 are set forth in the table below.

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**OPEB Schedule of Changes in the City's
Net OPEB Liability and Related Ratios**

	Fiscal Year Ended September 30			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Total OPEB Liability</u>				
Service Cost	\$ 9,129,624	\$ 4,235,229	\$ 3,921,508	\$ 3,074,151
Interest	15,167,033	14,606,184	14,345,708	13,700,847
Assumption Changes ⁽¹⁾	70,563,191	212,252,691	(2,399,422)	-
Benefit Payments	<u>(8,886,242)</u>	<u>(13,507,000)</u>	<u>(11,647,331)</u>	<u>(10,111,628)</u>
Net Change in Total OPEB Liability	85,973,606	217,587,104	4,220,463	6,663,370
Total OPEB Liability (Beginning of Year)	<u>401,713,392</u>	<u>184,126,288</u>	<u>179,905,825</u>	<u>173,242,455</u>
Total OPEB Liability (End of Year) (a)	<u>\$487,686,998</u>	<u>\$401,713,392</u>	<u>\$184,126,288</u>	<u>\$179,905,825</u>
<u>Plan Fiduciary Net Position</u>				
Contributions - City	\$ 9,373,242	\$ 13,996,031	\$ 1,039,279	\$ 438,000
Net Investment Income	4,268,202	886,546	2,540,698	3,302,688
Benefit Payments	(8,886,242)	(13,507,000)	-	-
Administrative Expense	<u>(57,699)</u>	<u>(88,918)</u>	<u>(65,711)</u>	<u>145,690</u>
Net Change in Plan Fiduciary Net Position	4,697,503	1,286,659	3,514,266	3,886,378
Plan Fiduciary Net Position (Beginning of Year)	<u>35,700,869</u>	<u>34,414,210</u>	<u>30,899,944</u>	<u>27,013,566</u>
Plan Fiduciary Net Position (End of Year) (b)	<u>\$ 40,398,372</u>	<u>\$ 35,700,869</u>	<u>\$ 34,414,210</u>	<u>\$ 30,899,944</u>
City's Net OPEB Liability (End of Year) (a) - (b)	\$447,288,626	\$366,012,523	\$149,712,078	\$149,005,881
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	8.28%	8.89%	18.69%	17.18%
Covered Employee Payroll⁽²⁾	\$156,013,000	\$150,737,233	\$147,122,000	\$142,146,603
City's Net OPEB Liability as a Percentage of Covered-Employee Payroll	286.70%	242.81%	101.76%	104.83%

Source: City of Miami Beach, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2020.

- (1) For a detailed description of the changes made in the assumptions for OPEB, reference is made to the source of the table set forth above and the actuarial reports relating to the OPEB Plan, 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.
- (2) Employees do not contribute to OPEB.

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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 C - Excerpts from Annual Comprehensive Financial Report of the City of Miami Beach, Florida for the Fiscal Year Ended September 30, 2021" and, in particular, Note 16 and, with respect to the OPEB Plan, Note 17 of the Notes to the Financial Statements and the information provided in the Required Supplementary Information.

CERTAIN INVESTMENT CONSIDERATIONS

COVID-19

In December, 2019 a respiratory disease caused by a novel strain of coronavirus was detected in China. The disease has since spread to other countries, including the United States of America, producing sickness and deaths in the places where it has spread. The disease was declared a Public Health Emergency of International Concern on January 30, 2020, named "COVID-19" on February 11, 2020, and declared a pandemic on March 10, 2020, each by the World Health Organization. The number of people reported to have been infected by COVID-19 and the number of reported deaths from COVID-19 infections are substantially higher in the United States than in any other country. Although vaccines have been developed to reduce the likelihood of contraction and the severity of illness, if contracted, currently, no proven cure exists for COVID-19.

To address the health concerns presented by COVID-19, state and local governments implemented unprecedented, formal restrictions to limit human contact. During the month of March, 2020, emergency declarations were issued by the federal government, the State, the County, and the City. Pursuant to such declarations, far-reaching social distancing measures were adopted, which generally required the closure of public areas and facilities, public and private schools, private businesses that are not critical or essential businesses and the prohibition of gatherings involving attendance of more than ten (10) people. Additionally, individuals throughout the City were strongly urged to remain in their homes, other than to engage in essential activities, and to wear facial masks when interacting with others outside their homes. Commercial establishments, government buildings and public areas and facilities were opened in phases in 2020, with restrictions placed on the number of people that may access such establishments, areas and facilities and the manner in which they may be accessed. Restrictions on activities throughout the City were eased in 2021, with most of them being removed entirely in recent months. For additional information and updates on the continuing impact of COVID-19 in the City, see the City's website at: <https://www.miamibeachfl.gov/coronavirus/>.

The outbreak of COVID-19 affected travel, commerce and financial markets globally. It also had an adverse impact on local economies throughout the United States, including the City. The City is heavily dependent on the tourism and hospitality industries. As a result of the COVID-19 pandemic, the City experienced significant impacts to its resort tax, convention center, parking, and general fund revenues. To navigate the negative financial impact caused by the COVID-19 pandemic, during Fiscal Year 2020, the City revised its revenue projections and implemented various budget balancing plans. Such plans focused on reducing costs, while using available reserves to offset projected revenue losses. The budget balancing plans that were implemented did not rely on the uncertain possibility of federal or state relief programs. Due to the effectiveness of various cost saving measures, the City was able to balance the Fiscal Year 2020 General Fund using only approximately \$300,000 of General Fund reserves and the Resort Tax Fund using only approximately \$5.0 million of Resort Tax Fund reserves.

Pursuant to the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act, the County has been allocated \$100 million for an award program for local municipalities. Of the \$100 million, \$75 million was for operational costs and \$25 million for new municipal programs. From such allocation, the City received \$41.1 million in reimbursements for unbudgeted expenditures incurred due to COVID-19 from March 1, 2020 through December 30, 2020 and certain new programs initiated by the City. The CARES Act funds constitute one-time reimbursement payments. Of the \$41.1 million in reimbursements received, approximately 92.6%, or \$38.1 million, was allocated for General Fund expenditures resulting from the impacts of COVID-19.

Pursuant to the American Rescue Plan Act of 2021 (“ARPA”), a total of \$1.9 trillion was appropriated to governments and other entities to promote recovery from the COVID-19 pandemic. The City is projected to receive a one-time payment of approximately \$22 million in ARPA funds to address the projected revenue shortfalls attributable to COVID-19, of which approximately \$11.8 million has been received to date. ARPA funds are expected to be used to cover shortfalls in the Fiscal Year 2021 budget caused by the impacts of COVID-19 and projected COVID-19 pandemic related shortfalls projected for Fiscal Year 2022.

As a result of aggressive cost containment measures and allocations from the CARES Act and ARPA, recent projections are that the General Fund reserve for Fiscal Year 2021 will be \$79.0 million, compared to \$80.6 million prior to the COVID-19 pandemic, and the Resort Tax Fund reserve for Fiscal Year 2021 will be \$20.2 million, compared to \$15.2 million prior to the COVID-19 pandemic. Similarly, cost containment measures and expenditures reductions for the Parking Fund and the Convention Center Fund, together with the use of reserves, CARES Act and ARPA reimbursements, have allowed such Funds to remain healthy despite the negative impacts of the COVID-19 pandemic. In addition, increases in tourism and business activity during calendar year 2021 have produced economic activity similar to the levels experienced prior to the COVID-19 pandemic. Although current projections contemplate a COVID-19 related budget gap of approximately \$19.5 million in Fiscal Year 2022, the City plans to offset that gap through the use of a portion of the \$22 million of ARPA funds the City is projected to receive.

To address significantly diminished parking demand during the COVID-19 pandemic, the Department implemented considerable cost savings measures. Staffing levels were significantly reduced, contracts were eliminated or reduced in scope and certain parking staff positions were redefined to provide for them to serve multiple duties, including pressure washing of facilities, security functions and sanitation services. Savings measures also included the removal of pay stations. As parking demand increased, the City continued to control expenses, aiming to grow revenues to recover from pandemic losses. The efforts reaped benefits and, while revenues continue to grow towards pre-pandemic levels, the City continues to control expenses. One such measure is negotiating with vendors to realize lower service rates. As an example, pay station service eliminated during the height of the pandemic was reinstated but at lower operational costs. The number of pay stations were reduced by more than half, a lower connectivity and service rate was negotiated with the vendor and payment options were reduced to credit cards to eliminate the need for collection service and staffing associated with cash meter payments. This initiative alone saved the Department over one million dollars the first year it was implemented, while helping to capture meter parking payments from customers who could not or would not utilize the mobile payment alternative.

Despite its expected receipt of additional COVID-19 pandemic relief funds from federal, State and County sources, and the various cost saving measures implemented by the City, the total or long-term impact on the City of the COVID-19 pandemic cannot be predicted with any reasonable degree of certainty. The continued spread of the disease, containment, and efforts designed to mitigate its effects could continue to have a negative affect on certain revenues of the City, which could include Net Revenues. Potential impacts to the City associated with the COVID-19 pandemic are, but are not limited to, reductions in commercial activity and increases in unemployment, with corresponding decreases in major revenues from

sources such as real property taxes and other taxes or fees, including hotel, admission, and parking taxes or fees, and could increase the property tax delinquency rate. The degree of any such impact on the City's operations and finances is difficult to predict due to the evolving nature of the COVID-19 pandemic, including uncertainties relating to (i) the duration of the pandemic, (ii) the severity of new variants of COVID-19, (iii) the rate and success of vaccinations, and (iv) any new actions that may be taken by governmental authorities.

No assurance can be given that the changes produced by the outbreak of COVID-19 or any other public health issue will not materially adversely impact revenues of the City, including Net Revenues. Such impact could adversely affect the ability of the City to comply with its covenants under the Bond Resolution, including its covenant to satisfy Principal and Interest Requirements when due. See "SECURITY AND SOURCES OF PAYMENT" herein.

Climate Change

The State of Florida is naturally susceptible to the effects of extreme weather events and natural disasters, including floods, droughts and hurricanes. The occurrence of such events and natural disasters can produce significant negative ecological, environmental and economic impacts. Such impacts can be exacerbated by a longer-term shift in the climate over several decades (commonly referred to as climate change), including increasing global temperatures and rising sea levels.

Numerous scientific studies on global climate change conclude that, among other effects on the global ecosystem, extreme and abnormal temperature fluctuations have occurred globally and, without the implementation of measures to address the phenomenon, will continue to occur. Such occurrences have been determined by scientific studies to be the primary reason for current and projected increases in sea levels and for extreme weather events to occur in higher frequency and intensity. Projected changes in weather and tidal patterns place coastal areas like the City at risk of substantial wind or flood damage over time, affecting private development and public infrastructure, including roads, utilities, emergency services, schools, and parks. As a result, global climate change increases the potential of considerable financial loss to the City, including, without limitation, substantial losses in tax revenues. In addition, many residents, businesses and governmental operations could be severely disabled for significant periods of time or displaced, and the City could be required to mitigate these effects at a potentially material cost.

The City is keenly aware of the risks from hurricanes and sea level rise, as are officials at the County. Consequently, advanced emergency management procedures and more stringent construction codes were implemented by the County and the State to reduce risks from hurricanes and flooding. In the City, since elevation is higher on the east side of the City, capital projects designed to reduce the negative impacts of sea level rise and to control flooding have been prioritized so that installations are initially concentrated on the west side of the City. In addition, to address issues related to climate change, the City developed three (3) areas of concentration: (i) accessing the best available science and engineering; (ii) addressing critical public infrastructure needs of the more vulnerable areas, while taking a deliberate and measured look at longer term strategies that reduce flood risks; and (iii) addressing private infrastructure through land use changes and guidance that reduces flood risks for historic and private property. The City also completed a vulnerability assessment of public assets to identify and prioritize vulnerable assets and develop flexible and responsive adaptations and mitigation measures. More detailed information concerning the City's climate change assessments, strategies and initiatives is provided on the City's Rising Above web page at: <http://www.mbrisingabove.com/>.

Science and Engineering

The City conducts infrastructure planning and land use changes based on scientific studies and information most applicable to the City concerning sea level rise and flood projections, along with local tidal and rainfall gauges. The City is a Steering Committee member of the Southeast Florida Regional Climate Change Compact (the “Compact”) and works regionally to collaborate on climate change issues, including sea level rise. The City adopted the Compact’s Unified Sea Level Rise Projection for Southeast Florida and uses such projection when planning, designing and constructing capital projects. The City also relies upon the climate change strategies described in the Compact’s Regional Climate Action Plan. The Compact’s Regional Climate Action Plan may be viewed on the Compact’s website at: <http://southeastfloridaclimatecompact.org/>.

The City is also part of the international 100 Resilient Cities network and is included in the Greater Miami and the Beaches partnership. Through such affiliation, climate change experts have visited the City, like the Urban Land Institute and the Columbia University Resilience Accelerator, for analysis of City programs and projects from a climate change perspective. In addition, the City is in the process of creating a resilience strategy with the Greater Miami and the Beaches partnership that is focused on reducing climate change risks. The resilience strategy is expected to be released during the second quarter of this year and the City’s strategic plan is expected to be updated to include pertinent actions from the Greater Miami and the Beaches resilience strategy. The County also has a climate change strategic plan that it has adopted. The County’s climate change strategic plan is outlined in the GreenPrint link on the County’s website at: <http://miamidade.gov/GreenPrint/>.

Public Infrastructure

One of the natural defenses against certain negative impacts of climate change is the County’s renourished beaches and extensive coastal dune system on the east side of the City. Such beaches and system serve as a vital buffer between coastal infrastructure and the impacts of wave action and surge during storm events.

The United States Army Corps of Engineers is completing the Miami-Dade County Coastal Storm Risk Management Feasibility Study to prepare for reauthorization of on-going beach management and is conducting a large-scale beach renourishment utilizing sand from upland sand mines. In July 2020, the first of the current beach renourishment projects for the County was completed. Such project brought approximately 305,000 cubic yards of sand to the most heavily eroded sections of the beach. The United States Army Corps of Engineers is expected to begin the next large-scale beach renourishment project in the County in the latter portion of calendar year 2021. The next project is slated to bring approximately 806,000 cubic yards of sand to the most heavily eroded sections of the beach.

For the past five (5) years the City has operated in an aggressive manner to address the critical infrastructure needs of some of the more vulnerable areas on the west side of the City. Having addressed those most vulnerable areas, the City is currently developing and implementing long-term programs and strategies for more public infrastructure improvements. The City is in the process of updating its dune management plan to develop a 5-year plan that will further strengthen the coastal dune system. The City is responsible for maintaining and managing the coastal dune system, including vegetation management.

The current stormwater program for the City includes a total of eighty-three (83) pump stations, of which twenty-five (25) are constructed and in operation and an additional three (3) are in design or under construction. The City also continues to use twenty-two (22) older generation pump stations that were built during a previous stormwater infrastructure program. Such older generation pump stations supplement the City’s current resilience and flood mitigation program as new pump stations are being

designed and constructed. Among other sources of funding, in calendar years 2015 and 2017, the City issued \$100 million of Stormwater Revenue Bonds and in calendar year 2017, \$85 million of Water and Sewer Revenue Bonds to implement infrastructure projects that will aid in the fight against the negative impacts of climate change. In 2018, the electors of the City approved the issuance of various series of general obligation bonds; approximately \$200 million of such bonds are expected to be used to fund infrastructure projects that also will aid in the fight against the negative impacts of climate change. In addition, the City expects to utilize approximately \$100 million in tax increment revenue from the County to fund infrastructure projects for sea level rise mitigation. The City is preparing, together with a consulting engineering firm retained for such purpose, an integrated water management plan that will establish a strategy and schedule for the implementation during the next five (5) to ten (10) years of infrastructure improvements designed to alleviate or prevent negative impacts expected to result from climate change.

Recent improvements to the City's stormwater system have significantly increased the system's pipe and pumping capacity, enabling the system to handle more intense rainfall. In addition, roads have been elevated in the lowest lying areas. As a result of such improvements, the City has avoided numerous tidal flooding incidents in recent years.

Private Property

In recent years the City has adopted numerous land use code amendments in response to concerns emanating from the potential impact of climate change. Efforts have been made to increase resilience for private property as well as to reduce the risk of damage to historic properties. Included among the actions taken are the establishment of (i) a requirement for new homes to be built one (1) to five (5) feet higher than the Federal Emergency Management Agency ("FEMA") requirement; (ii) a minimum FEMA freeboard requirement for new construction and significant renovations throughout the City; (iii) sea level rise and resilience review criteria for use by land use boards in the City; (iv) an increase in allowable height of commercial property to provide additional ground floor height for future elevation of the first floor; (v) an increase in the elevation required for seawalls in the City; (vi) an increase in required green space, with more setbacks for increased water permeability; and (vii) an increase in the elevation required for certain land areas.

Projections of the effects of global climate change on the City are complex and depend on many factors that are outside the control of the City. The various scientific studies that forecast climate change and its adverse effects, including severe storms, sea level rise and flooding risks, are based on assumptions contained in such studies. Actual events, however, may vary materially from such forecasts. In addition, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the City is unable to forecast when sea level rise or other adverse effects of climate change (e.g., the occurrence and frequency of 100-year storm events, hurricanes, and king tides) will occur. In particular, the City cannot predict the timing or precise magnitude of adverse economic effects, including, without limitation, material adverse effects on the business operations or financial condition of the City and the local economy during the term of the Series 2022 Bonds. While the effects of climate change may be mitigated by the City's past and future investment in adaptation strategies, the City can give no assurance about the net effects of those strategies and whether the City will be required to take additional adaptive mitigation measures. If necessary, such additional measures could require significant capital resources in excess of the resources already contemplated by the City to be spent on adaptation strategies.

Cybersecurity

Computer networks and systems used for information transmission and collection are vital to the efficient operations of the City. City systems provide support to departmental operations and constituent

services by collecting and storing sensitive information, including intellectual property, security information, proprietary business process information, information regarding suppliers and business partners, and personally identifiable information of customers, constituents and employees (collectively, “Computer Information”). The secure processing, maintenance and transmission of Computer Information is critical to effective departmental operations and the appropriate provision of citizen services. Increasingly, governmental entities are being targeted by cyber-attacks seeking to obtain Computer Information or disrupt critical services. A rapidly changing cyber risk landscape may introduce new vulnerabilities that attackers and hackers can exploit in their efforts to effect breaches or service disruptions. Employee error and/or malfeasance may also contribute to a loss of Computer Information or other system disruptions.

Protocols

A successful cybersecurity approach has multiple layers of protection spread across the computers, networks, programs, and Computer Information that is to be protected. The City endeavors to integrate its employees, computer processes, and technology to create an effective defense against cyber-attacks. The City currently utilizes a global research and advisory firm that specializes in providing technology and computer system consultation to guide the development and growth of its cybersecurity protections. For its core infrastructure, the City relies on, among other protections, a combination of industry leading, enterprise grade firewalls, network access controls, intrusion detection systems, email and web filtering, advanced traffic analysis, endpoint protections, encryption, and digital rights management. There is proactive monitoring of internal and external systems, with real time monitoring solutions and the use of computer security best practices. The City provides yearly mandated security training for all City staff, ongoing instruction and certifications for technical staff, and participation in industry acknowledged educational conferences and training. The City reviews its cybersecurity protocols on an ongoing basis to stay abreast of emerging and effective procedures and measures.

Threat Response

The City can respond to cybersecurity threats in many ways, depending on the severity and mode of attack. The City has internal internet technology staff that it can use to respond to a cybersecurity threat, including, without limitation, network administrators, database administrators, system administrators and analysts and field technicians. Additionally, the City has internet security vendors on retainer to provide industry expertise that can be quickly accessed to respond to and remedy a cybersecurity incident. Budgetary funds are also available to secure the services of other professional consultants to respond to a cybersecurity incident, if needed. The City’s Security Operations Center monitors computer and network logs for cybersecurity issues, constantly scanning infrastructure for vulnerabilities. In addition, the City has other systems to monitor inbound and outbound traffic and to respond automatically with counter measures when cybersecurity abnormalities occur.

The City regularly refines and seeks to improve its cybersecurity risk management policies and procedures and regularly trains employees to comply with cybersecurity regulatory requirements. It also maintains cyber risk insurance to help mitigate its exposure to security attacks that are known to cripple an organization’s technology system and/or fraudulently confiscate funds.

While City cybersecurity and operational safeguards are periodically tested, no assurances can be given that such measures will ensure against all cybersecurity threats or attacks. Cybersecurity breaches could damage or compromise the City’s computer network and the confidentiality, integrity, or availability of the City’s computer system or the Computer Information. The potential disruption, access, modification, disclosure or destruction of Computer Information could result in the interruption of City commerce, the initiation of legal claims or proceedings, liability under laws that protect the privacy of personal

information, regulatory penalties, and the loss of confidence in City functions, which could adversely affect City revenues or cause a material disruption in the City's operations or the appropriate provision of City services. The costs of remedying any such damage or protecting against future attacks could be substantial and in excess of the maximum amount of the City's cyber risk insurance policy. Further, the litigation to which the City could be exposed following a cybersecurity breach could be significant, which could cause the City to incur material costs related to such legal claims or proceedings.

TAX MATTERS
To Be Revised

General

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law: (i) interest on the Series 2022A 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 2022 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 2022 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 2022A 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 2022A 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 2022A Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2022A Bonds. The City has covenanted to take the actions required of it for the interest on the Series 2022A 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 2022A 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 2022A Bonds or the market value of the Series 2022A Bonds.

Interest on the Series 2022A 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 2022A Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2022A Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Series 2022A 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 2022 Bonds ends with the issuance of the Series 2022 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City or the owners of the Series 2022A 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 2022 Bonds, under current IRS procedures, the IRS will treat the City as the taxpayer and the beneficial owners of the Series 2022 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 2022A 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 2022A Bonds.

Prospective purchasers of the Series 2022A 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 2022A 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 2022 Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2022 Bonds will not have an adverse effect on the tax status of interest on the Series 2022 Bonds or the market value or marketability of the Series 2022 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 2022 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 2022 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 2022 Bonds for federal income tax purposes for all or certain

taxpayers. In all such events, the market value of the Series 2022 Bonds may be affected and the ability of holders to sell their Series 2022 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 2022 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 2022 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 2022 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 Annual Comprehensive Financial Report of the City of Miami Beach, Florida for the Fiscal Year ended September 30, 2021 and the report of RSM US LLP, independent certified public accountants, in connection therewith, dated _____, 2022, are included in APPENDIX C 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 the Parking System. No separate financial statements for the Parking System have been prepared.

The consent of RSM US 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 2022 Bonds.

CONTINUING DISCLOSURE

The City will covenant for the benefit of the holders of the Series 2022 Bonds to provide certain financial information and operating data relating to the Parking System not later than two hundred forty (240) days following the end of each Fiscal Year, commencing with the Fiscal Year ending September 30, 2022 (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 G - 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 “Rule”).

Within the last five (5) years the City has complied in all material respects with its previous undertakings made with respect to the Rule. Any failure to comply with the provisions of the Disclosure Dissemination Agent Agreement relating to the Series 2022A Bonds shall not constitute a default under the Resolution and any failure of the City to comply with its previous continuing disclosure undertakings are not defaults under the authorizing resolutions or disclosure agreements pursuant to which prior continuing disclosure undertakings were created.

Documents required to be filed pursuant to the City’s continuing disclosure undertakings are currently on file and available electronically from the MSRB at <http://emma.msrb.org/>. Information regarding the Series 2022A 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 2022 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 ability of the Parking System to generate sufficient Net Revenues to pay debt service on the Series 2022 Bonds.

LEGAL MATTERS

Certain legal matters incident to the issuance of the Series 2022 Bonds and with regard to the tax-exempt status of the interest on the Series 2022 Bonds (see “TAX MATTERS” herein) are subject to the

legal opinion of Squire Patton Boggs (US) LLP, Miami, Florida, 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 2022 Bonds, will be delivered on the date of issuance of the Series 2022 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 2022 Bonds that may be prepared or made available by the City, the Underwriters or others to the Holders of the Series 2022 Bonds or other parties.

Certain legal matters incident to the issuance of the Series 2022 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 2022 Bonds, will be delivered to the City by Disclosure Counsel at the time of original delivery of the Series 2022 Bonds. The proposed text 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 2022 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 2022 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 2022 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2022 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") and S&P are expected to assign ratings of "____," with a "____ outlook," and "____," with a "____ outlook," respectively, to the Series 2022 Bonds insured by the Bond Insurance Policy, with the understanding that upon delivery of such Series 2022 Bonds the Bond Insurance Policy insuring the payments, when due, of the principal of and interest on such Series 2022 Bonds will be issued by the Bond Insurer. See "MUNICIPAL BOND INSURANCE" herein. In addition, Moody's has assigned to the Series 2022 Bonds a rating of "____," with a "____ outlook," and S&P has assigned a rating of "____," with a "____ outlook," each without regard to the issuance of the Bond Insurance Policy.] 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 ratings and outlooks assigned by Moody's may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007, (212) 553-0300. An explanation of the ratings and outlooks assigned by S&P may be obtained from S&P at 55 Water Street, 38th Floor, New York, New York 10041, (212) 438-2124.

There is no assurance that the ratings and outlooks 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 such downward revision or withdrawal of such ratings or outlooks may have an adverse effect on the market price of the Series 2022 Bonds.

UNDERWRITING

The Series 2022 Bonds are being purchased by Wells Fargo Securities, LLC (the "Senior Managing Underwriter") and Siebert Williams Shank & Co., LLC (collectively, the "Underwriters"), subject to certain terms and conditions set forth in the purchase contract between the City and the Underwriters, including the delivery of opinions on certain legal matters relating to the issuance of the Series 2022 Bonds by Bond Counsel and the existence of no material adverse change in the condition of the City or the Parking System from that set forth in the Official Statement.

The Series 2022 Bonds are being purchased at a purchase price of \$_____ (which represents the \$_____ principal amount of the Series 2022 Bonds, [plus / minus a net original issue premium / discount of \$_____,] minus an Underwriters' discount of \$_____). The Series 2022 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 2022 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 2022 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 2022 Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The arithmetical accuracy of certain computations included in the schedules provided by the Senior Managing Underwriter relating to the computation of forecasted receipts of principal and interest on the Government Obligations and uninvested cash to pay and redeem the Refunded Bonds, and the yields on both the Government Obligations and the Series 2022B Bonds, was verified by _____, 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 2022 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 2022 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 2022 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 2022 Bonds.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY LAWS

Section 517.051, Florida Statutes, as amended, and Rule 3E400.003, Florida Administrative Code, require 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 2022 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 2022 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

DAN GELBER, Mayor

ALINA T. HUDAK, 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
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 2022 Bonds are payable only from the Net Revenues of the City’s Parking System, and other amounts constituting Pledged Revenues, as defined in this Official Statement. The Series 2022 Bonds do not constitute a debt, liability or obligation or a pledge of the faith, credit or taxing power of the City, the County, the State of Florida, or any political subdivision thereof.

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 City is often referenced by its three (3) main districts: South Beach, Mid-Beach, and North Beach. Each district has a distinct culture and identity, offering an array of amenities that cater to residents and visitors. Generally, the City is recognized globally as a distinctive tourist and cultural destination, as well as a vibrant business and residential community, with world class art, culture, dining, nightlife, events and shopping.

The population of the City for calendar year 2020 was estimated to be approximately 92,334, with a median household income of \$55,007 and a median age of 40. The population of the City for calendar year 2019, which is the most recent number reported, was estimated by the U.S. Department of Commerce, Bureau of Census to be 94,161, with an estimated median family income of \$71,398 and a median age of 41.4 years. The City’s labor force consisted of approximately 56,650 individuals during calendar year 2020, with its primary industries constituting office and administrative services (13.89%), food preparation and serving (13.20%), sales (13.27%), and executives, managers, and administrators (11.06%).

The City’s tourism and hospitality industry provide a foundation for revenue generated through room nights and resort taxes. Simultaneously, the newly renovated Miami Beach Convention Center plays host to major conferences and shows worldwide. Despite challenges faced in 2020 due to the impact of the COVID-19 pandemic, the City was recognized by the tourism industry, solidifying a reputation as one of the world’s leading travel destinations. Honors included World’s Best Destination by the World Travel Awards, Culture and Arts category gold prize, beating out long standing winner Las Vegas. The City also received silver prizes for Family Destination and Honeymoon Destination categories by Travel Weekly’s Magellan Awards.

The COVID-19 pandemic has significantly affected the global and local travel and tourism industry sector. As experienced by most destination cities, Miami Beach experienced a decline in tourism, hotel occupancy during calendar year 2020, which has continued in calendar year 2021. As of December 2020, hotel occupancy in the City had declined by 38.8% from calendar year 2019 levels and RevPar (revenue

per available room) decreased by 33.7% in calendar year 2020 from calendar year 2019 amounts. However, as in past years, the City continues to attract the interest of notable events, conventions and conferences, including, but not limited to the Miami Boat Show, the Orange Bowl, the South Beach Wine and Food Festival, Art Basel, Design Miami, the Miami Beach Gay Pride Festival, Art Deco Weekend, Seatrade Cruise Global Annual Meeting, eMerge America's Technology Conference, Florida Super-Con, the Air & Sea Show, the Jeweler's International Showcase, and the Miami International Auto Show.

In recent years, the City has diversified beyond its traditional tourism-based economy to become a leading multi-industry business center to include arts and entertainment, healthcare, and financial services industries. The City is also beginning to see an increase in the growth of an entrepreneurial and technology community. The City is host to the eMerge Americas Conference, the premier technology event connecting startups, venture capitalists, higher education institutions, governments, entrepreneurs and innovators from all over the Americas.

Various initiatives have helped establish, maintain and grow the City's business community by promoting the City's image, supporting businesses, real estate development, and diversifying the economy. Through the Vacant Storefront Cover program, a conceptual streetscape project, and lighting enhancements, among other projects, the City dedicated resources to ensure that commercial corridors reflect an appealing aesthetic and promote activity. In response to the COVID-19 pandemic, the City focused on helping the business community adapt by developing the Miami Beach standard safety protocol, administering grant programs, creating a dedicated resource center, and modifying the business tax licensing payment process.

Miami Beach continues to be home to some of the country's most desired commercial real estate. As Starwood Capital, a major private investment firm, relocates and expands in the rapidly growing Collins Park Arts District, Lincoln Road continues to rank as Florida's most expensive retail leasing location. The City's hospitality industry features some of the world's most recognizable restaurants and hotels, from innovative new development in the Faena district to the historic architecture along South Beach's Ocean Drive. The City also contains some of the nation's most expensive residential zip codes, which have been consistently supported by strong international investment and an influx of nationally known investors and industry upper level executives.

The demographics of the City have drastically changed over the last four (4) decades, as the City changed from being considered primarily a retirement community. 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 have stabilized with a younger, more affluent population.

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 94,161 and 2,812,130, respectively, in calendar year 2019, the most recent year for which the data was available for the City, and 2,832,794 for the County for calendar year 2020. 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 2011 - 2020

Calendar Year	City of Miami Beach	Percent Change	Miami-Dade County	Percent Change
2011	90,097	—	2,516,515	—
2012	90,848	0.8	2,551,255	1.4
2013	91,026	0.2	2,565,685	0.6
2014	91,732	0.8	2,586,290	0.8
2015	91,564	(0.2)	2,653,934	2.6
2016	91,917	0.4	2,696,353	1.6
2017	92,307	0.4	2,743,095	1.7
2018	91,718	(0.6)	2,779,322	1.3
2019	94,161	2.7	2,812,130	1.2
2020	N/A	N/A	2,832,794	0.7

Source: Annual Comprehensive Financial Report of the City of Miami Beach, Florida for the Fiscal Year Ended September 30, 2020 and Annual Comprehensive Financial Report of Miami-Dade County, Florida for the Fiscal Year Ended September 30, 2020.

Population Breakdown City of Miami Beach, 1990 - 2019

Age Group	1990	2000	2010	2019
Under 18	14.2%	13.4%	12.8%	14.8%
18 and over	85.8	86.6	87.2	85.2
21 and over	83.1	84.1	84.9	82.7
65 and over	23.4	19.2	16.2	16.7
Median Age:	44.5	39.0	40.3	41.4

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

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 lifetime limit of three (3) two-year terms. Commissioners are elected to serve four-year terms with a lifetime limit of two (2) four-year 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

Median Household Income

The estimated median household income for the City has been consistently higher than the median household income for the County. During the last five years for which household income information is available, the median household income for the City has ranged from being approximately 18.7% higher than the median household income for the County in calendar year 2015 to being approximately 30.4% higher than the median household income for the County in calendar year 2018. Estimated median household incomes in the table below are presented in dollars, adjusted for inflation.

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Estimated Median Household Income, 2015 - 2019

Calendar Year	City of Miami Beach	Percent Change	Miami-Dade County	Percent Change
2015	\$58,486	–	\$49,264	–
2016	61,949	5.9	50,373	2.3
2017	65,691	6.0	52,235	3.7
2018	71,849	9.4	55,111	5.5
2019	71,398	(0.6)	57,871	5.0

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

Per Capita Personal Income

Between 2015 and 2019, the estimated per capita personal income for the County increased by approximately 16.75%, from \$47,026 in calendar year 2015 to \$54,902 in calendar year 2019 (the most recent year for which such information was available). Such increase is slightly higher than the rate of growth in the State of Florida and in the United States, which experienced a per capita personal income growth rate of approximately 15.80% and 15.24%, respectively, during the same period.

Per Capita Personal Income, 2015 - 2019

Calendar Year	Miami-Dade County	% of U.S.	State of Florida	% of U.S.	United States
2015	\$47,026	95.9%	\$45,273	92.4%	\$49,019
2016	49,018	98.0	46,073	92.1	50,015
2017	49,185	94.4	48,504	93.1	52,118
2018	53,213	97.4	50,964	93.3	54,606
2019	54,902	97.2	52,426	92.8	56,490

Source: U.S. Department of Commerce, Bureau of Economic Analysis/Regional Economic Information System and Annual Comprehensive Financial Report of the City of Miami Beach, Florida for the Fiscal Year Ended September 30, 2020.

EMPLOYMENT

The following tables provide information relating to the City’s labor force for calendar years 2016 through 2020 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, 2008.

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City of Miami Beach Employment 2016 - 2020*

<u>Labor Force</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Labor Force Employed	53,157	54,102	54,676	54,778	48,476
Labor Force Unemployed	2,079	1,684	1,312	692	3,149
Total Labor Force	55,236	55,786	55,988	55,470	51,625
Unemployment Rate	3.8%	3.0%	2.3%	1.2%	6.1%

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

* Data provided for December of each year.

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

<u>Employer</u>	<u>2016</u>			<u>2008</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>
Miami-Dade County Public Schools	33,477	1	1.22%	54,861	1
Miami-Dade County	25,502	2	0.93	33,653	2
Federal Government	19,200	3	0.70	20,400	3
Florida State Government	17,100	4	0.62	17,000	4
Jackson Health System	9,797	5	0.36	11,875	5
City of Miami	3,997	6	0.15	4,600	8
Florida International University	3,534	7	0.13	8,500	6
Homestead Air Force Base	3,250	8	0.12	—	—
Miami VA Medical Center	2,500	9	0.09	2,310	10
Miami-Dade College	2,390	10	0.09	5,865	7
City of North Miami Beach	—	—	—	<u>3,878</u>	9
TOTAL	<u>120,747</u>		<u>4.41%</u>	<u>162,942</u>	

Source: City of Miami Beach Annual Comprehensive Financial Report for the Fiscal Year ended September 30, 2020.

* 2016 is the most recent year for which information is available.

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

<u>Employer</u>	<u>2016</u>			<u>2008</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>
University of Miami	12,818	1	0.47%	12,765	1
Baptist Health South Florida	11,353	2	0.41	11,615	3
American Airlines	11,031	3	0.40	9,000	4
Carnival Cruise Lines	3,500	4	0.13		
Miami Children's Hospital	3,500	4	0.13	—	—
Mount Sinai Medical Center	3,321	6	0.12	—	—
Florida Power & Light Co.	3,011	7	0.11	—	—
Royal Caribbean International	2,989	8	0.11	—	—
Wells Fargo Bank	2,050	9	0.07	—	—
Bank of America Merrill Lynch	2,000	10	0.07	—	—
Publix Super Markets	—	—	—	11,760	2
Winn-Dixie Stores	—	—	—	8,000	5
United Parcel Service	—	—	—	5,144	6
Precision Response Corporation	—	—	—	5,000	7
The Home Depot	—	—	—	4,500	8
Bellsouth / AT&T	—	—	—	4,100	9
Florida Power & Light Company	<u>—</u>	—	<u>—</u>	<u>3,952</u>	10
TOTAL	<u>55,573</u>		<u>2.02%</u>	<u>75,836</u>	

Source: City of Miami Beach Annual Comprehensive Financial Report for the Fiscal Year ended September 30, 2020.

* 2016 is the most recent year for which information is available.

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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 2011 - 2020

Fiscal Year Ended September 30,	Number of Permits ⁽¹⁾	Total Value ⁽¹⁾
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
2018	10,449	567,164,899
2019	9,921	694,975,200
2020 ⁽²⁾	6,634	449,883,750

Source: City of Miami Beach Building Department.

- (1) 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.
- (2) Decreases in Fiscal Year 2020 result from the impacts of the COVID-19 pandemic.

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 2019, prior to the impact on travel and tourism resulting from the COVID-19 pandemic, the City's hotels hosted approximately 7.2 million overnight visitors, and approximately 7.9 million tourists visited South Beach and the Art Deco Historic District. Although results are significantly lower for Fiscal Year 2020 as a result of the COVID-19 pandemic, there has been a significant and steady increase in tourism and visitors to the City during Fiscal Year 2021. Such increase is currently expected to continue.

The City historically has been 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. In the past, the City has also attracted major television series, such as *Ballers* (HBO), *Burn Notice* (USA)

and *Magic City* (Starz), and has been the host for several feature productions, including *Alvin and the Chipmunks*, *The Road Chip*, *Arms and the Dudes*, *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 nineteen (19) years, the world's most prestigious art fair, Art Basel, based in Switzerland, has held its Miami Beach exhibition. Over 290 of the world's leading art galleries from thirty-five (35) countries participated in Art Basel Miami Beach in 2019. Prior to the COVID-19 pandemic, Art Basel Miami Beach increased in attendance and sales every year since inception, with a record 93,000 U.S. and international visitors and over 4,000 artists estimated to have attended the event in December, 2019. Due to COVID-19, the fair was not held in 2020. Art Basel is scheduled to return to the City in December 2021.

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.

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 recently expanded flagship Apple store. Leasing of Class A and Class B office space in the City have historically been strong, with vacancy rates as low as approximately 5.0% and 9.0%, respectively. Vacancy rates increased significantly as a result of the COVID-19 pandemic to three to four times their historically low levels but are showing signs of recovery following the most severe impact on the lease of office space resulting from the COVID-19 pandemic.

CONVENTION CENTER RENOVATION

The Miami Beach Convention Center (the "Convention Center"), originally built in 1957, recently underwent a \$515 million renovation and expansion, which was completed in the Fall of 2018. The Convention Center now offers upgraded and completely redefined meeting spaces and entertainment solutions for hosting large-scale business, trade, civic, and cultural events.

The new 1.4 million square foot, LEED certified facility includes 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 have been relocated within the footprint of the building, thus allowing a 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 the potential to become the new civic "heart" of Miami Beach. The new upgrades and improvements enable the Convention Center to keep up with the demands of the competitive national and international convention community, while new outdoor public spaces create improved walkability, connecting the Convention Center and the City's adjacent historical cultural district and resorts.

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.

City of Miami Beach, Florida
Convention Center Attendance and Overnight Visitors
Fiscal Years 2011 - 2020

Fiscal Year	Convention Center Attendance	Overnight Visitors	Total Overnight Visitor Spending
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 ⁽¹⁾	6,951,648	11,681,700,000
2017	174,055 ⁽¹⁾	7,153,246	12,020,500,000
2018	147,200 ⁽¹⁾	7,284,000	7,900,000,000 ⁽²⁾
2019	422,558	7,182,000	7,900,000,000 ⁽²⁾
2020 ⁽³⁾	300,445	3,153,000	3,200,000,000 ⁽²⁾

Source: Greater Miami Convention and Visitors Bureau.

- (1) Reduced attendance resulted from portions of the Convention Center being unavailable due to the renovation and expansion project, which commenced in December 2015 and was completed in September 2018.
- (2) Decrease results from a major revision to the visitor profile program.
- (3) Decrease results from the impact of the COVID-19 pandemic.

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.

Passenger service between the northeastern U.S. and South Florida is provided by Amtrak. In addition to Amtrak, the Tri-County Rail Service is a 72-mile train system that provides commuter passenger service to from Miami-Dade County to Broward County and to the Palm Beach County area. The Tri-County Rail Service consists of 28 north and south bound daily trains that can carry roughly 700 passengers each.

Brightline is an express intercity rail system that was developed and operated by “All Aboard Florida,” a subsidiary of Florida East Coast Industries. In November 2018 Brightline was renamed Virgin Trains USA (“Virgin Trains”) following a strategic partnership with the United Kingdom’s major transportation entity, the Virgin Group. Virgin Trains is the United States’ only privately owned and operated intercity passenger railroad. Virgin Trains is expected ultimately to connect Miami to Orlando, with intermediate stations in Fort Lauderdale and West Palm Beach. As currently contemplated, Virgin Trains will provide Floridians and visitors a viable, high quality transportation alternative to congested highways and airport terminals.

The rail service now known as Virgin Trains began service from Fort Lauderdale to West Palm Beach in January 2018, which was extended to Miami in May 2018. Service was discontinued in response to the COVID-19 pandemic in 2020 but is currently scheduled to resume in November 2021. Service to Orlando is currently projected to begin in late 2022.

Miami International Airport

Miami International Airport is one of the busiest airports in the world for both passenger and cargo traffic. It ranks eleventh (11th) in the nation and thirty-eighth (38th) in the world in passenger traffic and has the second (2nd) highest international passenger traffic in the United States. The airport ranks first (1st) in the nation and ninth (9th) in the world in tonnage of domestic and international cargo movement. Approximately 100 airlines serve Miami International Airport, flying passengers to 150 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 520 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 reached a record 6.8 million passengers in calendar year 2019 but cruises were halted in 2020, in response to the COVID-19 pandemic. Certain cruise lines have resumed passenger cruise service at the Port of Miami, with certain others providing announcements of when they plan to resume, with several that have not resumed announcing that they plan to do so in 2021. Some of the largest cruise ships in the world sail from the Port of Miami.

The local and regional economic impacts of marine cargo and cruise related business activities at the Port of Miami are significant. The County estimates that, during its normal operations, the Port of Miami positively impacts more than 22,000 direct jobs in the County and the surrounding areas. Additionally, user related and indirect job totals increase the Port of Miami’s total employment impact to approximately 334,500 jobs. Personal incomes are also impacted by the Port of Miami’s business activities. During normal activity, direct wages from cargo and cruise activities are estimated to total more than \$890 million, and more than \$1.60 billion of total income and local consumption expenditures are estimated to be created annually by businesses at, or related to, the Port of Miami.

The total value of the economic impact created by cargo containers moving via the Port of Miami is estimated at \$35 billion to the State of Florida. This economic impact includes increased value added during the production of export cargo, as well as transportation, warehousing, and retail distribution activities for import cargo. Import and export activity at the Port of Miami is estimated to generate income for the State totaling \$10 billion, and State and local taxes of approximately \$2 billion annually. As a preferred global gateway to Latin America, Europe, the Middle East, India and Asia, and as the preferred cruise location for a significant portion of the cruise passenger industry, the Port of Miami is estimated to have generated more than \$43 billion in annual economic activity throughout the County and the State prior to the COVID-19 pandemic.

The Port of Miami is also a hub for Caribbean and Latin American commerce. These countries accounted for approximately 42% of the 9,611,960 tons of cargo transferred through the Port of Miami annually prior to the COVID-19 pandemic. 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 approximately 35% of the total cargo handled at the Port of Miami annually prior to the COVID-19 pandemic.

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 has been, and is expected to continue to be, a significant catalyst for 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.

APPENDIX B

Excerpts from Annual Comprehensive Financial Report

of the City of Miami Beach, Florida

for the Fiscal Year Ended September 30, 2021

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

\$ _____*
**Parking Revenue Bonds
Series 2022A**

\$ _____*
**Parking Revenue Refunding Bonds,
Taxable Series 2022B**

Ladies and Gentlemen:

We have served as Disclosure Counsel in connection with the issuance by the City of Miami Beach, Florida (the “City”) of its \$ _____ in aggregate principal amount of Parking Revenue Bonds, Series 2022 (the “Series 2022 Bonds”). The Series 2022 Bonds are being issued with the terms, for the purposes and subject to the conditions set forth in Resolution No. 2010-27491 adopted by the Mayor and City Commission of the City (collectively, the “City Commission”) on September 20, 2010 (the “Bond Resolution”), and Resolution No. 2022-_____ adopted by the City Commission on May ___, 2022 (the “Series 2022 Resolution” and, collectively with the Bond Resolution, the “Resolution”), as described in the Official Statement dated May ___, 2022 relating to the Series 2022 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 2022 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 2022 Bonds are lawful and valid under the laws of the State of Florida, or that the Series 2022 Bonds are valid and binding obligations of the City enforceable in accordance with their terms, or that interest on the Series 2022 Bonds is excluded from the gross income of the owners thereof for federal income tax purposes, 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 2022 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 following 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 your counsel, 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 Advisors for the City, the Underwriters for the issuance of the Series 2022 Bonds 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 2022 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, and the information relating to DTC, its operations and the book-entry only system, [and to the Bond Insurer and the Bond Insurance Policy], 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.

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