

MIAMI BEACH

Finance and Citywide Projects Committee Meeting

City Hall, Commission Chambers, 3rd Floor, 1700 Convention Center Drive
July 13, 2018 - 9:00 AM

Commissioner Ricky Arriola, Chair
Commissioner Mark Samuelian, Vice-Chair
Commissioner Micky Steinberg, Member
Commissioner John Elizabeth Aleman, Alternate

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BUDGET BRIEFING: OLD BUSINESS

1. **FY 2019 PROPOSED OPERATING BUDGET & MILLAGE RATE**

Office of Budget and Performance Improvement

2. **FY 2019 PROPOSED CAPITAL BUDGET**

Office of Budget and Performance Improvement

BUDGET BRIEFING: NEW BUSINESS

3. **POTENTIAL REVENUE STREAMS**

Marketing & Communications

Status: Supplemental updated on 7/11/18.

4. **DISCUSSION ON WATER AND SEWER UTILITY RATES**

Public Works

5. **DISCUSSION ON THE STORMWATER UTILITY RATES**

Public Works

6. **SANITATION FEE ADJUSTMENT**

Public Works

Status: Item deferred to the July 20, 2018 FCWPC meeting.

REGULAR AGENDA: OLD BUSINESS

7. **DISCUSSION TO REVIEW STATUS, ISSUES, AND PLANS RELATED TO THE INDIAN CREEK DRIVE FLOODING MITIGATION**

March 7, 2018 - C4 F

Sponsored by Commission Samuelian

Public Works

REGULAR AGENDA: NEW BUSINESS

8. **DISCUSSION TO CONSIDER SPONSORING A COMMUNITY YOUTH CYBER BEHAVIOR AND SAFETY PROGRAM**

May 16, 2018 - C4 U
Sponsored by Commissioner Alemán
Organizational Development Performance Initiatives

9. **DISCUSSION TO CONSIDER CONTINUING THE DIGITAL CITIZEN CODING BOOTCAMP**

May 16, 2018 - C4 K
Sponsored by Commissioner Alemán
Organizational Development Performance Initiatives

10. **DISCUSSION REGARDING AN EDUCATION COMPACT COORDINATOR POSITION**

May 16, 2018 - C4 M
Sponsored by Commissioner Alemán
Organizational Development Performance Initiatives

11. **DISCUSSION REGARDING CONSIDER THE PARKS AND RECREATIONAL FACILITIES ADVISORY BOARD MOTIONS REGARDING AN AQUATIC CENTER AND BASEBALL FIELD OPTIONS FOR NORTH SHORE PARK**

June 6, 2018 - C4 C
Sponsored by Commissioner Alemán
Parks and Recreation

12. **DISCUSSION TO CONSIDER PERMANENTLY IMPLEMENTING THE CAT VOLUNTEER BADGING SYSTEM AND AN EXTENSION OF THE FEEDING STATION PILOT**

May 16, 2018 - C4 L
Sponsored by Commissioner Alemán
Public Works

13. **DISCUSSION REGARDING THE RECOMMENDATION OF THE NEIGHBORHOOD/COMMUNITY AFFAIRS COMMITTEE TO FUND A ONE (1) YEAR PILOT PROJECT WITH CAMILLUS HOUSE, INC. TO CONDUCT SPECIALIZED OUTREACH TO MENTALLY ILL HOMELESS PERSONS, AS AN ENHANCEMENT IN THE FY 2018/2019 BUDGET**

July 2, 2018 - C7 B
Office of Housing and Community Services

14. **DISCUSSION REGARDING AMENDING THE MANAGEMENT AGREEMENT BETWEEN THE CITY OF MIAMI BEACH AND LIVING ARTS TRUST, INC. D/B/AO CINEMA**

July 2, 2018 - C4 C
Sponsored by Commissioner Arriola
Tourism, Culture, and Economic Development
Status: Supplemental updated on 7/12/18.

15. **DISCUSSION REGARDING SPONSORING MIAMI BEACH GAY PRIDE 2019**

July 2, 2018 - C4 A
Sponsored by Commissioner Arriola
Tourism, Culture, and Economic Development
Status: Supplemental updated on 7/11/18.

16. **DISCUSSION REGARDING FUNDING FOR AQUAFoundation/AQUAGIRL LGBTQ EVENT IN SEPTEMBER 2018**

July 2, 2018 - C4 D
Sponsored by Commissioner Góngora
Tourism, Culture, and Economic Development

17. **DISCUSSION TO CONSIDER THE AUDIT COMMITTEE MOTION REGARDING ADDING AN INSPECTOR GENERAL INTERNAL AUDIT FUNCTION POSITION**

June 6, 2018 - C4 B
Sponsored by Commissioner Alemán

18. **DISCUSSION TO CONSIDER THE CREATION OF A COMMUNICATIONS BUDGET FOR THE CITY'S RESILIENCY PROGRAM**

June 6, 2018 - C4 X

Sponsored by Commissioner Alemán
Communications

19. **DISCUSSION REGARDING THE REVIEW OF THE CITY'S STORMWATER MANAGEMENT BUDGET**

May 16, 2018 - C4 N

Sponsored by Vice-Mayor Samuelian
Public Works

Status: Supplemental updated on 7/12/18.

DEFERRED ITEMS

20. **DISCUSSION REGARDING THE MIAMI BEACH ROWING CLUB LEASE**

June 6, 2018 - C4 E

Sponsored by Commissioner Arriola
Parks and Recreation

Status: Item deferred to the October 26, 2018 FCWPC meeting, per Miami Beach Rowing Club request.

21. **DISCUSSION REGARDING G.O. BOND**

January 17, 2018 - R9 J

Sponsored by Commissioner Arriola
Finance

Status: Item deferred to the September 14, 2018 FCWPC meeting.

22. **DISCUSSION REGARDING THE CREATION OF A CITY OFFICE OF INSPECTOR GENERAL**

December 13, 2017 - C4 Q

Sponsored by Mayor Gelber and Co-sponsored by all City Commissioners
Office of the City Attorney

Status: Item deferred to the September 14, 2018 FCWPC meeting, pending Audit Committee meeting.

23. **DISCUSSION TO REVIEW THE JULIA TUTTLE BUS RAPID TRANSIT DEMO PROJECT**

May 16, 2018 - C4 R

Sponsored by Commissioner Samuelian
Transportation

Status: Item deferred to the October 26, 2018 FCWPC meeting, pending quarterly report from Miami-Dade County on the progress of the new BERT service.

24. **DISCUSSION TO EXPLORE POTENTIAL PARTNERSHIP WITH CITYGRADER**

May 16, 2018 - C4 P

Sponsored by Vice-Mayor Samuelian
Communications/Information Technology

Status: Item deferred to the July 20, 2018 FCWPC meeting.

25. **DISCUSSION REGARDING THE FINANCIAL IMPACT OF MAINTAINING TREES LOCATED IN THE SWALE**

May 16, 2018 - C4 AA

Sponsored by Commissioner Arriola
Public Works

Status: Item deferred to the January 2019 FCWPC meeting, pending pilot study sites and potential funding.

26. **DISCUSSION REGARDING PROGRAMMING THE RUE VENDOME PLAZA**

- May 16, 2018 - C4 Y
Sponsored by Commissioner Arriola
Tourism, Culture, and Economic Development
Status: Item deferred to the July 27, 2018 FCWPC meeting, pending Matis Cohen's proposal.
27. **UPDATE ON ENERGOV PERMITTING SYSTEM**
April 26, 2017 - C7 M
Information Technology
Status: Item deferred to the July 27, 2018 FCWPC meeting.
28. **DISCUSSION REGARDING THE FEES CHARGED TO DEVELOPERS TO APPEAR BEFORE THE CITY'S LAND USE BOARDS**
April 26, 2017 - C4 F
Sponsored by Commissioner Alemán
Planning
Status: Item deferred to the July 27, 2018 FCWPC meeting, pending analysis.
29. **DISCUSSION REGARDING RECOMMENDATIONS OF THE BLUE RIBBON EMERGENCY RESPONSE COMMITTEE**
February 14, 2018 - R9 J
Sponsored by Commissioner Steinberg
Office of the City Manager/Finance
Status: Item deferred to the July 20, 2018 FCWPC meeting, pending revised resort tax reserve policy.
30. **DISCUSSION REGARDING THE TRACKING OF TOTAL SHORT TERM RENTAL VIOLATIONS IMPOSED AGAINST PROPERTY OWNERS**
October 31, 2017- C4 A
Sponsored by Commissioner Alemán
Finance/Code Compliance
Status: Item deferred to the July 27, 2018 FCWPC meeting, pending report.
31. **DISCUSSION REGARDING THE NORTH BEACH TOWN CENTER GARAGE**
April 11, 2018 - R7A
Office of the City Manager/Tourism, Culture, and Economic Development
Status: Deferred to the July 27, 2018 FCWPC meeting, per developer's request.
32. **DISCUSSION REGARDING THE FUTURE USE OF THE CORAL ROCK HOUSE, CONSISTING OF APPROXIMATELY 1,307 SQUARE FEET, LOCATED AT 1701 NORMANDY DRIVE**
April 11, 2018 - C4 A
Tourism, Culture and Economic Development
Status: Deferred to the July 27, 2018 FCWPC meeting, due to the building contact person being out of town.
33. **DISCUSSION REGARDING THE REVIEW AND REVISION OF THE CITY'S INVESTMENT POLICY**
May 16, 2018 - C4 E
Finance
Status: Item deferred to the July 27, 2018 FCWPC meeting, pending draft policy.
34. **DISCUSSION REGARDING MOVING FORWARD WITH AN ART INSTALLATION THAT CELEBRATES DIVERSITY IN OUR COMMUNITY, AS REQUESTED BY THE LGBTQ ADVISORY COMMITTEE**
April 11, 2018 - C4 X
Sponsored by Commissioner Steinberg
Tourism, Culture, and Economic Development
Status: Item deferred to the July 20, 2018 FCWPC meeting, pending discussion at the NCAC.
35. **DISCUSSION REGARDING LEVYING A VACANCY TAX ON EMPTY STOREFRONTS THROUGHOUT THE CITY OF MIAMI BEACH AS A WAY TO ENCOURAGE LANDLORDS TO KEEP**

THEIR RETAIL OR COMMERCIAL SPACE RENTED AND ACTIVE.

April 11, 2018 - C4 J

Sponsored by Commissioner Arriola

Tourism, Culture, Economic Development

Status: Item deferred to the July 27, 2018 FCWPC meeting, pending further research.

36. **DISCUSSION TO EXPLORE DISCOUNTS FOR SHARED WORK SPACES IN ORDER TO ATTRACT ENTREPRENEURS AND SMALL BUSINESSES**

April 11, 2018 - C4 H

Sponsored by Vice-Mayor Samuelian

Tourism, Culture, Economic Development

Status: Item deferred to the July 27, 2018 FCWPC meeting, pending further research.

37. **DISCUSSION REGARDING ESTABLISHING A HISTORIC PRESERVATION FUND**

April 11, 2018 - C4 O

Sponsored by Commissioner Arriola

Finance/Planning

Status: Item deferred to the July 27, 2018 FCWPC meeting, pending Land Use Development Committee discussion.

38. **DISCUSSION REGARDING THE ISSUANCE OF A REQUEST FOR PROPOSALS (RFP) FOR FOOD TRAILERS TO BE LOCATED ON THE BEACHFRONT**

June 6, 2018 - C4 A

Tourism, Culture, and Economic Development

Status: Item to be heard at the July 27, 2018 FCWPC meeting.

39. **DISCUSSION REGARDING LOBBYIST REGISTRATION FEES REQUIRED FOR EMPLOYEES OF BUSINESSES, SUCH AS GENERAL MANAGERS TO APPEAR ON BEHALF OF BUSINESS OWNERS/PRINCIPALS**

June 6, 2018 - R5 J

Sponsored by Commissioner Arriola and Co-sponsored by Commissioners Alemán and Góngora

Office of the City Attorney

Status: Item to be heard at the July 27, 2018 FCWPC meeting.

40. **DISCUSSION REGARDING THE COSTS RELATED TO HAVING MIAMI BEACH COMMIT TO ENSURING THAT ALL GOVERNMENT BUILDINGS WILL BE POWERED BY 100% RENEWABLE ELECTRICITY**

May 17, 2017 - R9 AB

Sponsored by Commissioner Rosen Gonzalez

Environment & Sustainability/Property Management

Status: Item deferred to the July 27, 2018 FCWPC meeting, pending direction from the Sustainability and Resiliency Committee.

41. **DISCUSSION TO CONSIDER REVISING THE "SPECIAL EVENT REQUIREMENTS AND GUIDELINES", BY AMENDING THE FOLLOWING SECTIONS: "MINIMUM REQUIREMENTS," "EXTERNAL REVIEW PROCEDURE," "BOOKING POLICY," "USE OF PUBLIC PROPERTY," "SPECIAL EVENT FEE SCHEDULE, AND "SPECIAL EVENT CLASS MATRIX", HEREBY PERMITTING AND RESTRICTING FURTHER USES ON PUBLIC PROPERTY AND RECONCILING SPECIAL EVENT FEES TO MATCH RECENT INCREASES ASSOCIATED WITH OTHER PUBLIC RENTAL USES**

October 18, 2017 - C4 F

Tourism, Culture, and Economic Development

Status: Item deferred to the September 14, 2018 FCWPC meeting, pending meeting with industry.

42. **DISCUSSION REGARDING THE PROJECT BUDGET AND SCOPE OF THE 72ND STREET CIVIC COMPLEX PROJECT**

January 17, 2018 - C4 D

Sponsored by Commissioner Alemán

Office of Capital Improvement Projects

Status: Item deferred to the September 14, 2018 FCWPC meeting, pending community outreach.

43. **DISCUSSION REGARDING STREAMLINING THE PROCUREMENT PROCESS**

June 27, 2018 - C4 A

Sponsored by Commissioner Arriola

Procurement

Status: Item deferred to the September 14, 2018 FCWPC meeting, pending meetings with Commission recommended by the Committee.

44. **DISCUSSION REGARDING CABLERUNNER AND ITS TECHNOLOGY**

February 14, 2018 - C4 V

Sponsored by Commissioner Alemán

Public Works

Status: Item deferred to the July 27, 2018 FCWPC meeting, per Commissioner Alemán's request in order for Cablerunner to participate in the discussion.

ADDENDUM

45. **DISCUSSION REGARDING REPURPOSING OUR GOLF COURSES FOR THE FUTURE**

May 16, 2018 - C4 AB

Sponsored by Commissioner Arriola

Parks and Recreation

Status: Addendum added on 7/11/18.

46. **REVIEW OF THE CONVENTION HOTEL DEVELOPMENT AND GROUND LEASE AGREEMENT IN ACCORDANCE WITH SECTION 82-37 OF THE CITY CODE**

Office of the City Manager

Status: Addendum added on 7/11/18.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 13, 2018

SUBJECT: **FY 2019 PROPOSED OPERATING BUDGET & MILLAGE RATE**

ATTACHMENTS:

Description	Type
<input type="checkbox"/> FY 2019 Proposed Operating Budget and Millage Rate Memo	Memo
<input type="checkbox"/> Attachment A- FY2019 Proposed Revenue Enhancements	Other
<input type="checkbox"/> Attachment B - FY2019 Service Reduction and Efficiencies	Other
<input type="checkbox"/> Attachment C - FY2019 Proposed Enhancements	Other
<input type="checkbox"/> Attachment D - FY2019 Proposed Revenue Reductions	Other
<input type="checkbox"/> Attachment E - Resolution 2006-26341	Other



City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMITTEE MEMORANDUM

TO: Members of the Finance & Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: July 13, 2018

SUBJECT: FISCAL YEAR (FY) 2019 PROPOSED OPERATING BUDGET AND MILLAGE RATE

The preliminary FY 2019 General Fund budget based on the June 1st preliminary property values had a revenue increase of \$7.8 million and expenditure increase of \$13.2 million for a net deficit of \$5.4 million.

The July 1st certified property values reflect an increase in new construction from \$97.0 million to \$186.1 million, which is a 91.9% increase over the June 1st preliminary values, and an overall increase in citywide values of 4.0%, which is a 0.6% increase over the June 1st preliminary values.

Based on the July 1st certified property values, revenues increased by \$968,000 resulting in a decrease in the net deficit to \$4.5 million. The Administration is recommending a combination of revenue adjustments, efficiencies/reductions, and enhancements to close the projected budget gap with a surplus of \$97,000.

The Total Combined millage rate is proposed to remain the same at 5.8888 mills. Due to the 4.0% increase in certified property values for FY 2019, the debt service millage rate can be reduced by 0.0064 mills. This difference is proposed to be applied to the General Operating millage rate, as approved at the June 8, 2018 Finance and Citywide Projects Committee (FCWPC) 1st Budget Briefing.

During the City Commission's Budget Workshop on May 24, 2018, and at the June 8, 2018 FCWPC 1st Budget Briefing, it was recommended that the annual transfer from the General Fund to the "Pay-As-You-Go" (PAYGO) Capital Fund be converted into a dedicated millage rate, which would allow for growth over time with property values. This proposed millage rate dedicated to funding General Fund capital projects would be entirely offset by a decrease in the City's General Operating millage by the same rate.

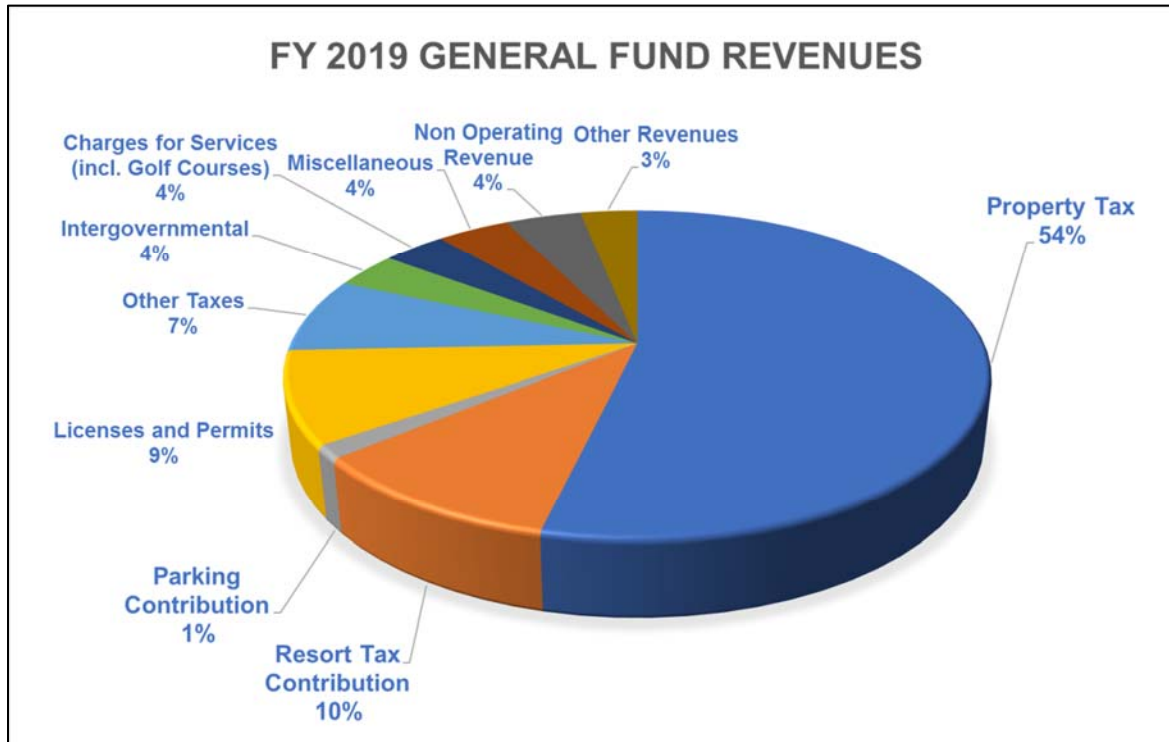
At the July 25, 2018 City Commission meeting, the Commission will set the proposed millage rate for the FY 2019 budget process in accordance with the State of Florida's Truth-in-Millage (TRIM) requirements.

GENERAL FUND CURRENT SERVICE LEVEL BUDGET UPDATE

At the May 24, 2018 Budget Workshop, and at the June 8, 2018 FCWPC 1st Budget Briefing, the City Commission and members of the FCWPC were briefed regarding the preliminary FY 2019 General Fund budget. The preliminary budget represents the cost of providing the same

level of services as in the prior year and serves as the baseline of funding for the budget process.

The Miami-Dade County Property Appraiser provided the 2018 certified property values on July 1, 2018. The 2018 certified property values increased approximately \$1.5 billion, or 4.0%, over the 2017 certified property values, which resulted in an increase of \$6.8 million in General Fund property tax revenues. Property taxes comprise approximately 54% of the total General Fund revenues and are a key driver of the proposed revenues.



FY 2019 revenues are estimated to increase \$8.8 million due to an increase of \$6.8 million in property tax revenues assuming the millage rate is kept the same and \$2.0 million increase in non-property tax revenues. These figures do not assume any change in contributions from the Resort Tax Fund or Parking Fund for FY 2019.

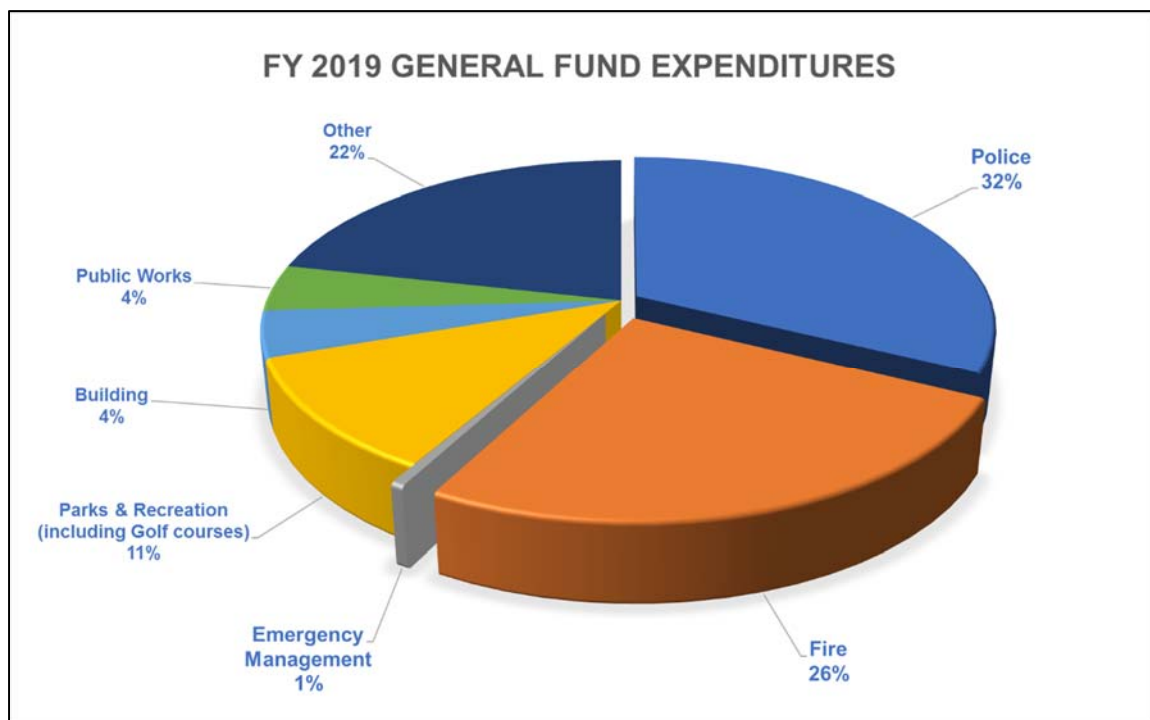
At the June 8, 2018 FCWPC 1st Budget Briefing, preliminary expenditures were estimated to increase \$13.2 million due to the following, of which the majority are contractually required:

- 0-3% merit pay for all groups, except Police and Fire: \$771,000
- 5% step for Police and Fire: \$1.5 million
- 1% Cost-of-Living Adjustment (COLA), effective April 1, 2019: \$680,000
- Increase in Police and Fire pension contributions of \$2.0 million attributed to an increase in the number of participants and pensionable payroll despite both pension boards voting to lower the investment rate assumption
- 15% increase in the City's portion of Medical and Dental premiums for active employees based on current claims experience: \$2.6 million
- 15% increase in the City's portion of Medical and Dental premiums for retirees based on current claims experience: \$2.2 million

- Increase in internal services chargebacks primarily due to an increase in Fleet Management debt service for replacement of General Fund vehicles and equipment: \$2.5 million
- Increase in S415 Excess Pension Plan contributions based on actuarial projections, which include additional members for FY 2019: \$300,000
- Increase in annual contribution to the Information Technology and Communications Fund (IT Tech) to provide funding for one-time technology and communications projects focused on effectively responding to the dynamic technology needs of the City: \$300,000

The preliminary FY 2019 budget also includes the annualized impact of the following additions that were approved by Commission mid-year in FY 2018:

- Elder Services / UNIDAD meals program: \$230,000
- UNIDAD North Beach Senior Center maintenance: \$76,000
- Increase in General Allowance for City Commission: \$57,000
- Educational Initiatives: \$99,000



FY 2019 expenditures do not assume any additional savings from potential efficiencies and/or reductions.

PROPOSED ADJUSTMENTS TO THE FY 2019 GENERAL FUND BUDGET

The FY 2019 General Fund budget, based on the July 1st certified property values, has a revenue increase of \$8.8 million and an expenditure increase of \$13.3 million resulting in a net deficit of \$4.5 million.

As a result of the preliminary \$4.5 million deficit, the Administration has identified a combination of revenue enhancements, revenue reductions, expenditure reductions, and expenditure enhancements, which are outlined and recommended below, as well as included in the referenced attachments. These recommendations, if approved, would result in an unallocated surplus of \$97,000, which may be allocated at the discretion of the City Commission.

Balancing Strategies	\$
July 1 Preliminary Deficit	(4,553,000)
Recommended Revenue Enhancements	1,386,000
Revenue Refinements	1,485,000
Recommended Reductions	1,533,000
Other Expenditure Reductions	1,134,000
Recommended Enhancements	(1,869,000)
Less One-time Expenditures	981,000
Surplus/ (Deficit)	97,000

Recommended Revenue Enhancements – Attachment A (\$1,386,000)

Attachment A includes a listing of all revenue enhancements, along with detailed descriptions, recommended for FY 2019. General Fund recommended revenue enhancements include:

- Increase in Parks and Recreation Fees: \$352,000
- Increase in Golf Fees: \$265,000
- Increase in Police Off-Duty Administrative Fees: \$164,000
- Increase in Elevator Permit/Inspection Fees: \$236,000
- Increase in Public Works Elevator Lockbox Fees: \$11,000
- Increase in Sidewalk Café Permit Fees: \$358,000

Other Revenue Refinements (\$1,485,000)

In addition to the recommended revenue enhancements listed above for FY 2019, the Administration has further refined the FY 2019 revenue projections based on FY 2018 second quarter projected revenues. These adjustments have resulted in an increase of approximately \$1,485,000 in additional revenues projected for FY 2019, primarily due to the following:

- Increase in Resort Tax transfer to the General Fund: \$500,000
- Increase in projected Interest Income: \$500,000
- Increase in Code Compliance Violation revenues: \$250,000
- Increase in Fire-Ambulance Fees: \$250,000

Parking Fund Transfer to the General Fund

As noted at the May 24, 2018 Commission Budget Workshop, and June 8, 2018 FCWPC 1st Budget Briefing, in order reduce the burden on the Parking Fund, the Administration's goal is to reduce the \$4.4 million subsidy from the Parking Fund to the General Fund during the FY 2019 budget development process.

The Administration is recommending reducing the FY 2019 transfer from the Parking Fund to the General Fund to zero, and offsetting this reduction in General Fund revenue with a \$4.4 million transfer from the City Center Redevelopment Agency (RDA) Fund. These RDA funds became available through approval of the Fourth Amendment to the Interlocal Agreement between the City and Miami Dade County. The City's objective is to reduce the General Fund's reliance on this funding from the RDA over the next four years during each budget development cycle.

Recommended Expenditure Reductions/Efficiencies – Attachment B (\$1,533,000)

Attachment B includes a listing of all proposed reductions/efficiencies submitted by departments during the budget process, which includes detailed descriptions, as well as those recommended by the Administration. Some significant reductions recommended include:

- Elimination of 3 full-time and 4 part-time vacant General Fund positions: \$296,000
- Elimination of the Rapid Response Team: \$147,000 (2 filled positions)
- Reduction of General Fund Contingency: \$332,000
- Elimination of one Assistant City Manager position once vacated: \$75,000 (pro-rated)
- Elimination of annual grant contribution to the Miami Design Preservation League per direction from the Finance and Citywide Projects Committee: \$23,000
- Other departmental operating reductions/efficiencies: \$680,000

Other Expenditure Reductions (\$1,134,000)

In addition to the recommended reductions/efficiencies listed above, the Administration has identified additional savings in the preliminary FY 2019 budget, totaling \$1,134,000, from the following:

- Reduction of merit pay from 0-3% to 0-2% for all groups, except Police and Fire: \$454,000
- Elimination of the proposed 1% Cost-of-Living Adjustment (COLA), effective April 1, 2019: \$680,000

Recommended Expenditure Enhancements – Attachment C (\$1,869,000)

Attachment C includes a listing of all enhancements requested by departments during the budget process, which includes detailed descriptions, as well as those recommended by the Administration. Some recommended enhancements, which are recurring, include:

- Police Officers in Schools: \$871,000
This enhancement will add (1) Sergeant and (6) Police Officers to increase public safety in schools. The first-year cost of adding 1 Sergeant and 6 Police Officers to be assigned to the schools is \$1,063,000, which will be offset by the elimination of (5) Part Time School Liaison Officer positions in the amount of \$192,000, resulting in a net impact of \$871,000 in year 1, including one-time costs for equipment needed (vehicles, radios, etc.)
- Convert Part-time School Liaison Supervisor to Full-time \$34,000
The current role of a School Liaison Supervisor (SLS) is to oversee the School Liaison Officers (SLO) and School Crossing Guards (SCG). During the regular school year, this

employee is required to be available to all part-time employees throughout the various shifts. Supervision and evaluation of crossing guards is necessary at 6 schools in the City during early morning and afternoon hours, five days per week. If approved, this position will be assigned additional duties in support of the School Officer Program.

- Part-Time Education Compact Initiatives Coordinator position: \$45,000
With the increase in the education initiatives and number of initiatives supported by the City, the Department of Organizational Development and Performance Initiatives (ODPI) requires an individual to support Education Compact initiatives and other Commission priorities related to education. In addition, this part-time position will identify opportunities and gaps in services and programs which will prepare children and youths for their futures.
- Living Wage Increase (General Fund): \$97,000
Based on the Finance and Citywide Projects Committee's recommendation, approved by City Commission through Resolution 2018-30299 on May 16, 2018, this living wage enhancement would fund the previously approved phase-in approach of increasing the minimum living wage rate by \$0.56 per hour, totaling \$97,000, for FY 2019 in the General Fund. The overall impact of the proposed living wage increase, citywide, for FY 2019 is projected to be \$504,000.

One-Time Expenditures (\$981,000)

Pursuant to Resolution No. 2006-26341 (Attachment E), the City can use one-time, non-recurring revenue for capital expenditures or one-time expenditures and not to subsidize recurring personnel, operational and maintenance costs. The following items for FY 2019 are considered one-time in nature, and as such, can be funded utilizing fund balance.

In an effort to further make investments toward creating additional capacity and increasing efficiency in the future, the Administration is recommending funding the additional enhancements below, which are considered one-time, utilizing fund balance in accordance with Resolution No. 2006-26341:

- First-Year Funding Bridge for Office of the Inspector General: \$484,000
The pro-rated cost of the Office of the Inspector General, if approved by the voters in November of 2018, is projected to be \$484,000 in its first year of operation (FY 2019). The intention is to fully fund this new office from a surcharge on City contracts, similar to Miami Dade County's surcharge. It is important to note that surcharge revenues, if approved by the City Commission, would apply to new contracts as they are re-awarded. As a result, the full \$1.0 million in revenues needed to fund the projected year-two costs, which are annualized, would not be realized until FY 2023. Funding the first-year cost as a one-time expenditure from fund balance would be the first step in the funding bridge towards FY 2023.
- Sunset Islands 3 & 4 Undergrounding Project Debt Service: \$212,000
To advance fund the Sunset Islands 3 & 4 Utility Improvement, as adopted by Resolution 2015-29180, \$1.5 million was borrowed from the General Fund as approved by Resolution No. 2016-29273. There is currently no 3rd party outstanding debt. Once the project is completed, the City will enter into a bank loan in order to reimburse itself from the proceeds of such loan for funds advanced by the General Fund. Pursuant to

Resolution 2015-29180, Section 8, the City will start billing a Special Assessment once the Mayor and Commission adopt a Resolution accepting the improvements as completed. Shortly thereafter, the City will commence billing and collections of the Assessment. Assessment receipts will be used to pay the loan. The \$212,000 is budgeted in anticipation of project completion in FY 2019, which could result in a debt service payment before the Assessments are collected.

- Business Tax Receipt (BTR) Process Improvements: \$200,000
A subject matter expert would be retained to assess the City's business tax receipt process and provide recommendations for improvement, which would be geared toward streamlining the BTR processes and increasing efficiency.
- Washington Avenue Master Plan: \$50,000
The Washington Avenue Master Plan would be developed to focus on improvements to increase vibrancy, lighting, and gathering points along the Washington Avenue corridor for both residents and visitors.
- Employee Innovation Academy: \$35,000
Employees at all levels would be educated on principles geared toward the elimination of waste, increased efficiency, improving processes, and ultimately creating a higher standard of government.

Unallocated Funds

As previously mentioned and summarized, the above-mentioned recommendations, if approved, would result in an unallocated surplus of \$97,000, which may be allocated at the discretion of the City Commission.

Some unfunded enhancement requests submitted, which are included in Attachment C and Attachment D for FY 2019, consist of the following:

- Park Ranger Program Expansion: \$1.1 million
- Colony Theater Management Agreement Increase: \$330,000 (current agreement is \$170,000)
- University of Miami - HIV Wellness/Prep Clinic: \$250,000 (funded one-time in FY 2018)
- Bass Museum Management Agreement Increase: \$234,000 (current agreement is \$651,000)
- O'Cinema Management Agreement Amendment: \$177,000 (provide \$100,000 subsidy to support and expand programming; \$50,000 for maintenance and repairs; \$22,000 for utilities; and waive minimum guaranteed base use fee of \$5,000)
- City Acquisition of the Shane Rowing Center Operations: \$100,000 recurring for 5 years, plus insurance, maintenance and capital costs, all of which are yet to be determined
- Additional Fitness Equipment at Muscle Beach: \$100,000 (one-time)
- Camillus House Pilot Project: \$92,000
- Additional Miami Beach Gay Pride Contribution: \$63,000 (current contribution is \$10,000)
- Digital Citizen Coding Bootcamp: \$45,000
- Body Cameras for Park Rangers: \$44,000 (one-time) + \$29,000 (recurring)
- Partnership with CityGrader: \$1,250 (one-time) + \$25,000 (recurring)
- Youth Cyber Behavior & Safety Program: \$21,000

OTHER FUNDS**2% Resort Tax Fund**

At the May 24, 2018 Budget Workshop, the City Commission and members of the FCWPC were also briefed regarding the preliminary FY 2019 Resort Tax budget. Based on revenues collected as of May 2018, the projected Resort Tax surplus for FY 2019 is \$2.8 million.

Resort Tax Fund	\$
Revenues	59,993,000
Expenditures	(57,210,000)
Surplus/ (Deficit)	2,783,000

As a result of the preliminary \$2.8 million surplus, the Administration is recommending the following enhancements, which are also included in the referenced attachments. These recommendations, if approved, would result in a balanced Resort Tax budget.

Balancing Strategies	\$
Budget Surplus	2,783,000
Transfer to Sanitation Fund	(941,000)
Transfer to General Fund	(500,000)
Recommended Efficiency	48,000
Recommended Enhancements	(2,191,000)
Less One-Time Expenditures	801,000
Surplus/ (Deficit)	-

The Administration recommends that the two items listed below be funded as first-priority items:

- Transfer to Sanitation Fund: \$941,000
During development of the FY 2018 budget, the Resort Tax Fund was unable to fund \$2.8 million of services provided by the Sanitation Fund. This proposed increase in funding is the first step towards the Resort Tax Fund increasing its contribution to fully cover costs for services provided by the Sanitation Fund.
- Transfer to General Fund: \$500,000
During development of the FY 2018 budget, the Resort Tax Fund was unable to fund \$2.6 million of services provided by the General Fund. This proposed increase in funding is the first step towards the Resort Tax Fund increasing its contribution to fully cover costs for services provided by the General Fund.

Recommended Reductions/Efficiencies – Attachment B (\$48,000)

Attachment B includes a listing of all proposed reductions/efficiencies submitted by departments during the budget process, which includes detailed descriptions, as well as those recommended by the Administration. For the Resort Tax Fund, the one recommended efficiency is the following:

- Elimination of Outside External Resort Tax Auditors and Replace with a Full-Time Tax Auditor Position: \$48,000

Recommended Resort Tax Expenditure Enhancements – Attachment C (\$2,191,000)

Attachment C includes a listing of all enhancements requested by departments for the Resort Tax Fund during the budget process, which includes detailed descriptions, as well as those recommended by the Administration. The recommended enhancements, which are recurring, are the following:

- Police Overtime & Equipment for High Impact Periods: \$700,000
- Miami Beach Air & Sea Show: \$350,000
- Memorial Day Programming/Cultural Activation: \$100,000
- International Tennis Federation Sponsorship: \$100,000
- Additional Enhanced Holiday Lighting: \$140,000

One-time Resort Tax Expenditures (\$801,000)

In addition, the following items below are also recommended that are one-time in nature, and as such, can be funded utilizing fund balance pursuant to Resolution No. 2006-26341 (Attachment E):

- Ocean Drive Off-Duty Program: \$151,000
- Super Bowl 2020: \$500,000
- Orange Bowl: \$150,000

A one-time enhancement from FY 2018, that is not funded for FY 2019, is:

- Miami Design Preservation League Art Deco Weekend: \$120,000 (\$100,000 funded from General Fund in FY 2018 as one-time)

1% Resort Tax Fund Quality-of-Life Funding Allocations

As presented at the May 24, 2018 Commission Budget Workshop, and June 8, 2018 FCWPC 1st Budget Briefing, the Administration is recommending that the 1% Resort Tax Quality of Life funding allocation be modified in order further reduce the burden on the Parking Fund in FY 2019.

The current 1% Quality of Life bed tax, pursuant to Resolution No. 2015-28919, is to be used as follows: 45% allocated for Transportation initiatives in tourist-related areas; 15% allocated equally among North Beach, Middle Beach and South Beach for capital projects that enhance Miami Beach's tourist related areas; and 10% allocated to various arts and cultural programs.

Commencing FY 2019, the proposed allocation would increase the allocation for Transportation initiatives from 45% to 60% and decrease North Beach, Middle Beach, and South Beach capital from 15% to 10% each, which would reduce the Parking Fund's subsidy to the Transportation Fund. Based on revenues collected as of May 2018, the projected FY 2019 1% Resort Tax contribution for transportation initiatives would increase by approximately by \$2.2 million thereby reducing the Parking Fund subsidy to the Transportation Fund by the same amount.

FY19 PROJECTED (CURRENT)			FY19 PROJECTED (PROPOSED)			Prop vs Curr.
1% Bed Tax Revenue Allocation			1% Bed Tax Revenue Allocation			1% Allocation
Transportation	45%	6,483,000	Transportation	60%	8,643,000	2,160,000
NB - QOL	15%	2,161,000	NB - QOL	10%	1,441,000	(720,000)
MB - QOL	15%	2,161,000	MB - QOL	10%	1,441,000	(720,000)
SB - QOL	15%	2,161,000	SB - QOL	10%	1,441,000	(720,000)
Arts	10%	1,440,000	Arts	10%	1,440,000	-
Total	100%	14,406,000	Total	100%	14,406,000	-

Proposed Parking Rate Increases

As presented at the May 24, 2018 Commission Budget Workshop, the Administration is recommending the following parking rate increases, commencing in FY 2019, to ensure adequate funding for future capital projects and renewal and replacement of existing Parking Department assets. These recommended rate increases are being made in conjunction with the recommended reduction in the FY 2019 transfer to the General Fund and modification of the 1% Resort Tax Quality-of-Life allocation commencing in FY 2019, as previously mentioned.

- Daily Space Rental Construction: \$224,000
This proposed modification would increase the construction daily space rental fee from \$25/day to \$35/day.
- Entertainment District Meter Hours (Ocean Drive to Washington Avenue and 5th to 15th Street): \$135,000
Currently, metered parking rates within the corridor of Ocean Drive to Washington Avenue and 5th to 15th Street are enforced from 9 am to 3 am. This proposed enhancement would increase the hours that these spaces are metered to 24 hours/day.
- 46th Street & Collins Avenue Parking Lot (P71): \$539,000
Currently, metered parking at the 46th Street & Collins Avenue Municipal Parking Lot (P71), Monday to Friday, from 8am to 6pm, is \$1/hour, while weekends is a flat rate of \$20 for visitors and \$6 for residents. This proposed enhancement would change the hourly rate to a flat rate of \$20 for visitors and \$6 for residents, 24 hours/day. This enhancement, if approved, would also generate an additional \$149,000 in expenditure savings from a reduction in meter attendant services since revenue collections will be 100% automated.
- Hostel/Bed & Breakfast Residential Zones: \$30,000
Currently, the annual residential parking permit rate is \$54.60. This proposed enhancement would replace the annual residential parking permit rate in the Hostel/Bed and Breakfast Residential Zones with the daily parking permit rate of \$3.00/day.

PROPOSED GENERAL FUND MILLAGE RATE

There are two main components to the City's Total Combined millage rate: the Operating millage rate and the voted Debt Service millage rate. The Operating millage rate, which is comprised of a General and a Renewal and Replacement millage, funds operating costs in the General Fund while the Debt Service millage rate funds debt service for previously issued General Obligation (G.O.) bonds. In FY 2019, the debt service payment is \$5.9 million, which

requires the levy of a voted debt service millage rate of 0.1600 mills. The FY 2019 Debt Service millage rate is 0.0064 mills less than in FY 2018 and this difference is proposed to be applied to the General Operating millage rate, as approved by the FCWPC at the June 8, 2018 1st Budget Briefing.

For FY 2019, as presented and recommended during the City Commission's Budget Workshop held on May 24, 2018, and approved by the FCWPC at the June 8, 2018 1st Budget Briefing, the Operating millage rate will be comprised of an additional millage rate for PAYGO Capital funds, which will provide dedicated funding and allow for growth over time with property values. This additional dedicated millage rate, equivalent to \$2.4 million included in the proposed FY 2019 General Fund budget, will be offset entirely by a decrease in the City's Operating millage. Overall, the City's proposed Total Combined millage rate is proposed to remain flat as reflected below:

	FY 2018 Adopted	FY 2019 Proposed	Variance	\$ Variance
General	5.6989	5.6298	(0.0691)	(2,196,490)
Renewal & Replacement	0.0235	0.0235	0.0000	0
Pay-Go	0.0000	0.0755	0.0755	2,400,000
General Operating Millage	5.7224	5.7288	0.0064	203,510
Debt Service	0.1664	0.1600	(0.0064)	(203,510)
Total Combined Millage	5.8888	5.8888	0.0000	0

By August 4, 2018, the City Manager will certify the proposed millage rate to the Miami Dade County Property Appraiser. The proposed millage rate will be included in the TRIM notices mailed by the Property Appraiser on August 24, 2018. The purpose of the TRIM notice is to notify property owners of how much their property taxes could potentially increase or decrease and which governmental entity is responsible for the taxes levied.

As such, the proposed millage rate effectively sets the "ceiling" for the millage rate during the budget process because it cannot be increased without sending out a new TRIM notice to all property owners in Miami Beach. However, millage rates can remain the same or be decreased throughout the remainder of the process until the final millage rates are adopted by the Commission at the second public hearing on September 26, 2018.

CONCLUSION

The proposed FY 2019 operating budget will be finalized at the 3rd FCWPC Budget Briefing to be held on July 20, 2018. At the July 25, 2018 City Commission meeting, the Commission will set the proposed millage rate for the FY 2019 budget process in accordance with the State of Florida's Truth-in-Millage (TRIM) requirements.

In September, two public hearings will be held per the State of Florida's TRIM requirements. The first public hearing scheduled on September 12, 2018 will be to adopt the proposed millage rates and budgets for FY 2019. The second public hearing scheduled on September 26, 2018 will be to adopt the final millage rates and budgets for FY 2019. Both public hearings, which will begin at 5:01 p.m., will be held in the City Commission Chambers at 1700 Convention Drive, 3rd Floor, Miami Beach, Florida 33139.

FY 2019 Proposed Operating Budget Update and Proposed Millage Rate

July 13, 2018

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Attachment A – Proposed FY 2019 Revenue Enhancements

Attachment B – Proposed FY 2019 Service Reductions and Efficiencies

Attachment C – Proposed FY 2019 Enhancements

Attachment D – Proposed FY 2019 Revenue Reductions

Attachment E – Resolution 2006-26341

JLM/JW/TOS

ATTACHMENT A
PROPOSED FY 2018/19 REVENUE ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
PARKING								
Rate Change from Hourly to Daily Flat Rate, Monday to Friday, at 46th Street & Collins Avenue Municipal Parking Lot (P71)	Enterprise	\$ 539,000	\$ 539,000	\$ 539,000			Metered Parking Services	Currently, metered parking at the 46th Street & Collins Avenue Municipal Parking Lot (P71) Monday to Friday, from 8am to 6pm, is \$1/hr, while weekends is a flat rate of \$20/\$6 for residents. This enhancement request changes the hourly rate to a flat rate of \$20/\$6 for residents (24 hrs/day). This enhancement will also result in a \$149,000 expenditure savings from meter attendant services, as revenue collections will be 100% automated.
Construction Parking Daily Space Rental Fee (from \$25/day to \$35/day)	Enterprise	\$ 224,000	\$ 224,000	\$ 224,000			Permits	This enhancement request increases the daily space rental fee from \$25/day to \$35/day.
Increase Parking Meter Hours of Enforcement - Hours Entertainment District - Ocean Drive to Washington Ave & 5th to 15th (from 9am - 3am to 24 hours)	Enterprise	\$ 135,000	\$ 135,000	\$ 135,000			Metered Parking Services	Currently, metered parking rates for this corridor are enforced from 9am to 3am. This enhancement increases the hours that these spaces are metered to 24 hrs/day.
Hostel/Bed & Breakfast Residential Zones	Enterprise	\$ 30,000	\$ 30,000	\$ 30,000			Permits	Currently, the annual residential parking permit rate is \$54.60. This enhancement replaces the annual residential parking permit rate in the Hostel/Bed and Breakfast Residential Zones with the daily parking permit rate of \$3.
PARKS & RECREATION								
Parks Catch-up Increase in Programming Fees	General	\$ 352,000	\$ 352,000	\$ 352,000			Multiple Programs	Parks and Recreation fees were last increased in 2003. Since that year, the Consumer Price Index (CPI) has increased a total of 35.3% cumulatively. The Parks and Recreation Department has conducted a fee comparison study, which indicates that the City's current rates are well below comparable cities' rates. Therefore, the department is proposing a mid-range increase of 17.5%, which will bridge the gap in FY 2018/19 by generating an estimated \$352,000 in additional revenues (not inclusive of golf fees). Additionally, the department is recommending that fees be indexed to CPI annually moving forward.

ATTACHMENT A
PROPOSED FY 2018/19 REVENUE ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Increase in Miami Beach and Normandy Shores Golf Club Fees	General	\$ 265,000	\$ 265,000	\$ 265,000			Miami Beach Golf Club & Normandy Shores Golf Club	The recommended increase in golf fees being proposed for FY 2018/19 isn't a percentage increase across the board; however, the increases allow both clubs to remain competitive across the market, while continuing to offer reasonable rates for Miami Beach residents, South Florida Residents and visitors. The recommended increases in fees for membership due rates, non-resident rates, equipment rental rates, etc. are estimated to generate an additional \$230,000 for the Miami Beach Golf Club and \$35,000 for the Normandy Shores Golf Club.
POLICE								
Police Off-Duty Administrative Fee	General	\$ 164,000	\$ 164,000	\$ 164,000			Special Events/Off-Duty Unit	Increase in the Police Off-Duty Administrative Fee from current \$10 rate to \$12. This fee covers the administrative cost costs associated with the off-duty program. The rate was last increased on October 6, 2008
PUBLIC WORKS								
Elevator Inspection/Permit Fees	General	\$ 236,000	\$ 236,000	\$ 236,000			Elevator	Based on the last increase in fees, the Public Works Department is proposing a 20% across-the-board increase in elevator inspection and permit fees, except for those regulated by Florida State Statute, which would generate approximately \$236,000 in additional revenue.
Elevator Lockboxes	General	\$ 11,000	\$ 11,000	\$ 11,000			Elevator	Based on the last increase in fees, the Public Works Department is proposing an increase in elevator lockbox fees from the current rate of \$65.00 to \$100.00 commencing in FY 2018/19, which would generate approximately \$11,000 in additional revenue.

ATTACHMENT A
PROPOSED FY 2018/19 REVENUE ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Sidewalk Café Fees	General	\$ 358,000	\$ 358,000	\$ 358,000			Right-of-Way	Currently, the Public Works Department manages approximately 66,000 square feet of sidewalks available to be billed. This proposed enhancement would increase the sidewalk café fee from \$20 per sq/ft, which went in to effect October 1, 2011, to \$25 per sq/ft commencing in FY 2019 and generate approximately \$358,000 in additional revenue.
Grand Total of Positions Recommended					0	0		

Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact
General Fund	\$ 1,386,000	\$ 1,386,000	\$ 1,386,000
	\$ -	\$ -	\$ -
	\$ 1,386,000	\$ 1,386,000	\$ 1,386,000
Building	\$ -	\$ -	\$ -
Internal Service	\$ -	\$ -	\$ -
Resort Tax	\$ -	\$ -	\$ -
RDA	\$ -	\$ -	\$ -
Enterprise	\$ 928,000	\$ 928,000	\$ 928,000
Special Revenue	\$ -	\$ -	\$ -

Internal Service impact (% based on FY 2018/19 Preliminary Allocations)

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
BUILDING								
Eliminate Four (4) Financial Analyst Positions (Filled Positions)	Building	\$267,000		\$272,000	4		Customer Service	Elimination of these positions will result in the Building department directly managing customer service calls with existing budgeted expenditures and positions within the department. Elimination of these positions would; however, have a direct impact on the Finance Department's Call Center, which is where these positions are assigned to since all customer service-related calls are answered by the Call Center. Despite the adverse impact to the Finance Department's Call Center operations, the department anticipates a higher level of service with an automated call system which would route callers directly to what they need for Building-related matters. The gross impact of the department's proposed reduction is \$351,000 in Year 1 and \$358,00 in Year 2 if all six positions, totaling 5.0 FTEs, were eliminated. Since two positions are split-funded with other departments though, the other departments would fully fund these two positions resulting in a net impact of \$267,000 in Year 1 and \$272,000 in Year 2.
Eliminate Two (2) Environmental Technician Positions (1 Filled Position, 1 Vacant Position)	Building	\$112,000		\$113,000	2		Environmental Resources Management	Elimination of these positions would impact services provided by the Environment and Sustainability Department since these individuals serve as the environmental inspectors who oversees the environmental compliance of all public and private construction projects in the field. They also conduct daily inspections of these construction sites to identify deficiencies and coordinate measures, proactively, with contractors to reduce the number of environmental violations issued by environmental agencies. Attendance at all public project progress meetings and regular environmental permit reviews also fall within the responsibilities of these positions. City notices and violations have decreased as a result of these positions.
Eliminate Receptionist Position (Vacant Position)	Building	\$58,000	\$58,000	\$59,000	1		Administration	Elimination of this position from the North Beach Office will save the Building Department since the 2 Permit Clerk positions assigned to The North Beach Office will divide the duties of this Receptionist position thus creating an efficiency with little to no impact to customer service operations.
CAPITAL IMPROVEMENT PROJECTS (CIP)								
Eliminate One (1) Field Inspector I Position (Vacant Position)	General	\$58,000		\$59,000	1		Quality Assurance/ Quality Control/ Inspections	Elimination of this position will impact the level of service of the Quality Assurance/Quality Control/ Inspections program in the CIP Department due to a reduction in the number of projects that could be implemented and a delay in the development of certain projects, especially if General Obligation (G.O.) Bond projects come online.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
Eliminate One (1) Office Associate V Position (Vacant Position)	General	\$65,000		\$66,000	1		Construction Management	Elimination of this position will impact the level of administrative support provided to employees within the Construction Management program of the CIP Department, thereby reducing the number of projects that could be implemented and delaying the completion of current projects.
Eliminate One (1) Capital Project Coordinator Position (Vacant Position)	General	\$108,000		\$110,000	1		Construction Management	Elimination of this position will impact the level of service which could be provided by the Construction Management program. There would be a reduction in the number of projects which could be implemented and a delay in the development of certain projects, especially if GO Bond projects come online.
CITY ATTORNEY								
Freeze One (1) Paralegal Position (Vacant Position)	General	\$68,000		\$0			Administration	This reduction would materially impact the City Attorney's Office ability to appropriately address the myriad number of legal issues and matters that emerge daily within the governmental operations of the City of Miami Beach. The City Attorney's Office would be compelled to reallocate its resources to those vital and essential matters that require the immediate attention of dedicated legal staff and assets, and therefore; other non-prioritized legal requests would be potentially, unnecessarily delayed pending the further allocation of legal staff to the matter.
Freeze One (1) Assistant City Attorney I Position (Vacant Position)	General	\$89,000		\$0			Administration	This reduction would materially impact the City Attorney's Office ability to appropriately address the myriad number of legal issues and matters that emerge daily within the governmental operations of the City of Miami Beach. The City Attorney's Office would be compelled to reallocate its resources to those vital and essential matters that require the immediate attention of dedicated legal staff and assets, and therefore; other non-prioritized legal requests would be potentially, unnecessarily delayed pending the further allocation of legal staff to the matter.
Reduce Professional Fees for Outside Counsel	General	\$120,000	\$50,000	\$120,000			Outside Labor Legal Counsel	A reduction in professional services fees will limit the City Attorney's utilization of outside counsel to handle complex matters.
Reduce Funding for Legal Fees	General	\$47,000		\$47,000			Outside Legal Counsel (Litigation)	A reduction in legal fees would impact possible future lawsuits, labor issues, and matters would take longer to resolve .
CITY CLERK								
Eliminate One (1) Special Master Clerk Position (Filled Position)	General	\$67,000		\$68,000	1		Special Master	Elimination of one Special Master Clerk position in the City Clerk's Office will result in: (1) a reduction in the number of Special Master hearings held from four times a month to two (2) times a month, and (2) compliance with the City Code within a reasonable time frame may be impacted, as hearings will be set further into the future.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
Eliminate One (1) Central Service Technician Position (Filled Position)	Internal	\$63,000		\$65,000	1		Mail	Elimination of this position will result in the distribution of the existing workload to the remaining three (3) employees, which will result in significantly longer completion times for all Central Services projects and mail distribution to all departments.
CITY MANAGER								
Eliminate One (1) Part-Time Office Assistant Position (Vacant Position)	General	\$11,000	\$11,000	\$11,000		1	Administration	Elimination of this Part-Time Office Assistant position will adversely impact the City's commitment to the Best Buddies program.
Reduce Funding for Operating Expenditures (One-Time)	General	\$9,000		\$0			Administration	A reduction in operating expenditures will limit the resources available for operation of the City Manager's Office.
Eliminate Assistant City Manager Position once Vacated (Filled Position)	General	\$75,000	\$75,000	\$300,000	1		Administration	Elimination of this position, effective 07/01/2019, would result in the duties of this position being distributed amongst the remaining three Assistant City Manager positions in the City Manager's Office. The current incumbent is anticipated to retire during FY 2019. The Year 1 recommended reduction amount of \$76,000 reflects the retirement date of the current incumbent, which is anticipated to be July 1, 2019. Year 2 reflects the annualized cost of eliminating this position.
Rapid Response Team (Filled Positions)	General	\$147,000	\$147,000	\$149,000	2		Administration	Elimination of the Rapid Response Team within the City Manager's Office will result in much longer response times for calls regarding public safety and infrastructure issues within the City. The Rapid Response Team is responsible for ensuring that areas are within good conditions by regularly monitoring their status in the field. Without the Rapid Response Team, a gap in the maintenance of City property would be created, which would ultimately need to be assumed by another group.
CITYWIDE								
Eliminate Management Interns	General	\$43,000	\$43,000	\$43,000			Administration	In accordance with the hiring freeze implemented by the City Manager, the Management Internship program will be suspended until further notice. This proposed reduction reflects the elimination of the program, effective FY 2018/19.
Reduce General Fund Contingency	General	\$332,000	\$332,000	\$332,000			Citywide Contingency	This contingency account is used to fund unforeseen expenditures that may be incurred during the fiscal year. This reduction would reduce the amount available to \$1 million.
Eliminate Miami Design Preservation League (MDPL) Grant Contribution as recommended by the Finance and Citywide Projects Committee	General	\$23,000	\$23,000	\$23,000			Grants & Contributions	This reduction will eliminate the City's annual contribution to the Miami Design Preservation League (MDPL), as recommended by the Finance and Citywide Projects Committee, which in accordance with the grant agreement, is to be utilized by the grantee for online database "RuskinArc" software, student interns, project oversight, marketing and research.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
CODE COMPLIANCE								
Eliminate Two Code Compliance Officer I Positions (Vacant Positions)	General	\$122,000	\$122,000	\$124,000	2		Field Operations	Elimination of two Code Compliance Officers could result in a negative impact to the timeliness of Code Compliance response to calls for service in the high demand Entertainment District, which primarily consists of noise complaints, sanitation issues, illegal vendors, sidewalk cafes, proactive inspections including Business Tax Receipt (BTR) inspections, alcohol sales, and property maintenance issues. The negative impact will be felt similarly Citywide in the reduction of timeliness of Code Compliance response to calls for service and proactive inspections such as those related to Zika prevention.
COMMUNICATIONS								
Eliminate One (1) Public Information Specialist (Filled Position)	General	\$101,000		\$103,000	1		Public Information	Elimination of this position would require other positions to assume the task of working with staff and the media to ensure that our residents are properly communicated with and the media receives proper responses and information on City related items, assistance in writing press releases, stories for the MB Magazine and coordinating items for the media in a reasonable time frame.
EMERGENCY MANAGEMENT								
Reduce Funding for Security Cameras Assessment and Crime Prevention Through Environmental Design (CEPTED) Program (Recurring)	General	\$25,000	\$25,000	\$25,000			Homeland Security	This efficiency reduces the CEPTED program at various City facilities. With the completion of the City Hall, North Shore Youth Center, and Scott Rakow Youth Center assessments, the Department of Emergency Management has determined that much of the remaining assessments can be accomplished by existing staff even though some facilities may require limited expert analysis to complete.
Emergency Management Department Re-organization (Recurring)	General	\$56,000	\$56,000	\$57,000			Multiple Programs	This efficiency is based on the reclassification of a Communications Manager position to an Emergency Management Technician position, in conjunction with the reclassification of an Executive Office Associate I position to an Office Associate IV position based on the current needs of the department.
ENVIRONMENT & SUSTAINABILITY								
Reduce Funding for Citywide Dune Restoration (One-time)	General	\$18,000		\$0			Environmental Resources Management	This reduction towards citywide dune restoration will result in the restoration of fewer dune blocks in FY 2018/19. The blocks that are not restored within the coming fiscal year will need to be restored in a future fiscal year.
Reduce Funding for Citywide Reforestation Tree Planting and Pruning Services (One-time)	General	\$45,000		\$0			Environmental Resources Management	This reduction would impact the department's ability to effectively manage replanting throughout the City and would reduce the City's overall tree canopy coverage, making the City unable to maintain a resilient urban forest.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
FINANCE								
Eliminate One (1) Financial Analyst I Position - Call Center (Filled Position)	General	\$96,000		\$98,000	1		Call Center & 305-604-CITY/ 350-673-7000	Elimination of this position would negatively impact service levels to the public by increasing call wait times, the number of calls going to voicemail, and the response time it would take to respond to those voicemails in the Finance Department's Call Center.
Eliminate One (1) Financial Analyst II Position - Accounts Payable (Filled Position)	General	\$73,000		\$74,000	1		Accounts Payable	Elimination of this position would negatively impact service levels provided to outside vendors and internal departments by increasing the average number of days for invoices to be paid from 20 to 30 days. The Prompt Payment Act requires payment within 30 days.
Eliminate One (1) Financial Analyst II Position - Accounting (Filled Position)	General	\$78,000		\$79,000	1		Accounting, Reconciliation, & Reporting	Elimination of this position would negatively impact service levels by increasing the average number of days to close the previous month from 10 days to 15 days. The average number of days after month end closure for the completion of bank reconciliations would also be increased from about 30 days to 45 days.
FIRE								
Reduce Funding for Printing	General	\$500	\$500	\$500			Multiple Programs	This budget is used for printing manuals and programs for Fire Department functions. The department is proposing a \$500 reduction from this budget and will work to completely eliminate printing.
Reduce Funding for Subscriptions	General	\$2,500	\$2,500	\$2,500			Multiple Programs	This budget is used for subscriptions of Fire Service related publications. The department is proposing a \$2,500 reduction from this budget by using available electronic options.
Reduce Funding for Rent-Building & Equipment	General	\$6,000	\$6,000	\$6,000			Multiple Programs	This budget is used for rental of Sharp copiers in the Public Safety Communications Unit. The department is proposing a \$6,000 reduction from this budget and will work with existing resources.
Reduce Funding for Temporary Labor	General	\$10,000	\$10,000	\$10,000			Multiple Programs	This budget is used for temporary labor. The department is proposing a \$10,000 cut from this budget and will work to staff with current employees.
Reduce Funding forContracted Services - Repairs and Maintenance	General	\$15,000	\$15,000	\$15,000			Multiple Programs	The department is proposing a \$15,000 reduction from contracted services - repairs and maintenance and will work with existing resources.
Reduce Funding forTraining & Awards	General	\$45,000	\$45,000	\$45,000			Multiple Programs	This budget is used for training & awards. The department is proposing a \$45,000 reduction from this budget and will utilize adjusted resources to further departmental training.
Reduce Funding for Uniforms	General	\$50,000	\$50,000	\$50,000			Multiple Programs	The department is proposing a \$50,000 reduction from this budget based on anticipated need for uniforms in accordance to the collective bargaining agreement.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
Reduce Funding for Other Operating Expenditures	General	\$50,000	\$50,000	\$50,000			Multiple Programs	This budget is used for other operating expenditures. The department is proposing a \$50,000 reduction from this budget based being able to meet the department's operating needs with the adjusted resources.
Eliminate Quartermaster Position (Vacant Position)	General	\$60,000	\$60,000	\$61,000	1		Support Services & Training	Elimination of this position would result in the duties of this position being split among all divisions adversely impacting personnel assigned to the Support Services division, the Rescue division, and shift division chiefs, among other personnel. The Quartermaster position is a key position in the Fire Department that is responsible for the systematic receipt, storage, maintenance, and issuance of fire department related equipment and supplies. The Quartermaster is also responsible for maintaining the accountability of medical supplies and fire equipment.
FLEET MANAGEMENT								
Reduce Funding for Contract Maintenance	Internal	\$138,000		\$138,000			Administration	This reduction includes elimination of the car wash program (\$20,000) and the reduction of the amount of vehicles being tracked using AVL (Advanced Vehicle Locator) from 1,125 vehicles to 713 vehicles (approximately \$118,708). Ending car washing services will affect vehicle appearance and public perception. Reducing the amount of vehicles being monitored under the AVL program will affect accountability, efficiency, security, fuel cost, and customer service for those departments affected.
HOUSING & COMMUNITY SERVICES								
Reduce Funding for Overtime (One-time)	General	\$8,000		\$0			Homeless Services	The reduction will decrease the number of afterhours and cold weather placements performed during the year.
Reduce Funding for Police Shelter Beds (One-time)	General	\$22,000		\$0			Homeless Services	This reduction will limit the number of homeless individuals/families the Police Department will be able to place in shelter beds after hours.
Reduce Funding for Identification Replacements (One-time)	General	\$1,000		\$0			Homeless Services	This reduction will result in fewer homeless clients obtaining the tools necessary to leave homelessness.
Eliminate One (1) Case Worker II Position (Filled Position) and One (1) Case Worker Position (Filled Position)	General	\$132,000		\$134,000	2		Constituent Services and Elder Services	Elimination of a Case Worker and a Case Worker II position would have a huge impact on the level of service provided by the Community Services Division. An array of services will need to be reduced and/or discontinued such as community welfare checks, constituent services, yearly tax preparation, the food insecurity assistance program and emergency services. This reduction will also impact the ability of City residents to seek assistance in connecting to community services and supports, as well as staffing of the Coral Rock House not being feasible.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
HUMAN RESOURCES								
Freeze Assistant Human Resources Director Position (Vacant Position)	General	\$121,000		\$0			Compensation and Payroll	Defer hiring of a full time Human Resources Assistant Director position at a savings of approximately \$121,000 annually, including benefits. Not filling this position will backlog existing Human Resource functions.
INFORMATION TECHNOLOGY								
Defer PC Refresh Cycle (One-time)	Internal	\$403,000		\$0			Maintaining Business Operations	Deferring the PC Refresh Cycle for one year would result in savings realized only in FY 2018/19, as the replacement cost would need to be shifted to FY 2019/20, increasing the budget by a similar, if not, increased amount.
Reduce Funding for Storage Reserve (One-time)	Internal	\$180,000		\$0			Maintaining Business Operations	Reducing funding for data storage reserve would decrease the storage supply ratio against storage demand. This reduction is highly not recommended as it would need to be a calculated risk which could potentially have a large, negative impact on operations citywide.
INTERNAL AUDIT								
Reduce Funding for Outside External Resort Tax Auditors and Replace with a Full-Time Tax Auditor Position	Resort Tax	\$48,000	\$48,000	\$32,000	-1		Resort Tax	Since FY 2015/16, the Office of Internal Audit has budgeted \$125,000 to be disbursed to three external auditing companies for the completion of 50 annual Resort Tax audits. Despite more favorable payment terms under the current agreement, these companies have not used all of the allotted monies and have completed a relatively small number of audits (only 8 have been completed as of 07/09/18 for FY 2017/18). The addition of a full-time tax auditor position would result in more audits being conducted annually as current internal Resort Tax auditors complete approximately 50 per year and less late/incomplete audits as the external auditors tend to not as aggressively pursue auditees that don't respond timely. This proposed efficiency, despite a full-time position being added to the Office of Internal Audit, would result in a net savings to the budget if approved and an increased number of completed Resort Tax audits.
Reduce Funding for Professional Services	General	\$42,000		\$42,000			Internal Audit	The reduction of funding in professional services would reduce the budgeted amount to be utilized by the Citywide Fraud Risk Assessment. The external auditors scope of work would need to be reduced accordingly.
ORGANIZATIONAL DEVELOPMENT & PERFORMANCE INITIATIVES								
Eliminate Twelve (12) Undergraduate Internships and Ten (10) Graduate Internships (One-Time)	General	\$69,000	\$69,000	\$0			Education	In accordance with the hiring freeze implemented by the City Manager, the Graduate and Undergraduate Internship program will be suspended until further notice. This proposed reduction reflects the elimination of the program for FY 2018/19, excluding the cost for two graduate students who have already begun their year-long internships within FY 2017/18.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
PARKING								
Reduce Funding for Outside Contract for Online Implementation and Paper Permit Cost by adding a Senior Systems Analyst Position	Enterprise	\$70,000	\$70,000	\$46,000	-1		Permits	This efficiency would eliminate current funding allocated for outside contracted personnel and create a new position within the Information Technology Department instead, which would be funded by the savings of the contracted personnel and include a more robust IT team supporting all parking-related software development and applications.
Reduction in Attendant Labor and Security Guard Costs associated with the Proposed Rate Change at the 46th & Collins Avenue Municipal Parking Lot (P71) from an hourly to daily flat rate, Monday to Friday	Enterprise	\$149,000	\$149,000	\$149,000			Meter Parking Services	This efficiency is part of a revenue enhancement that would result in savings in attendant labor and security guards at the 46th & Collins Avenue Municipal Parking Lot (P71). This efficiency is feasible only if the companion revenue enhancement proposed for FY 2018/19 is approved.
Eliminate Funding for Advertising	Enterprise	\$25,000		\$25,000			Administration	This reduction will completely eliminate funding for any advertising initiatives, eliminating the department's ability to promote new and/or existing programs.
Increase Spacing between Surface Lot and On-street Parking Pay Stations	Enterprise	\$123,000		\$123,000			Meter Parking Services	This reduction of 100 pay stations (from 853 to 753) would further transition usage from physical pay stations to mobile payment applications (Parkmobile). It would also result in reduced expenditures for collections, extended warranty, and wireless data, while still maintaining a pay station presence citywide.
Reduce Funding for Freight Loading Zone (FLZ) Police Overtime Hours	Enterprise	\$65,000		\$65,000			Enforcement	This reduction will further reduce funding for the Freight Loading Zone (FLZ) Program by \$65,000, leaving a balance of \$10,000, which may result in an increase in FLZ violations impacting the availability of FLZ spaces and traffic.
Reduce Funding for Temporary Labor	Enterprise	\$17,000		\$17,000			Administration	This reduction would decrease funding for the second temporary position to three (3) weeks, which is budgeted as a contingency in the event additional staffing is needed due to a special assignment or a staff members extended leave. Reducing this funding would limit the department's ability to maintain adequate staffing levels during a special assignment or while personnel are on extended leave.
Eliminate Two Parking Coin Room Positions (Filled Positions)	Enterprise	\$90,000	\$90,000	\$93,000	2		Meter Parking Services	With the implementation of Parkmobile and related increase in credit card use, there has been a significant decrease in the use of coins and notes. Since 2012, there has been a decrease of 84% in coins and a decrease of 31% in notes collected and counted in the coin room - overall cash collected decreased 50%. Currently, 78% of meter revenue is collected by credit card. Additionally, there has been a 18.7% reduction in the number of meter collections resulting in a decreased workload for this unit since their primary function is counting coins and notes.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
PARKS & RECREATION								
Reduce Funding for Advertising	General	\$3,000	\$3,000	\$3,000			Administration	This budget is used for all creative advertising efforts in print and social media outlets for programming and events year-round. The department is proposing a \$3,000 reduction from this budget and will use current resources to fund these efforts.
Reduce Funding for Painting of Park Facilities	General	\$10,000	\$10,000	\$10,000			Park Facilities	This budget is used to for the painting of any park facility throughout the year. The department is proposing a \$10,000 reduction from this budget and will utilize other resources to provide the same level of service.
Reduce Funding for Locksmith Services	General	\$5,000	\$5,000	\$5,000			Park Facilities	This budget is used a majority of the time to replace broken and/or vandalized locks at the beachfront restrooms. The department is proposing a \$5,000 reduction to align with utilization.
Reduce Funding for Rental Equipment from Parks Maintenance	General	\$5,000	\$5,000	\$5,000			Parks Ground Maintenance	This budget is used for the rental of equipment such as sod cutters, bobcats, etc. for the Parks Maintenance Division to perform special projects. The department is proposing a \$5,000 reduction from this budget based on utilization.
Eliminate Safety Surface Maintenance and Repairs	General	\$50,000	\$50,000	\$50,000			Parks Facilities	This budget is used to perform regular maintenance to the playground safety surface on an annual basis, which will prevent constant Capital requests for replacement. The department is proposing a \$50,000 reduction from this budget and will utilize any realized savings in the coming year to perform required maintenance.
Eliminate 3 PT Municipal Service Worker Trainee Positions (Vacant Positions)	General	\$47,000	\$47,000	\$47,000		3	Parks Ground Maintenance	The Parks and Recreation Department is proposing the elimination of 3 Part-Time Municipal Service Worker Trainee positions for FY 2018/19 since these positions have been vacant and the department no longer finds these positions beneficial to servicing the public.
Freeze 3 PT Municipal Service Worker I Positions (Vacant Positions)	General	\$51,000	\$51,000	\$0			Parks Ground Maintenance	The Parks and Recreation Department is proposing freezing 3 Part-Time Municipal Service Worker I positions for FY 2018/19 since these positions have been vacant and the department is having a difficult time filling them due to failed background checks by previously selected applicants. The department can continue to temporarily provide current levels of services without these positions being filled for the time being.
PLANNING								
Eliminate Lunch for All Board Members during Land Use Board Hearings	General	\$4,000		\$4,000			Administration / Clerk of Boards	This reduction will eliminate lunches provided during Land Use Board meetings. This facilitates the continuation of the meetings by reducing time the meeting was paused.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
Reduce Funding for Trainings & Awards	General	\$24,000		\$24,000			Multiple Programs	This reduction will adversely impact the department's ability to attend conferences related to Historic Preservation, Planning & Development, as well as seminars and workshops on Sea Level Rise and Resiliency.
Reduce Funding for Temporary Labor	General	\$4,000		\$4,000			Clerk of Boards / Administration	This reduction will result in delays in digitizing documents, which will cause interruptions to the review and analysis of previous development orders that is necessary to complete the evaluation of Land Use Board applications.
Reduce Funding for Overtime	General	\$15,000		\$15,000			Plans Review	Availability of expedited / after-hours review could be reduced and could affect this optional service which in effect extends staff's operating hours and allows permits to be evaluated after hours and during the weekends.
POLICE								
Eliminate PT Office Associate IV Position (Filled Position)	General	\$34,000	\$34,000	\$35,000		1	PIO/Communications	Elimination of this position will result in a variety of internal and external projects, programs and surveys being reduced and/or eliminated, which includes the design and production of social media, newsletters, print, and special events that showcase the Miami Beach Police Department (MBPD). This position also serves as a Public Information Officer for the MBPD.
PROCUREMENT								
Eliminate One (1) Procurement Contract Analyst II Position (Vacant Position) and Supported Software	General	\$114,000		\$115,000	1		Technology and Systems	This position manages the Equal Benefits program, Local Workforce Participation, and compliance with the City's Living Wage law. To assist with these responsibilities, the City Commission approved the budget for the LCP Tracker program software. Due to the small size of the Procurement Department, and the fact that the department lost one position in the FY 2018 budget cycle, elimination of this position would result in the inability of the Procurement Department to implement the programs this position supports. Therefore, elimination of this position and the software would require eliminating enforcement of the Living Wage and Local Workforce Programs. It will also impact the ability of the City to enforce prevailing wages required on certain capital and grant funded construction projects.
PROPERTY MANAGEMENT								
Reduce Funding for Training	Internal	\$5,000		\$5,000			General Administration	This reduction will impact the department's ability to keep existing personnel up-to-date with the most recent skills applicable to their trades and will delay the recertification process for several personnel members that require certification for their specific trade.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
Reduce Funding for Painting	Internal	\$38,000		\$38,000			Reduction of Painting	This reduction will negatively impact the Service Contract Maintenance and Repairs program by reducing the service level and efficiency of the Property Management Department. It would also reduce the City's ability to take care of routine and necessary painting citywide and would negatively impact the ability to remove graffiti from City property and ensure that all City facilities appear in good condition in accordance with the City's reputation as a world-class city.
Eliminate Contracted Repairs and Maintenance for Citywide Monuments	General	\$30,000		\$30,000			Contracted Repairs and Maintenance	This reduction will eliminate the budget for maintenance and repairs of monuments citywide. The City of Miami Beach has several distinct monuments and landmarks that add to the character and history of this vibrant City. This reduction would negatively impact the Property Management Department's ability to maintain these historic landmarks.
Reduce Funding for Janitorial Services	Internal	\$25,000		\$25,000			Multiple Programs	This reduction will reduce the level of service for janitorial services provided in City facilities, which will potentially have a negative impact on the City's ability to maintain its facilities exceptionally clean.
Reduce Funding for General Preventative Maintenance	Internal	\$39,000		\$39,000			Multiple Programs	This reduction will significantly reduce the level of service for general preventative maintenance services citywide and will impact the department's ability to efficiently and effectively carry out facility maintenance and operations, capital renewal and replacement projects, and space planning management. City facilities will not receive the level of preventative maintenance necessary to prevent future failures, thus increasing the likelihood of large expenditures in the future for replacement of failed units. General preventative maintenance is vital to the department's ability to ensure that all City facilities are operating at their full capacity.
Reduce Funding for General Repairs & Maintenance Materials	Internal	\$61,000		\$61,000			Multiple Programs	This reduction will impact the availability of general materials needed during routine repairs and maintenance, which will impact required maintenance for all existing City facilities. Due to the high-volume of use throughout the City for Grainger materials, a reduction will lead to inefficiencies resulting from longer lead-times for facilities maintenance and operations and repairs and maintenance materials programs.
Reduce Funding for HVAC Preventative Maintenance	Internal	\$40,000		\$40,000			Multiple Programs	This reduction will reduce the current level of service for HVAC maintenance required throughout City facilities. This reduction will negatively impact Service Contract Maintenance and Repairs as HVAC preventative maintenance is necessary to extend the useful life of current units. Further, the City runs the risk of routine failures and malfunctions of the HVAC units, thus resulting in future failures and complete replacement of these units, which are extremely costly.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
Reduce Funding for Electrical Preventative Maintenance	Internal	\$70,000		\$70,000			Multiple Programs	Reduce the level of service for electrical maintenance needed for City facilities. This reduction is expected to negatively impact the efficiency and effectiveness of the Service Contract Maintenance and Repairs program. A reduction in electrical preventative maintenance would result in the City's inability to ensure the reliable maintenance of all electrical in City facilities. By reducing the amount allocated to electrical preventative maintenance, the electrical infrastructure has a reduced lifespan, thus requiring costly replacements sooner than anticipated.
PUBLIC WORKS								
Eliminate One (1) Municipal Service Worker III (Vacant Position)	General	\$52,000		\$53,000	1		Contract Landscape Maintenance	This reduction will result in the limitation to dispatch and supervise several work crews to tackle various tasks simultaneously, and it places more responsibility on our sole Heavy Equipment Operator (HEO.). Unlike our MSW I & II, the MSW III personnel typically possess a Commercial Driver's License (CDL) and operates our heavy equipment (front-end loader, back-hoe, grapple-truck, Bobcat®, etc.) on special projects, emergency response, and the Landfall Team. The MSW III also provides direct supervision over work crews consisting of MSW I & II, and functions as a lead worker in all major landscape or irrigation projects. Since the MSW III position is a "promotion only" opportunity, the elimination of this intermediate "step" creates a void for current MSW II staff who need to gain the exposure, responsibility, and growth necessary to transition from MSW II to Supervisor (also a "promotional only" position.)
Reduce Greenspace Contract Maintenance	General	\$136,000	\$136,000	\$136,000			Contract Landscape Maintenance	This reduction will result in a significant increase in turf grass height (from 6" to 8") between services, a higher occurrence of weeds (especially during wetter months), landscape damage compounded over time due to a delayed remediation response (irrigation breaks, pest infestations, nutrient deficiencies), unsightly landscape issues (dead/missing shrubs, broken tree limbs, damaged sod remain unaddressed longer), extended maintenance times per site when a service does occur due to the amount of overgrowth between services, an increase in complaints and E-Gov requests regarding the City's perceived 'abandoned' appearance, and an overall diminished perception of the City being a clean and safe place.
Eliminate One (1) Civil Engineering III (Filled Position) and One (1) Civil Engineering II (Vacant Position)	General	\$207,000		\$211,000	2		Design Engineering	Elimination of these positions would halt 12 projects, place the Public Works Department out of compliance with Sewer System Evaluation Survey (SSES) standards and regulations, and adversely affect the progress of the following neighborhood improvement projects, among others: North Shore, SW 1st Street, and West Avenue.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
Eliminate Two (2) Street Lighting Technician I Positions (Filled Positions)	General	\$137,000		\$139,000	2		Street Light Operating and Maintenance (O&M)	Elimination of these positions will significantly hinder the division's ability to provide timely customer service in the maintenance and repair of the City's street lighting infrastructure and the ability to complete citywide lighting improvements.
TOURISM, CULTURE, & ECONOMIC DEVELOPMENT								
Eliminate Arts in the Park & Soundscape Cinema Series	General	\$55,000		\$55,000			Cultural Program	This reduction eliminates cultural activation and programming at Soundscape Park, which attracts 8,000 residents and visitors annually.
Eliminate Redevelopment Specialist Position (Vacant Position)	General	\$79,000		\$84,000	1		Economic Development	This position provides significant administrative support to the Economic Development Division. If eliminated, the division and department overall will need to scale back on the many committee and liaison roles filled by this position.
Reduction of 6 Appraisals from Appraisal Contingency	General	\$30,000		\$30,000			Division of Real Estate	This reduction will result in the department having limited capability in completing real estate appraisals despite its extensive portfolio of managed property.
TRANSPORTATION								
Eliminate funding for Advertising	Special Revenue	\$27,000	\$27,000	\$27,000			Trolley Service	Given that citywide trolley service was established during FY 2017/18 and that neither route changes nor implementation of new routes is anticipated during FY 2018/19, advertising of trolley services is no longer necessary.
Eliminate funding for Trolley Service Promotional Items	Special Revenue	\$5,000	\$5,000	\$5,000			Trolley Service	Given that citywide trolley service was established during FY 2017/18 and the high ridership promotional materials can be eliminated.
Reduce Funding for Trolley Service Related Printing	Special Revenue	\$3,000	\$3,000	\$3,000			Trolley Service	Given that citywide trolley service was established during FY 2017/18 and that neither route changes nor implementation of new routes is anticipated during FY 2018/19, demand for brochures may be lower; therefore, this reduction will have a minimal impact on the printing of approximately 12,000 brochures on a monthly basis for trolley services.
Eliminate funding for Ciclovía	Special Revenue	\$124,000	\$124,000	\$124,000			Administration	As part of the FY 2016/17 adopted budget, the City Commission approved funding for Ciclovía as part of the Transportation Special Revenue Fund. (Resolution # 2016-29565). At the May 22, 2018 Neighborhoods and Community Affairs Committee meeting, the Committee approved a motion to no longer fund Ciclovía.
Reduce Funding for Traffic Operations Studies and Traffic Data Collection	Special Revenue	\$100,000		\$100,000			Traffic Operations	To improve response times on traffic engineering requests, the City proactively reviews traffic conditions, performing in-house traffic studies, and traffic signal retiming projects. Previously, these responsibilities were solely managed by the County; however, with the funding of this program, response times on many requests have been reduced from 4-8 months to 4 weeks.

ATTACHMENT B
PROPOSED FY 2018/19 SERVICE REDUCTIONS AND EFFICIENCIES

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
Reduce Funding for Trolley Seat Cushions	Special Revenue	\$23,000		\$23,000			Trolley Service	The Transportation Department currently accounts for trolley seat cushion replacement on all 31 trolley vehicles. This service reduction would reduce the frequency of replacement/ number of vehicles on which cushions would be replaced to 21 trolleys annually, based on a recent evaluation of seat cushion conditions.
Reduce Funding for Trolley Operations Scenarios:	Special Revenue	See below		See below			Trolley Service	While current trolley service operates 6AM-Midnight, Monday to Saturday, and 8AM-Midnight on Sundays, the following scenarios and cost impacts associated which each scenario are presented below, which range from \$186,628.90 to \$551,083.45, depending on the specific scenario.
Scenario A	Special Revenue	\$187,000		\$187,000			Trolley Service	This scenario would only modify Saturday service hours, which would be 8AM-Midnight (similar to Sunday), as compared to current 6AM-Midnight. Sunday service hours would remain as-is, from 8AM-Midnight.
Scenario B	Special Revenue	\$276,000		\$276,000			Trolley Service	This scenario would modify service hours, Monday to Saturday, from 18 hours per day to 17.5 hours per day. Sunday service would remain as-is, from 8AM-Midnight.
Scenario C	Special Revenue	\$417,000		\$417,000			Trolley Service	This scenario would modify service hours, Monday to Friday, from 18 hours per day to 17.5 hours per day and Saturday hours from 18 hours per day to 16 hours per day (8AM-Midnight). Sunday service would remain as-is, from 8AM-Midnight.
Scenario D	Special Revenue	\$552,000		\$552,000			Trolley Service	This scenario would modify service hours, Monday to Saturday, from 18 hours per day to 17 hours per day. Sunday service would remain as-is, from 8AM-Midnight.
Grand Total of Positions Recommended					7	5		

Fund	Potential Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact
General Fund	\$3,602,000	\$1,533,000	\$3,359,000
	\$899,000	\$0	\$418,000
	\$4,501,000	\$1,533,000	\$3,777,000
Building	\$437,000	\$58,000	\$444,000
Internal Service	\$1,062,000	\$0	\$481,000
Resort Tax	\$48,000	\$48,000	\$32,000
RDA	\$0	\$0	\$0
Enterprise	\$539,000	\$309,000	\$518,000
Special Revenue	\$1,714,000	\$159,000	\$1,714,000

Internal Service impact (% based on FY 2018/19 Preliminary Allocations)

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
BUILDING								
Overfill (1) Chief Structural Engineer position (up to 2 years)	Building	\$123,000		\$151,000	1		Permitting	This enhancement is being requested to overfill an existing position in order to create a succession plan of the current Chief Structural Engineer, who is in the Deferred Retirement Option Plan ("DROP"). Once the incumbent completes the DROP, the additional position will be eliminated. Due to the limited pool of qualified applicants, the search could extend beyond a year.
Building Inspector Bicycle Program (One-time)	Building	\$5,000		\$0			Inspections	This enhancement would allow for the acquisition of bicycles which some Building Inspectors would utilize to conduct their routes. This initiative has a goal of promoting a greener environment by reducing the carbon footprint of the department's fleet and providing for healthier employees.
Building Department Hybrid Vehicles (One-time)	Building	\$54,000		\$0			Inspections	This enhancement would provide for the replacement of two (2) existing Building Department vehicles with CMAX Hybrid vehicles as part of the department's "green" initiative to promote a greener environment.
Living Wage Impact	Building	\$8,000	\$8,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
CAPITAL IMPROVEMENT PROJECTS (CIP)								
Living Wage Impact	General	\$1,000	\$1,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
CITY CLERK								
Living Wage Impact	Internal	\$1,000	\$1,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
CITY ATTORNEY								
Living Wage Impact	General	\$1,000	\$1,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2019.
CITYWIDE								
Center for Resiliency and Sustainability at the Miami Design Preservation League (One-time)	General	\$20,000		\$0			Administration	Funds education, advocacy and research between future goals of resiliency and sustainability solutions and historic resources.
University of Miami - HIV Wellnes/Prep Clinic (One-time)	General	\$250,000		\$0			Grants & Contributions	This enhancement is being requested as a continuation of the FY 2018 adopted enhancement to enhance public health by reducing HIV infection risk through support for the establishment and operational costs of a University of Miami Wellness/PrEP Clinic on Miami Beach.
Employee Innovation Academy (One-time)	General	\$35,000	\$35,000	\$0			Employee Costs	This enhancement is being requested for employees at all levels of the organization to be educated on the principles geared toward the elimination of waste, increased efficiency, improving processes, and ultimately creating a higher standard of government.
Additional Miami Beach Gay Pride Contribution (One-time)	General	\$63,000		\$0			Grants & Contributions	Event organizers are requesting that the City assist with coverage of certain fees and costs which cannot legally be waived for the Miami Beach Gay Pride Parade, and would therefore require coverage from another area of City funds. The organization is requesting an increase in the City's contribution from \$10,000 currently budgeted to \$73,000 for FY 2019.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
CODE COMPLIANCE								
Increased Training for Certification and Professionalization of Code Compliance Staff	General	\$7,000		\$7,000			Field Operations	This enhancement is being requested to increase funding for training to coordinate additional and mandatory training to further professionalize Code Compliance Department personnel. The Code Compliance Department plans to continue to increase team building and strategy development to further professionalize the department, which will include occupational and behavioral assessments for talent development that will improve organizational performance.
COMMUNICATIONS								
Part-Time Visual Communications Specialist Position	General	\$41,000		\$42,000		1	Communications	This enhancement is being requested to create a new part-time position within the Communications Department to assist in meeting the increasing demands of the City for both graphic design and photography.
Partnership with CityGrader	General	\$25,000		\$25,000			Public Information	CityGrader is a simple and effective platform dedicated to increasing the quality and accountability of local governments through reviews and feedback that come directly from the public. Through the CityGrader platform, taxpayers play a meaningful role in making positive change in local government by increasing the quality and accountability of public employees. This enhancement request is being submitted per discussion from the June 29, 2018 Finance and Citywide Projects Committee meeting.
Living Wage Impact	General	\$16,000	\$16,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
ENVIRONMENT & SUSTAINABILITY								
Water & Energy Manager Position	General	\$95,000		\$112,000	1		Sustainability Division Management	With the creation of this position, the City of Miami Beach will be able to identify and implement water and energy conservation projects. The Water & Energy Manager will manage the city's water and energy data, recognizing inefficiencies which can be corrected to reduce energy consumption and save money.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Natural Resource Inventory Assessment (One-time)	General	\$75,000		\$0			Environmental Resources Management / Environmental Regulatory Compliance	A natural resource inventory assessment, which has never been done, will allow the city to identify current natural resource conditions and opportunities to create new habitats which can help to prevent a net loss of habitat citywide.
Pine Tree Drive Structural Pruning of Australian Pines	General	\$110,000		\$110,000			Reforestation Program	The Australian Pine trees along Pine Tree Drive have begun to show evidence of extensive decay. Structural pruning is needed to mitigate the risk and liability of potential total tree or scaffolding limb failure. Should this enhancement not receive funding, it will result in the removal of additional Australian Pine trees to reduce this potential risk.
FINANCE								
Call-Taker Position (for 305-604-City / 305-673-7000)	General	\$71,000		\$85,000	1		Call Center & 305-604-City / 305-673-7000	The Finance Customer Service Center has recently taken over answering phone calls, from the Department of Emergency, for 305-604-CITY and 305-673-7000 (main line). This addition of 224,000 phone calls annually, has stressed current service levels for the Call-Center, where there are currently only six call-takers budgeted to handle all of the City's incoming calls. Absorbing phone-calls for 306-604-CITY and 305-673-70000 has resulted in longer wait times for Finance, Parking, Building and Transportation phone customers; additional dropped calls; and more voicemail to follow-up with.
Business Tax Receipt (BTR) Process Improvement (One-time)	General	\$200,000	\$200,000	\$0			Business Tax Receipts, Certificates of Use, and Annual Fire Permits	This one-time enhancement request is being submitted to retain a subject matter expert that would assess the City's current business tax receipt process and provide recommendations for improvement, which would be geared toward streamlining the BTR processes and increasing efficiency.
Living Wage Impact	General	\$1,000	\$1,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
FIRE								
26th Street Lifeguard Tower Staffing (2 Lifeguard I Positions and 2 Lifeguard II Positions)	General	\$246,000		\$300,000	4		Ocean Rescue	This enhancement is being requested to properly staff the new Lifeguard Tower on 26th Street. By adding two (2) Lifeguards I and (2) Lifeguards II positions, this will allow for proper staffing without the need to incur overtime costs.
Year-Round Daylight Savings Staffing for Ocean Rescue	General	\$389,000		\$398,000			Ocean Rescue	As result of year-round Daylight Savings Time (DLS), the Ocean Rescue Lifeguard Towers will require extended hours of operations. The schedules will have to be changed from 5 - 8 hour days to 4 - 10 hour days to cover these extended hours. With the permanent DLS time change, there will be extended hours for residents and visitors to enjoy the City's beaches. Currently, under the 5/8 work week, the average cost to staff 36 Lifeguard Towers plus a Boat Mate, 12 Lifeguard II positions plus a Boat Captain, and 4 Zone Lieutenants is currently approximately \$328,000 per month. The same staffing for a 4/10 workweek would be currently approximately \$410,000 per month. The difference is \$82,000 x 3 months for an increased cost of \$246,000 annually. (\$260,000 with applicable COLA and merits included for FY 2018/19). Additionally, overtime costs would also increase by an additional \$120,000 (\$129,000 with applicable COLA and merits for FY 2018/19).
Living Wage Impact	General	\$2,000	\$2,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
FLEET MANAGEMENT								
Six-post, 70,000 Lb. Mobile Lift	Internal	\$76,000		\$1,000			In-House Maintenance & Repair	The number, size, and operating weight of various classes of critical service equipment has grown as various programs and initiatives have been implemented to address citywide strategic priorities. This increasingly impacts Fleet’s heavy-duty Shop 2, which is charged with servicing these vehicles using aging automotive lifts (>20 Yrs. old) that need to be upgraded to improve operating efficiency and better meet customer needs. Due to weight restrictions, some large trucks have to be unloaded / emptied at disposal sites by operators before they can be brought in for service. On several lifts, stop-gap measures, such as adding extensions, have been implemented to accommodate increased lengths of next generation equipment. The older lifts require more frequent repairs, impacting vehicle operating downtime and shop productivity overall.
Living Wage Impact	Internal	\$1,000	\$1,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
HOUSING & COMMUNITY SERVICES								
One (1) Homeless Outreach Coordinator Position and Two (2) Case Worker II Positions	General	\$211,000		\$249,000	3		Homeless Outreach and Shelter Beds	The Homeless Services Division handles the outreach, relocation, and shelter placement of homeless individuals and families on Miami Beach. The volume of homeless placements and relocations requires extended Homeless Outreach hours of services, which will require an additional Homeless Outreach Coordinator and two additional Case Worker II positions. With the creation of these three positions, the Homeless Outreach office can remain open until 9pm nightly, Monday through Friday.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Camillus House Pilot Project Targeting Chronically Mentally Ill Homeless Persons (One-time)	General	\$92,000		\$0			Homeless Outreach and Shelter Beds	Camillus House proposes conducting targeted street outreach to chronically homeless persons with mental illness to provide medication and engagement to enable shelter and housing placement for those served. This item is being submitted as an enhancement per the Committee for Quality Education which received a favorable recommendation for funding from the Neighborhood and Community Affairs Committee.
John Deere Gator Utility Vehicle	General	\$27,000		\$7,000			Homeless Outreach and Shelter Beds	This equipment will result in increased availability of the Homeless Outreach team by increasing service location coverage, otherwise unreachable by the Division's current outreach van.
Additional Funding for Homeless Relocation Services	General	\$10,000		\$10,000			Homeless Relocation	With the increase in relocation funds, the Homeless Outreach Program will be able to reconnect an estimated 250 additional homeless clients with family living outside of Miami-Dade, Broward, Monroe and Palm Beach County per a motion approved by the Committee on the Homeless.
HUMAN RESOURCES								
Living Wage Impact	General	\$1,000	\$1,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
Living Wage Impact	Internal	\$1,000	\$1,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
INFORMATION TECHNOLOGY								
Website WordPress Consultant (One-time)	Internal	\$80,000		\$0			Maintaining Business Operations	This enhancement would improve and expand the functionality of the new City website by funding a Website WordPress Consultant. Additionally, the contracted employee could transfer their skills to current staff, allowing for future modifications to be made without the requirement of an outside professional contractor.
TeleStaff System Analyst Position	Internal	\$96,000		\$118,000	1		Maintaining Business Operations	The Human Resources Department has identified a concern with the current business process whereby each of the four Departments using TeleStaff can make modifications to pay codes that impact payroll and budget. Although these four departments have been directed to obtain approval before making such modifications, the Human Resources Department feels that there is the risk of mistakes, or intentional misuse, which can potentially go undetected. This single Information Technology role would validate that proposed changes from the four departments have been authorized and approved before implementing. The four departments would no longer be able to make these changes alone.
Renovate Current Datacenter Workspace (One-time)	Internal	\$25,000		\$0			Maintaining Business Operations	A renovation of the current Datacenter workspace would allow for a more efficient and productive work environment.
OFFICE OF THE INSPECTOR GENERAL								
Office of the Inspector General (One-time)	General	\$484,000	\$484,000	\$1,100,000	5		Administration	Pursuant to Commission direction, and pending a referendum vote in November 2018, the Office of the Inspector General would act as another defense against fraud, waste, and abuse within the City's operations and projects. The office would function autonomously and independently, so as to be protected from any form of political influence while protecting the interest of the City's residents, visitors, and business owners. <i>Funding for this enhancement is contingent on City Commission's approval of a surcharge on future contracts, which would cover the cost of operating this new office.</i>

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
ORGANIZATIONAL DEVELOPMENT & PERFORMANCE INITIATIVES								
Part-Time Education Compact Initiatives Coordinator Position	General	\$45,000	\$45,000	\$45,000		1	Education	With the increase in education initiatives, the department requires an individual to support Education Compact Initiatives and other Commission priorities related to education. This part-time position will also identify opportunities and gaps in services/programs which will prepare children and youths for their futures. Based on its size, the number of initiatives supported by the City has stressed the workload of current staffing within the department.
Digital Citizen Coding Bootcamp	General	\$45,000		\$45,000			Education	This enhancement is being requested to provide a free technology boot camp for low to middle income residents, as well as business owners, interested in improving their technology skills. The program models a program currently available to the Liberty City community providing technical expertise, coding, and professional support to those interested in careers in technology industries. The cost of this enhancement is contingent upon the approval of the Part-Time Education Compact Initiatives Coordinator Position recommended. Without it, the cost of this item would increase to \$49,000 to cover additional personnel costs related to maintaining the program.
Youth Cyber Behavior & Safety Program	General	\$21,000		\$21,000			Education	This enhancement is being requested to partner with the Anti-Defamation League (ADL) to expand the current partnership to include a cyber-bullying program for both educators and students at each of the 7 public schools within the City of Miami Beach. One session can accomodate up to 30 students or educators and costs approximately \$1,500. School guidance counselors utilize a Common Sense Education Digital Citizenship program in grades K-12. Schools may earn the Digital Citizenship School Certification. Currently, Miami Beach Senior High has earned the Digital Citizenship School Certification. Other Miami Beach public schools have not earned or pursued this certificate.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
PARKING								
Living Wage Impact	Enterprise	\$144,000	\$144,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
Living Wage Impact	Special Revenue	\$23,000	\$23,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
Living Wage Impact	RDA	\$45,000	\$45,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
PARKS & RECREATION								
Convention Center Park	Enterprise	\$482,000	\$482,000	\$1,648,000	4	2	Park Facilities	The Convention Center Park is anticipated to open July 2019. In order to provide a universal culture of high quality public safety and customer service, the Parks and Recreation Department is requesting 1 full-time Park Ranger, 2 part-time Park Rangers, 2 full-time Municipal Service Worker (MSW) II positions and 1 MSW I position based on the expected opening date of the park to adequately manage and maintain it. For FY 2019/20, the annualized costs of operations have been reflected in this request.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Additional Part-Time Inclusionary Aide I Positions	General	\$107,000		\$110,000		4	Special Populations Programs	This enhancement adds four (4) additional part-time, year-round Inclusionary Aide I positions to the Parks and Recreation Department. Currently, the department has 2 part-time, year-round, Inclusionary Aides and 22 Seasonal Inclusionary Aides. In order to meet the growing demand of children with Special Needs enrolling in programming, this enhancement is being requested. With this enhancement, the department can provide special needs children with year-round recreation programming, including much needed one-on-one attention with trained personnel.
Expansion of Park Ranger Area Patrols	General	\$1,118,000		\$194,000	0	4	Park Ranger Program	At the direction of the City Commission, the Administration has been tasked with addressing concerns expressed by various members of the community over security and enforcement at some of the City's parks. The concerns have been focused on various locations throughout the City with two being the Barry Kutun Boat Ramp in Maurice Gibb Memorial Park, and the beachwalk. The Administration has reviewed these concerns and subsequently explored viable and effective options to address the needs at each site. The proposed enhancement provides the necessary level of coverage of 2 PT Park Rangers at the Barry Kutun Boat Ramp in Maurice Gibb Memorial Park that is currently being covered by overtime. The staffing would be from 11 am to 6 pm, 7 days per week with possible expansion of hours on the weekend. The additional 2 PT Park Rangers will be used to address the additional coverage needs of the Beachwalk.
North Convention Center Park - Park Rangers	Enterprise	\$266,000	\$266,000	\$284,000	2	2	Park Ranger Program	In order to provide a universal culture of high quality public safety and customer service, the Parks and Recreation Department is requesting 2 full-time Park Rangers and 2 part-time Park Rangers for North Convention Center Park. that will be deployed daily, from 7:00 am to 10:30 pm.

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PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Body Cameras for Park Rangers	General	\$44,000		\$29,000			Park Ranger Program	This enhancement provides for the purchase of body cameras for the City's Park Rangers. The program currently has (2) Full-time Park Ranger Supervisors, (11) Full-Time Park Rangers and (18) Part-Time Park Rangers. Implementation of body cameras will further enhance the safety of both park visitors and the Park Rangers since these cameras will serve as an invaluable tool in enforcement, prosecution, and employee training.
Body Cameras for Park Rangers	RDA	\$5,000		\$4,000			Park Ranger Program	This enhancement provides for the purchase of body cameras for the City's Park Rangers. The program currently has (2) Full-time Park Ranger Supervisors, (11) Full-Time Park Rangers and (18) Part-Time Park Rangers. Implementation of body cameras will further enhance the safety of both park visitors and the rangers since the cameras serve as an invaluable tool in enforcement, prosecution and employee training.
South Pointe Park - Cutwalk/Government Cut Erosion Revetment (One-time)	General	\$200,000		\$0			Park Facilities	There is excessive erosion that has occurred along the cutwalk at South Pointe Park, which needs to be addressed. The City will engage a coastal engineering consultant to further evaluate the existing conditions, provide recommendations, obtain permits and prepare construction plans and specifications.
Scott Rakow Youth Center - Alarm & Intercom System (One-time)	General	\$20,000		\$0			Park Facilities	The Scott Rakow Youth Center does not currently have an intercom system and has an alarm system which requires improvement. This enhancement will provide for the addition of an intercom system and improvement of the alarm system, which will provide a safer facility to both residents and visitors.
New Game Room Equipment for Scott Rakow Youth Center (One-time)	General	\$21,000		\$8,000			Child Care, Summer Camps, and Teen Programs	The current game room equipment at the Scott Rakow Youth Center is dated and often broken. Despite the constant repairs, the equipment continuously breaks causing residents and visitors to often complain about the condition and downtime of the equipment, of which some have requested new updated equipment for the game room. This enhancement provides for the purchase of new game room equipment, including 4 pool tables, 2 air hockey tables and 4 arcade games that will be rented.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
New Computers for Recreation Center Computer Labs (One-time)	General	\$30,000		\$0			Child Care, Summer Camps, Youth Programs, Seniors, and Teen Programs	The computers at the recreation center computer labs are outdated and not functioning efficiently after many repairs. These computers are used during after-school programming and summer camp programming, while also being available for public use (except for Flamingo Park). The Scott Rakow Youth Center does not currently have a computer lab and through this enhancement, one will be created. By replacing these computers, the Parks and Recreation Department expects the labs to be used more often since they will be more appealing and function more efficiently.
ITF Tennis Tournaments	Resort Tax	\$138,000		\$138,000			North Shore Park Tennis Center, Flamingo Park Tennis Center	This enhancement entails funding two (2) upcoming international tennis tournaments at North Shore Park and Flamingo Park. The City hosted one ITF Tennis Tournament in November 2017 and was set to host one in April 2018. In order to have the courts equipped with LED lighting, the second tournament is being rescheduled for October 2018. Projected costs for this enhancement include staff overtime, facility/landscape preparation, a portable restroom/shower trailer, additional janitorial services for building restrooms, and other necessary supplies.
Bonded Aggregate for Beachwalk Tree Wells 14th to 22nd Street (One-time)	General	\$133,000		\$0			Beach Maintenance	This enhancement for bonded aggregate will fill and level off all tree wells on the beach walk between 14th and 22nd Street while allowing for proper irrigation, fertilization, and beach walk cleaning. There are eighty-three (83) tree wells on the beach walk, all of which pose a trip and fall hazard to walkers, joggers, cyclists, and other pedestrians. Proper installation of this bonded aggregate will level the grade of these wells and reduce any chance of an accident while allowing for proper irrigation, fertilization and beach walk cleaning.

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PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Acquisition of the Shane Rowing Center Operations	General	\$100,000		\$100,000			Administration	Funds being requested for the City's acquisition of the Shane Rowing Center will be an estimated total of \$500,000 over the next 5 years. City staff is working with the Entity to determine the extent of capital needs, as well as the existing inventory. Currently, the City contributes \$85,000 annually to the Facility's adaptive rowing programs. Through the Entity's proposal, the first five years of the management agreement would cost the City an additional \$100,000 annually, plus insurance, maintenance and capital costs, all of which are yet to be determined.
Additional Fitness Equipment at Muscle Beach (One-time)	General	\$117,000		\$0			Park Facilities	Muscle Beach serves as not only an outdoor area for exercise, weight lifting and gymnastics, but it is also highly trafficked by beach-goers and tourists. With the purchase of a 40 ft. fitness container, more equipment will be available for the users to enjoy, making Muscle Beach South Beach a premier location for fitness.
Living Wage Impact	General	\$25,000	\$25,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
PLANNING								
Senior Planner	General	\$105,000		\$130,000	1		Plans Review	In order to reduce plan review time as quickly as possible, the department is requesting an enhancement of one additional experienced Senior Planner at a mid-range salary level that will possess a deep understanding and experience in the plans review process, and can immediately assist the department in reducing plan review time.
Planner	General	\$82,000		\$102,000	1		Plans Review	In order to reduce plan review time as quickly as possible, the department is requesting an enhancement of one additional experienced Planner position that possesses a thorough understanding and experience in the plans review process, and can immediately assist the department in reducing plan review time.

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PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Temporary Labor	General	\$30,000		\$30,000			Administration/Clerk of Boards	This enhancement reflects the additional amount necessary for two temporary positions to avoid delays in digitizing documents that cause interruptions to the review and analysis of previous development orders which is necessary to complete the evaluation of Land Use Board applications.
Supplies IT	General	\$14,000		\$14,000			Multiple	This enhancement is to correctly reflect the amounts spent on licenses like Blue Beam, Adobe, CAD, etc. needed by Planning Department staff to complete daily tasks and also provides funding for Information Technology related hardware.
Living Wage Impact	General	\$2,000	\$2,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
POLICE								
Add 1 Sergeant & 6 Police Officer Positions and Eliminate 5 Part-Time School Liaison Officer Positions	General	\$871,000	\$871,000	\$675,000	7	-5	Operations	This enhancement will add (1) Sergeant and (6) Police Officers to increase public safety in schools. The first year cost of adding 1 Sergeant and 6 Police Officers to be assigned to the schools is \$1,063,000, which will be offset by the elimination of (5) Part Time School Liaison Officer positions in the amount of \$192,000, resulting in a net impact of \$871,000 in year 1, including one-time costs for equipment needed (vehicles, radios, etc.)

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Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
School Liaison Supervisor (Convert Part-Time Position to Full-Time Position)	General	\$34,000	\$34,000	\$50,000	1	-1	Operations	The role of a School Liaison Supervisor (SLS) is to oversee the School Liaison Officers (SLO) and School Crossing Guards (SCG). The SLOs and SCGs are employees who work based on the County school calendar year. During the regular school year, this employee is required to be available to all part-time employees throughout the various shifts. The SLS is required to prepare during the breaks (inclusive of winter, spring and summer break) staffing, lesson plans and other related assignments. Part of the SLS' summer break duties include, but are not limited to: ordering uniforms, equipment and assisting with MBPD summer camp. Supervision, evaluation, and attendance of crossing guards is necessary at 6 schools in the City during early morning and afternoon hours, five days per week. Additionally, this position will be assigned additional duties to be determined by Cmdr. Prieto in support of the School Officer Program.
Additional High Impact Overtime	Resort Tax	\$700,000	\$700,000	\$700,000			Operations	The Police Department is primarily responsible for ensuring public safety. Due to prior year and current year projections for overtime staffing, as well as increases in crowds during high impact periods, additional overtime staffing and equipment is necessary to continue to ensure the highest levels of safety.
Additional Regular Overtime	General	\$400,000		\$500,000			Operations	The Police Department is primarily responsible for ensuring public safety. Based on prior year trends in demand and usage of overtime, additional overtime is necessary in order for the Police Department to ensure public safety and mandatory staffing requirements.

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Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
2 Crime Scene Technicians II Positions	General	\$153,000		\$187,000	2		Criminal Investigations Division	ANDE Rapid DNA is a cutting edge technology that the Police Department is prototyping, which produces profiles from crime scenes to solve crimes. Since the Police Department will lead the nation in creating new policies and standards, this new crime fighting tool will require an additional Crime Scene Technician II position dedicated to managing this new technology. In addition, the Crime Scene Unit is tasked with investigating crime scenes that produce forensics of evidentiary value. This task is conducted across all 3 patrol shifts and is in conjunction with CID operations. Crime scene technicians also investigate scenes where the City of Miami Beach has an MOU with adjoining jurisdictions. Due to this demand and other tasks creating a burden on the unit, a Crime Scene Technician II position is also being requested to reduce the burden on the Crime Scene Unit.
Property & Evidence Technician Position	Special Revenue	\$60,000	\$60,000	\$72,000	1		Criminal Investigations Division	The Body Worn Camera Unit (180 cameras) is tasked with reviewing videos, fulfilling public records requests, training and repairing / troubleshooting equipment. The cameras and the portable media players must be continuously updated with the latest software. The increased demand for public records requests has tripled within the last year and the Police Department plans to deploy another 120 cameras within the next few months which will certainly increase the number of public records requests. With all of these variables mentioned above, the unit is in need of another Property & Evidence Technician I position to assist with filling all of the public record requests and quality assurance reviews. This position was forecasted in 2014 as an eventual enhancement when the body camera project expanded and more staff support would become necessary. With the expansion of the Body-Worn Camera program to all remaining officers by June, 2018, this position is now essential and is being recommended as funded from the Red Light Camera Fund.

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Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Part-Time Office Associate V Position	General	\$50,000		\$51,000		1	Chief's Office	Over the past several years, the Police Department's budget has been steadily increasing, and with its growth comes an increase in administrative duties. Most recently, the Police Department assumed security services responsibilities for the City with a budget of approximately \$4,000,000, which further affects the administrative duties of the Financial Management Unit. For the unit to function efficiently and effectively, the department is requesting a part-time Office Associate V position, which will alleviate the increase workload of the unit.
2 Office Associate V Positions - Backgrounds Investigators	General	\$99,000		\$99,000		2	Support Services	The Backgrounds Unit of the Police Department is tasked with conducting comprehensive background investigations of all new Police Department hires, both sworn and civilian. It is also responsible for conducting similar investigations for other departments to include Code Enforcement, Parks and Recreation, and the Fire Department's Public Safety Communications Unit. Hiring demands have increased significantly in all of these departments and the Backgrounds Unit has managed the volume of investigations in the current year with two additional, part-time, positions that are temporarily funded. Since demand for this work and special expertise will continue in the new fiscal year and for the foreseeable future, the Police Department is requesting that these two temporarily funded positions be funded on a permanent basis as part-time positions.
Account Clerk I Position	General	\$56,000		\$67,000	1		Support Services	The current structure of a payroll coordinator and a single support staff is insufficient to address the plethora of payroll issues that arise daily. Increasing the office personnel with the addition of another employee is critical. This is particularly important given the challenges presented by the City's transition from Eden to Munis. Such challenges have made it difficult for the unit to meet its responsibility of delivering efficient service to the City's largest department. It has also made it impossible for the coordinator to focus more on the management of the office.

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Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Part-Time Office Associate III Position (Support Services)	General	\$34,000		\$35,000		1	Support Services	The position is needed to assist the current Office Associate V with the large volume of administrative responsibilities. The unit previously functioned with as many as three administrative people in past years. Despite the reduction in staffing, the administrative responsibilities of the OAV have steadily increased for a host of reasons to include an overall increase in sworn personnel.
Part-Time Office Associate III Position (Training)	General	\$34,000		\$35,000		1	Support Services	This position is necessary to assist the current Administrative Aide with the increasing volume of work. In previous years, when there was less focus and demand placed on training, there was a minimum of two administrative aides in the unit. A recent desk audit completed by the Human Resources Department supports this enhancement request.
Horizon Portable Traffic Signal (One-time)	General	\$120,000		\$0			Operations	In order to independently mitigate this issue ourselves without fully relying on Miami Dade Signs and Signals, the Police Department is requesting four Horizon Emergency SQ4 Portable Traffic Signals. In the case of a power outage (or as we are currently experiencing at Dade and West Avenue where an intersection was opened without any working traffic signals) a portable emergency signal is a necessity. A viable PTS system can be deployed for traffic emergencies.
Re-Key Entire Building (One-time)	General	\$120,000		\$0			Support Services	This would be a method to reorganize the key system and catalog master keys. The Police Department's current system has been in place since the inception of the building and has therefore gone through various stages of change resulting in mismatched and obsolete master and area keys. This will also allow stricter security and policy enforcement.
Additional Warehouse Space	General	\$160,000		\$160,000			Support Services	The Police Department has outgrown its existing warehouse space that is used to store evidence (vehicles, bicycles, parts, etc.) and oversized vehicles during hurricanes. The Police Department would also like to relocate storage containers from the Police Department parking garage to the storage facility, which would obviously require a larger space.

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Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Ocean Drive - Tourist Oriented Policing Services (TOPS) Program (One-time)	Resort Tax	\$151,000	\$151,000	\$0			Operations	Per Resolution 2018-30316, the City partnered with the Ocean Drive Association to implement the Ocean Drive Tourist Oriented Policing Services (TOPS) Pilot Program for a 12 week period. This enhancement is being requested to continue the TOPS program for FY 2018/19 based on 40 weeks of services assuming costs will be split 60% Ocean Drive and 40% City, which will emphasize and enhance public safety for residents and visitors on Ocean Drive.
Living Wage Impact	General	\$16,000	\$16,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
PROPERTY MANAGEMENT								
2 Part-Time Trades Workers I Positions	Internal	\$58,000		\$60,000		2	Multiple Programs	Currently, the department only has 16 skilled employees that perform a variety of maintenance functions throughout the City. In order to be more efficient and complete work orders in a timely manner, an increase in personnel is crucial.
2 Trades Worker I Positions	Internal	\$110,000		\$139,000	2		Multiple Programs	Currently, the department only has 16 skilled employees that perform a variety of maintenance functions throughout the City. In order to be more efficient and complete work orders in a timely manner, an increase in personnel is crucial.
Facility Zone Manager Position - Zone 6 Parks	Internal	\$79,000		\$101,000	1		General Administration	The oversight of maintenance and repair of the parks facilities is a heavy workload and requires a fulltime position to efficiently and effectively ensure the delivery of timely repairs and maintenance. As a City that prides itself on an unparalleled parks and recreation program, it is imperative that the facilities associated with these programs match the level of service the City provides through its programming.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Facility Zone Manager Position - Zone 7 Special Taxing Districts	Internal	\$79,000		\$101,000	1		General Administration	The City is seeing an increase in local communities coming together and requesting their inclusion in a special taxing district. Currently, the City manages the Normandy Shores Neighborhood Improvement District and beginning in FY 2018/19, the City will be responsible for managing the Biscayne Point Special Taxing District. It is anticipated that the number of districts managed by the City will continue to grow. Managing special taxing districts requires significant work and time and requires the need for a full-time position to ensure that these districts receive the level of service expected from the City.
Additional Temporary Labor	Internal	\$60,000		\$60,000			Multiple Programs	During High Impact Events, Special Events, and Hurricane Season, temporary labor is relied upon heavily to ensure that the City is adequately prepared. In the upcoming year, Property Management would like to utilize temporary labor to also augment weekend and night service and maintenance. This augmentation will help to ensure that there is always an adequate level of service without any down-time.
Chiller Preventative Maintenance	Internal	\$134,000		\$134,000			Multiple Programs	Chiller replacement for facilities can be costly, and in an effort to prevent total replacement of chiller units, a preventative maintenance program would ensure that units are functioning at full capacity and to the term of their life. Without a proper program to maintain the chillers citywide, the units will become faulty and replacement will come sooner than anticipated.
Accruent Capital Planning-VFA Facility Condition Reassessment (One-time)	Internal	\$214,000		\$0			Multiple Programs	This tool (FCA) provides Property Management with the most accurate information to ensure that all building are meeting a good or excellent rating, while also assisting the department is planning long-term projects. Every 5 years, a reassessment needs to be completed in order to ensure that the information in the database accurately reflects the physical state of the building. The 5 year reassessment is to be done in the upcoming fiscal year. As a tool that is used as a compass to guide the direction of the department, it is imperative that funding for this reassessment be received. This will ensure that City facilities are properly taken care of and available resources are allocated accordingly.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Holiday Lighting and Visual Décor	Resort Tax	\$365,000	\$140,000	\$365,000			Service Contract Maintenance and Contracted Repairs	This enhancement would allow the City to install additional custom made holiday lighting decor that illustrates the City's dedication to beauty and aesthetics per direction received from the Neighborhoods and Community Affairs Committee by adding holiday lighting on Lincoln Road, Convention Center Drive, Ocean Drive, etc.
Increase in Professional Services	Internal	\$60,000		\$60,000			Multiple Programs	This enhancement is being requested in order to expedite the permitting process for new projects and streamline the process of having accurate construction drawing for City assets by outsourcing the development of necessary construction drawings thereby allowing Property Management staff additional time to focus on the implementation and completion of projects instead.
Lincoln Road Halloween Event Public Safety Initiatives RDA	RDA	\$75,000		\$75,000			Lincoln Road Maintenance and Repairs	This enhancement would allow Property Management to provide the necessary services, materials and maintenance before, during and after the Halloween event on Lincoln Road.
Articulating Lift (One-time)	Internal	\$65,000		\$0			Facility Maintenance and Operations	An articulating lift is necessary in order for employees to perform repairs and maintenance in areas that are out of reach of the department's ladders. The articulating lift provides ease of maintenance for these areas and will provide expedited service since there will no longer be a lead time waiting on equipment in order to complete the repair.
Living Wage Impact	Internal	\$71,000	\$71,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
PUBLIC WORKS								
Cat Network Program	General	\$18,000		\$18,000			Cat Network Program	The Cat Network Program is a spay/neuter program for surgeries, vaccines and wellness. This enhancement is to provide funding outside of the grant contribution for the trailer, septic tank, marketing, feeders, badges and other operating expenditures needed for the program to be successful.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Planet On-Demand Imagery	General	\$26,000		\$26,000			Geographical Information Systems	This enhancement will provide for annual subscription of daily satellite imagery of the City from the planet scope constellation at 10 ft. spatial resolution, as well as weekly imagery during hurricane season at 2 ft. spatial resolution. Further, imagery will assist with tracking progressive change of the City's tree canopy, sand loss and water quality in Biscayne Bay, as well as monitoring algae blooms and major changes in land use.
City of Miami Beach Maintenance of All Trees and Palms throughout Right-of-Ways	General	\$1,139,000		\$1,139,000			Tree Maintenance	This enhancement is being requested to fund the annual costs associated with the contracted routine maintenance of all the trees and palms within the City's rights-of-way per direction received from the Sustainability Committee's March 14, 2018 meeting, which is based on a 'Hybrid' model, wherein a portion of the work will be performed by contractors, and the remaining portion is to be performed by Greenspace Management's internal tree trimming personnel.
SASE SC10E Gas Scarifier (One-time)	General	\$7,000		\$0			Streets Operating & Maintenance	This enhancement is being requested to purchase a Gas Scarifier machine with dust control vacuum. The department is tasked with the maintenance and repairs of the City's sidewalks, curbs and gutters. Acquisition of this equipment will improve productivity and efficiency, reduce the cost of sidewalk repairs by grinding and leveling sidewalks instead of replacing complete sidewalk panels and increase customer service.
Street Lighting Technician I Position	General	\$58,000		\$71,000	1		Street Light Operating & Maintenance	This enhancement is being requested to add a full time Street Lighting Technician I position for the purpose of maintaining the City's street lighting infrastructure. This position will be essential in order to effectively manage added work loads and lighting demands, as well as improve the department's ability to complete lighting improvement projects and provide quality customer service.
Model T-4 Walk Behind Chain Trencher (One-time)	General	\$4,000		\$0			Streets Operating & Maintenance	This enhancement is being requested to purchase a walk-behind chain trencher to help the division improve productivity and efficiency when digging trenches for conduit installations by reducing the cost of manual labor associated with hand digging.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Living Wage Impact	General	\$24,000	\$24,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
PUBLIC WORKS - SEWER								
1 Ton F-350 Single Cab with Utility Box (One-time)	Enterprise	\$45,000		\$0			Sewer System Maint. & Repairs	This enhancement is being requested to purchase a pick-up truck with tool storage with the capability of towing large generators and pumps based on the department's current limitations towing essential machinery and equipment.
Living Wage Impact	Enterprise	\$1,000	\$1,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
PUBLIC WORKS - STORM WATER								
Electrician Position	Enterprise	\$112,000		\$89,000	1		Storm water Pump Station Maint. & Repairs	This enhancement is being requested to add an additional position for the purpose of overseeing the ongoing and increasing electrical maintenance and repairs of the storm water pumps citywide.
Supervisor Position	Enterprise	\$99,000		\$79,000	1		Storm water System Maintenance	This enhancement is being requested to add an additional position for the purpose of overseeing the ongoing and increasing general maintenance and repairs of the storm water pumps citywide.
Two (2) Pumping Mechanic Positions	Enterprise	\$152,000		\$144,000	2		Storm water Pump Station Maint. & Repairs	This enhancement is being requested to add two additional positions for the purpose of ensuring the required and increasing general maintenance and repairs of the storm water pumps citywide.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Living Wage Impact	Enterprise	\$1,000	\$1,000	\$0	0		Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
PUBLIC WORKS - WATER								
1 Ton F-550 Single Cab Dump Truck, Trailer, and Mini Excavator (One-time)	Enterprise	\$150,000		\$0			Water System Maintenance and Repair	This enhancement is being requested to purchase a pick-up truck, trailer, and mini excavator to improve efficiency and productivity. This equipment will allow personnel to access areas where larger equipment is unable to be utilized thereby eliminating the need for rental of emergency equipment and reducing necessary man-hours for hand digging.
Living Wage Impact	Enterprise	\$1,000	\$1,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
PUBLIC WORKS - SANITATION								
One (1) Municipal Service Worker I Position & One (1) Municipal Service Worker II Position	Enterprise	\$157,000		\$109,000	2		Street Sweeping	This enhancement is being requested to increase cleanliness in the South of 5th area by including additional pressure washing of sidewalks in the South of 5th area along Ocean Drive, Collins Avenue, and Washington Avenue, among others.
Enhanced Levels of Cleanliness Service Options - Pressure Washing Beach walk	Enterprise	\$296,000		\$292,000	0.25		Cleanliness Index Program	Per direction from the Neighborhoods Committee meeting on May 22, 2018, this enhancement is being requested, including an additional Excellence Program Assessor to assist with the collection of data, to increase the frequency of pressure washing and cleaning on the beachwalk to address deterioration in both current cleanliness and survey results.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Enhanced Levels of Cleanliness Service Options - Pressure Washing Collins Avenue	Enterprise	\$636,000		\$632,000	0.25		Cleanliness Index Program	Per direction from the Neighborhoods Committee meeting on May 22, 2018, this enhancement is being requested, including an additional Excellence Program Assessor to assist with the collection of data, to increase the frequency of pressure washing and cleaning on Collins Avenue to address deterioration in both current cleanliness and survey results.
Enhanced Levels of Cleanliness Service Options - Litter	Enterprise	\$289,000		\$285,000	0.25		Cleanliness Index Program	Per direction from the Neighborhoods Committee meeting on May 22, 2018, this enhancement is being requested, including an additional Excellence Program Assessor to assist with the collection of data, to support a litter overnight crew for the South Beach Entertainment Area to address deterioration in both current cleanliness and survey results.
Enhanced Levels of Cleanliness Service Options - Pressure Washing Ocean Drive	Enterprise	\$137,000		\$133,000	0.25		Cleanliness Index Program	Per direction from the Neighborhoods Committee meeting on May 22, 2018, this enhancement is being requested, including an additional Excellence Program Assessor to assist with the collection of data, to increase the frequency of pressure washing and cleaning on Ocean Drive to address deterioration in both current cleanliness and survey results.
Living Wage Impact	Special Revenue	\$1,000	\$1,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
Living Wage Impact	Enterprise	\$32,000	\$32,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
TOURISM, CULTURE & ECONOMIC DEVELOPMENT (TCED)								
Bass Museum Management Agreement	General	\$234,000		\$234,000			Bass Museum	This enhancement is being requested to increase the City's current management agreement with the Friends of the Bass Museum from \$651,000 to \$885,000 to address certain management & operational responsibilities of the Bass Museum.
Office Associate V Position - Events Liaison	Resort Tax	\$65,000		\$79,000	1		Special Events	This enhancement is being requested to increase the level of new Special Events review, production, management and execution by adding a dedicated full-time position to handle these tasks productively, efficiently, and effectively.
Colony Theatre Management Agreement-MIND	General	\$330,000		\$330,000			Cultural Affairs	As Miami New Drama continues to expand cultural offerings to residents and visitors, additional funding is necessary for administrative, programmatic and educational support. This venue continues to be the home of annual shows, including the Miami International Piano Festival, the Brazilian Film Festival, the Miami International Ballet Festival, South Beach Jazz Festival, Art Basel Miami Beach Film Screening, the American Black Film Festival and the Gay and Lesbian Film Festival.
Miami Design Preservation League - Art Deco Weekend (One-time)	Resort Tax	\$120,000		\$0			Special Events	This enhancement is requested by the Miami Design Preservation League to offset fees and licenses paid to the City for Police, Fire, Parking, Sanitation, etc.
Art in Public Places	General	\$60,000		\$60,000			Art in Public Places	This enhancement is being requested for annual maintenance and conservation of the additional public art projects to include the Rehberger Lighthouse and Gate, the Perry sculpture, and Graham.
International Tennis Federation (ITF) Sponsorship (One-time)	Resort Tax	\$100,000	\$100,000	\$0			Special Events	The City made a three year initial commitment to sponsor the International Tennis Federation, and this enhancement represents the final (third year) installment. The tournaments attract several hundred international players, all of whom are booked into Miami Beach hotels, via the event organizer. The world-class level of tennis competition associated with this tournament elevates the City of Miami Beach as a sporting destination.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Miami Beach Air & Sea Show (One-time)	Resort Tax	\$600,000	\$350,000	\$0			Special Events	This enhancement is being requested to provide a \$350,000 sponsorship for City services (Police, Fire, Sanitation, etc.) required during the event, as well as an additional \$250,000 for a concert component. The objective of this event is to honor the military and first responders during Memorial Day Weekend with an air and sea show comprised of premium aircraft flight demonstration and aquatic show with a concert component and ancillary activities such as entertainment, exhibits, souvenir sales, etc.
Super Bowl 2020 (One-time)	Resort Tax	\$500,000	\$500,000	\$0			Special Events	This enhancement is being requested for Super Bowl 2020 activities on Miami Beach, including major VIP and fan-based events at the Miami Beach Convention Center, as well as event activates throughout the City. The Super Bowl 2020 Committee requested further support of the 2020 edition of this major, high impact and revenue driving event to the City.
Memorial Day Weekend Cultural Activation (One-time)	Resort Tax	\$100,000	\$100,000	\$0			Special Events	Cultural programming was suggested and curated by the Mayor's Blue Ribbon Panel on Memorial Day Weekend as a way to engage and entertain the City's many guests. This enhancement is being requested as approved and directed by the Mayor and City Commission.
Orange Bowl (One-time)	Resort Tax	\$150,000	\$150,000	\$0			Special Events	The Orange Bowl Committee recently requested support to expand and deepen its footprint in Miami Beach. This enhancement is being request to support the Orange Bowl while also maximizing the Miami Beach brand as a world-class destination.
Aqua Foundation/Aqua Girl LGBTQ Event (One-Time)	Resort Tax	\$35,000		\$0			Special Events	The Aqua Foundation/Aqua Girl LGBTQ event is planned for September 27 – October 1, 2018 in various venues throughout Miami Beach, including The National Hotel as the host hotel. All events take place inside private property and are ticketed events. This year marks the 18 year anniversary of the event, which attracts approximately 2,000-3,000 guests annually. The organizers are requesting the City sponsor the event in the amount of \$35,000 to cover the costs of production, marketing, and events logistics for a pool party at The National Hotel.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
O'Cinema Management Agreement	General	\$150,000		\$150,000			Cultural Affairs	As part of a comprehensive strategy to incentivize local film in Miami Beach, the City of Miami Beach currently has an agreement with O'Cinema to operate the Byron-Carlyle Theater. As part of the City's current support, O'Cinema Management is seeking additional support of \$150,000 via this enhancement request for ongoing maintenance and repairs, as well as an annual subsidy to support and expand current programming in the theater. The current management agreement also stipulates that O'Cinema to pay the City an annual minimum guarantee of \$5,000, as well as reimburse the City for 72% of the utility costs for the theater, which are approximately \$22,000 annually. This enhancement also requests that the annual minimum guarantee be eliminated and O'Cinema no longer be required to reimburse the City for its current percentage of utility costs for the Byron-Carlyle Theater. Overall, the total recurring impact for this enhancement request is \$177,000.
Washington Avenue Master Plan (One-time)	General	\$50,000	\$50,000	\$0			Economic Development	This enhancement is being requested for a Washington Avenue design plan that would focus on improvements to increase vibrancy, lighting, and gathering points along the corridor for both residents and tourists.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
TOURISM, CULTURE & ECONOMIC DEVELOPMENT - CONVENTION CENTER								
Convention Center Community Grand Opening & Gala (One-time)	Enterprise	\$250,000	\$250,000	\$0			Miami Beach Convention Center	This enhancement is being requested to support the Grand Opening and Community Open House event of the newly renovated Miami Beach Convention Center planned for January 2019 to showcase the newly expanded and renovated Convention Center as a world-class destination.
Convention Center Transportation Enhancement Package	Enterprise	\$360,000	\$360,000	\$360,000			Miami Beach Convention Center	This enhancement is being requested to support bookings of Priority 1 events at the newly renovated Convention Center by providing transportation from local hotels to and from the Convention Center for 9 Priority 1 events at approximately \$40,000 for each event.
City of Miami Beach Hall of Fame Digital Display (One-time)	Enterprise	\$200,000	\$200,000	\$0			New Program (Hall of Fame)	This enhancement is being requested to create a City of Miami Beach Hall of Fame Digital Display to be located in the newly expanded and renovated Miami Beach Convention Center South Concourse per direction received from the City Commission at the July 26, 2017 meeting whereby the Neighborhood and Community Affairs Committee's recommendation was accepted to create a Selection Committee for the Miami Beach Hall of Fame, adopt criteria for Hall of Fame nominees, determine the method of display, and designate the Miami Beach Convention Center South Concourse wall as the location for this permanent installment.
Living Wage Impact	Enterprise	\$50,000	\$50,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
TRANSPORTATION								
Intelligent Transportation System and Smart Parking System Operations and Maintenance - Option 1	Special Revenue	\$315,000		\$1,350,000			Traffic Monitoring and Management/Intelligent Transportation Systems and Smart Parking Systems	This enhancement is being requested for operations and maintenance of the City's Intelligent Transportation Systems and Smart Parking Systems Project. Option 1 would allow the City to fully fund the operation and maintenance for Phases 1 and 2 and provide the leverage to the City to ensure the contractor complies with all established performance measures. Based on daily travel time data collected along major corridors as part of the Traffic Monitoring and Management Program, the permanent implementation and operation of ITS/SPS is anticipated to result in 22% travel time savings on average along major corridors. It is also important to highlight that ITS reduces travel times through work zones by 13% on average. This is crucial with planned reconstruction projects along many of the major corridors in the City.
Intelligent Transportation System and Smart Parking System Operations and Maintenance - Option 2	Special Revenue	\$250,000		\$1,100,000			Traffic Monitoring and Management/Intelligent Transportation Systems and Smart Parking Systems	This enhancement is being requested for operations and maintenance of the City's Intelligent Transportation Systems and Smart Parking Systems Project. Option 2 would require a reduction in performance measures for operations and maintenance, which may affect the ability to operate the system and utilize the network to its optimal conditions. Travel time savings under this Option would be adversely impacted as a result of the reduced coverage and maintenance. Furthermore, the City would have limited performance measures and penalties in order to reduce costs.
Intelligent Transportation System and Smart Parking System Operations and Maintenance - Option 3	Special Revenue	\$100,000		\$350,000			Traffic Monitoring and Management/Intelligent Transportation Systems and Smart Parking Systems	This enhancement is being requested for operations and maintenance of the City's Intelligent Transportation Systems and Smart Parking Systems Project. Under Option 3 the operations and maintenance of the project would be reduced significantly and the benefits over the No-Build Option would be limited. In addition, special events in the City would not be covered. No performance measures or penalties would be applicable under this scenario, thus impacting the benefit that this project can bring to the transportation network.

ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Transportation Demand Management Support	Special Revenue	\$20,000		\$20,000			Traffic Impact Study Reviews and Citywide Transportation Demand Management (TDM) Program Administration	This enhancement is being requested to fund assistance from South Florida Commuter Services for monitoring compliance of new and existing Transportation Demand Management Strategies. The TDM policy included in the Transportation Element of the City's 2025 Comprehensive Plan (Policy 6.2) directs staff to educate and encourage the development community to implement TDM strategies to improve mobility, reduce the need for parking, and improve the efficiency of the City's roadway network. On June 13, 2018, the LUDC approved a set of draft strategies, which will be presented to the City Commission for approval on July 25, 2018.
Transit Subsidy for City Employees	Special Revenue	\$87,000		\$115,000			Citywide Trolley Service	This enhancement is being submitted per direction received from the June 29, 2018 Finance and Citywide Projects Committee meeting to explore subsidizing monthly transit passes for City employees who choose to use public transit to commute to work. The County's proposed Beach Express North Bus Express Rapid Transit (BERT) Demonstration service is anticipated to begin by the end of 2018. This enhancement will allow the City to encourage its employees who commute to use the BERT service, thereby reducing the number of private vehicles on City streets. The Year 1 cost is projected based on providing a monthly subsidy for transit passes (at a cost of \$95.65 each) to 100 employees for nine (9) months per the County's timeline of service commencement by the end of 2018. The Year 2 cost of \$115,000 is projected based on providing a monthly subsidy for transit passes to 100 employees for 12 months.

**ATTACHMENT C
PROPOSED FY 2018/19 ENHANCEMENTS**

Department	Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact	Positions		Program	Description
					FT	PT		
Living Wage Impact	Special Revenue	\$35,000	\$35,000	\$0			Administration	This enhancement is being requested pursuant to Resolution 2018-30299, which was adopted by Commission on May 16, 2018 accepting the Finance and Citywide Projects Committee's recommendation to continue with the previously approved phase-in approach increasing the minimum living wage rate by \$0.56 per hour for FY 2018/19.
Grand Total of Positions Recommended					20	-1		

Fund	Requested Enhancement	Recommended Enhancement	Year 2 Impact
General Fund	\$8,979,000	\$1,808,000	\$7,160,000
	\$1,023,000	\$61,000	\$658,000
	\$10,002,000	\$1,869,000	\$7,818,000
Building	\$190,000	\$8,000	\$151,000
Internal Service	\$1,210,000	\$74,000	\$774,000
Resort Tax	\$3,024,000	\$2,191,000	\$1,282,000
RDA	\$125,000	\$45,000	\$79,000
Enterprise	\$3,860,000	\$1,787,000	\$4,055,000
Special Revenue	\$891,000	\$119,000	\$3,007,000

Internal Service impact (% based on FY 2018/19 Preliminary Allocations)

**ATTACHMENT D
PROPOSED FY 2018/19 REVENUE REDUCTIONS**

Department	Fund	Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact	Positions		Program	Description
					FT	PT		
TOURISM, CULTURE, & ECONOMIC DEVELOPMENT								
O'Cinema Management Agreement	General	\$27,000		\$27,000			Cultural Affairs	As part of a comprehensive strategy to incentivize local film in Miami Beach, the City of Miami Beach currently has an agreement with O'Cinema to operate the Byron-Carlyle Theater. As part of the City's current support, O'Cinema Management is seeking additional support of \$150,000 via this enhancement request for ongoing maintenance and repairs, as well as an annual subsidy to support and expand current programming in the theater. The current management agreement also stipulates that O'Cinema to pay the City an annual minimum guarantee of \$5,000, as well as reimburse the City for 72% of the utility costs for the theater, which are approximately \$22,000 annually. This enhancement also requests that the annual minimum guarantee be eliminated and O'Cinema no longer be required to reimburse the City for its current percentage of utility costs for the Byron-Carlyle Theater. Overall, the total recurring impact for this enhancement request is \$177,000.
		Grand Total of Positions Recommended			0	0		

Fund	Potential Efficiency/ Reduction	Recommended Efficiency/ Reduction	Year 2 Impact
General Fund	\$27,000	\$0	\$27,000
	\$0	\$0	\$0
	\$27,000	\$0	\$27,000
Building	\$0	\$0	\$0
Internal Service	\$0	\$0	\$0
Resort Tax	\$0	\$0	\$0
RDA	\$0	\$0	\$0
Enterprise	\$0	\$0	\$0
Special Revenue	\$0	\$0	\$0

Internal Service impact (% based on FY 2018/19 Preliminary Allocations)

ATTACHMENT E

RESOLUTION NO. 2006-26341

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING CITY OF MIAMI BEACH FINANCIAL POLICIES RELATING TO STABILIZATION FUNDS; FUND BALANCE; CONTINGENCY PLANNING AND CASH RESERVES; USE OF NON-RECURRING REVENUES; CAPITAL ASSET ACQUISITION, MAINTENANCE, REPLACEMENT AND RETIREMENT; AND GUIDING THE DESIGN OF PROGRAMS AND SERVICES

WHEREAS, the City's Budget Advisory Committee (BAC), with support from the City Administration, has begun analyzing the City's existing financial policies, and recommended an initial set of additional financial policies for consideration by the City Commission; and

WHEREAS, the City has several existing formal financial policies that provide the framework for budget development and adoption and for financial management which are governed by Florida State Statute, the City Charter; and by prior adopted policies of the Mayor and City Commission; and

WHEREAS, the City also has several informal policies subject to implementation by the City administration; and

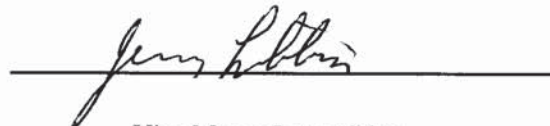
WHEREAS, the National Advisory Council on State and Local Budgeting and the Government Finance Officers Association recommends that jurisdictions establish and adopt policies to help frame resource allocation decisions, and to help guide service provision and capital asset acquisition, maintenance, replacement, and retirement.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, hereby adopts the financial policies contained in Exhibit A: City of Miami Beach Financial Policies Relating to Stabilization Funds; Fund Balance; Contingency Planning and Cash Reserves; Use of Non-Recurring Revenues; Capital Asset Acquisition, Maintenance, Replacement and Retirement; and Guiding the Design of Programs and Services.

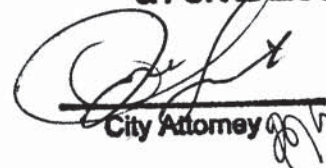
PASSED AND ADOPTED THIS 21st DAY OF September 2006.

Attest:


CITY CLERK
Robert Parcher


Vice-Mayor Jerry Libbin

**AS TO
FORM & LANGUAGE
& FOR EXECUTION**


City Attorney
9/16/06
Date

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EXHIBIT A

CITY OF MIAMI BEACH FINANCIAL POLICIES RELATING TO STABILIZATION FUNDS; FUND BALANCE; CONTINGENCY PLANNING AND CASH RESERVES; USE OF NON-RECURRING REVENUES; CAPITAL ASSET ACQUISITION, MAINTENANCE, REPLACEMENT AND RETIREMENT; AND GUIDING THE DESIGN OF PROGRAMS AND SERVICES

Stabilization Funds & Fund Balance/Contingency Planning and Cash Reserves

1. The City of Miami Beach shall maintain the Emergency Reserve at eleven percent (11%) of the General Fund Operating Budget of the ensuing year (11% Emergency Reserve) for use as defined in resolution 98-22661.
2. The City of Miami Beach shall have a goal to also maintain a General Fund Reserve for Contingencies equal to at least six (6%) of the General Fund Operating Budget that, in combination with the 11% Emergency Reserve, represents two (2) months of the General Fund Operating Budget expenditures.
3. Said reserve shall be increased or decreased annually but shall be maintained at a minimum of six percent (6%) of the then existing General Fund Operating Budget.
4. If the General Fund Reserve for Contingencies level falls below the six percent (6%) level, a plan of action will be required to increase the reserves over three (3) to seven (7) years to at least six percent (6%) and a percentage of any additional undesignated fund balance shall be earmarked toward attainment of the six percent (6%) level.
5. The City of Miami Beach shall have a goal to develop and maintain appropriate levels of reserves in the Enterprise Funds as in the General Fund.
6. The City of Miami Beach shall have a goal of maintaining a reserve of one hundred percent (100%) of pending claims in the Risk Management Fund, and shall strive to fund two-thirds (2/3) of the estimated value of insurance claims incurred but not reported.

Use of Non-Recurring Revenues

The City of Miami Beach will use one time, non-recurring revenue for capital expenditures or one time expenditures and not to subsidize recurring personnel, operations and maintenance cost.

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Capital Asset Acquisition, Maintenance, Replacement and Retirement

1. The City shall maintain a dedicated portion of the operating millage for General Fund Capital Renewal and Replacement as defined in Resolution 2005-25832.
2. The City shall have a goal to fund for the following capital needs as a permanent part of the budget in an amount not less than five percent (5%) of the annual fiscal operating budget of the General Fund of the City:
 - **Capital Renewal and Replacement** - to ensure adequate funding for the renewal and replacement of the City's General Fund facilities to extend the useful life or replace equipment whose useful life has expired.
 - **Capital Reserve Fund** - to help ensure adequate funding related to previously approved capital projects for expenditures due to bids that are over-budget, change orders, or other unforeseen items for General Fund projects.
 - **Pay-As-You-Go Capital Fund** - to ensure adequate on-going reinvestment in capital plant and equipment, to avoid deferring capital needs until there is a major bond issue.
 - **Capital Investment Upkeep Fund** - to help ensure adequate funding for General Fund non-facility related upkeep.
 - **Information & Communications Technology Fund** - to help ensure adequate funding for the procurement of new or enhanced information and technology needs of the City.
3. The City shall strive to achieve as a goal that annual General Fund revenues in excess of expenditures shall be transferred to the Capital Reserve Fund.
4. The City shall have a goal to develop and maintain appropriate levels of capital reserves in the Enterprise Funds as in the General Fund.

Guiding the Design of Programs and Services

1. The City shall create a strategic plan that identifies multi-year strategic priorities (Key Intended Outcomes) with corresponding result measures for each priority.
2. Annually, the City shall use a strategic planning process to develop initiatives that support the strategic plan priorities.
3. The budget process and format shall be performance-based and focused on Key Intended Outcomes and performance measures.
4. Any new initiative not core to the City's core mission or Key Intended Outcomes identified in the strategic plan that is greater than half of a percent (0.5%) of operating budget for the fund impacted per year, or cumulatively, shall be first considered as part of the City's annual strategic planning process to develop initiatives.

Condensed Title:

Resolution Adopting Financial Policies for the City of Miami Beach Relating to Stabilization Funds & Fund Balance/Contingency Planning and Cash Reserves; Use of Non-Recurring Revenues; Capital Asset Acquisition, Maintenance, Replacement and Retirement; and Guiding the Design of Programs and Services.

Key Intended Outcome Supported:

Ensure expenditure trends are sustainable over the long term
Improve the City's overall financial Health and maintain overall bond rating

Issue:

Should the Commission adopt the proposed City of Miami Beach Financial Policies, as recommended by the Budget Advisory Committee?

Item Summary/Recommendation:

The City of Miami Beach's Strategic Plan includes Key Intended Outcomes to ensure the long-term sustainability of City government: Ensure expenditure trends are sustainable over the long term; and Improve overall financial health and maintain overall bond rating. A number of policies and structural changes have been implemented towards achieving these outcomes. One of the Citywide Initiatives adopted with the FY 2005/06 budget is the review and further enhancement of the City's financial policies.

Beginning in January 2006, the Budget Advisory Committee (BAC), with support from City administration, began the task of analyzing the City's existing policies, identifying best practices as recommended by the Government Finance Officer Association (GFOA), and reviewing policies of other highly-regarded municipalities. City staff also provided insight regarding rating agency considerations for improving the financial outlook for the City. For their initial set of recommendations, the BAC focused on the following policies: Stabilization Funds & Fund Balance/Contingency Planning and Cash Reserves; Use of Non-Recurring Revenues; Capital Asset Acquisition, Maintenance, Replacement and Retirement; and Guiding the Design of Programs and Services. Additional policies may be considered in subsequent reviews.

These proposed policies were reviewed and approved by the Finance and Citywide Projects Committee at the July 6, 2006 Committee meeting and the City administration was directed to prepare a resolution for Commission consideration adopting policies similar to the recommendations of the Budget Advisory Committee.

The attached resolution adopts the policies recommended by the BAC with the minor revision clarifying the funding for General Fund renewal and replacement as a separate dedicated source of funding.

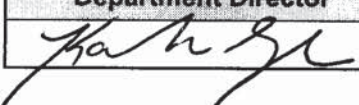
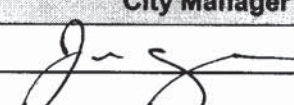
Advisory Board Recommendation:

Adopt the policies.

Financial Information:

Source of Funds:		Amount	Account	Approved
	1			
N/A	2			
OBPI	Total			
Financial Impact Summary:				

City Clerk's Office Legislative Tracking:**Sign-Offs:**

Department Director	Assistant City Manager	City Manager
		




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MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor David Dermer and Members of the City Commission
FROM: Jorge M. Gonzalez, City Manager 
DATE: September 21, 2006

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA ADOPTING CITY OF MIAMI BEACH FINANCIAL POLICIES RELATING TO STABILIZATION FUNDS, FUND BALANCE, CONTINGENCY PLANNING AND CASH RESERVES; USE OF NON-RECURRING REVENUES; CAPITAL ASSET ACQUISITION, MAINTENANCE, REPLACEMENT AND RETIREMENT; AND GUIDING THE DESIGN OF PROGRAMS AND SERVICES**

ADMINISTRATION RECOMMENDATION

Adopt the resolution.

BACKGROUND

The City of Miami Beach's Strategic Plan includes Key Intended Outcomes to ensure the long-term sustainability of City government: Ensure expenditure trends are sustainable over the long term; and Improve overall financial health and maintain overall bond rating. A number of policies and structural changes have been implemented towards achieving these outcomes. One of the Citywide Initiatives adopted with the FY 2005/06 budget is the review and further enhancement of the City's financial policies.

Beginning in January 2006, the Budget Advisory Committee (BAC), with support from City administration, began the task of analyzing the City's existing policies, identifying best practices as recommended by the Government Finance Officer Association (GFOA), and reviewing policies of other highly-regarded municipalities. City staff also provided insight regarding rating agency considerations for improving their perspective on the financial outlook for the City.

EXISTING CITY POLICIES

The City has several existing formal and informal financial policies that provide the framework for budget development and adoption and for financial management. Many of these are formal policies governed by State Statute, City Charter, and by City of Miami Beach Commission resolution. Existing policies are summarized on the following page:

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City Commission Memorandum
Resolution Adopting City of Miami Beach Financial Policies
September 21, 2006
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- The City's budget process, quarterly reporting requirements and requirement for a balanced budget are governed by Florida State Statute and by the City Charter
- Resolution 94-21258 adopted on July 27, 1994 requires review and reporting to the Miami Beach City Commission of adjustments and amendments to the City of Miami Beach annual budget for the purposes of conforming actual expenditures to the adopted budget at least once every quarter
- The City's power to borrow money, contract loans and issue bonds, notes and other obligations or evidences of indebtedness is provided by the Charter in accordance with Florida law and by the City Code
- Resolution 95-21726 on September 27, 1995 adopted an investment policy for the City of Miami Beach
- Resolution 95-21726 was amended by Resolution 97-22315 on March 5, 1997 to increase the number of authorized investment options and define the percentage of City funds which may be invested in said additional categories
- Resolution 2004-25456 adopted on January 14, 2004 authorized the administration to contract with MBIA Municipal Investors Service Corp for provision of Investment Advisory services to the City of Miami Beach to manage and direct the investment of excess funds in accordance with the City's investment objects set forth in the City of Miami Beach Investment Policy
- Resolution 96-2214 adopted on June 5, 1996 established a reserve fund to be maintained at a minimum of 11% of the General Fund Operating Budget of the ensuing year and established procedures for its use and replacement
- Resolution 96-2214 was amended by Resolution 98-22661 on February 18, 1998 to further safeguard and clarify the use of the emergency reserve funds
- Resolution 2002-24764 adopted on February 20, 2002 established a Capital Projects Reserve in the General Fund, and specified that when there exists an excess of General Fund revenues over expenditures ("earnings") that 50% of funds remaining, after funding the increase in the 11% Emergency Reserve for the ensuing year, be deposited in the Capital Reserve Fund
- Resolution 2004-25697 on September 4, 2004 established a capital renewal and replacement fund to provide a dedicated source of funding for City capital renewal and replacement projects that extend the useful life of General Fund assets, established a procedure for annual appropriation of funds, and established a procedure for their use
- Resolution 2004-25697 was amended by Resolution 2005-25832 on February 23, 2005 to establish more stringent criteria for the use of the General Fund Renewal and Replacement Fund

However, in addition to these formal policies, there are several informal policies subject to implementation by the City administration. The existing policies include:

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City Commission Memorandum
Resolution Adopting City of Miami Beach Financial Policies
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- Balanced Budget Development and Adoption
- General Fund 11% Emergency Reserve
- Setting Fees & Charges
- Use of One-Time Revenues
- Contingency Planning and Budgeting
- Debt Policy
- Use of Plans Guiding the Design of Programs and Services (City's Excellence Model)
- Capital Asset Acquisition, Maintenance, Replacement, & Retirement

GFOA RECOMMENDED POLICIES

GFOA is the professional association of state/provincial and local finance officers in the United States and Canada, and has served the public finance profession since 1906. Approximately 16,500 GFOA members are dedicated to the sound management of government financial resources. In 1993, the Government Finance Officers Association (GFOA) Executive Board directed the Association's staff to work with the GFOA Standing Committees to develop a body of recommended practices in the functional areas of public finance to give GFOA members and other state and local governments more guidance on sound financial management practices. As part of this effort, in 1995, GFOA and seven other state and local government associations created the National Advisory Council on State and Local Budgeting (NACSLB) and charged it with developing a set of recommended budget practices in the area of state and local budgeting. In 1997 the NACSLB adopted a budgeting framework and recommended budget practices that were subsequently endorsed by GFOA.

The work of the NACSLB provides a framework for describing the overall budget process. The framework is organized around the four principles of the budget process:

- Principal 1: Establish Broad Goals to Guide Government Decision Making
 - Assess Community Needs, Priorities, Challenges and Opportunities
 - Identify Opportunities and Challenges for Government Services, Capital Assets, and Management
 - Develop and Disseminate Broad Goals
- Principle 2: Develop Approaches to Achieve Goals
 - Adopt Financial Policies
 - Develop Programmatic, Operating and Capital Policies and Plans
 - Develop Programs and Services That are Consistent with Policies and Plans
 - Develop Management Strategies
- Principle 3: Develop a Budget Consistent with Approaches to Achieve Goals
 - Develop a Process for Preparing and Adopting a Budget
 - Develop and Evaluate Financial Options
 - Make Choices Necessary to Adopt a Budget
- Principle 4: Evaluate Performance and Make Adjustments
 - Monitor, Measure, and Evaluate Performance
 - Make Adjustments as Needed

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Each of these principles has additional elements that provide guidance for an effective budget process. Elements #4 and #5, of Principle 2, "Adopt Financial Policies" and "Develop Programmatic, Operating and Capital Policies and Plans" , addresses the need for jurisdictions to establish policies to help frame resource allocation decisions and to help guide service provision and capital asset acquisition, maintenance, replacement, and retirement. GFOA recommends that policies in the following areas be developed by professional staff and formally adopted by the jurisdiction's governing board: Fees & Charges; Debt Issuance & Mgmt; Debt Level & Capacity; Use of One-time Revenues; Use of Unpredictable Revenues; Balancing the Operating Budget; Revenue Diversification; Contingency Planning; Plans to Guide the Design of Programs & Services; and Capital Asset Acquisition, Maintenance, Replacement, and Retirement.

REVIEW OF POLICIES FROM OTHER JURISDICTIONS

Governing Magazine, a periodical that focuses on governmental entities regularly rates select counties and municipalities for their financial management. This list was used to identify and select jurisdictions rated as "A" by Governing Magazine: Austin, Texas; Fairfax County, Virginia; City of Long Beach, California; Maricopa County, Arizona; Minneapolis, Minnesota; Orlando, Florida; Phoenix, Arizona; State of Utah; and Virginia Beach, Virginia. Municipalities such as El Paso, Texas and Village of Palos Park, Illinois were also reviewed as they were cited in examples from GFOA materials. Additionally, available policies from neighboring communities in Florida were obtained to provide additional insight: City of Coral Springs, Ft. Lauderdale, Miami-Dade County, and Hillsborough County.

BUDGET ADVISORY COMMITTEE PRELIMINARY RECOMMENDATIONS

For their initial set of recommendations, the BAC focused on the following policies: Stabilization Funds & Fund Balance/Contingency Planning and Cash Reserves; Use of Non-Recurring Revenues; Capital Asset Acquisition, Maintenance, Replacement and Retirement; and Guiding the Design of Programs and Services (See Attachment). Additional policies may be considered in subsequent reviews.

BAC Recommendation: Stabilization Funds & Fund Balance/Contingency Planning and Cash Reserves

General Fund

The City of Miami Beach shall maintain the Emergency Reserve at 11% of the General Fund Operating Budget of the ensuing year (11% Emergency Reserve).

In addition, the City of Miami Beach shall have a goal to maintain a General Fund Reserve for Contingencies equal to 6% of the General Fund Operating Budget. In combination with the 11% of Emergency Reserve, this represents 2 months of the General Fund Operating Budget expenditures. If the Reserve for Contingencies level falls below the 6% level a plan of action will be required to increase the reserves over three to seven years (to at least 6%) and a percentage of any additional undesignated fund balance shall be earmarked toward attainment of the 6% level.

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City Commission Memorandum
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Enterprise Funds

The City of Miami Beach shall have a goal to develop and maintain appropriate levels of reserves in the Enterprise Funds as in the General Fund.

Risk Management Fund

The City of Miami Beach shall have a goal of maintaining a reserve of 100% of pending claims in the Risk Management Fund, and shall strive to fund 2/3 of the estimated value of insurance claims incurred but not reported.

BAC Recommendation: Use of Non-Recurring Revenues

The City of Miami Beach will use one time, non-recurring revenue for capital expenditures or one time expenditures and not to subsidize recurring personnel, operations and maintenance cost.

BAC Recommendation: Capital Asset Acquisition, Maintenance, Replacement and Retirement

The City shall have a goal to fund at least 5% of the General Fund to fund the following capital needs as a permanent part of the budget:

- **Capital Renewal and Replacement** - to ensure adequate funding for the renewal and replacement of the City's General Fund facilities to extend the useful life or replace equipment whose useful life has expired.
- **Capital Reserve Fund** - to help ensure adequate funding related to previously approved capital projects for expenditures due to bids that are over-budget, change orders, or other unforeseen items for General Fund projects.
- **Pay-As-You-Go Capital Fund** - to ensure adequate on-going reinvestment in capital plant and equipment, to avoid deferring capital needs until there is a major bond issue.
- **Capital Investment Upkeep Fund** - to help ensure adequate funding for General Fund non-facility related upkeep.
- **Information & Communications Technology Fund** - to help ensure adequate funding for the procurement of new or enhanced information and technology needs of the City.

The City shall strive to achieve as a goal that annual General Fund revenues in excess of expenditures shall be transferred to the Capital Reserve Fund.

The City shall have a goal to develop and maintain appropriate levels of capital reserves in the Enterprise Funds as in the General Fund.

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BAC Recommendation: Guiding the Design of Programs and Services

- The City shall create a strategic plan that identifies multi-year strategic priorities (Key Intended Outcomes) with corresponding result measures for each priority.
- Annually, the City shall use a strategic planning process to develop initiatives that support the strategic plan priorities.
- The budget process and format shall be performance-based and focused on Key Intended Outcomes and performance measures.
- Any new initiative not core to the City's core mission or Key Intended Outcomes identified in the strategic plan that is greater than 0.5% of budget for the fund impacted per year, or cumulatively, shall be first considered as part of the City's annual strategic planning process to develop initiatives.

CONCLUSION

These policies align with the City's key intended outcomes to ensure expenditure trends that are sustainable over the long term; improve the City's overall financial health; and maintain the City's overall bond rating.

These proposed policies were reviewed and approved by the Finance and Citywide Projects Committee at the July 6, 2006 Committee meeting and the City administration was directed to prepare a resolution for Commission consideration adopting policies similar to the recommendations of the Budget Advisory Committee.

The attached resolution adopts the policies recommended by the BAC with the minor revision clarifying the funding for General Fund renewal and replacement as a separate dedicated source of funding.

Attachment



MIAMI BEACH

BUDGET ADVISORY COMMITTEE

**RECOMMENDED FINANCIAL
POLICIES**

May 2006
Revised

ATTACHMENT E

STABILIZATION FUNDS & FUND BALANCE, CONTINGENCY PLANNING AND CASH RESERVES

GFOA Recommendation

Practice: A government should develop policies to guide the creation, maintenance, and use of resources for financial stabilization purposes.

Rationale: Governments should maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

Outputs: The policies should establish how and when a government builds up stabilization funds and should identify the purposes for which they may be used. Development of a policy on minimum and maximum reserve levels may be advisable. Policies on stabilization funds should be publicly available and summarized in materials used in budget preparation. They also should be identified in other government documents, including planning and management reports.

Notes: Stabilization funds are called by many names including rainy day funds, unreserved, undesignated fund balances, and contingency funds. These funds may be used at a government's discretion to address temporary cash flow shortages, emergencies, unanticipated economic downturns, and one-time opportunities. They provide flexibility to respond to unexpected opportunities that may help a government achieve its goals. Policies on the use of these funds may also be tied to an adverse change in economic indicators (such as declining employment or personal income) to ensure that the funds are not depleted before an emergency arises. The minimum and maximum amounts to be accumulated may be based on the types of revenue, the level of uncertainty associated with revenues, the condition of capital assets, or the government's level of security with its financial position. Stabilization funds may be constrained by state or local laws. Legally required reserves should be distinguished from discretionary reserves.

"How Much Unreserved Fund Balance for the Fund Balance Policy?"

A number of standards for size of unreserved fund balance in the general funds that have been cited over the years. GFOA recommends that general purpose governments, regardless of size, maintain unreserved fund balance in their general fund of no less than 5 to 15 percent of regular general fund operating revenues, or of no less than one to two months of regular general fund operating expenditures.

Bond raters and others often use the rule of thumb standard that calls for an unreserved fund balance in the general fund of 5 percent. Others argue that unreserved fund balance should be equal to no less than one month's operating expenditures (e.g., 8.3 percent). Still others argue for a broader range of one to three months of operating expenditures.

A government's particular situation may require levels of unreserved fund balance in the general significantly in excess of these recommended minimum levels. The most commonly

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cited factor in greater unreserved fund balance size (general fund) is budget size. A government's unreserved fund balance should be inversely proportional to its total budget size. Smaller governments are more susceptible to economic changes and, therefore, require a larger unreserved fund balance.

Other factors cited for concern by GFOA include:

- Volatility of revenue structures (e.g. dependence on general sales tax, etc.)
- Diversification of revenue streams
- Ability to defer purchases
- Frequency of annual surpluses or deficits
- Stability of cash flows
- Economic sensitivity of expenditures

Current Conditions

General Fund Reserves

Pursuant to City Commission Resolution No. 96-22014 adopted June 5, 1996 and amended by Resolution No. 98-22661, the City is required to maintain a reserve at 11% of the General Fund Operating Budget of the ensuing year, and can only be used for defined public emergencies requiring a 5/7 vote rather than a majority of the Commission.

The FY 2005/06 Adopted General Fund Operating Budget is \$207,925,117. The 11% Emergency Reserve level for FY 05/06 \$ 22,547,282. The undesignated fund balance in the General Fund as of September 30, 2005, net of the 11% Emergency Reserve and capital reserve of \$3.7 million, was \$12.3 million or 6% of the Adopted General Fund Operating Budget.

Further, on an annual basis, since 2001, the City appropriates funding for General Fund Operating Contingency and an additional appropriation for unfunded projects at the City Manager's discretion.

Reserves in the Risk Management Fund

The total unpaid claims in the Risk Management Fund as of September 30, 2005, is \$18.3 million, this includes as estimate for claims incurred but not yet reported of \$10.1 million. The City reserves on an "occurrence" basis, reserving for anticipated and known claims when they occur, regardless of the ultimate date of payment or disposition. AS of September 30, 2005, the fund reflected a total net negative assets of \$11.1 million.

The FY 2005/06 budget includes an annual appropriation of \$1 million to reduce the deficit in the Risk Management Fund, with a plan to continue to reduce the deficit over time.

BAC Recommendation:

General Fund

The City of Miami Beach shall maintain the Emergency Reserve at 11% of the General Fund

ATTACHMENT E

Operating Budget of the ensuing year (11% Emergency Reserve), shall maintain the definition of a public emergency for which funds could and require a 5/7 vote for expenditures of such funds.

In addition, the City of Miami Beach shall have a goal to maintain a General Fund Reserve for Contingencies equal to 6% of the General Fund Operating Budget. In combination with the 11% pf Emergency Reserve, this represents 2 months of the General Fund Operating Budget expenditures. If the Reserve for Contingencies level falls below 6% level a plan of action will be required to increase the reserves over three to seven years (to at least 6%) and a percentage of any additional undesignated fund balance shall be earmarked toward attainment of the 6% level.

Enterprise Funds

The City of Miami Beach shall have a goal to develop and maintain appropriate levels of reserves in the Enterprise Funds as in the General Fund.

Risk Management Fund

The City of Miami Beach shall have a goal of maintaining a reserve of 100% of pending claims in the Risk Management Fund, and shall strive to fund 2/3 of the estimated value of insurance claims incurred but not reported.

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USE OF NON-RECURRING/ONE-TIME REVENUES

GFOA Recommendation

Practice: A government should adopt a policy limiting the use of one-time revenues for ongoing expenditures.

Rationale: By definition, one-time revenues cannot be relied on in future budget periods. A policy on the use of one-time revenues provides guidance to minimize disruptive effects on services due to non-recurrence of these sources.

Outputs: One-time revenues and allowable uses for those revenues should be explicitly defined. The policy should be publicly discussed before adoption and should be readily available to stakeholders during the budget process. The policy, and compliance with it, should be reviewed periodically.

Notes: Examples of one-time revenues include: infrequent sales of government assets, bond refunding savings, infrequent revenues from development, and grants. These revenues may be available for more than one year (e.g., a three-year grant), but are expected to be non-recurring. Examples of expenditures for which a government may wish to use one-time revenues include startup costs, stabilization (e.g., to cover expenditures that temporarily exceed revenues), early debt retirement, and capital purchases. Uses that add to the ongoing expenditure base should be carefully reviewed and minimized, e.g., capital expenditures that significantly increase ongoing operating expenses without a sustainable and offsetting long-term revenue plan. Certain variable components of major revenue sources are similar to one-time revenue sources. While they may be addressed in a one-time revenue policy, they also may be considered separately.

An important subset of revenue diversification and stabilization policies is a use-of-one-time-revenue policy. The premise behind this type of policy is simple; the government should not use one-time revenues to fund ongoing expenditures. To do so might mean that the government would be unable to make up the gap created by the expiration of the one-time revenue in the next budget period, a situation that could lead to service cuts. The one-time revenue policy of the Village of Palos Park, Illinois, also states that use of one-time revenues will be limited to the purpose for which they were intended, or for a capital expenditure."

Current Conditions

The City of Miami Beach does not have a formal policy regarding use of non-recurring/one-time revenues, however, it has been an informal practice that these revenues shall be for capital or other one-time expenditures.

BAC Recommendation:

The City of Miami Beach will use one time, non-recurring revenue for capital expenditures or one time expenditures and not to subsidize recurring personnel, operations and maintenance cost.

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CAPITAL ASSET ACQUISITION, MAINTENANCE, REPLACEMENT AND RETIREMENT

GFOA Recommendation:

Practice: A government should adopt policies and plans for capital asset acquisition, maintenance, replacement, and retirement.

Rationale: Policies and plans for acquisition, maintenance, replacement, and retirement of capital assets help ensure that needed capital assets or improvements receive appropriate consideration in the budget process and that older capital assets are considered for retirement or replacement. These policies and plans are necessary to help plan for large expenditures and to minimize deferred maintenance.

Outputs: Policies may address inventorying capital assets and evaluating their condition, criteria for acceptable condition, criteria for continued maintenance versus replacement or retirement of an existing asset, and identification of funding for adequate maintenance and scheduled replacement of capital assets. Plans should be developed to establish ongoing, multi-year replacement and renewal schedules, and should recognize the linkage of capital expenditures with the annual operating budget. Plans for addressing deferred maintenance may also be an output of this practice. Stakeholders should have an opportunity to provide input as capital asset policies and plans are formulated. Once adopted, the policies and plans should be made publicly available, particularly as set forth in budget, management, and planning documents. Policies and plans should be incorporated into decision making in the budget process.

Notes: Capital asset acquisition, maintenance, replacement, and retirement policies provide a basis for formulating long-range plans to address capital needs. These policies should be realistic if they are to be used in decision making. Information gathered through processes described in the practice entitled *Assess Capital Assets, and Identify Issues, Opportunities, and Challenges* can be helpful in formulating the policies and plans. When developing capital plans, maintenance of existing facilities, including deferred maintenance, should be considered along with new projects.

Current Conditions

Capital Renewal and Replacement – 0.182 mills (\$2,529,563) for the purpose of maintaining a restricted account for the renewal and replacement of the City's General Fund facilities to extend the useful life or replace equipment whose useful life has expired. The City of Miami Beach adopted Resolution No. 2004-25697 on September 28, 2004 to establish a restricted renewal and replacement account funded by dedicating a portion of the millage to projects in the City's General Fund facilities that extend the useful life or replace equipment whose life has expired. The dedicated millage and project specific appropriations from the fund are reviewed and approved each year by the City Commission as part of the budget process. Unused funds stay in the account until projects are completed or can be used for other projects subject to Commission approval. On February 23, 2005, the City Commission adopted Resolution No. 2005-25832 to establish more stringent criteria for the use of these funds by summarizing the criteria into three critical areas; include a preamble/whereas

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clause pertaining to emergency use of funds; and provide a provision for emergency use of the funds.

Further, the City currently has no written policy but does fund the following in FY 2005/2006:

- **Capital Reserve Fund** – The Capital Reserve Fund has been established to provide funding related to previously approved capital projects for expenditures due to bids that are over-budget, change orders, or other unforeseen items. Since FY 2005/06, this has been funded through an annual appropriation. Further, General Fund revenues in excess of expenditures at year-end were transferred to the Capital Reserve Fund at the end of FY 2004/05 and are anticipated to be transferred at the end of FY 2005/06. In addition to the \$3.7 million appropriated for the Capital Reserve Fund based on revenues in excess of expenditures at the end of FY 2004/05, in FY 2005/06 the City of Miami Beach appropriated \$2.5 million towards the Capital Reserve Fund contingency. The total in the Capital Reserve Fund is projected to be \$6.2 million by the end of FY 2005/06 less any needs that may occur throughout the year.
- **Pay-As-You-Go Capital Fund** - The City Commission approved the establishment of a Pay-As-You-Go Capital Fund that designates a certain portion of the operating budget to be re-invested in capital. This helps ensure adequate, on-going re-investment in capital plant and equipment, often called “Pay-As-You-Go” capital funding. Without a Pay-As-You-Go in a city’s capital budget, new General Fund projects that are needed from time-to-time often have to be deferred until the City goes out for a major bond issue. The Pay-As-You-Go Capital Fund is funded by the General Fund and, as such, excludes Enterprise Fund projects supported by revenue bonds (water, sewer, stormwater, etc.) \$5,000,000 was appropriated with project specific appropriations designated for the Miami Beach Golf Course Cart Barn, Technology Enhancements for the Normandy Park and Pool, Sidewalk and Street Restoration Citywide, FF&E for Fire Stations 2 & 4, Normandy Isle Neighborhoods Project, Flamingo Park Pool Deck Lighting, and Scott Rakow Youth Center Phase 2 project.
- **Capital Investment Upkeep Fund** - In FY 2005/06, the City Commission approved the establishment of a Capital Investment Upkeep Account that provides for the purpose of for the purpose of establishing and maintaining funding for General Fund non-facility related upkeep including landscaping, uplighting, pavers, etc. \$1,500,000 was appropriated and has been used to restore landscaping by the Julia Tuttle Interchange, 41 Street, Pinetree Park, etc.
- **Information & Communications Technology Fund** - In FY 2005/06 the City Commission has approved the establishment of a Information & Communications Technology Fund that provides for the purpose of for the purpose of establishing and maintaining funding for the procurement of new or enhanced information and technology needs of the City. \$1,000,000 was appropriated for funding projects such as the City’s WiFi project, a new Storage Area Network, Voice-Over Internet Protocol enhancements, Data Center Uninterrupted Power Supply, new staffing software for the Fire Department, Performance Management Software, and Code Compliance software.

The City’s total General Fund Operating Budget for FY 2005/06 is \$207.9 million. Excluding non-direct operating expenses for the Homeowners Dividend Fund (\$3.3 million) and the transfers to the General Fund Emergency Reserve (\$3.9 million), General Fund Capital Reserve (\$2.5 million), and General Fund Annual Operating Contingency (\$1 million), the total is \$197.2 million.

ATTACHMENT E

BAC Recommendation:

The City shall have a goal to fund at least 5% of the General Fund to fund the following capital needs as a permanent part of the budget:

- **Capital Renewal and Replacement** - to ensure adequate funding for the renewal and replacement of the City's General Fund facilities to extend the useful life or replace equipment whose useful life has expired.
- **Capital Reserve Fund** - to help ensure adequate funding related to previously approved capital projects for expenditures due to bids that are overbudget, change orders, or other unforeseen items for General Fund projects.
- **Pay-As-You-Go Capital Fund** - to ensure adequate on-going reinvestment in capital plant, and equipment, to avoid deferring capital needs until there is a major bond issue, and to address:
 - unfunded new projects recommended or approved in concept by the Commission;
 - new or additional scope for previously funded projects;
 - additional funding needs for previously approved capital projects, i.e. cost increases associated with approved Basis of Design Reports (BODR's) that are identified prior to going out for bid, many of which are due to increased cost of construction (e.g., due to increases in the cost of concrete, high demand for construction services in the local area, etc.)
 - The Pay-As-You-Go Capital Fund is funded by the General Fund and, as such, shall exclude Enterprise Fund projects supported by revenue bonds (water, sewer, stormwater, etc.)
- **Capital Investment Upkeep Fund** - to help ensure adequate funding for General Fund non-facility related upkeep.
- **Information & Communications Technology Fund** - to help ensure adequate funding for the procurement of new or enhanced information and technology needs of the City

The City shall strive to achieve as a goal that annual General Fund revenues in excess of expenditures shall be transferred to the Capital Reserve Fund.

The City shall have a goal to develop and maintain appropriate levels of capital reserves in the Enterprise Funds as in the General Fund.

ATTACHMENT E

Guiding the Design of Programs and Services

GFOA Recommendations

Practice: A government should develop and adopt policies and plans to guide the design of specific programs and services.

Rationale: Service and program policies and plans translate broad goals into strategies for achieving goals. These policies and plans provide the basis for designing specific programs and services.

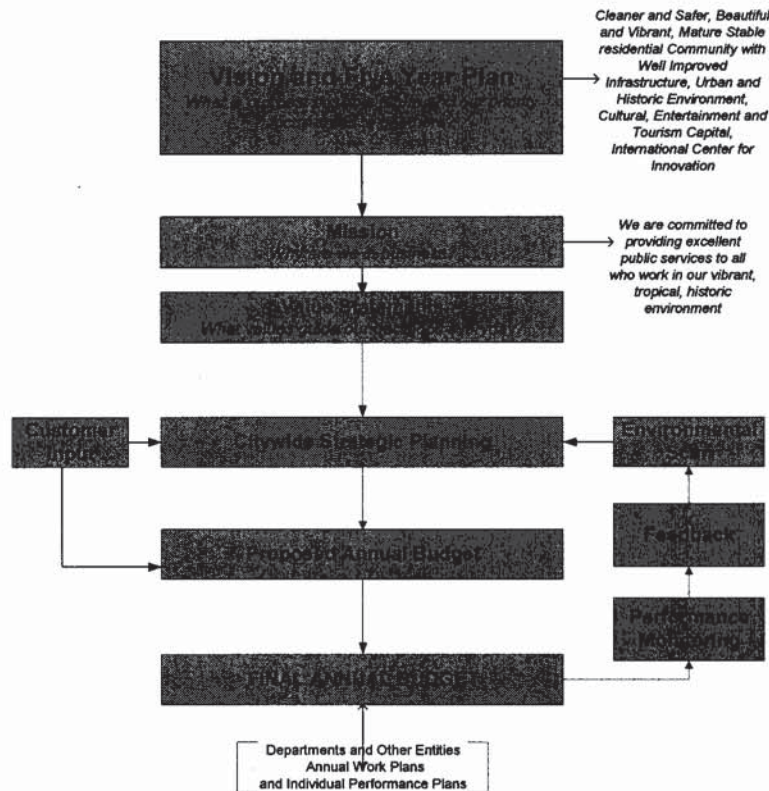
Outputs: Program and service policies and plans may address items such as: groups or populations to be served, service delivery issues, examples of possible programs, standards of performance (including level of service standards or other measures to gauge success), expected costs, time frames for achievement of goals, issues pertaining to organizational structure, and priorities for service provision. Policies and plans should be adopted by the governing body and made publicly available.

Notes: A clear, well-documented statement of policies and plans in broad program and service areas becomes particularly important when goals cross organizational and program lines. For example, a goal to revitalize the downtown or to promote rural development could result in multi-departmental programs addressing job creation, transportation, housing, and health care.

Current Conditions

Effective for the FY 2005/06 budget, the City implemented a new performance-based approach for allocating resources based on the City's Strategic Planning priorities and supporting department work plans in support of the City's Excellence model. The City's excellence model is a strategic measurement-based model for continuous improvement in the City. It is driven by the City's Vision, with priorities established at the strategic level based on customer input and environmental scan information. Broader Key Intended Outcomes are established as multi-year priorities, while more specific Citywide Initiatives are updated annually. Through the annual budget process, resources are allocated in support of these strategic priorities, and performance monitoring is used to track progress and make adjustments for further improvement.

ATTACHMENT E



A significant driver in developing Citywide priorities is the community input received through the community satisfaction surveys with residents, businesses and community organizations and focus groups. These provide an understanding of current satisfaction levels among community groups with the City of Miami Beach government and the services it provides; provide benchmarks to similar jurisdictions, and provide recommendations for improving satisfaction and quality of life, i.e. "key drivers for improving satisfaction". These results, along with an environmental scan of demographics, socio-economic data and department workload and performance measures; financial trends; and comparatives with other cities result in set of multi-year Key Intended Outcomes (KIOs) linked to the City's vision, and more specific annual Citywide Initiatives endorsed by the City Commission. Additional KIOs essential to the sustainability of City government are also identified supportive of the City's vision.

In addition to the identification of KIOs, the strategic planning process identifies measures to determine whether or not the City is successful in achieving the KIOs – "Key Performance Indicators" – as well as annual Citywide initiatives to help achieve each KIO.

The set of Citywide KIOs and Citywide Initiatives (updated annually) are used to guide departments as they analyzed existing services, and prepared their proposed work plans and budgets. Allocation of resources is based on enhancements developed to support each of the Citywide initiatives and Key Intended Outcomes.

ATTACHMENT E

BAC Recommendation:

- The City shall create a strategic plan that identifies multi-year strategic priorities (Key Intended Outcomes) with corresponding result measures for each priority.
- Annually, the City shall use a strategic planning process to develop initiatives that support the strategic plan priorities.
- The budget process and format shall be performance-based and focused on Key Intended Outcomes and performance measures.
- Any new initiative not core to the City's core mission or Key Intended Outcomes identified in the strategic plan that is greater than 0.5% of budget for the fund impacted per year, or cumulatively, shall be first considered as part of the City's annual strategic planning process to develop initiatives.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 13, 2018

SUBJECT: **FY 2019 PROPOSED CAPITAL BUDGET**

ATTACHMENTS:

Description	Type
❑ FY 2019 Proposed Capital Budget Memo	Memo
❑ FY 2019 Proposed Capital Budget and FY 2019-2023 Capital Improvement	Other

COMMITTEE MEMORANDUM

TO: Members of the Finance & Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: July 13, 2018

SUBJECT: FISCAL YEAR (FY) 2019 PROPOSED CAPITAL BUDGET

The FY 2019 Proposed Capital Budget was reviewed by the Finance and Citywide Projects Committee ("FCWPC") at the June 8, 2018 FCWPC 1st Budget Briefing.

Attachment A contains a comprehensive funding summary of the Fiscal Years (FY) 2019-2023 Proposed Capital Improvement Program (CIP). The following is an update of changes made to the CIP subsequent to the June 8th Budget Briefing.

Capital Renewal & Replacement (CRR) Fund

- **Historic City Hall Roof Replacement** – Removed this project and the proposed funding in the amount of \$150,000, based on City Commission's mid-year approval of this project at the July 2, 2018 Commission meeting
- **South Shore Community Center-Playground Area Tree Root Mitigation and Flooring Replacement (#9)** – This project was requested at \$150,000, but previously funded at \$81,000 due to funding constraints. Based on the July 1st certified property values received from the Property Appraiser's office, the projected FY 2019 CRR revenue was increased from \$744,000 to \$748,000. This additional \$4,000 is proposed to be applied to this project, and the remaining unfunded \$65,000 is proposed to be funded from the Pay-As You Go (PAYGO) fund

In addition, two CRR project requests were received from the Property Management department subsequent to the 1st Budget Briefing. These include the Fire Station #2 Kitchen Replacement (#22) – \$35,000 and the Allison Bridge Railing Project (#33) – \$45,000.

Middle Beach Quality of Life Fund

- **41st Street Fountain Restoration (#62)** – Added this project and recommended funding in the amount of \$82,000, per request received from the Property Management department

Pay As You Go ("PAYGO") Fund

- **South Shore Community Center-Playground Area Tree Root Mitigation and Flooring Replacement (#102)** – As noted above, this project was requested at \$150,000. In order to

fully fund this project, the unfunded portion of \$65,000 is proposed to be funded from the PAYGO fund

- **1755 Meridian Chiller Replacement (#103)** – Transferred this project from the CRR fund (which is fully allocated), and recommended funding in the amount of \$107,000 as the chiller is beyond repair, and is in critical need of replacement
- **Florida-Friendly Landscape and Educational Gardens at City Hall (#109)** – Removed proposed funding for this project in the amount of \$77,000, based on direction from the FCWPC at the June 8th Budget Briefing
- **City Hall Energy-Efficient Building Retrofits (#106)** – Added this project and proposed funding in the amount of \$156,000. This project would allow the City to make investments toward creating future efficiencies and cost reductions
- **North Shore Neighborhood Improvements (Surveying Costs) (#129)** – Reduced proposed PAYGO funding for this project, from \$434,000 to \$150,000. Per updated funding request received from the Public Works department, the unfunded portion of the project (\$450,000) is requested to be funded from Miami-Dade County Inter-Local Agreement (“MDC ILA”) funds

Convention Center Operations/Convention Development Tax Fund

- **Convention Center Park (Electrical & Structural Footings Enhancements) (#159)** – Updated project name and number to that of the main project as these enhancements will be a part of the greater Convention Center Park Project (Project # 28170) and not a separate project

ENTERPRISE PROJECTS

Following the June 8th FCWPC Budget Briefing, the Public Works department submitted an updated five-year Capital Improvement Plan for the utility projects, as detailed in Attachment A. The changes noted below reflect the changes requiring FY 2019 funding.

South Pointe RDA (Pre-Miami Dade County Interlocal Agreement Fund (MDC-ILA))

- **1st Street-Alton to Washington (#144)** – Added this project, in the amount of \$1,000,000 which the Public Works department proposes funding with a swap of funding from the **Flamingo 10G-6 Street ROW Improvements (#145)** project, which would be de-appropriated, and funded at a later time.

Water and Sewer Bond Fund

- **Flamingo Neighborhood (#148)** – Added request for additional funding for this project in the amount of \$300,000

- **Scada and PLC Systems (#149)** – Moved project from Water and Sewer Future Bonds/Future R&R Cash fund, in the amount of \$1,512,500
- **La Gorce Neighborhood Improvements (#150)** – This project was not recommended for funding at the June 8th FCWPC Budget Briefing, pending further direction from the City Commission. The Public Works department is requesting funding for this project in the amount of \$44,702,653 in FY 2019
- **Water Meter Replacement Program (#151)** – Moved project from the Water and Sewer Future Bonds/Future R&R Cash fund, and increased FY 2019 funding request from \$250,000 to \$2,000,000

Stormwater Bond Fund

- **Scada and PLC Systems (#152)** – Added request for additional funding for this project in the amount of \$1,237,500
- **La Gorce Neighborhood Improvements (#153)** – This project was not recommended for funding at the June 8th FCWPC Budget Briefing, pending further direction from the City Commission. The Public Works department is requesting funding for this project in the amount of \$40,000,000 in FY 2019

Stormwater/General Capital Projects – MDC ILA Fund

- **Orchard Park (#154)** – Added request for funding for this project in the amount of \$250,000
- **Flamingo Neighborhood (#155)** – Added request for additional funding for this project in the amount of \$300,000
- **North Shore Neighborhood Improvements (Surveying Costs) (#157)** – As noted above, transferred partial funding for this project in the amount of \$450,000 from PAYGO and proposed from the MDC ILA fund

CONCLUSION

The final FY 2019 Capital Budget will be adopted at the second Budget Hearing on September 26, 2018.

JLM/JW/TOS

CITY OF MIAMI BEACH
FY 2019 - 2023 CAPITAL IMPROVEMENT PLAN BY FUNDING SUMMARY

ITEM #	PROJECT	PROJECT NAME	Previous Years	FY 2017/18 Amended	FY 2018/19 Programmed	FY 2018/19 New Requests	FY 2018/19 Proposed	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	Future	Total
125 CAPITAL RENEWAL & REPLACEMENT													
1	PMG003	777 BUILDING - CHILLER REPLACEMENT	-	-	-	80,000	80,000	-	-	-	-	-	80,000
2	PMG077	CITY HALL 40-YEAR STRUCTURAL RECERTIFICATION	-	-	-	100,000	100,000	-	-	-	-	-	100,000
3	PMG090	555 BUILDING IMPACT RESISTANT WINDOWS- Pending outcome of Convention Center hotel solicitation	-	-	-	300,000	300,000	Priority 1 - Deferred Maintenance				-	300,000
4	PMG006	MBPD-COOLING TOWER BASE REPAIR	-	-	-	150,000	150,000	-	-	-	-	-	150,000
5	PMG095	UNIDAD ELEVATOR MODERNIZATION	-	-	-	70,000	70,000	-	-	-	-	-	70,000
6	PMG007	777 BUILDING-ROOF RESTORATION	-	-	-	90,000	90,000	-	-	-	-	-	90,000
7	PMG094	SOUTH SHORE COMMUNITY CENTER-BATHROOM AND KITCHEN UPGRADE	-	-	-	150,000	150,000	-	-	-	-	-	150,000
8	PMG048	555 BUILDING-ROOF RENEWAL- Pending outcome of Convention Center hotel solicitation	-	-	-	230,000	230,000	-	-	-	-	-	230,000
9	PMG008	SOUTH SHORE COMMUNITY CENTER-PLAYGROUND AREA TREE ROOT MITIGATION AND FLOORING REPLACEMENT (Additional funding in Item: #102)	-	-	-	85,000	85,000	-	-	-	-	-	85,000
10	PMG063	FLEET MANAGEMENT - GENERATOR AND TRANSFER SWITCH	-	-	-	100,000	-	-	-	-	-	-	-
11	PMG009	UNIDAD BUILDING-ROOF REPLACEMENT	-	-	-	50,000	-	-	-	-	-	-	-
12	PMG018	FIRE STATION #2-A/C REPLACEMENT	-	-	-	105,000	-	-	-	-	-	-	-
13	PMG011	MBPD-CONDENSER LINES AND PUMPS REPLACEMENT	-	-	-	125,000	-	-	-	-	-	-	-
14	PMG020	MBPD-VAV INSTALLATION ON 2ND, 3RD, AND 4TH FLOORS	-	-	-	400,000	-	-	-	-	-	-	-
15	PMG016	MIAMI BEACH GOLF COURSE-A/C AND KITCHEN REFRIGERATION REPLACEMENT	-	-	-	50,000	-	-	-	-	-	-	-
16	PMG014	HISTORIC CITY HALL-VFD REPLACEMENT	-	-	-	200,000	-	-	-	-	-	-	-
17	PMG015	CITY HALL-GENERATOR REPLACEMENT	-	-	-	250,000	-	-	-	-	-	-	-
18	PMG026	CITY HALL-COOLING TOWER BASE REPLACEMENT	-	-	-	60,000	-	-	-	-	-	-	-
19	PMG081	555 RESTROOM RENOVATION	-	-	-	185,000	-	-	-	-	-	-	-
20	PMG051	UNIDAD BUILDING-DOOR RENEWAL	-	-	-	39,000	-	-	-	-	-	-	-
21	PMG017	UNIDAD BUILDING-WINDOW SEAL RENEWAL	-	-	-	40,000	-	-	-	-	-	-	-
22	PMG097	FIRE STATION #2 KITCHEN REPLACEMENT	-	-	-	35,000	-	-	-	-	-	-	-
23	PMG092	GARAGE DOOR UPGRADES AT FIRE STATION #2 AND FIRE STATION #4	-	-	-	180,000	-	Priority 2 - Recommended based on asset life, not condition				-	-
24	PMG019	NORTH SHORE YOUTH CENTER-ROOFTOP A/C RENEWAL	-	-	-	152,000	-	-	-	-	-	-	-
25	PMG023	MBPD NORTH END SUB STATION-ROOF HARDENING	-	-	-	200,000	-	-	-	-	-	-	-
26	PMG028	CITY HALL-CHILLED AND CONDENSER PUMPS REPLACEMENT	-	-	-	50,000	-	-	-	-	-	-	-
27	PMG013	10TH STREET AUDITORIUM-LOUVER REPLACEMENT	-	-	-	50,000	-	-	-	-	-	-	-
28	PMG064	FLEET MANAGEMENT - FACILITY RENOVATION	-	-	-	375,000	-	-	-	-	-	-	-
29	PMG044	CITY HALL-EXTERIOR PAINTING	-	-	-	80,000	-	-	-	-	-	-	-
30	PMG025	CITY HALL-COOLING TOWER CONDENSER LINES REPLACEMENT	-	-	-	90,000	-	-	-	-	-	-	-
31	PMG029	CITY HALL-RESTROOM RENOVATION ON 1ST, 3RD, AND 4TH FLOORS	-	-	-	250,000	-	-	-	-	-	-	-
32	PMG030	SOUTH SHORE COMMUNITY CENTER-FRONT ENTRANCE ENHANCEMENT	-	-	-	385,000	-	-	-	-	-	-	-
33	PMG096	ALLISON BRIDGE RAILING PROJECT	-	-	-	45,000	-	-	-	-	-	-	-
34	PMG033	FIRE STATION #2 (ADMIN)-EXTERIOR PAINT AND LIGHTING RENEWAL	-	-	-	55,000	-	-	-	-	-	-	-
35	PMG041	SOUTH SHORE COMMUNITY CENTER-LIGHTING UPGRADE	-	-	-	160,000	-	-	-	-	-	-	-
36	PMG042	HISTORIC CITY HALL-EMERGENCY LIGHTS AND EXIT SIGN REPLACEMENT	-	-	-	28,000	-	-	-	-	-	-	-
37	PWK001	SECURITY SYSTEM UPGRADE-2100 MERIDIAN (GREENSPACE FACILITY)	-	-	-	65,000	-	-	-	-	-	-	-

CITY OF MIAMI BEACH
FY 2019 - 2023 CAPITAL IMPROVEMENT PLAN BY FUNDING SUMMARY

ITEM #	PROJECT	PROJECT NAME	Previous Years	FY 2017/18 Amended	FY 2018/19 Programmed	FY 2018/19 New Requests	FY 2018/19 Proposed	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	Future	Total
38	PMG052	UNIDAD BUILDING-INTERIOR AND EXTERIOR PAINTING	-	-	-	89,000	-	-	-	-	-	-	-
39	PMG086	MBPD NORTH END SUB STATION-PARKING LOT DRAINAGE AND RESURFACING	-	-	-	230,000	-	-	-	-	-	-	-
40	PMG037	MBPD NORTH END SUB STATION-INTERIOR PAINTING AND FLOORING RENEWAL	-	-	-	234,000	-	-	-	-	-	-	-
41	PMG027	HISTORIC CITY HALL-ROOF ACCESS LADDER AND ROOF HATCH	-	-	-	100,000	-	-	-	-	-	-	-
42	PMG038	FIRE STATION #2-KITCHEN RENEWAL	-	-	-	42,000	-	Priority 3 - Customer/Department requests			-	-	-
43	PMG079	MBFD STATION SECURITY UPGRADES (CITYWIDE)	-	-	-	126,000	-				-	-	-
44	PMG035	CITY HALL-MAIN ENTRANCE PAVER REPLACEMENT	-	-	-	152,000	-				-	-	-
45	PMG080	1100 BLOCK OF LINCOLN RD STONE RESTORATION	-	-	-	368,000	-				-	-	-
46	60218	STORAGE TANK REPLACEMENT	-	200,000	200,000	-	-				-	-	200,000
Fund Total:			-	200,000	200,000	6,400,000	1,255,000	-	-	-	-	-	1,455,000
							125 Available Balance	507,000					
							FY19 Projected Revenue	748,000					
							Remaining Available Balance	0					
307 NB QUAL OF LIFE RESORT TAX 1%													
47	PKS010	NORMANDY SHORES TENNIS FACILITY FENCING REPLACEMENT	-	-	-	47,000	47,000	-	-	-	-	-	47,000
48	PKS011	NORTH SHORE BANDSHELL PLUMBING REPAIRS	-	-	-	30,000	30,000	-	-	-	-	-	30,000
49	PMG053	BEACHFRONT RESTROOMS-RENOVATIONS (Additional funding in Items: #58, #72)	-	-	-	87,000	87,000	-	-	-	-	-	87,000
50	PMG078	BEACH SHOWER DRAINAGE SYSTEM PHASE II (Additional funding in Items: #59, #80)	-	-	-	125,000	125,000	-	-	-	-	-	125,000
51	PWK003	NORTH BEACH ROW LANDSCAPE, IRRIGATION, HARDSCAPE RESTORATION & ENHANCEMENTS (Additional funding in Item: #107)	-	-	-	57,000	57,000	-	-	-	-	-	57,000
52	PKS048	ALTOS DEL MAR PARK PLAYGROUND REPLACEMENT	-	-	-	-	-	-	-	-	-	444,000	444,000
53	PKS049	ALLISON PARK PLAYGROUND REPLACEMENT	-	-	-	-	-	-	-	-	586,500	-	586,500
54	20141	7300 DICKENS AVE L/SCAPE-IRRIGATION	-	-	-	-	-	-	37,000	-	-	-	37,000
55	20198	NORTH BEACH STREETScape	-	-	550,000	-	-	550,000	8,800,000	-	-	-	9,350,000
56	22750	ALTOS DEL MAR PARK PLAYGROUND	1,000,000	-	-	350,000	350,000	-	-	-	-	-	1,350,000
Fund Total:			1,000,000	-	550,000	696,000	696,000	550,000	8,837,000	-	586,500	444,000	12,113,500
							307 Available Balance	-					
							FY19 Projected Revenue	860,000					
							Remaining Available Balance	164,000					
306 MB QUALITY OF LIFE RESO.TX 1%													
57	PKS008	MIAMI BEACH GOLF CLUB PRACTICE TEE RENOVATIONS AND ENLARGEMENT	-	-	-	124,000	124,000	-	-	-	-	-	124,000
58	PMG053	BEACHFRONT RESTROOMS-RENOVATIONS (Additional funding in Items: #49, #72)	-	-	-	26,000	26,000	-	-	-	-	-	26,000
59	PMG078	BEACH SHOWER DRAINAGE SYSTEM PHASE II (Additional funding in Items: #50, #80)	-	-	-	105,000	105,000	-	-	-	-	-	105,000
60	PMG084	41ST STREET BRIDGES (SR112) REPAIR AND RESTORATION	-	-	-	480,000	480,000	480,000	-	-	-	-	960,000
61	PMG091	BEACHWALK DRAINAGE - 24TH ST TO 46TH ST (Additional funding in Item: #81)	-	-	-	100,000	100,000	-	-	-	-	-	100,000
62	PMG099	41ST STREET FOUNTAIN RESTORATION	-	-	-	82,000	82,000	-	-	-	-	-	82,000
63	PWK006	MIDDLE BEACH ROW LANDSCAPE, IRRIGATION, HARDSCAPE RESTORATION & ENHANCEMENTS (Additional funding in Item: #108)	-	-	-	32,000	32,000	-	-	-	-	-	32,000
64	TCD002	SHORT-TERM 41ST STREET COMMITTEE RECOMMENDATIONS	-	-	-	100,000	100,000	-	-	-	-	-	100,000
65	PKS044	MIAMI BEACH GOLF CLUB DRIVING RANGE LIGHTING REPLACEMENT	-	-	-	-	-	80,000	-	-	-	-	80,000

CITY OF MIAMI BEACH
FY 2019 - 2023 CAPITAL IMPROVEMENT PLAN BY FUNDING SUMMARY

ITEM #	PROJECT	PROJECT NAME	Previous Years	FY 2017/18 Amended	FY 2018/19 Programmed	FY 2018/19 New Requests	FY 2018/19 Proposed	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	Future	Total
66	PKS045	BEACHVIEW PARK PLAYGROUND REPLACEMENT	-	-	-	-	-	-	511,000	-	-	-	511,000
67	PKS046	BEACHVIEW FITNESS COURSE REPLACEMENT	-	-	-	-	-	-	80,000	-	-	-	80,000
68	PKS047	INDIAN BEACH PLAYGROUND REPLACEMENT 2	-	-	-	-	-	-	-	-	545,100	-	545,100
Fund Total:			-	-	-	1,049,000	1,049,000	560,000	591,000	-	545,100	-	2,745,100
306 Available Balance							483,000						
FY19 Projected Revenue							1,439,000						
Remaining Available Balance							873,000						
305 SB QUALITY OF LIFE REST.TAX 1%													
69	ENV008	DADE BOULEVARD PEDESTRIAN PATHWAY TREE ENHANCEMENTS (Tree Canopy Meridian Ave West to Islands)	-	-	-	-	-	225,000	-	-	-	-	225,000
70	PWK010	SOUTH BEACH ROW LANDSCAPE, IRRIGATION, HARDSCAPE RESTORATION & ENHANCEMENTS	-	-	-	280,000	-	-	-	-	-	-	-
71	PWK011	BAYWALK 10TH TO 12TH STREET	-	-	-	310,000	310,000	-	-	-	-	-	310,000
72	PMG053	BEACHFRONT RESTROOMS-RENOVATIONS (Additional funding in Items: #49, #58)	-	-	-	45,000	45,000	-	-	-	-	-	45,000
73	PMG054	BASS MUSEUM - ROOF REPLACEMENT	-	-	-	397,000	397,000	-	-	-	-	-	397,000
74	PMG055	FILLMORE - MARQUEE / SIGNAGE REPLACEMENT	-	-	-	87,000	87,000	-	-	-	-	-	87,000
75	PMG057	FILLMORE - SITE LIGHTING RENOVATIONS - PHASE 2 (Additional funding in Item: #134)	-	-	-	-	-	50,000	-	-	-	-	50,000
76	PMG058	BOTANICAL GARDENS - ROOF COATING AND REPAIRS	-	-	-	50,000	50,000	-	-	-	-	-	50,000
77	PMG059	BASS MUSEUM - FREIGHT ELEVATOR MODERNIZATION	-	-	-	100,000	100,000	-	-	-	-	-	100,000
78	PMG060	COLONY THEATER - SOUND AND VIDEO SYSTEM UPGRADE	-	-	-	95,000	-	-	-	-	-	-	-
79	PMG061	BASS MUSEUM - ADMINISTRATION OFFICE FLOORING REPLACEMENT	-	-	-	44,000	-	-	-	-	-	-	-
80	PMG078	BEACH SHOWER DRAINAGE SYSTEM PHASE II (Additional funding in Items: #50, #59)	-	-	-	70,000	70,000	-	-	-	-	-	70,000
81	PMG091	BEACHWALK DRAINAGE - SOUTH POINTE PARK TO 23RD ST (Additional funding in Item: #61)	-	-	-	300,000	220,000	-	-	-	-	-	220,000
82	PKS038	SOUTH POINTE PARK - FISHING PIER RAILING REPLACEMENT	-	-	-	-	-	500,000	-	-	-	-	500,000
83	PKS039	SOUTH POINTE PARK PLAYGROUND REPLACEMENT	-	-	-	-	-	897,000	-	-	-	-	897,000
84	PKS040	SOUTH POINTE PARK SPLASH PAD SPRAYER SYSTEM AND SAFETY SURFACE REPLACEMENT	-	-	-	-	-	-	-	150,000	-	-	150,000
85	PKS041	FLAMINGO PARK, NORTH-SOUTH WALKWAY/PROMENADE REPLACEMENT	-	-	-	-	-	-	-	600,000	-	-	600,000
86	PKS042	LUMMUS PARK PLAYGROUND REPLACEMENT 2	-	-	-	-	-	-	-	-	317,500	-	317,500
Fund Total:			-	-	-	1,778,000	1,279,000	1,672,000	-	750,000	317,500	-	4,018,500
305 Available Balance							-						
FY19 Projected Revenue							1,311,000						
Remaining Available Balance							32,000						
302 PAY-AS-YOU-GO													
87	ENV001	ENERGY SUB-METERS INSTALLATION ON MUNICIPAL BLDGS	-	-	-	68,000	68,000	-	-	-	-	-	68,000
88	ENV002	FLEET MANAGEMENT FACILITY CONTAMINATION REMEDIATION	-	-	-	111,000	111,000	-	-	-	-	-	111,000
89	ENV003	INDIAN CREEK LIVING SHORELINE	-	-	-	139,000	30,000	939,000	-	-	-	-	969,000
90	ENV005	FLAMINGO NEIGHBORHOOD HURRICANE REFORESTATION	-	-	-	-	-	-	413,000	-	-	-	413,000
91	ENV006	NAUTILUS NEIGHBORHOOD HURRICANE REFORESTATION	-	-	-	660,000	-	-	-	-	-	-	-
92	ENV007	LAKE PANCOAST NEIGHBORHOOD HURRICANE REFORESTATION	-	-	-	-	-	165,000	-	-	-	-	165,000
93	ENV010	WATERWAY RESTORATION DREDGING (City-Owned Canals in North Beach)	-	-	-	127,000	-	1,650,000	-	-	-	-	1,650,000
94	FIR001	OUTDOOR TRAINING FACILITY (FIRE)	-	-	-	100,000	100,000	-	-	-	-	-	100,000
95	HCS001	BUILDOUT of 1701 4TH FLOOR FOR HOUSING PROGRAMS	-	-	-	100,000	100,000	-	-	-	-	-	100,000

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ITEM #	PROJECT	PROJECT NAME	Previous Years	FY 2017/18 Amended	FY 2018/19 Programmed	FY 2018/19 New Requests	FY 2018/19 Proposed	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	Future	Total
96	PKS001	BELLE ISLE PARK BERMUDA GRASS INSTALLATION	-	-	-	40,000	40,000	-	-	-	-	-	40,000
97	PKS004	FLAMINGO PARK IRRIGATION AT BASEBALL FIELD	-	-	-	86,000	86,000	-	-	-	-	-	86,000
98	PKS015	PARK VIEW ISLAND ANNEX - DOG PARK	-	-	-	67,000	67,000	-	-	-	-	-	67,000
99	PKS023	FLAMINGO PARK BASEBALL OUTFIELD NETTING	-	-	-	129,000	129,000	-	-	-	-	-	129,000
100	PKS024	BUOY PARK REFORESTATION IMPROVEMENTS	-	-	-	150,000	150,000	-	-	-	-	-	150,000
101	PKS025	NORMANDY SHORES SHADE STRUCTURE	-	-	-	44,000	44,000	-	-	-	-	-	44,000
102	PMG008	SOUTH SHORE COMMUNITY CENTER-PLAYGROUND AREA TREE ROOT MITIGATION AND FLOORING REPLACEMENT (Additional funding in Item: #9)	-	-	-	65,000	65,000	-	-	-	-	-	65,000
103	PMG010	1755 MERIDIAN-CHILLER REPLACEMENT	-	-	-	107,000	107,000	-	-	-	-	-	107,000
104	PMG089	SMART BUILDING AUTOMATION SYSTEM- LIGHTING & HVAC CONTROLS	-	-	-	100,000	-	-	-	-	-	-	-
105	PMG093	SMART CARD ACCESS SYSTEM-CITYWIDE - PHASE I	-	-	-	250,000	250,000	-	-	-	-	-	250,000
106	PMG098	CITY HALL ENERGY EFFICIENT BUILDING RETROFITS	-	-	-	156,000	156,000	-	-	-	-	-	156,000
107	PWK003	NORTH BEACH ROW LANDSCAPE, IRRIGATION, HARDSCAPE RESTORATION & ENHANCEMENTS (Additional funding in Item: #51)	-	-	-	113,000	113,000	-	-	-	-	-	113,000
108	PWK006	MIDDLE BEACH ROW LANDSCAPE, IRRIGATION, HARDSCAPE RESTORATION & ENHANCEMENTS (Additional funding in Item: #63)	-	-	-	94,000	94,000	-	-	-	-	-	94,000
109	PWK008	FLORIDA-FRIENDLY LANDSCAPE AND EDUCATIONAL GARDENS AT CITY HALL	-	-	-	77,000	-	-	-	-	-	-	-
110	PWK009	INDIAN CREEK LANDSCAPE & IRRIGATION DESIGN & INSTALLATION	-	-	-	473,000	473,000	-	-	-	-	-	473,000
111	PKS026	PARK RANGER HEADQUARTER RENOVATION (INCLUDING PERIMETER FENCE)	-	-	-	-	-	475,000	-	-	-	-	475,000
112	PKS027	NORMANDY SHORES GOLF CLUB-REPLACEMENT OF IRRIGATION AND DRAINAGE PUMPS	-	-	-	-	-	50,000	-	-	-	-	50,000
113	PKS028	NORTH SHORE PARK & YOUTH CENTER PLAYGROUND REPLACEMENT	-	-	-	-	-	450,000	-	-	-	-	450,000
114	PKS029	CITYWIDE PATH REPAIRS	-	-	-	-	-	50,000	50,000	50,000	50,000	-	200,000
115	PKS030	CITYWIDE COURT REPAIRS	-	-	-	-	-	150,000	130,000	130,000	138,000	-	548,000
116	PKS031	CITYWIDE FITNESS COURSE REPLACEMENT	-	-	-	-	-	212,000	170,000	80,000	-	-	462,000
117	PKS032	CITYWIDE RESTROOM IMPROVEMENTS (PAINTING INT/EXT & FIXTURE REPAIRS)	-	-	-	-	-	300,000	300,000	300,000	300,000	-	1,200,000
118	PKS033	FISHER PARK PLAYGROUND REPLACEMENT	-	-	-	-	-	-	486,000	-	-	-	486,000
119	PKS034	CRESPI PARK PLAYGROUND REPLACEMENT	-	-	-	-	-	-	-	-	276,000	-	276,000
120	PKS035	POLO PARK PLAYGROUND REPLACEMENT	-	-	-	-	-	-	-	-	390,000	-	390,000
121	PKS036	STILLWATER PARK PLAYGROUND REPLACEMENT	-	-	-	-	-	-	-	-	570,000	-	570,000
122	PKS037	TATUM PARK PLAYGROUND REPLACEMENT	-	-	-	-	-	-	-	-	360,000	-	360,000
123	20418	COLLINS PARK PERFORMING ARTS VENUE- ROTUNDA RESTROOMS- Pending FCWPC discussion	-	-	-	175,000	175,000	-	-	-	-	-	175,000
124	20237	FAC FAIRWAY PARK-DRAINAGE AND PLAYGROUND	1,181,000	91,000	-	670,000	-	-	-	-	-	-	1,272,000
125	20819	555 BUILDING REPLACEMENT	-	-	8,931,000	-	-	-	-	-	-	-	-
126	20918	BRITTANY BAY PARK (OVERLOOKS & LIVING SHORELINE)	-	772,000	-	471,000	471,000	-	-	-	-	-	1,243,000
127	21118	STILLWATER ENTRANCE SIGN	-	-	-	163,000	-	-	-	-	-	-	-

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ITEM #	PROJECT	PROJECT NAME	Previous Years	FY 2017/18 Amended	FY 2018/19 Programmed	FY 2018/19 New Requests	FY 2018/19 Proposed	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	Future	Total
128	21660	PARKS MAINTENANCE FACILITY	-	-	-	-	-	1,989,000	-	-	-	-	1,989,000
129	23220	NORTH SHORE NEIGH. IMPROVEMENTS (SURVEYING COSTS) (Additional funding in Items: #157, #194, #203)	-	-	-	150,000	150,000	-	-	-	-	-	150,000
130	60011	IRRIGATION SYSTEM MACARTHUR CAUSEWAY	-	-	-	-	-	-	-	28,000	-	-	28,000
Fund Total:			1,181,000	863,000	8,931,000	4,885,000	2,979,000	6,430,000	1,549,000	588,000	2,084,000	-	15,674,000
							302 Available Balance	-					
							FY19 Projected Revenue	2,370,000					
							FY19 Projected RDA Amendment	872,000					
							Remaining Available Balance	263,000					
142 7TH STREET GARAGE													
131	PMG069	7TH STREET GARAGE - DOOR REPLACEMENTS	-	-	-	50,000	50,000	-	-	-	-	-	50,000
Fund Total:			-	-	-	50,000	50,000	-	-	-	-	-	50,000
							142 Available Balance	2,022,000					
							FY19 Projected Revenue	-					
							Remaining Available Balance	1,972,000					
158 CONCURRENCY MITIGATION FUND													
132	28080	INTELLIGENT TRANSPORT SYSTEM	2,060,000	5,555,000	1,469,000	6,641,000	6,641,000	-	-	-	-	-	14,256,000
Fund Total:			2,060,000	5,555,000	1,469,000	6,641,000	6,641,000	-	-	-	-	-	14,256,000
							158 Available Balance	7,186,000					
							FY19 Projected Revenue	-					
							Remaining Available Balance	545,000					
164 RDA CITY CENTER RENEWAL & REPLACEMENT													
133	PMG056	COLONY THEATER - FIRE ALARM SYSTEM UPGRADE	-	-	-	78,000	78,000	-	-	-	-	-	78,000
134	PMG057	FILLMORE - SITE LIGHTING RENOVATIONS (Additional funding in Item: #75)	-	-	-	60,000	60,000	-	-	-	-	-	60,000
Fund Total:			-	-	-	138,000	138,000	-	-	-	-	-	138,000
							164 Available Balance	138,000					
							FY19 Projected Revenue	-					
							Remaining Available Balance	-					
165 NON - TIF RDA FUND													
135	23270	CITY CENTER COMMERCIAL DISTRICT BPB (ROW & STREETSCAPE) (Additional funding in Items: #142, #195, #204)	-	-	-	-	-	-	7,242,000	-	-	-	7,242,000
136	29300	LINCOLN RD LENOX TO COLLINS WITH SIDE STREETS (Additional funding in Items: #143, #158, #205)	-	6,865,154	-	(6,865,154)	(6,865,154)	-	-	-	-	-	-
Fund Total:			-	6,865,154	-	(6,865,154)	(6,865,154)	-	7,242,000	-	-	-	7,242,000
							165 Available Balance	90,000					
							FY19 Projected Revenue	-					
							Remaining Available Balance	6,955,154					
171 LOCAL OPTION GAS TAX													
137	TRN011	SR A1A/COLLINS AVE INTERSECTION IMPROVEMENTS AT 36TH ST, 83RD ST, & 87TH ST	-	-	-	559,000	559,000	-	-	-	-	-	559,000
Fund Total:			-	-	-	559,000	559,000	-	-	-	-	-	559,000
							171 Available Balance	387,000					
							FY19 Projected Revenue	375,000					
							Remaining Available Balance	203,000					

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187 HALF CENT TRANS. SURTAX COUNTY													
138	TRN001	ROYAL PALM AVENUE AND 46TH STREET TRAFFIC CIRCLE	-	-	-	107,000	107,000	-	-	-	-	-	107,000
139	TRN010	MERIDIAN AVENUE PEDESTRIAN CROSSING IMPROVEMENTS	-	-	-	410,000	410,000	-	-	-	-	-	410,000
140	27870	72ND STREET PROTECTED BIKE LANE	239,000	-	350,000	280,000	280,000	-	-	-	-	-	519,000
Fund Total:			239,000	-	350,000	797,000	797,000	-	-	-	-	-	1,036,000
187 Available Balance							797,000						
FY19 Projected Revenue							-						
Remaining Available Balance							-						
301 CAPITAL PROJECTS FINANCED BY OTHER FUNDS -8701 COLLINS AVENUE DEVELOPMENT AGREEMENT													
141	27950	NORTH BEACH OCEANSIDE PARK REDEVELOPMENT	650,000	4,060,000	5,000,000	-	3,750,000	1,250,000	-	-	-	-	9,710,000
Fund Total:			650,000	4,060,000	5,000,000	-	3,750,000	1,250,000	-	-	-	-	9,710,000
301 Available Balance							2,500,000						
FY19 Projected Revenue							1,250,000						
Remaining Available Balance							-						
365 CITY CENTER RDA CAPITAL FUND													
142	23270	CITY CENTER COMMERCIAL DISTRICT BPB (ROW & STREETSCAPE) (Additional funding in Items: #135, #195, #204)	13,804,930	-	-	-	-	-	3,958,000	-	-	-	17,762,930
143	29300	LINCOLN RD LENOX TO COLLINS WITH SIDE STREETS (Additional funding in Items: #136, #158, #205)	-	-	2,000,000	26,021,000	20,000,000	-	-	-	-	-	20,000,000
Fund Total:			13,804,930	-	2,000,000	26,021,000	20,000,000	-	3,958,000	-	-	-	37,762,930
365 Available Balance							4,277,000						
FY19 Projected Revenue							20,000,000						
Remaining Available Balance							4,277,000						
379 SOUTH POINTE RDA													
144	20587	1ST STREET-ALTON RD TO WASHINGTON (Additional funding in Item: #190)	-	-	-	1,000,000	-	-	-	-	-	-	-
145	29860	FLAMINGO 10G-6 ST. ROW IMPROVEMENTS	3,501,399	-	-	(1,000,000)	-	-	-	-	-	-	3,501,399
Fund Total:			3,501,399	-	-	0	-	-	-	-	-	-	3,501,399
379 Available Balance							477,000						
FY19 Projected Revenue							-						
Remaining Available Balance							477,000						
418 WATER & SEWER PROJECTS FUNDED FROM OPERATIONS													
146	60419	DERM & EPA CONSENT DECREE (Sanitary Sewer Evaluation Survey) (Additional funding in Item: #206)	-	-	400,000	-	400,000	-	-	-	-	-	400,000
147	61180	CITYWIDE W&S MAIN ASSESSMENT (Additional funding in Item: #207)	-	-	800,000	-	-	-	-	-	-	-	-
Fund Total:			-	-	1,200,000	-	400,000	-	-	-	-	-	400,000
418 Available Balance							400,000						
FY19 Projected Revenue							-						
Remaining Available Balance							-						

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ITEM #	PROJECT	PROJECT NAME	Previous Years	FY 2017/18 Amended	FY 2018/19 Programmed	FY 2018/19 New Requests	FY 2018/19 Proposed	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	Future	Total
419 2017 WATER & SEWER BONDS													
148	20422	FLAMINGO NEIGHBORHOOD (Additional funding in Items: #155, #188, #198)	-	-	-	300,000	-	-	-	-	-	-	-
149	20719	SCADA AND PLC SYSTEMS (Additional funding in Items: #152, #191)	-	-	1,512,500	-	-	-	-	-	-	-	-
150	23240	LA GORCE NEIGHBORHOOD IMPROVEMENTS (Additional funding in Item: #153)	297,347	-	44,702,653	-	-	-	-	-	-	-	297,347
151	60319	WATER METER REPLACEMENT PROGRAM	-	-	250,000	1,750,000	-	-	-	-	-	-	-
Fund Total:			297,347	-	46,465,153	2,050,000	-	-	-	-	-	-	297,347
							419 Available Balance	49,362,000					
							FY19 Projected Revenue	-					
							Remaining Available Balance	49,362,000					
429 2017 STORMWATER BONDS													
152	20719	SCADA AND PLC SYSTEMS (Additional funding in Items: #149, #191)	-	-	-	1,237,500	-	-	-	-	-	-	-
153	23240	LA GORCE NEIGHBORHOOD IMPROVEMENTS (Additional funding in Item: #150)	-	-	20,000,000	20,000,000	-	-	-	-	-	-	-
Fund Total:			-	-	20,000,000	21,237,500	-	-	-	-	-	-	-
							429 Available Balance	40,784,000					
							FY19 Projected Revenue	-					
							Remaining Available Balance	40,784,000					
433/320 STORMWATER/GENERAL CAPITAL PROJECTS - MDC ILA													
154	PWK013	ORCHARD PARK (Additional funding in Item: #181)	-	-	-	250,000	-	-	-	-	-	-	-
155	20422	FLAMINGO NEIGHBORHOOD (Additional funding in Items: #148, #188, #198)	-	-	-	300,000	-	-	-	-	-	-	-
156	21220	INDIAN CREEK STREET DRAINAGE IMP.	-	-	-	1,500,000	1,500,000	-	-	-	-	-	1,500,000
157	23220	NORTH SHORE NEIGH. IMPROVEMENTS (SURVEYING COSTS) (Additional funding in Items: #129, #194, #203)	-	-	-	450,000	450,000	-	-	-	-	-	450,000
158	29300	LINCOLN RD LENOX TO COLLINS WITH SIDE STREETS (Additional funding in Items: #136, #143, #205)	-	-	5,035,000	-	-	-	-	-	-	-	-
Fund Total:			-	-	5,035,000	2,500,000	1,950,000	-	-	-	-	-	1,950,000
							320 Available Balance	22,315,000					
							433 Available Balance	11,574,000					
							FY19 Projected Revenue	19,359,000					
							Remaining Available Balance	51,298,000					
440 CONVENTION CENTER OPERATIONS/CONVENTION DEVELOPMENT TAX													
159	28170	CONVENTION CENTER PARK (ELECTRICAL & STRUCTURAL FOOTINGS ENHANCEMENTS)	-	-	-	1,500,000	1,500,000	-	-	-	-	-	1,500,000
160	TCD001	CARL FISHER CLUBHOUSE COMMERCIAL KITCHEN RENOVATION	-	-	-	244,950	244,950	-	-	-	-	-	244,950
Fund Total:			-	-	-	1,744,950	1,744,950	-	-	-	-	-	1,744,950
							440 Available Balance	5,594,000					
							FY19 Projected Revenue	-					
							Remaining Available Balance	3,849,050					
463 RDA- GARAGE FUND													
161	PMG073	16TH STREET GARAGE (ANCHOR) - PAINTING	-	-	-	100,000	100,000	-	-	-	-	-	100,000
Fund Total:			-	-	-	100,000	100,000	-	-	-	-	-	100,000
							463 Available Balance	2,371,000					
							FY19 Projected Revenue	-					
							Remaining Available Balance	2,271,000					

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	467 PENN GARAGE FUND												
162	PMG062	PENN GARAGE - NEW LIGHTING DISPLAY	-	-	-	135,000	135,000	-	-	-	-	-	135,000
		Fund Total:	-	-	-	135,000	135,000	-	-	-	-	-	135,000
					467 Available Balance		1,009,000						
					FY19 Projected Revenue		-						
					Remaining Available Balance		874,000						
	480/490 PARKING CAPITAL												
163	PMG067	13TH STREET GARAGE - DOMESTIC WATER SYSTEM UPGRADE	-	-	-	33,000	33,000	-	-	-	-	-	33,000
164	PMG068	17TH STREET GARAGE - 1ST FLOOR OFFICE RENOVATION	-	-	-	45,000	45,000	-	-	-	-	-	45,000
165	PMG071	SURFACE LOTS (CITYWIDE) - LANDSCAPING IMPROVEMENTS	-	-	-	100,000	100,000	-	-	-	-	-	100,000
166	20031	NORTH BEACH PARKING GARAGE	-	-	-	-	-	-	-	-	-	10,000,000	10,000,000
167	29580	RENOVATE SURFACE LOT AT 6976 INDIAN CREEK DRIVE	-	-	-	191,000	191,000	-	-	-	-	-	191,000
168	20107	GARAGE AT P55 - 2660 COLLINS AVENUE	-	-	7,300,000	-	-	-	-	-	-	-	-
169	60119	17TH STREET PARKING GARAGE COATING	-	-	2,000,000	-	2,000,000	2,000,000	-	-	-	-	4,000,000
170	60120	13TH STREET PARKING GARAGE COATING	-	-	-	-	-	800,000	-	-	-	-	800,000
		Fund Total:	-	-	9,300,000	369,000	2,369,000	2,800,000	-	-	-	10,000,000	15,169,000
					490 Available Balance		7,367,000						
					FY19 Projected Revenue		-						
					Remaining Available Balance		4,998,000						
	510 FLEET MANAGEMENT FUND												
171	FLT001	FY19 VEHICLE/EQUIPMENT REPLACEMENT	-	-	-	3,030,000	3,030,000	-	-	-	-	-	3,030,000
		Fund Total:	-	-	-	3,030,000	3,030,000	-	-	-	-	-	3,030,000
					510 Available Balance		-						
					FY19 Projected Revenue		3,030,000						
					Remaining Available Balance		-						
	550 COMMUNICATIONS FUND												
172	22018	FIBER COMMUNICATIONS INSALLATION (ALONG ALTON ROAD- MICHIGAN AVE TO 63RD STREET)	-	102,000	59,000	-	59,000	131,000	-	-	-	-	292,000
		Fund Total:	-	102,000	59,000	-	59,000	131,000	-	-	-	-	292,000
					550 Available Balance		456,000						
					FY19 Projected Revenue		-						
					Remaining Available Balance		397,000						
	Stormwater - Future Bonds/Future R&R Cash												
173	PMG075	PUBLIC WORKS FACILITY - PUMP STATION BUILDING RENOVATION - 451 DADE BLVD (Additional funding in Item: #196)	-	-	-	2,300,000	-	-	-	-	-	-	-
174	PWK014	ALLISON ISLAND NORTH	-	-	-	-	-	-	-	-	-	6,154,321	6,154,321
175	PWK015	BELLE ISLE	-	-	-	-	-	-	-	-	-	4,550,621	4,550,621
176	PWK016	BISCAYNE BEACH	-	-	-	-	-	-	-	-	-	20,445,421	20,445,421
177	PWK017	BISCAYNE POINT	-	-	-	-	-	-	-	-	-	13,266,321	13,266,321
178	PWK018	CENTRAL BAYSHORE	-	-	-	-	-	-	-	-	-	7,963,400	7,963,400
179	PWK019	INDIAN CREEK PARKWAY	-	-	-	-	-	-	-	-	-	9,217,121	9,217,121
180	PWK020	LA GORCE ISLAND	-	-	-	-	-	-	-	-	9,104,921	-	9,104,921
181	PWK013	ORCHARD PARK (Additional funding in Item: #154)	-	-	-	-	-	5,000,000	-	-	-	8,688,421	13,688,421
182	PWK022	NORMANDY SHORES	-	-	-	-	-	-	-	-	-	29,147,027	29,147,027
183	PWK023	PARK VIEW ISLAND	-	-	-	-	-	-	-	-	-	4,759,121	4,759,121
184	PWK024	STAR ISLAND	-	-	-	-	-	-	-	-	-	6,032,621	6,032,621

CITY OF MIAMI BEACH
FY 2019 - 2023 CAPITAL IMPROVEMENT PLAN BY FUNDING SUMMARY

ITEM #	PROJECT	PROJECT NAME	Previous Years	FY 2017/18 Amended	FY 2018/19 Programmed	FY 2018/19 New Requests	FY 2018/19 Proposed	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	Future	Total
185	PWK025	SUNSET ISLAND 1	-	-	-	-	-	-	-	5,319,421	-	-	5,319,421
186	PWK026	SUNSET ISLAND 2	-	-	-	-	-	-	-	7,446,121	-	-	7,446,121
187	PWK027	TOWN CENTER	-	-	-	-	-	20,110,421	-	-	-	-	20,110,421
188	20422	FLAMINGO NEIGHBORHOOD (Additional funding in Items: #148, #155, #198)	-	-	-	-	-	-	-	111,708,242	-	-	111,708,242
189	20522	NAUTILUS NEIGHBORHOOD	-	-	-	250,000	-	-	-	29,236,421	-	-	29,236,421
190	20587	1ST STREET-ALTON RD TO WASHINGTON (Additional funding in Item: #144)	-	-	-	-	-	24,070,741	-	-	-	-	24,070,741
191	20719	SCADA AND PLC SYSTEMS (Additional funding in Items: #149, #152)	-	-	-	-	-	1,237,500	-	-	-	-	1,237,500
192	20922	NORMANDY ISLES DRAINAGE IMPROVEMENT	-	-	-	-	-	-	-	42,009,722	-	-	42,009,722
193	22418	MT. SINAI STORMWATER PUMP STATION (Additional funding in Item: #202)	-	-	-	-	-	13,227,421	-	-	-	-	13,227,421
194	23220	NORTH SHORE NEIGH. IMPROVEMENTS (Additional funding in Items: #129, #157, #203)	-	-	-	-	-	40,627,421	-	-	-	-	40,627,421
195	23270	CITY CENTER COMMERCIAL DISTRICT BPB (ROW & STREETSCAPE) (Additional funding in Items: #135, #142, #204)	-	-	-	-	-	-	40,227,421	-	-	-	40,227,421
Fund Total:			-	-	-	2,550,000	-	104,273,504	40,227,421	195,719,927	9,104,921	110,224,395	459,550,168
Water & Sewer - Future Bonds/Future R&R Cash													
196	PMG075	PUBLIC WORKS FACILITY - PUMP STATION BUILDING RENOVATION - 451 DADE BLVD (Additional funding in Item: #173)	-	-	-	2,300,000	-	-	-	-	-	-	-
197	PWK012	ALTON ROAD UTILITIES	-	-	-	-	-	-	-	9,000,000	-	-	9,000,000
198	20422	FLAMINGO NEIGHBORHOOD (Additional funding in Items: #148, #155, #188)	-	-	-	-	-	-	-	20,000,000	-	-	20,000,000
199	20519	WATER AND SEWER ON VENETIAN BRIDGE	-	-	-	-	-	4,500,000	-	-	-	-	4,500,000
200	20619	WASTE WATER STATIONS REHABILITATION	-	-	-	-	-	4,500,000	-	-	-	-	4,500,000
201	21020	ALTON RD. WATER MAIN IMPROVEMENTS	-	-	-	-	-	9,000,000	-	-	-	-	9,000,000
202	22418	MT. SINAI STORMWATER PUMP STATION (Additional funding in Item: #193)	-	-	-	-	-	5,000,000	-	-	-	-	5,000,000
203	23220	NORTH SHORE NEIGH. IMPROVEMENTS (Additional funding in Items: #129, #157, #194)	-	-	-	-	-	-	15,000,000	-	-	-	15,000,000
204	23270	CITY CENTER COMMERCIAL DISTRICT BPB (ROW & STREETSCAPE) (Additional funding in Items: #135, #142, #195)	-	-	-	-	-	-	5,600,000	5,600,000	-	-	11,200,000
205	29300	LINCOLN RD LENOX TO COLLINS WITH SIDESTREETS (Additional funding in Items: #136, #143, #158)	-	-	-	-	-	2,000,000	-	-	-	-	2,000,000
206	60419	DERM & EPA CONSENT DECREE (Additional funding in Item: #146)	-	-	-	-	-	400,000	-	-	-	-	400,000
207	61180	CITYWIDE W&S MAIN ASSESSMENT (Additional funding in Item: #147)	-	-	-	-	-	800,000	-	-	-	-	800,000
Fund Total:			-	-	-	2,300,000	-	26,200,000	20,600,000	34,600,000	-	-	81,400,000
Future Funding Not Designated													
208	20021	INDIAN CREEK (3) PEDESTRIAN BRIDGES	-	-	-	-	-	-	-	-	-	595,000	595,000
209	20622	LINCOLN ROAD BAY TOWERS BAYWALK	-	-	-	-	-	-	-	-	-	1,778,000	1,778,000
Fund Total:			-	-	-	-	-	-	-	-	-	2,373,000	2,373,000
Grand Total:			22,733,676	17,645,154	100,559,153	78,165,296	42,115,796	143,866,504	83,004,421	231,657,927	12,638,021	123,041,395	676,702,894

FOOTNOTES:
Unfunded FY 2019 requests will be programmed in future years
¹ FY 2019 vehicle/equipment replacement will be debt-funded

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 13, 2018

SUBJECT: **POTENTIAL REVENUE STREAMS**

HISTORY:

The Marketing and Communications Department oversees the sales of advertising and sponsorship for various City programs, facilities, events and other items throughout the city. Over the last 6 years the department has generated and managed over \$5.6 Million. For the upcoming fiscal year, staff was asked to research additional ways to generate alternative revenue. The chart below shows a 6-year snapshot as well as forecast for the upcoming fiscal year.

6-YEAR SNAPSHOT	Cash	In-KIND	Total
FY 19 PROJECTED	\$545,000.00	\$358,398.00	\$903,398.00
FY 18*	\$627,827.56	\$358,398.00	\$986,225.56
FY 17	\$709,150.47	\$358,398.00	\$1,067,548.47
FY 16	\$689,688.69	\$346,998.00	\$1,036,686.69
FY 15	\$736,650.00	\$344,050.00	\$1,080,700.00
FY 14	\$589,227.50	\$221,813.00	\$811,040.50
FY 13	\$541,455.50	\$101,350.00	\$642,805.50
TOTAL OVER 7 YEARS**	\$3,893,999.72	\$1,731,007.00	\$6,528,404.72

*Revenues as of 7/10/18

**Including projected FY19

ANALYSIS:

As the City considers ways to secure additional alternative sources of revenue, the Marketing and Communications Department has researched various options for your consideration. The attached document, labeled *Attachment A*, shows various possibilities pertaining to sponsorships and advertising.

The recommended advertising items are highlighted in yellow and are as follows:

RECOMMENDED ADVERTISING OPPORTUNITIES TO CONSIDER

- Trolley Advertising – Exterior and Interior:
 - Based on previous advertising prices, potential revenue for exterior and interior advertising would be approximately **\$880,000 per year**.
- Exterior Parking Garage Ads:
 - Based on prices paid for signage in the city of Miami, estimated rates per sign could total \$30,000 per month or a possible total of **\$3.2 Million per year**.
- Exterior Advertising at Fleet Building: Large format signage that would be seen by all cruise ship passengers as well as boaters in the area that enter and exit the port at an average suggested rate of \$20,000 per month could generate approximately **\$240,000 per year**

In 2007 the City entered into an agreement with a third-party to inventory and generate sponsorships. The document labeled *Attachment B* is the Inventory with suggested price ranges from this company. During their time in contract with the City they secured the Coca-Cola agreement and pitched other opportunities to the Mayor and Commission. The bottom spreadsheet in Attachment A shows some of their recommended sponsorships and possible revenues.

The recommended sponsorship items are highlighted in yellow and are as follows.

RECOMMENDED SPONSORSHIP OPPORTUNITIES TO CONSIDER

- **Park Naming Rights:**

- In 2012 Carnival Cruise Lines verbally proposed an **annual sponsorship fee of \$200,000**. The total value of the Carnival Cruise Lines sponsorship fee over the proposed twenty-year term is \$4,000,000.
 - The Committee recommended The Superlative Group bring back a more detail report to the October meeting. During that time the interested party withdrew their naming rights offer and decided to move in another direction.
- SoundScape Naming Rights were also presented and were valued at approximately **\$175,000 per year**.

Considering the items highlighted in yellow only, the possible annual revenue **totals approximately \$4.7 Million**. The recommendation from staff would be to work with our procurement department to do a competitive bid for a third party to manage the sponsorship opportunities and one for the trolley advertising opportunities. Based on the current agreement with the interior parking garage advertising, it is the understanding that this company would have the first right of refusal to manage the advertising on the exterior of the garages if this was a direction chosen.

Miami Beach Convention Center Naming Rights

As is common in many large sports or convention facilities, there is opportunity to sell naming rights to the building as well as various opportunities inside the facility. The following spreadsheet shows some City comparison rates that other venues have received on naming rights deals to show a range of what the City could receive for naming rights of the Miami Beach Convention Center:

TERMS OF NAMING RIGHTS DEALS FOR COMPARISON AND RESEARCH					
Location	Venue Type	Annual	Terms	Total revenue	
CenturyLink Center - Omaha Nebraska	Convention Ctr	\$933,333.33	15	\$14,000,000.00	
Huntington Bank Convention Center of Cleveland	Convention Ctr	\$500,000.00	20	\$10,000,000.00	
Carnival Center	Cultural Arts	\$10,000,000.00	1 year	\$10,000,000.00	
Adrienne Arsht	Cultural Arts	\$30,000,000.00	In perpetuity		
Lobby of Carnival Studio Theater	Cultural Arts	\$250,000.00	In perpetuity		
Ziff Ballet Opera House Stage	Cultural Arts	\$1,000,000.00	In perpetuity		
Willis Tower - Formerly Sears Tower (Chicago)	Multi-Functional	\$1,000,000.00	Since 2009	Unknown	
Toyota Center - Houston Texas	Sports Arena	\$5,000,000.00	20	\$100,000,000.00	
American Airlines Center-Dallas Mavericks	Sports Arena	\$6,500,000.00	15	\$97,500,000.00	
Lincoln Financial Field, Philadelphia, Pennsylvania	Sports Arena	\$6,647,619.05	21	\$139,600,000.00	
Bank of America Stadium, Charlotte, North Carolina	Sports Arena	\$7,000,000.00	20	\$140,000,000.00	
Hard Rock Stadium - Miami, Florida	Sports Arena	\$13,888,888.89	18	\$250,000,000.00	
American Airlines Arena - Heat	Sports/Music	\$2,100,000.00	Until 2019	\$31,500,000.00	

Miami Beach Licensing Program Update

In 2014 the City of Miami Beach partnered with Destination Brands and launched MB Suncare – the exclusive sunscreen of the City of Miami Beach. Through this partnership, the Miami Beach brand has been promoted via marketing and merchandising globally and is sold at major retailers such as Target, Navarro, Tom Thumb, Walgreens, Florida Turnpike Sundries and by our concessionaires in Miami Beach such as the Boucher Brothers. Since the partnership began, reported net sales are over \$1 million and the city has generated over \$71,000 in royalty revenue.

With the success of the MB Suncare brand, the City hired Beanstalk in 2015 – an international licensing company ranked number 5 out of 35 global licensing agents according to the Licensing Industry Merchandising Association, to further expand on the Miami Beach brand and licensing and merchandising program.

During Phase I of the consulting, Beanstalk worked with city staff to complete a thorough market analysis of the Miami Beach brand and feasibility of immersion into various possible categories. After analysis and research, Blueprint delivered various scenarios and reports to the City, including a prospecting guidebook, program management guidebook, and specific category evaluations and recommendations. Some of the recommendations included in the analysis by Beanstalk (*recommendations detailed in Attachment C*) are:

Licensing and Merchandising Revenue							
Type	Contract Length	Possible Net Sales	Terms of Agmt	Possible Royalty	Low End	High End	Description
Lottery	2-3 Years	\$10-50MM	Total Net sales Per Contract total term	.10-.40% of retail sales	\$ 10,000.00	\$ 200,000.00	Net sales are total over the term and include items like lottery tickets and slot machines placed in Las Vegas
							Partnering with brands to create unique and exclusive content for their fleets, branding everything from spas and restaurants

Cruise Partnerships	2-3 Years	\$25-50K	Per Year and Per Ship	Flat Fee	\$ 25,000.00	\$ 50,000.00	to the entire getaway experience.
Consumer Electronic Accessories	2-4 Years	\$1-2MM	Total Net sales Per Contract total term	4-5%	\$ 400,000.00	\$ 1,000,000.00	Focusing on local distribution and impulse purchases
Beach Towels	2-3 Years	\$250-900K	Total Net sales Per Contract total term	5-7%	\$125,000.00	\$ 630,000.00	Locally sold thru independent retailers and drugstores, ideally with a partner who could also develop other textile products under the Miami Beach Partnership
Co-Branded Casual Apparel	1 Year	\$5-8MM	Per Year	1-2.5%	\$500,000.00	\$2,000,000.00	Retail Partnerships to co-brand apparel
Publishing	2-3 Years	\$40-80K	Total Net sales Per Contract total term	4-7%	\$ 16,000.00	\$ 56,000.00	Books with a focus on fashion and style, works of art and photography and travel of our iconic imagery
*Revenues expected to begin in late FY 19 to early FY 20							

Following the completion of Phase I with Beanstalk, Commission approved an item to continue the relationship and begin Phase II – brand development. Through the partnership, the program design has been completed and staff have begun the official prospecting in target categories in July. The timeline moving forward as well as the overall strategy is as follows:

Timeline moving forward

- Finalizing all pitch materials and Style Guide – End of June
- Official prospecting in target categories will begin in July 2018
- Estimated time it takes to finalize a contract is 3 to 4 months
- Estimated time to market at least 12 to 18 months depending on product category.
- Potential 2019 revenue would come in the form of advances (EST: \$15K)
- **Royalty revenue Could begin in 2020**

Two-tiered Licensing Strategy

Based on recommendations from the research provided by the consultant, staff is approaching the licensing program in two ways simultaneously.

1. **Souvenir Category** – This would include items such as t-Shirts, beach towels, mugs, tumblers, magnets, frames, plush, hats, bags, and novelty products. These would be sold through a royalty agreement with a third party manufacturer/distributor and the City would receive royalties (similar to the sun care line).
2. **Lifestyle Brand Category** – This would include items such as apparel and accessories, home décor, textile, publishing, consumer electronic accessories, table top, glass ware, furniture and more. This would also be sold through a third-party, but would involve a higher level of involvement from the city through negotiations and approvals of design, etc.

During research on this program, staff also consulted with representatives from New York City, as the industry leader in city souvenir merchandising. During discussions with the representatives, they mentioned that the majority of their revenues don't come through online sales but from the tourist in person at their brick-and-mortar shops. They recommended that in the future we consider opening a store to sell official licensed apparel and merchandise in Miami Beach.

CONCLUSION:

This information is presented to the Finance and Citywide Projects Committee for discussion and direction.

ATTACHMENTS:

Description	Type
Attachment A	Other
Attachment B	Other
Attachment C	Other

POSSIBLE SPONSORSHIP OPTIONS TO BE CONSIDERED

Type	Location	Annual Revenue	Contract Terms	Total Revenue	Description
Park Naming Rights 20 YRS	South Pointe Park	\$198,000	20 Years	\$3,960,000	20-year contract with Carnival Cruise Lines proposed park naming rights in 2012 and it was brought to Finance but never received final approval
Park Naming Rights - 20 YRS	SoundScape Park	\$175,000	20 Years	\$3,500,000	20-year contract with Northern Trust proposed park naming rights in 2012 and it was brought to Finance but never received final approval
City Staff Uniform Sponsorships	i.e. Ocean Rescue Uniforms	\$250,000	5-Years	\$1,250,000	ESTIMATING A 5-YEAR AGREEMENT
City Staff Uniform Sponsorships	MBCC	\$250,000	5-Years	\$1,250,000	ESTIMATING A 5-YEAR AGREEMENT
Vehicle Sponsorships	Citywide	\$500,000	3-Years	\$1,500,000	Estimating 3-year agreement Partnership with dealer to provide vehicles at drastically discounted price or no fee at all - revenue estimated by TSG

\$ 11,460,000

POSSIBLE ADVERTISING OPTIONS TO BE CONSIDERED

Type	Location	Monthly Revenue	Contract Terms	Multiplier	Total Annual Revenue	Description
Trolley Exterior Ads	Trolley Windows	\$2,150	Per Trolley	25	\$645,000	Exterior window ads on the Trolleys - 25 THROUGHOUT THE CITY
Trolley Interior Static	Around interior of Trolley	\$750	Per Trolley	25	\$225,000	Interior images placed in 1 trolley
Trolley Interior Digital	Television inside Trolley	\$1,000	Per Month/per advertiser	1	\$12,000	one :30 PSA to run on all 25 trolleys per month
Exterior Parking Garage Ads	Parking Garages Citywide	\$30,000	Per Year/Per garage	9	\$3,240,000	Assuming one sign per 9 garages - This revenue would be negotiated between the sales company and the city
Wallsapes	City-Owned or Public Buildings	\$30,000	per month/per sign	3	\$1,080,000	Per building/per location - estimated 3 locations to start - based on pricing recently paid for wallscape in midtown
Fleet Building Wallscape	Advertising placed on the back of the fleet building	\$20,000	per month/per sign	1	\$240,000	Large signage that would be seen by all cruise ship passengers/boaters that enter/exit the port

\$ 5,202,000.00

CITY OF MIAMI BEACH, FLORIDA

CORPORATE SPONSORSHIP PROGRAM

ASSET INVENTORY AND VALUATION REPORT



Presented By:



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INTRODUCTION

The City of Miami Beach hired The Superlative Group, Inc. to develop a Corporate Sponsorship Program to generate non-tax revenue for the City. This Report, or Asset Inventory and Valuation, acts as the first of three deliverables to the City in Phase I of the project. The purpose of this report is to provide the City of Miami Beach with documentation of all the “City-owned” facilities, programs, equipment, and intellectual property that are available to optimize a municipal marketing campaign. The decision to solicit corporate marketing partners or to explore any other private/public partnerships and municipal marketing opportunities for any facility, event, program or other tangible or intangible asset is the decision of the City of Miami Beach. Specifically, this report will provide a document to:

1. Determine the potential of a municipal marketing program
2. Develop a strategy for creating a sustainable municipal marketing program
3. Prioritize the use of the City’s resources for the highest benefit
4. Obtain the synergistic benefit of seeing all the assets and rights formatted together

When visualizing corporate sponsorship or municipal marketing programs, it is usually assumed that the only opportunities lie in naming rights to municipal-owned facilities or corporate logos and signs obstructing views and cluttering areas. This vision is not Superlative’s intention for a municipal marketing program for the City of Miami Beach.

Naming rights and signage are both assets that need to be included in the Asset Inventory and can be very lucrative opportunities for the municipality, but in most cases the political risks and acceptance issues weigh more than the revenue gain. It is Superlative’s approach to first find what packages the City of Miami Beach is willing to offer and then secondly match a corporation to that package. What



elements can and cannot be included in a sponsorship, preferred vendor, or municipal marketing program are the sole decision of the municipality. An example of a corporate sponsorship package that does not include naming rights and obstructive signage, for a municipal marketing program is shown in the “Municipal Marketing Opportunities” section below.



MUNICIPAL MARKETING OVERVIEW

Municipal Marketing is the merging of private and public funds to provide non-tax revenue to the municipality while building both the private and public brands in a manner reflecting the stability and values of the community, its people, and its goals for the future.

- **Corporate Sponsorship defined** – *As a subset of municipal marketing corporate sponsorship is a cash and/or in-kind fee paid to an entity in return for access to the commercial potential and branding opportunities associated with that entity.*

Municipal Marketing Industry Standards and Trends - The Municipal Marketing industry was built from models associated with the sponsorship and naming rights of sports stadiums around the world. These models value both the quantitative (media, signage, advertising) and the qualitative (hospitality, community good will, public relations) benefits associated with a sponsorship to produce mutually beneficial, long-term partnerships between the entity and the corporation.

The evolution of sponsorship to municipal marketing has had challenges because of political risks, municipal processes, and over-commercialization concerns in the public sector. These issues were overcome by the introduction of reports like this one to educate the municipality on how a sponsorship program works, establishing a process for approval, and activating long-term relationships. As the industry continues to grow, the concerns mentioned above are still relevant but do not affect the growth of the municipal marketing industry.



In 2004, companies spent \$220 million on municipal marketing across the nation and the spending has continued its upward momentum with projected spending to be above \$531 million in 2007 equating to a 230% increase in revenue in the industry over the past three years. These investments by corporations are going to continue to grow in high exposure areas because companies desire to break through traditional advertising clutter and sports arena sponsorship marketing continues to mature.



MUNICIPAL MARKETING OPPORTUNITIES

In lieu of cutting City services or charging additional fees for programs and events to generate revenue, the City can create alternative revenue sources through corporate sponsorship. Possible partnerships include; venue sponsorship and naming rights, preferred vendor contracts, advertising, and promotional support. These partnerships will allow exclusive use of identified public assets for marketing purposes in a manner that benefits the public. These win-win partnerships will enhance the quality of life through improved services while creating greater access, unique branding, and an improved image for partner corporations. Specifically, the types of sponsorships available are outlined below:

- 1. Category Sponsorship** - A category sponsorship will be offered to those companies that provide a product or service to Miami Beach, and visitors to City facilities. Revenue will be generated by way of cash sponsorships and by reducing City spending for products and/or services (in-kind).
- 2. Preferred Vendor Sponsorship** - Preferred vendor contracts create the opportunity for non-tax revenue without substantial resources from the City. Vendor agreements offer an attractive partnership to selected vendors by combining on-site sales, sampling and the ability to reach the buying power of the City of Miami Beach.
- 3. Event Sponsorship** - Existing and new City events including parades, festivals and athletic events, can be leveraged to increase sponsorship revenues.



4. **Cause-Related Project Sponsorship** - Highly visible preservation, memorial or restoration projects could anchor marketing promotions for potential corporate partners.
5. **Naming Rights** - Facility sponsorship will provide City partners with a point of differentiation and a platform from which to deliver their message. The naming of a facility is a catalyst, embodied by advertising, communications and marketing, with a defined purpose of executing a specific plan and presence. The central initiative involved in naming rights is the ability for the sponsor or partner to take advantage of the marketing opportunities offered.
6. **Capital Project Sponsorship** - Expansion of existing buildings and the creation of new permanent facilities, attractions, transit and other infrastructure improvements afford Miami Beach additional opportunity for revenue generation.
7. **Advertising** - Advertising can generate revenue and interest in City programs, properties and special events. Advertising can be impacted enormously by creating promotional tie-ins with various retail partners.
8. **Signage** - Signage opportunities include temporary or permanent placement on buildings, facilities, fields, or even parking garages.



Municipal Marketing – Corporate Sponsorship Package Example

As an example of a corporate sponsorship package, assume that the City has approved an “Official Sponsor” package for the City of Miami Beach Parks and Recreation Department and Superlative is presenting the package to Tide Brand (P&G). Initially, Superlative will provide a sponsorship entitlements package to the City for approval depending on the level of sponsorship. For an “Official Sponsorship” of the Parks and Recreation Department for Tide Brand, entitlements can include:

- Designation of the Official Detergent of the City of Miami Beach Parks and Recreation Department
- Brand name and logo showcased in a mutually agreed manner on relative City of Miami Beach Websites with sponsorship designation and a link to the Tide website
- Five signage opportunities in mutually agreed, high traffic, locations within City of Miami Beach managed facilities
- Official Detergent Sponsorship of the City of Miami Beach Youth Soccer Program
- Brand Logo on the inside tag of all Miami Beach Youth Soccer Jerseys, bags, towels, etc.
- Opportunity to sponsor additional after-school programs and events with additional sponsorship fees
- Sampling opportunities and promotions to be mutually agreed with City of Miami Beach managed facilities, parks, events, and programs

A valuation of the above package depends on which entitlements are offered, where the signage is placed, how many sampling opportunities etc. are offered to Tide



Brand. The terms, conditions, and pricing will be negotiated and mutually agreed after initial interest is confirmed.



SUCCESSFUL EXAMPLES OF MUNICIPAL MARKETING

City of Tampa, FL – Tampa Bay Electric Company (TECO) purchased naming rights to the new 2.3-mile electric streetcar line for \$1 million. In addition, private companies can pay \$250,000 per car for the exclusive sponsorship of a single trolley car for a 10-year term and individual trolley stations are available for \$100,000 per year.

City of Lake Forest, CA - In exchange for \$100,000, Etnies, a popular teenage shoe/clothing company, received naming rights to a city park and will have the right to use the property to host skateboard competitions.

City of San Diego, CA - Executed a 12-year exclusive Municipal Marketing partnership for cold drink services with The Pepsi Bottling Group. The agreement affords the City a \$1.5 million “marketing rights fee” and “incremental marketing fee” for placement of additional vending machines.

Cedar Rapids, Iowa – The mass transit system and parking authorities in Cedar Rapids combined to form the Five Season Transportation and Parking Authority. This merger resulted in parking revenues being used for transit, a new 1000-plus space garage that increased ridership, and the joint development of a new hotel, daycare, and a senior center. The private/public partnership is estimated to have saved the citizens of Cedar Rapids over \$1,180,000 in local taxes.

City of New York, NY – In 2003, the City of New York negotiated a \$166 million dollar partnership with Snapple to become the official beverage of the city, thus becoming the largest beverage vending relationship to date.



BENEFITS TO CORPORATIONS

Given the wide array of highly visible marketing properties available to companies through sports teams and venues, entertainment properties and television and radio, it would be reasonable to ask, ‘why spend money with a municipality?’. The answer lies in part in two factors: competition and clutter. The intense level of competition among many consumer-oriented products has caused corporate marketing executives to seek new communication vehicles to reach their customers while enhancing their brand image. With media clutter reaching new levels in television, the internet, and telecommunications, brand managers are continually seeking new ways to separate their brand from the competition.

While all companies can purchase television, radio and print advertising, only sponsorship connects their brand with a facility, event or program. Municipalities have those assets, and some companies are making municipal relationships a strategic focus that they fund with explicit marketing budgets. The soft drink industry has done this for years, and other industries (express shipping, wireless services, and banking, for example) are following suit.



POTENTIAL PARTNERS

Potential partners for the City of Miami Beach can be companies with local, national, and international branding and marketing interests because of the amount of exposure Miami Beach receives from tourism, movies, and TV shows. Companies with the most interest would have a local presence, interest in the Miami Beach community, and should be a company with high standards of practice in order to maximize a Miami Beach brand association. Some examples include:

- AutoNation, Inc.
- BankAtlantic Bancorp, Inc.
- BankUnited Financial Corporation
- Bluegreen Corporation
- Burger King Holdings Inc.
- Carnival Corporation
- Claire's Stores, Inc.
- DHL Holdings (USA), Inc.
- Mount Sinai Medical Center
- National Beverage Corporation
- Office Depot, Inc.
- Perry Ellis International, Inc.
- Royal Caribbean Cruises Ltd.
- Ryder System, Inc.
- Watsco, Inc.

The companies listed above include those that have a stake in the area and the Latino market and have similar values and brand image to that of the City of Miami Beach. The list is in no way a reflection of companies that have shown an interest in having a corporate partnership, nor is it a list of the only companies that would be interested in a corporate partnership.



POLITICAL CONSIDERATIONS

A municipal marketing program must, by its nature, be sensitive to issues of over-commercialization and what is in the public interest. This, of course, is subjective with no single answer. For example, the use of the City's parks as sponsorship and marketing vehicles has natural attractiveness to the corporate community. However, there exists the possibility of creating conflict between the park mission and corporate mission when sponsorship is introduced. The City of Miami Beach's programs should be designed to seek sponsors whose goals are consistent with those of the City and its stakeholders.



RIGHTS MANAGEMENT CONSIDERATIONS AND LIMITATIONS

Many factors can affect the success of the marketing and sponsorship program. We consider the following factors as areas to be examined when developing a program:

- The extent to which marketing rights have been exploited in the past
- The degree to which City management understands and values its marketing rights
- The degree to which the legal processes in place support the use and protection of marketing rights
- The value of existing contracts measured against the value that would have been extracted in the private sector
- The extent to which the City has dedicated resources to exploit the rights
- The extent to which political concerns have been addressed
- The employment of sponsorship policies that define the use of such rights

There are limitations in all marketing endeavors and they should be recognized. While the City of Miami Beach can look to other municipalities in the United States as benchmarks for its program, the factors described above will be unique to Miami Beach. The types of assets that could create successful relationships here will be determined by the extent to which the factors above are addressed and considered. Many cities have developed good and valuable corporate sponsorships for specific projects, or on a one-off basis, while others have developed more strategic programs.



LICENSING AND OTHER OPPORTUNITIES

The City of Miami Beach can also take advantage of other areas of branding to maximize a municipal marketing program. Each of the City's seals, marks, logos, and slogans is a City-owned asset that has the potential for revenue generating, marketing, and branding opportunities. These elements can be registered, branded, or marketed in a way to give license to the City for commercial use of the name, logo, etc. Some setbacks, however, include the registration of a place that is not being used by the city for commercial use (merely descriptive) and making the case that the branding of the words by other entities has in fact confused consumers.

Another opportunity to capitalize on City logos and brand is in merchandizing. Miami Beach is one of the top tourist destinations in the world and whenever someone comes to visit, they want a way to remember the experience and beauty of the City. This opportunity is being used all over the beach with private companies selling t-shirts, souvenirs, mugs, towels, etc. for personal profit.

The City of Miami Beach also has very strong ties to the Latino market, which is very attractive to local, national, and international corporations when looking at municipal marketing and advertising opportunities. As a gateway to other countries, Miami Beach is seen as a tourism and commerce destination by cultures all over the world. The City can maximize this opportunity by producing public/private partnerships with companies that are interested in this market and its association to the City. In a municipal marketing partnership it would be considered a value added benefit to a company interested in making an investment with the City's brand.

In addition to the Latino Market, there are also opportunities with the Gay/Lesbian community, the Jewish community, and others. Specifically, the Gay/Lesbian



community in Miami Beach is supported by a Chamber of Commerce from a grant from Miami-Dade County and has a strong voice in the community. Support of Gay/Lesbian rights is important to many companies investing in community awareness and involvement. For example, Ford Motor Company supports Gay Rights and is a sponsor of the Gay Olympics. Ford has made a stand and supports communities that support gay rights even when it has resulted in a loss of market share.



HOW TO READ THE REPORT

The report is designed to give the reader a broad and comprehensive look at the types of assets owned by the City, which might provide value to a sponsor. Several pieces of information were considered for each asset mentioned. Generally, assets were grouped as “facilities”, “programs”, “events”, and “intangibles.” A brief description of each asset is given, as well as a description of the rights available, a value rating, and an estimate of the level of difficulty of selling the asset. Generally, naming rights – by way of example – are high value, difficult sales, while special events are lower value, but easier to sell.

There are some assets for which no available pricing can be reasonably estimated because either there are no benchmarks or the information was unavailable at the time this report was written. For each asset listed, we have included, a general description of the marketing value, other assets or sponsorships the assets can be packaged with, a value range and selling difficulty, and comments on any restrictions or guidelines related to the asset.

Generally, it is beneficial to see all the rights on one report so that the natural packaging of certain assets can be seen more readily. Also, the existence of this database allows the City to be more responsive to companies when opportunities present themselves.

The report has a value indicator for each asset, designated by dollar signs, with the greater number of dollar signs meaning greater value. It should be noted that the value of each asset is packaged with being an Official Partner of the City of Miami Beach. The values of each individual asset are not presented in an individual value basis. In other words, you cannot take the value range of each asset below and add



them together to get a whole value of a sponsorship. The sponsorship success column determines the level of difficulty in place for attaining a sponsor for that specific asset; this is shown with stars, with more stars the more attractive the asset is to a potential partner.

RANK (Dollar Signs)	SPONSORSHIP VALUE
\$ \$ \$ \$	\$500,000 +
\$ \$ \$	\$100,000 - \$499,999
\$ \$	\$50,000 - \$99,999
\$	\$5,000 - \$49,999
RANK (Stars)	SPONSORSHIP SUCCESS
★ ★ ★ ★	Likely Attainable
★ ★ ★	Moderate Success
★ ★	Difficult
★	Extremely Difficult

Specifically, the following considerations account for the valuation and salability levels outlined above:



Value Range:

- **\$ \$ \$ \$**- Indicates a high-value sponsorship that would represent a long-term revenue stream and partnership for the City with a specific organization or private entity. These packages usually include naming rights or presenting sponsorship to a highly visible asset along with marketing, advertising, and promotional events.
- **\$ \$ \$** - Partnerships/sponsorships in this value range are comparable to the ones outlined above, but are representative of assets that are not as visible, do not allow signage, or have limited promotional and/or program capability. Contrastingly, this level of sponsorship may have a higher salability because the investment is not as demanding for the corporation.
- **\$ \$** - Generally, this level of sponsorship represents programs, smaller events and assets that have limited or no marketing/signage capabilities. For example, all parks are displayed with this value range because of the need to keep over commercialization out of the parks of Miami Beach. Allowing signage, promotional opportunities, and/or vending rights would most likely move sponsorships in this category to a higher value.
- **\$** - Sponsorships in this value range can be described as donations or gifts more so than a sponsorship. This sponsorship/partnership value range is also effective as “added value” to a larger sponsorship package depending on what corporation is involved.



Salability:

- ★ ★ ★ ★ – A sponsorship that is “Likely Attainable” is a program, facility or department that has been used successful in a number of different municipalities before and there is general interest from corporations to invest in this kind of relationship.
- ★ ★ ★ – Salability is seen as moderately successful with this type of asset. The industry understands what is included and the asset is generally one that is attractive to companies that invest in municipal marketing.
- ★ ★ – Sponsorship/partnership is difficult to acquire because of restrictions with the type of asset, investment involved, and/or the asset is new to the municipal marketing industry.
- ★ – Difficulty of a sponsorship/partnership for this asset is extremely high because of the location, restrictions, type of asset, limited knowledge of what companies could be involved, and/or needs of the department.

The value range and salability are estimates determined from industry standards, previous success, and general interest in the municipality, specifically, connection to the City of Miami Beach’s brand. Statements regarding value range and salability for the specific departments can be found below under the department or group of assets.



PARKS AND RECREATION DEPARTMENT

Description: The Parks and Recreation Department is responsible for all of the City-owned and managed Parks, recreational facilities, programs, events, etc. The Department is very organized and publishes two annual guides (in various amounts) for after-school programs, community events, adult leagues and summer camps.

Opportunity: The Parks and Recreation Department is one of the most valuable when it comes to corporate sponsorships because it is the most visible with the largest amount of inventory to present to a potential partner. The opportunity for sponsorship is represented by the amount of facilities and programs available, the quality of that program, and the media value of each sign, calendar, publication, and vocal announcement.

Packaging: Sponsorships can include Official Sponsorship to the entire Parks and Recreation Department, naming rights to one of the many facilities located inside each of the Parks, or small sponsorships to events, programs, maintenance, etc. The facilities that make up each of the Parks or recreational sites are highly visible and will not have the same political repercussions as renaming the entire park.

Limitations: It will be very difficult to change the names of the Parks or recreational sites because of the popularity of the name and the political considerations.

Value Range and Salability: The majority of assets in Parks and Recreation can be packaged together depending on the interests of the City and the partner corporation. The sponsorship packages are usually mid-range value and easier to develop than other departments. Value of sponsorships depends on the amount and location of the entitlements.



PARKS AND RECREATION DEPARTMENT
FLAMINGO PARK

<u>Asset Name</u>	<u>Description</u>	<u>Packaging availability</u>	<u>Value Range</u>	<u>Salability</u>	<u>Comments</u>
Flamingo Park	Located in the center of South Beach, Flamingo Park is a highly visible, renowned asset	All Parks and Rec programs, Official Sponsorship of the park, etc.	\$ \$ \$	★	High visibility and unique programs are attractive to many corporations
Flamingo Park Pool	Located in the center of Flamingo Park, the pool holds many activities and programs for all ages	Aquatic Programs, Merchandizing, other facilities	\$ \$	★ ★ ★	Larger sponsorships that include naming of the pool are more lucrative to the City
Track Facility	Complex located next to the pool and behind the Police Athletic League	Track and field programs, Parks and Rec. events, and capital improvement projects	\$ \$	★ ★ ★	The track needs to be renovated – corporate sponsorship opportunity for facility improvements



<u>Asset Name</u>	<u>Description</u>	<u>Packaging availability</u>	<u>Value Range</u>	<u>Salability</u>	<u>Comments</u>
Tennis Center	State of the art tennis facility with full-time instructor and programs for all age groups	Programs, events, tournaments, and other tennis related activities at the other park locations	\$ \$ \$	★ ★	The fact that the tennis center was named before lowers the value of the sponsorship
Youth Programs, Camps, and Events	Day camps, after school programs, adult programs and all other events held at Flamingo Park	Associated facilities and events	\$ \$	★ ★ ★	Programs and events offer a great packaged value to all of the facility Presenting Sponsorships
Basketball Courts	Flamingo Park's basketball courts were voted "Best of Miami"	Programs, events tournaments, and other facilities within the park	\$ \$	★ ★ ★	The basketball courts are highly visible and used year-round
Baseball Diamond	Home to the Miami Beach High Tides, Major League Baseball (MLB) teams train on this field during the off-season	Programs, facilities, and events	\$ \$	★ ★ ★	The location of the baseball diamond will give sponsorships a higher value



<u>Asset Name</u>	<u>Description</u>	<u>Packaging availability</u>	<u>Value Range</u>	<u>Salability</u>	<u>Comments</u>
Athletic Fields	Miami Beach's travel and intramural teams play and compete on this field. This area is also used for general activities	Programs, tournaments, and events or other facilities in the park	\$ \$	★ ★ ★	The field renovation gives an excellent opportunity to bring in a presenting sponsors
Police Athletic League	13,000 sq. ft. facility that houses after school programs and a fitness center that is open to the public	Programs and events	\$	★ ★ ★	The Athletic League is already an established brand but can be packaged with other facilities like the track facility



PARKS AND RECREATION DEPARTMENT
SCOTT RAKOW YOUTH CENTER

<u>Asset Name</u>	<u>Description</u>	<u>Packaging availability</u>	<u>Value Range</u>	<u>Salability</u>	<u>Comments</u>
Scott Rakow Youth Center	Built in 1976 to serve the teens of Miami Beach, the facility now serves all ages with a variety of recreational activities	Presenting Sponsorship package that includes the entire facility and programs and events at the site	\$ \$ \$	★ ★ ★ ★	A Presenting Sponsorship will help keep the facility free and support the overall budget
Youth programs, camps, and events	Children (4 th -12 th grade) can attend the after school and summer camp programs that are held during the week	Facilities or a specific area of the center where the program takes place	\$ \$	★ ★	Youth programs and events are excellent underwriting opportunities for potential sponsors
Specialty Camps	Includes ice skating, hockey, outdoor swimming and water polo camps	Facilities or a specific area of the center where the program takes place	\$	★ ★ ★	Excellent underwriting opportunity



<u>Asset Name</u>	<u>Description</u>	<u>Packaging availability</u>	<u>Value Range</u>	<u>Salability</u>	<u>Comments</u>
Ice Rink	12,885 sq. ft. ice rink is home to many programs for children and adults	Programs and events or a Presenting Sponsorship of the center	\$ \$ \$	★ ★	Excellent opportunity because of high visibility and uniqueness
Par-3 Golf Course	The course provides a place for beginners to learn and love the game of golf	Other programs and events	\$ \$	★ ★ ★	Great packaging opportunity
Bowling Lanes	Bowlers of all ages and skill levels can enjoy the six lanes	Events and Presenting Sponsorship	\$	★ ★ ★	Not as much exposure as other aspects of the center
Youth Center Pool	A six-lane lap pool that is aerated in the summer and heated in the winter	Movies in the pool, programs, events, and Presenting Sponsorship	\$ \$	★ ★	Most visible asset of the center with great signage opportunities
Indoor Sand Volleyball	Miami Beach's only indoor sand volleyball court	Other facilities, programs, or Presenting Sponsorship	\$ \$	★ ★	Unique asset that supports a popular sport in the area



<u>Asset Name</u>	<u>Description</u>	<u>Packaging availability</u>	<u>Value Range</u>	<u>Salability</u>	<u>Comments</u>
Seahawks Swim Team	Swim team for children that are high level swimmers	Pool and other program or events	\$	★ ★ ★	Great to package with another sponsorship to add value



PARKS AND RECREATIONAL DEPARTMENT
NORTH SHORE PARK AND YOUTH CENTER

<u>Asset Name</u>	<u>Description</u>	<u>Packaging availability</u>	<u>Value Range</u>	<u>Salability</u>	<u>Comments</u>
North Shore Park Youth Center	Computer lab, fitness center, teen room with wide screen TVs and the latest in gaming, a dance room, and auditorium	Presenting Sponsorship can include all facilities and events in the center	\$ \$ \$	★ ★ ★ ★	Opportunities to include entire facility for specialty programs or events
Youth Programs, camps, and events	Camps include, marine biology camp, boat building, water safety, bowling camp, and cheerleading camp	Official Partner of Parks and Rec and other programs or events	\$ \$	★ ★	Programs can be packaged with similar programs from other Parks in the City
North Shore Open Space	34.61 acres and the largest open space park in Miami Beach makes it a highly treasured natural resource	Value added benefits with the park and environmental sponsorships	\$ \$	★ ★ ★	As the largest open space park, there are many environmental packaging capabilities



PARKS AND RECREATION DEPARTMENT
NORMANDY ISLE PARK AND POOL

<u>Asset Name</u>	<u>Description</u>	<u>Packaging availability</u>	<u>Value Range</u>	<u>Salability</u>	<u>Comments</u>
Normandy Isle Park	Includes multipurpose basketball courts, a tot lot, soccer field, pavilion and after school programs for children K-6 th grade	Other programs and events held at the park or with other Parks in the system	\$ \$ \$	★ ★ ★ ★	Only underwriting or Presenting Sponsorship available – no naming rights
Educational Programs	Programs that are held at the park including, marine biology, surfing, snorkeling, learn to swim, and life guarding classes	Presenting Sponsorship, events, and signage opportunities	\$ \$	★ ★	Excellent opportunity for company to pay for the classes and maximize the relationship
Pool	The pool offers an array of unique opportunities and programs that other pools don't offer like marine biology and snorkeling classes	Presenting Sponsorship of Miami Beach pools and other programs or events	\$ \$	★ ★	Opportunity for access to a unique demographic



PARKS AND RECREATIONAL DEPARTMENT
MIAMI BEACH AND NORMANDY SHORES GOLF CLUBS

<u>Asset Name</u>	<u>Description</u>	<u>Packaging availability</u>	<u>Value Range</u>	<u>Salability</u>	<u>Comments</u>
Miami Beach Golf Club	18-hole, par-72 course with new, environmentally friendly and exceptionally playable Paspalum turf is combined with world class course design	Other golf related events, tournaments, programs, and facilities	\$ \$ \$	★ ★ ★	Miami Beach is a very golf-friendly community and there are many corporations that are comfortable investing in golf tournaments, etc.
Normandy Shores Golf Club	A challenging 18-hole, par-71 course that features native tree lined fairways and water hazards on 12 of the holes	Other golf related events, tournaments, programs, and facilities	\$ \$ \$	★ ★ ★	Miami Beach is a very golf-friendly community and there are many corporations that are comfortable investing in golf tournaments, etc.



PARKS AND RECREATIONAL DEPARTMENT
OTHER OPPORTUNITIES

<u>Asset Name</u>	<u>Description</u>	<u>Packaging availability</u>	<u>Value Range</u>	<u>Salability</u>	<u>Comments</u>
Fairway Park	A large neighborhood park; 4.48 acres bordered by North Shore Dr., South Shore Dr., and Normandy Shores Blvd.	Other Parks and Rec facilities, programs, and events	\$ \$	★ ★	Excellent opportunity for an “Official Sponsor” or a value add asset
Fisher Park	Neighborhood green space with a secured, shaded playground, contains a prominent memorial to Carl Fisher	Other Parks and Rec facilities, programs, and events	\$ \$	★ ★	Excellent opportunity for an “Official Sponsor” or a value add asset
LaGorce Park	A .75-acre park that primarily serves the surrounding single-family neighborhood	Other Parks and Rec facilities, programs, and events	\$ \$	★ ★	Excellent opportunity for an “Official Sponsor” or a value add asset



<u>Asset Name</u>	<u>Description</u>	<u>Packaging availability</u>	<u>Value Range</u>	<u>Salability</u>	<u>Comments</u>
Lummus Park	26.34-acre regional park located east of Ocean Dr.	Other Parks and Rec facilities	\$ \$	★ ★ ★	Excellent opportunity for an “Official Sponsor” or a value add asset
Maurice Gibb Memorial Park	3.43-acre neighborhood park that provides recreational resources to residents of Venetian and Sunset Islands	Other Parks and Rec facilities	\$ \$	★ ★ ★	Excellent opportunity for an “Official Sponsor” or a value add asset
Muss Park	Located near the geographic center of Mid-beach District, anchors the mini Parks of the area by providing a full range of organized recreational programs	Other Parks and Rec facilities	\$ \$	★ ★ ★	Excellent opportunity for an “Official Sponsor” or a value add asset



<u>Asset Name</u>	<u>Description</u>	<u>Packaging availability</u>	<u>Value Range</u>	<u>Salability</u>	<u>Comments</u>
Palm Island Park	A 2.13-acre park that serves the predominately single-family homes on Palm Island	Other Parks and Rec facilities	\$ \$	★ ★ ★	Excellent opportunity for an “Official Sponsor” or a value add asset
Pinetree Park	A 7.75-acre passive park of the Mid-beach District	Other Parks and Rec facilities	\$ \$	★ ★ ★	Excellent opportunity for an “Official Sponsor” or a value add asset
Polo Park	Playground with spring riders and free-standing upper body equipment, horizontal bars and includes tennis, racquet ball, basketball courts, and fields	Other Parks and Rec facilities	\$ \$	★ ★ ★	Excellent opportunity for an “Official Sponsor” or a value add asset



<u>Asset Name</u>	<u>Description</u>	<u>Packaging availability</u>	<u>Value Range</u>	<u>Salability</u>	<u>Comments</u>
South Pointe Park	17-acre regional park at the southern most point of the island and one of Miami Beach's most scenic Parks	Other Parks and Rec facilities	\$ \$	★ ★ ★	Excellent opportunity for an "Official Sponsor" or a value add asset
Stillwater Park	A 1.68-acre neighborhood park serving the surrounding single and multiple family homes	Other Parks and Rec facilities	\$ \$	★ ★ ★	Excellent opportunity for an "Official Sponsor" or a value add asset
Tatum Park	A .78-acre neighborhood park located on a triangular lot bordered by Tatum Waterway Dr.	Other Parks and Rec facilities	\$ \$	★ ★ ★	Excellent opportunity for an "Official Sponsor" or a value add asset



<u>Asset Name</u>	<u>Description</u>	<u>Packaging availability</u>	<u>Value Range</u>	<u>Salability</u>	<u>Comments</u>
City Center Park	New park under construction outside the New World Symphony that acts as an expansion of the facility	Other cultural events and facilities	\$ \$	★ ★	The park will have very high visibility and a premium for being a new location
21st St. Recreation Center	The center offers a variety of programs and activities for all ages including, dance, gymnastics, yoga, and salsa classes, and has 4,070 sq. ft. auditorium with at wooden dance floor and stage	Programs and events held at the facility through Presenting Sponsorships, and adult or special populations activities	\$ \$ \$	★ ★ ★	This center has less exposure than the others but can be an excellent value-added opportunity



CULTURAL AFFAIRS

Description:

With The City of Miami Beach working to become a major cultural destination for tourism and events, this is a perfect time to get assistance in developing programs through private/public partnerships. There are a lot of very unique aspects to the assets controlled by the Cultural Affairs Department, from Art Museums to Convention Centers and Theatres. This inventory offers opportunities for value added benefits through a corporate foundation or an individual gift to support the Arts in Miami Beach.

Opportunity:

There are many opportunities within the Cultural Affairs Department, which match companies' giving missions through grants and donations, but can also be a great opportunity for underwriting and sponsorships. Other opportunities in the Cultural Affairs Department are to partner with one or all of the events, facilities, or conventions that paint the Beach every year. For example, providing opportunities to package sponsorships with the following organizations and events that are not directly owned and operated by the City:

- Art Basel Miami Beach
- Art Miami
- Art Americas
- South Beach Comedy Festival
- International Ballet Festival
- Miami World Theatre Festival
- Winter Music Conference
- Florida Dance Festival
- Maim International Piano Festival
- Miami / Project Hip-Hop
- Fillmore Miami Beach at the Jackie Gleason Theatre
- Lincoln Road Organizations
- Gallerie d'Arts Decorateifs
- Britto Gallery
- Miami Beach Convention Center
- Sleepless Night



Packaging:

Cultural Affairs sponsorship packages can go from a small exhibit in the Bass Museum of Art to Presenting Sponsorship of Art Basel Miami Beach depending on how passionate the company and its representatives are about supporting the arts.

Limitations:

Some exhibits and facilities will have their own sponsors that are known nationally, this sponsorship may overshadow any local sponsorship in the category if the sponsor of the exhibits and facilities has exclusive rights. This needs to be checked before any sponsorship is solicited so it is known that the category of sponsorship is off limits. Also, Cultural Affairs has a higher level of signage restrictions so as to not take away from the performance or exhibit.

Value Range and Salability:

In Miami Beach, culture is a very attractive asset to a partner corporation and/or municipal marketing opportunity. These assets are going to be valued at a much higher value than other departments because of the cultural destination Miami Beach has become. The difficulty of the sale stems from 1) the amount of an asset actually controlled and/or owned by Miami Beach, 2) visibility, and 3) the fact that some of these assets are new to corporations that invest in Municipal Marketing.

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CULTURAL AFFAIRS

<u>Asset Name</u>	<u>Description</u>	<u>Packaging availability</u>	<u>Value Range</u>	<u>Salability</u>	<u>Comments</u>
Fillmore Miami Beach at the Jackie Gleason Theater Road Signage	City owned asset on the LED sign outside the Theatre	Provides a value-added benefit to a large Presenting Sponsorship	\$ \$ \$	★ ★ ★	Will be more valuable in a package
Bass Museum of Art	The Museum is a cultural staple in Miami Beach – it is going through many renovations over the next few years	Programs and events held at the facility	\$ \$ \$	★ ★	The renovations will be an excellent opportunity to help build the cultural arts in Miami Beach
Colony Theatre	The refurbished auditorium, with a seating capacity of 440, is the region's premiere mid-sized performance space.	Programs, events, plays, workshops in the facility and other cultural affairs assets	\$ \$	★ ★	Cannot be renamed because of its history but is available for Presenting Sponsorships



<u>Asset Name</u>	<u>Description</u>	<u>Packaging availability</u>	<u>Value Range</u>	<u>Salability</u>	<u>Comments</u>
Byron Carlyle Theatre	Renovated 1968 structure that houses 304 patrons as a single playhouse	Programs, events, play, workshops in the facility and other cultural affairs assets	\$ \$	★ ★	As a historic building with a name, only programs and events held at the theatre will be available for sponsorship
CANDO Cultural Arts District	The mission of CANDO is to provide a wonderful and successful neighborhood for arts-related mixed use and community gatherings	Other cultural related events, programs, and facilities	\$ \$ \$	★ ★	Available for an underwriting sponsor to support the program
Sleepless Night Event	City-wide event to celebrate the culture of Miami Beach and the extra hour of day-light savings time	Cultural Affairs Department sponsorship	\$ \$ \$	★ ★	There are many different levels of involvement in the event and the success of the first year will increase involvement in coming years



<u>Asset Name</u>	<u>Description</u>	<u>Packaging availability</u>	<u>Value Range</u>	<u>Salability</u>	<u>Comments</u>
North Shore Bandshell Building	Band shell located in North Shore Park that hosts a number of cultural events throughout the year	North Shore Park activities and other cultural events and programs	\$ \$	★★	Opportunity for Naming Rights or Presenting Sponsorship as a part of a Parks or cultural affairs sponsorship



PUBLIC WORKS DEPARTMENT AND FLEET VEHICLES

Description: To maintain the City's roadway and traffic control infrastructure and provide services related to causeway operations and maintenance, and the physical environment. Its primary focus includes emergency/disaster recovery efforts, highway engineering, street cleaning, maintenance, and government building repair. The fleet vehicles include all of the police and rescue vehicles, dump trucks, construction equipment, and other maintenance and city owned cars and trucks.

Opportunity: The Public Works Department understands the concept of corporate sponsorship and is extremely eager to implement it into its properties, programs, and services. This department will be most involved in Official Sponsorships of The City of Miami Beach because it is charged with new facilities, replacements, and signage placement.

Packaging: The Public Works Department manages the entire inventory that will be included in an Official Sponsorship of the City of Miami Beach and the assets can be packaged with most of the other inventory. Fleet vehicles can be included in these sponsorships as well through in-kind and signage opportunities.

Limitations: The Miami Beach signage ordinance is the largest limitation for the Department of Public Works. With each sponsorship, the ordinance will have to be consulted on the size and shape of the signs according to the particular location and partnership.

Value Range and Salability: The higher value range in the Department of Public works are displayed by assets that are visible, help the environment, or can include some kind of licensing arrangement or "official product" status for the corporate partner. Salability depends on the willingness to provide amenities to the corporate partner.



PUBLIC WORKS DEPARTMENT AND FLEET VEHICLES

<u>Asset Name</u>	<u>Description</u>	<u>Packaging availability</u>	<u>Value Range</u>	<u>Salability</u>	<u>Comments</u>
Vehicle Inventory	Police, rescue, construction, clean-up, and maintenance vehicles	Official partners of the City, the police department, and other inventory where applicable	\$ \$ \$	★ ★ ★	The exposure of vehicles in Miami Beach makes a sponsorship very attractive for an in-kind investment
Maintenance	The City maintains and operates facilities, streets, Parks, beaches, government buildings, etc.	Packaging opportunity with a “Keep Miami Beach Clean” sponsorship	\$ \$	★ ★	Excellent opportunity for packaging with signage on street sweepers or in-kind product sponsorships
Streetscape Environmental Seawalls	Miami Beach has a unique obstacle in keeping the seawalls, beach, and boardwalk well maintained and in regulation with codes set by the County and State	Package with an Official Beach partnership	\$	★ ★	Great opportunity for a company that is committed to helping the environment – especially the ocean



<u>Asset Name</u>	<u>Description</u>	<u>Packaging availability</u>	<u>Value Range</u>	<u>Salability</u>	<u>Comments</u>
Street Clean Up Effort	Miami Beach prides itself in being clean and well kept – this effort is very expensive for the City	Opportunity for product company to give an in-kind donation	\$ \$	★ ★	Sponsorship can include signage on the street sweepers and dumpsters and public relations opportunities



PARKING DEPARTMENT

Description: Responsible for the operation of all of the City owned parking in garages, on the street, and residential areas. The Department controls 11,000 on street spaces, six garages, and 64 surface lots .

Opportunity: Parking garages can be seen as another facility in the City's inventory with signage, naming rights, promotional, and advertising opportunities to offset the costs of maintenance and operation of the garage or lot. There are also opportunities with pay to park displays, meter sponsorships, and free lot cost underwriting. The annual exposure of a parking garage sponsorship would include the parking garage patrons (~210,000 annually) and other patrons that will see signage or receive promotional material. This value will be contingent on exactly what kind of partnership is established with the Parking Department.

Packaging: Parking sponsorships can be packaged together for a limited number of high value corporate partnerships keeping with the overall design of the City.

Limitations: Limitations include signage ordinances and naming rights of existing garages to keep from over commercialization of city managed properties. Some companies only see parking garages as advertising, not as a sponsorship opportunity. That will also hinder the value and ease of sale of a parking department sponsorship.

Value Range and Salability: Assets within the Parking Department have a lower value range because of the limited amenities available, but a higher sale rate because of the impressions available and the simplicity of the relationship.



PARKING DEPARTMENT

<u>Asset Name</u>	<u>Description</u>	<u>Packaging availability</u>	<u>Value Range</u>	<u>Salability</u>	<u>Comments</u>
Six Parking Garages	Garages in Miami Beach that are maintained by the City and provide business and hotels with parking separate from the street	Signage opportunities on roof to be seen by airplanes; also elevators, security arms, pay stations	\$ \$ \$	★ ★ ★	Most of the garages are not available for naming rights
68 Surface Lots	Parking for visitors of the beach, Parks, and other cultural destinations	Packaged with other department sponsorships or solo	\$ \$ \$	★ ★	Opportunity for community relations investment
8,500 Metered Spaces	Spaces located on the street or in small lots that are used on a hourly basis by visitors	Value add to a parking sponsorship or garage naming rights partnership	\$ \$	★ ★	Added to a partner package for the parking department to keeps price down
250 Pay Stations	Located near metered stops and in surface lots to pay for time allowed to park in the space	Value add to a parking sponsorship or garage naming rights partnership	\$ \$	★ ★	Backs of Pay Stations are currently bare and can be used for signage placement



<u>Asset Name</u>	<u>Description</u>	<u>Packaging availability</u>	<u>Value Range</u>	<u>Salability</u>	<u>Comments</u>
Smart Cards	Cards that residents and employees use to access a specific garage at a monthly cost	Value add to a parking department sponsorship or garage naming rights partnership	\$	★	Backs of cards are available to be printed with company name and logo.



THE BEACH

Description: The Beach is the jewel of Miami Beach and the surrounding area. It is showcased in many different movies and TV shows, which in turn displays the City and its many assets available for corporate sponsorship.

Opportunity: Through discussions with representatives – Superlative has determined that cash and in-kind investments and partnership will be very lucrative for the City and help off-set costs incurred from the maintenance and operation of the Beach and its departments.

Packaging: The assets held on the beach can be packaged in a way where in-kind donations (combers, jet-skies, etc.) can be combined with cash sponsorships depending on what company is approached and what they can offer to the City to make the partnership mutually beneficial.

Limitations: Many City representatives feel that sponsorship can be representative of over-commercialization of such an important landmark. The City and its consultants need to be careful in the entitlements that it offers a sponsorship with regards to signage and product display on the beach.

Value Range and Salability: The Beach is another valuable asset to the City of Miami Beach with the most visibility and relationship opportunities. Partnership/sponsorship opportunities are valuable and straightforward to develop, with difficulty arising in providing corporate value to the asset while keeping with the vision of the City.



<u>Asset Name</u>	<u>Description</u>	<u>Packaging availability</u>	<u>Value Range</u>	<u>Salability</u>	<u>Comments</u>
Ocean Rescue	The beach patrol is a staple of life in Miami Beach - making the beaches safe for residents and visitors	Official Beach Sponsorships	\$ \$	★ ★	The beach patrol has many value added benefits that can be included in a “Official Beach Partnership”
Life Guard Stations (29)	The lifeguard stations are the symbol of Miami Beach. The image is shown in every magazine and movie about the beach	A large asset that can be included with an “Official Beach Sponsor” package	\$ \$ \$ \$	★ ★	The stations are considered public art and corporate sponsorship signage has to be done tastefully without over commercialization
Other	The beach has value added assets including boardwalks, combers, towels, showers, etc.	Value-added benefits to beach packages	\$	★ ★	Brothers vending and other City Vendors have inventory that can be bought and then distributed to a corporate partner

THE BEACH



OTHER AVAILABLE INVENTORY

<u>Asset Name</u>	<u>Description</u>	<u>Packaging availability</u>	<u>Value Range</u>	<u>Salability</u>	<u>Comments</u>
City-owned vehicles	Miami Beach owns an impressive number of vehicles from ATV's to dump trucks	Automotive or vehicle sponsorship package	\$ \$ \$ \$	★ ★	The fleet vehicle department is very aware of sponsorship opportunities
Trash Cans	The trash cans in Miami Beach are very visible and in high demand with the tourists and residents to keep the City clean	Value added awareness benefit to any sponsorship	\$	★	Opportunity available after conclusion of the "Adopt a Trash Can" campaign
Wi-Fi	Wi-Fi is going to be a very large asset to the City because of the recent agreement that allows Wi-Fi to be free to residents	Technological partnerships or a value added benefit to Official Sponsors	\$ \$	★	The Wi-Fi assets will not be available until advertising is allowed
MB Magazine	With six issues a year, Miami Beach turns to the magazine for the latest happenings in government, culture, and nightlife	The magazine advertising section can be packaged with any sponsorship to add value – it is also a great PR outlet	\$ \$ \$	★ ★ ★	Keeping the magazine free the advertising and sponsorship dollars have to offset the printing costs



<u>Asset Name</u>	<u>Description</u>	<u>Packaging availability</u>	<u>Value Range</u>	<u>Salability</u>	<u>Comments</u>
Signage (Entrance Signage)	The City is placing new LED signs in all the entrances to the City – showcasing the new logo for the city	Official Partnership Sponsorship of the City	\$ \$ \$	★ ★	Have to support the signage ordinance and overall design
Intellectual Rights	The City owns intellectual rights to its name and all of its sister agencies such as South Beach	Copyrights and trademarks to insure everyone that uses the marks pays for that use	\$ \$	★ ★ ★	The City is working on the paper work, but also has to make this a priority in the legal department
Fourth of July Fireworks	Miami Beach holds many different free Independence Day fireworks celebrations in different parts of the City	Other official status partnerships and events	\$ \$	★ ★ ★	Feel good opportunity to keep an event free for residents
Lighting	All of the lighting of the board walks and streets are the City's responsibility	Value add to other sponsorship packages or solo	\$ \$	★	In-kind sponsorship opportunity for a environmentally friendly lighting company



<u>Asset Name</u>	<u>Description</u>	<u>Packaging availability</u>	<u>Value Range</u>	<u>Salability</u>	<u>Comments</u>
Street-pole Banners	Every street has street-pole banners that advertise different events and ad exposure to an event or facility	Value add to other sponsorship packages	\$	★ ★ ★	Excellent to add exposure value to a sponsorship
Beverage Vending	City-wide official beverage provider for any park, department, beach, or area that has vending machines and sales	Other “Official Partner” sponsorship of City or with another product or service	\$ \$ \$ \$	★ ★ ★	The beverage vending asset is one of the most lucrative but may have political issues with other companies involved





Category Recommendation Recap

recommendation RECAP

CATEGORY	PURSUE?	RATIONALE	FINANCIAL OPPORTUNITY
Lottery		<ul style="list-style-type: none"> Florida Lottery ranks second in the country in sales and profits in the country To draw in consumers and add additional game opportunities, lotteries are branding games with recognizable brand names, such as: Bejeweled, Flamingo and Escape to Margaritaville Despite potential negative gambling connotation, Florida Lottery's mission to support education can be a positive platform for the city to promote 	<ul style="list-style-type: none"> Term: 2-3 Years Royalty Rate: 0.10-0.40% of retail selling price Projected Net Sales: \$10-\$50MM over the term
Cruise Area		<ul style="list-style-type: none"> Worldwide cruise market is almost \$39.6 billion and growing To differentiate, cruise lines are partnering with brands to create unique and exclusive content for their fleets, branding everything from spas and restaurants to the entire getaway experience A cruise line partnership would allow for global exposure of the Miami Beach brand 	<ul style="list-style-type: none"> Term: 2-3 Years Projected Flat Fee: Approx. \$25-\$50K per year and ship



recommendation RECAP

CATEGORY	PURSUE?	RATIONALE	FINANCIAL OPPORTUNITY
Protective Consumer Electronic Accessories		<ul style="list-style-type: none"> Growing subcategory as a result of increased demand for extreme sports, inclement weather and accidents Brands with significant distribution either have equity in the technology space or are successful lifestyle brands across multiple product segments To avoid direct competition with technology and lifestyle brands, the strategy should focus on local distribution and impulse purchases 	<ul style="list-style-type: none"> Term: 2-4 years Royalty Rate: 4-5% Projected Net Sales: \$1-\$2MM over the term
Beach Towels		<ul style="list-style-type: none"> Category is relatively flat and very seasonal Private label and character brands are best sellers through mass retail Due to seasonality and limited distribution potential, the best opportunity for Miami Beach beach towels is for sale locally thru independent retailers and drugstores, ideally with a partner who could also develop other textile products under the Miami Beach partnership 	<ul style="list-style-type: none"> Term: 2-3 years Royalty Rate: 5-7% Projected Net Sales: \$250-\$900K over the term



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CATEGORY	PURSUE?	RATIONALE	FINANCIAL OPPORTUNITY
Co-Branded Casual Apparel		<ul style="list-style-type: none"> • Retailers have an appetite for partnership in the category • Broad exposure for Miami Beach • Miami Beach would need to develop a visual story to sell into retail • Extensive marketing campaign against the partnership, including digital and sweepstakes 	<ul style="list-style-type: none"> • Term: 1 year • Royalty rate: 1-2.5% • Projected Retail Sales: \$5-\$8MM
Publishing		<ul style="list-style-type: none"> • Despite the rise in e-books, coffee table books have remained relevant to consumers as they decorate their homes • A function of design, books with a focus on fashion and style, works of art and photography, and travel are the most successful due to their iconic imagery • Opportunity to showcase Miami Beach-owned artwork and graphics 	<ul style="list-style-type: none"> • Term: 2-3 Years • Royalty Rate: 4-7% • Projected Net Sales: \$40-\$80K over the term



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CATEGORY	PURSUE?	RATIONALE	FINANCIAL OPPORTUNITY
Energy Drinks		<ul style="list-style-type: none"> Despite being saturated with hundreds of brands, five brand leaders control 95% of the energy drink market Beverage leaders from other categories have even struggled to gain any meaningful market share (SunnyD, VitaminWater and Starbucks) Hard Rock Energy Drink launched in 2013 and still has not been able to penetrate distribution outside of local convenience stores operated by the same ownership Group Even if MB is able to work with existing partner Coca-Cola, distribution would likely be local only 	N/A
Swimwear		<ul style="list-style-type: none"> Few brands and retailers are looking for co-branded partnerships in the category Brands who have been able to attract swimwear partners are those with explicit sex appeal such as Maxim and swimsuit models, such as Alessandra Ambrosio 	N/A



recommendation RECAP

CATEGORY	PURSUE?	RATIONALE	FINANCIAL OPPORTUNITY
Collectible Housewares		<ul style="list-style-type: none"> Although there may be an opportunity to partner locally on novelty collectibles, the size of the opportunity and the limited distribution prevent the category from being a prospecting priority Iconic brands with a large, passionate group of followers see the most success and longevity in the market, such as Elvis, Coca-Cola and Ford 	N/A
Beach Gear		<ul style="list-style-type: none"> A niche and seasonal category that represents a small fraction of the outdoor furniture market Few retailers carry multiple skus as shelf space is limited for the category Private label dominates the market place as consumer purchase is driven by price Even the higher end segment of the market, sold through specialty outdoor retail, tends to be retailer branded only Most affinity branded product is promotional 	N/A



novelty ITEMS

- Local vendors are already capitalizing on the excitement and affinity of the destination
- Official Miami Beach branded novelty items, such as apparel and collectibles, should be targeted as immediate prospecting priority
- Local retailers who are manufacturing product at their stores should be contacted for partnership
- Additional gift and collectible vendors can be approached for broader distribution opportunities
 - These relationships should not be exclusive as multiple partners will be required to build a comprehensive portfolio of Miami Beach novelty products
- Because Miami Beach is in the public domain, there will need to be additional partnership incentive for manufacturers who are paying for use of the official city logo

Prospective Partners:

Local Retailers

- Alvin's
- Surf Style
- Wings

Additional Novelty Manufacturers

- Open Road Brands
- Great American Products
- Holland Bar Stool
- Tervis Tumbler
- Siskiyou Gifts
- Trevo Inc.
- CafePress
- Zazzle.com



MIAMI BEACH

Strategic Extension Blueprint

August 17, 2015



Agenda

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Category Recommendation Recap	7
Guidebook Highlights	13
Additional Projects	21
Appendix	23



Goals & Equities for Extension

goals & objectives FOR EXTENSION

Based on learnings from the brand download, the following goals were identified for extension of the Miami Beach brand:

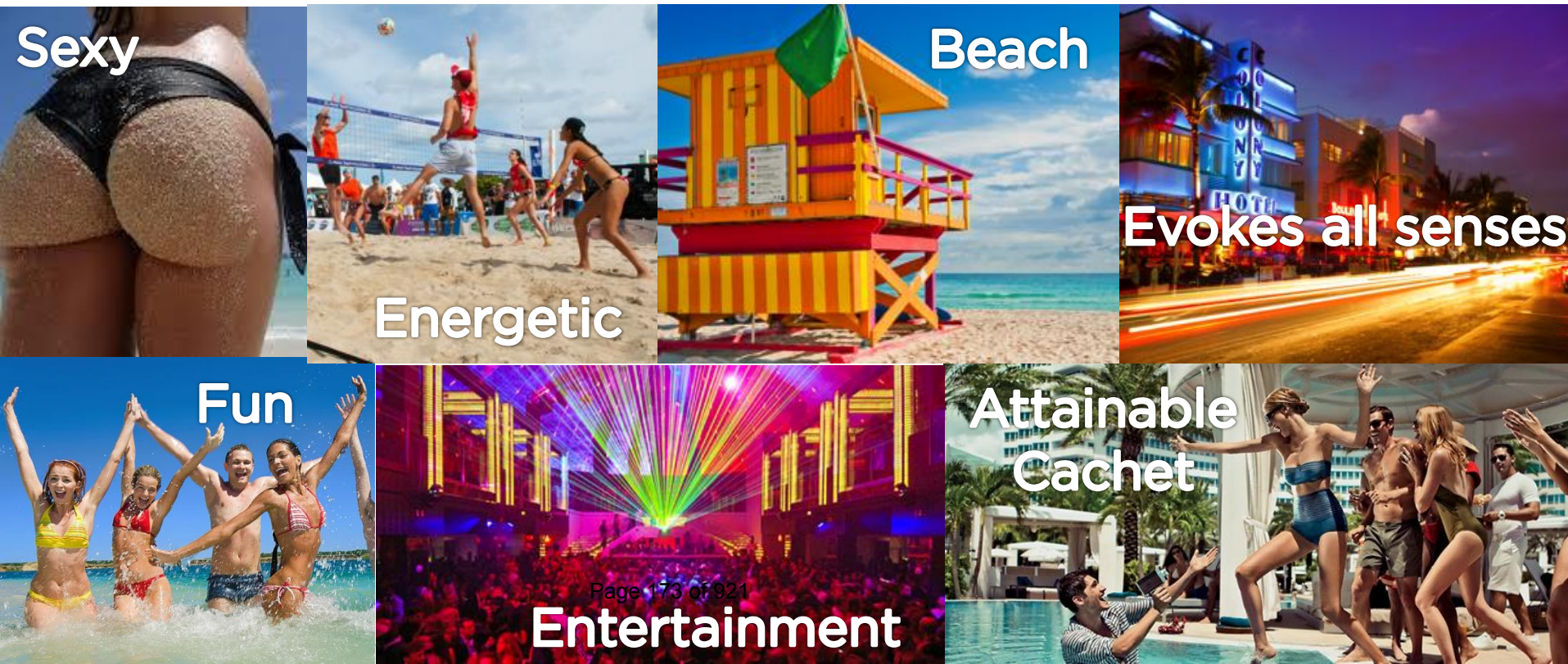
- Increase global brand awareness while strengthening existing relationship with enthusiasts
- Enhance consumer perception of Miami Beach as a lifestyle brand
- Grow merchandising program volume and footprint
- Generate external partner revenue stream with positive return on investment

equity BRAINSTORM

Fun	Fun in the sun	Health	Sexy		Creative	Arts
Beautiful	Energetic		Ocean	Colorful	Glamorous	Fitness
Relaxing	Historic	Perfection	Evokes all senses		Chic	Scene
Beach	Fun after dark	Vacation	Bikini	Nightlife	High-end	Lifestyle
	Playful	Exotic	Celebratory	Ocean Rescue	Luxurious	Unique
Sun	Outdoor	Entertainment		Multicultural	Attainable Cachet	Special

leverageable equities FOR EXTENSION

Blueprint proposes the below equities as most leverageable for partnership with Miami Beach



The slide features several decorative geometric shapes. In the top-left corner, there is a large diamond shape composed of smaller triangles in blue, teal, orange, and pink. Below it, there are smaller, partially visible geometric shapes in orange and teal. In the bottom-left corner, there are overlapping triangles in pink and teal.

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Critical Guidebook Highlights

sales MATERIALS

GOALS: Entice potential partners by communicating the value of the Miami Beach brand, highlighting the strength of the brand and potential for partnership opportunity

- **Pitch Email:** Usually is the first contact with the prospective partner. It should strategically communicate a brief overview and key selling points of the MB brand to gauge interest. Generally followed by a phone call and additional sales materials, the Pitch Email includes a brief introduction of the brand, key data points, current partnerships, benefits to license the brand and should end with a powerful statement.
- **One Sheet:** Provides more brand and partnership information to a prospect who has inquired about additional information, but remains somewhat vague in an attempt to attract interest in setting a meeting or call. Encompasses an overview of the brand, limited details about the existing program and outlines the scope of the licensing opportunity.
- **Sales Presentation:** Comprehensive deck with all details about the brand, current program partners and successes and an outline of potential partnership opportunity. Should be utilized in meetings and calls to articulate the opportunity in detail to prospects and typically includes two distinct sections “Brand Overview” and “Partnership Opportunity”

partner DUE DILLIGENCE

GOALS: Ensure Miami Beach is entering into secure and long-term partnerships with healthy companies in good standing that are committed to and aligned with the Miami Beach brand

- After initial discussions about the opportunity, the prospective partner should provide substantial information about the company, background and specific details about the proposed relationship for Miami Beach to consider. Two main sections to be analyzed:
 - **Company Background**
 - History and Structure
 - Sales and Customer Service Capabilities
 - Financial Assessment
 - Manufacturing, Quality Assurance and Safety capabilities
 - Company Material
 - **Partnership Proposal**
 - Objectives
 - Marketing & Promotions Strategy
 - Distribution
 - Proposed terms (length, sales projections, royalty rate, MG, advance, territories, distribution date, marketing commitment percentage)

critical AGREEMENT TERMS

GOALS: Clearly outline the parameters of the relationship, delineating partner's rights while ultimately protecting the City of Miami Beach, the Miami Beach brand and its assets

- While the agreement is a comprehensive document with critical protections and nuances, four main areas that need special attention are highlighted below:
 - **Partnership Grant:** specific delineation of the partnership terms including years including renewal, category and sub-category grant, allowed trademarks, channels of distribution and regional territories
 - **Financials:** inclusive of all financial terms (minimum guarantees, royalty rate, marketing commitment), specific definitions (wholesale, retail, FOB, cross-collateralization, allowed deductions, etc.) and reporting requirements
 - **Product Approvals:** Process and guidelines for approval submissions covering product, packaging and marketing collateral
 - **Termination:** Clear provisions providing for termination resulting from a multitude of infractions. Standard agreements require acceleration of payment of all unpaid minimum guarantees.

partner COMMUNICATION

GOALS: Regular interaction will ensure partners are abiding by contractual obligations and will allow the City of Miami Beach to have a consistent and on-brand program. The following can help ensure that these goals are met:

- **Product Development:** Partners to establish launch plans and timelines that will help confirm that all parties are aware of deadlines and appropriate processes to achieve a smooth product development process
- **Approval Process:** Brand owner should have approval rights for all items bearing the trademark to certify that all brand extensions conform with brand guidelines and to ensure appropriateness and consistency across all partners' product, packaging and marketing collateral
- **Status Calls:** Regular communication in form of status calls and annual business reviews help stay involved and informed about program successes and obstacles and provide a look ahead, targeting goals designed to promote growth

brand book & ART ASSETS

GOALS: By providing a style guide/brand book, the City of Miami Beach will illustrate guidelines for key brand elements, provide art direction and inspiration and ultimately ensure a consistent and signature voice and spirit. The book should include:

- Brand logos and usage guidelines
- Brand voice
- Color palette
- Typography
- Packaging and merchandising guidelines and concepts
- Design assets and inspiration based on City of Miami Beach-owned art; it may be beneficial to incorporate successful designs of existing/past partners. Inspiration will require regular updates.

partner support: MARKETING

GOALS: The City of Miami Beach needs to support its partners by integrating them into on-going City of Miami Beach marketing activities. Inclusion not only supports and enhances existing relationships, but can be viewed as a compelling selling point to prospective partners. Partners can be expected to provide collateral/art, samples or participate financially, where appropriate.

- **Website:** Include links to partner and retailer sites; provide information and imagery of existing programs
- **Social media:** Recommend transitioning Centennial account into City of Miami Beach social channel to help promote licensed product and partnerships, sponsored events, etc. Again, link to partner pages, websites and include products in City posts, thus growing exposure.
- **Events:** Maximize existing City events to promote products/partnerships. Partners can participate in or sponsor events and should be expected to fund cost of samples or provide sponsorship dollars.
- **Advertising/public relations:** Include partner product in existing marketing initiatives to promote the program and increase exposure

partner support: POINT OF CONTACT

GOALS: To ensure effective program supervision and consistency, the City of Miami Beach should have an internal single point of contact dedicated to managing existing partners, prospecting new categories/partnerships and developing initiatives to support growth and collaboration.

Responsibilities should include:

- Partner prospecting and contract negotiation
- Partner onboarding
- Day-to-day management of all partners
- Timely response of product, packaging and marketing approvals
- Analysis of financial projections and results
- Governance of existing partners, overseeing all contractual obligations
- Ensuring consistency across all branded initiatives (e.g., partner product/packaging/marketing, city business cards, city uniforms, local signage, etc.)
- Liaison for developing, organizing and maintaining assets
- Development and management of joint marketing opportunities and incorporation of partners into City initiatives



Additional Projects

additional PROJECTS

To continue to assist Miami Beach in building and managing a larger partnership program, Blueprint can be engaged for the following projects:

- **Brand Book:** \$40,000-\$120,000
 - Pricing dependent on complexity and breadth of book
- **Sales Materials:** \$10,000
 - One sheet, sales presentation and partner due diligence application
- **Legal Boilerplate:** \$10,000
 - Customization for city-specific legal requirements: \$500/hour
- **Program Management Templates:** \$3,000
 - Financial reporting forms, product approval template, annual business plan template, status call agendas
- **Strategy for Additional Territories:** TBD
 - Pricing to be determined by number of regions and scope of categories



Appendix

Full Category Brainstorm

Category Evaluations

Prospecting Guidebook

Program Management Guidebook



Category Evaluations

evaluation: LOTTERY/SCRATCH-OFFS

Category Dynamics:

- Florida Lottery ranks second in the country in sales and profits; U.S. sales of lotteries in the state of Florida reached approximately \$5.36 billion in fiscal year 2013-14, representing a 7% increase from prior year.
 - The sole mission of the Lottery is to maximize revenues for education, having reached a cumulative \$26 billion in transfers to education since the Lottery's inception.
- Florida Lottery launched 41 new Scratch-Off games in fiscal year 2013-14 with a variety of themes, colors, play styles, top prizes and price points to appeal to Florida's diverse population
- To entice players, lotteries are branding games with pop-culture relevant, easily recognizable brands names; Florida lottery has launched games for Bejeweled, Flamingo and Escape to Margaritaville, providing winners with cash prizes, VIP experiences and vacation packages
 - Combined sales for these licensed properties totaled more than \$117 million
 - Out of more than 85,000 Flamingo Scratch-Off game players, 30 grand prize winners were selected to receive an all-expense paid VIP getaway for two to the Flamingo Hotel and Casino in Las Vegas.
 - With the Escape to Margaritaville Scratch-Off game, 44 winners received trips to St. Thomas, Pensacola, or Las Vegas; there were more than 634,000 entries
- Harrah's has partnered GTECH to offer games under three of Harrah's most powerful brands – Harrah's®, Caesars®, and World Series of Poker® (WSOP®)
- Additionally, the Lottery's Special Events team participates in community-based events statewide collaborating with brand partners to offer merchandise and prizes



evaluation: LOTTERY/SCRATCH-OFFS

Recommendation:

Miami Beach should prioritize pursuit of a lottery partnership.

As a coveted destination and icon of the state of Florida, there is an opportunity to leverage the city's equity into a Miami Beach themed scratch-off. Grand prizes of expenses paid getaways would be an incentive for players outside of South Florida and potentially nationwide.

Lottery partnerships can offer rich financial benefit with limited management and oversight. Not only can the city benefit financially, but lottery partnership provide an opportunity for brand engagement with consumers who aren't already considering visiting the city.

Despite the potential negative gambling connotation associated with lottery, Florida Lottery's mission to support education can be a positive platform for the city to promote.

Financial Opportunity:

- Term: 2-3 Years
- Royalty Rate: 0.10-0.40% of retail selling price
- Projected Net Sales: \$10-\$50MM over the term

Prospective Partners:

- IGT/GTECH
- MDI Entertainment (a Scientific Games Company)
- Alchemy3
- Pollard Banknote

evaluation: CRUISE ENTERTAINMENT AREAS



Category Dynamics:

- Currently, the worldwide cruise market is estimated at \$39.6 billion. Cruise passengers carried worldwide in 2015 is forecast at 22.2 million
 - By 2019, 25.3 million cruise passengers are expected to be carried worldwide, of which 55.8% will originate from N.A., 25.1% Europe and 19.1% the rest of the world
- Carnival has the largest share of the cruise market, followed by Royal Caribbean Cruises and Norwegian Cruise Line (“NCL”); these three leaders account for 81.6% of worldwide share of passengers carried and 76.7% share of revenues
- One of the hottest trends in cruising is the incorporation of famous brand names in all aspects of onboard life, from entertainment to restaurants, spas and shops; branded content is part of the way in which cruise lines are attempting to uniquely position themselves in the market
 - In 2011, Carnival teamed up with best-selling author, restaurateur and *Food Network* personality Guy Fieri to bring all the authentic appeal of a roadside burger shack poolside; Guy’s Burger Joint is open on five of Carnival’s cruise ships
 - Sixthman and NCL have developed a new concept called Festival Cruising; Sixthman, the leader in music cruises for more than a decade, has pioneered themed cruise experiences for bands, brands and their fans; executing over 67 full ship charters and hosting over 130,000 guests for 600,000 days on vacation at sea with world class artists and brand partners, such as KISS, Turner Classic Movies and VH1’s The Rock Boat
 - NCL’s *Walking Dead* cruise, the Walker Stalker Cruise, will set sail in January 2016, after selling out in only weeks, providing guests the opportunity to interact with stars of the show, as well as attend autograph sessions and photo opps; activities to include zombie gaming, costume contests and more
 - The Dreamworks Experience, only on Royal Caribbean, allows guests to meet and dine with their favorite characters from Shrek, Madagascar, Kung Fu Panda and How to Train Your Dragon and includes themed activities such as trivia and scavenger hunts
 - Canyon Ranch SpaClub® offers relaxation and healthy living on Queen Mary 2, Oceania Cruises, Regent Seven Seas Cruises, and Celebrity Cruises, connecting guests with the spa experience they trust

evaluation: CRUISE ENTERTAINMENT AREAS

Recommendation:

Pursue partnership with a leading cruise line for a Miami Beach themed onboard experience. Rather than branding the entire ship, Miami Beach should propose a branded area such as swim-up bar, wave pool, or an Art Deco nightclub/lounge serving up signature Miami Beach drinks.

As cruise lines look for branded opportunities to draw-in consumers and set their fleet apart, Miami Beach offers the cache of a coveted getaway destination. The seamless integration of the Miami Beach experience onto a cruise ship will offer cruise-goers a unique view and experience not offered on any other cruise line.

A fully-developed brand book, as well as a fleshed out concept vision will allow Miami Beach to best sell the opportunity to potential partners and comprehensively paint a picture to show what could be possible.

Financial Opportunity:

- Term: 2-3 Years
- Projected Flat Fee: Approximately \$25-\$50K per year and ship

Prospective Partners:

Primary targets:

- Carnival Cruise Lines
- Royal Caribbean International
- Norwegian Cruise Line

Secondary targets:

- Crystal Cruises
- Cunard Line
- Holland America
- Oceania Cruises
- Paul Gauguin Cruises

evaluation: WATERPROOF CONSUMER ELECTRONIC ACCESSORIES



Category Dynamics:

- The Consumer Electronic Accessories industry totaled \$8.5 billion in sales in 2014 and is growing steadily, buoyed by the popularity of tablet and smartphone accessories, headphones and ear buds
 - Although the waterproof segment represents a small percentage, an estimated \$50 million, it is anticipated to grow significantly
- “Waterproof” was a significant trend at the 2015 Consumer Electronics Show, showcasing products like waterproof smart phones and accessories; even major players like GoPro and Sony debuted waterproof consumer electronics
- Increased demand for waterproof accessories isn’t limited to the beach; waterproof consumer electronics and accessories are in high demand for extreme sports, inclement weather and accidents; growth in sales also stems from the high number of water accidents involving personal electronics
- Smartphone accessory growth far outpaces that of other mobile accessories and is expected to grow to \$38 billion by 2017
- Often an impulse purchase, brick and mortar stores are the primary channel of distribution for consumer electronic accessories
- Technology brands with unique IP and lifestyle brands generally find the most success in the category, such as OtterBox and Kate Spade, respectively

evaluation: WATERPROOF CONSUMER ELECTRONIC ACCESSORIES

Recommendation:

Without equity in technology or a broader lifestyle offering, Miami Beach will encounter significant challenges competing with performance-based brands like GoPro and OtterBox.

However, rather than going head to head with leading brands, Miami Beach should instead seek a partner to introduce a 'fun-fashion' waterproof accessories line that would compete through a lower price point strategy at a local level. Targeting convenience stores, pharmacies, tourist venues and specialty retailers with price points under \$19.99 Miami Beach can find success through impulse purchasing.

A Miami Beach consumer electronic accessory line would not need to be limited to waterproof products, but should include protective accessories in general.

Financial Opportunity:

- Term: 2-4 years
- Royalty Rate: 4-5%
- Projected Sales: \$1M-\$2M over 3 years

Prospective Partners:

- Lifeproof
- Arbor
- Obex
- Smartskin
- Pyle
- Braven
- Joos
- Mizco

evaluation: BEACH TOWELS



Category Dynamics:

- Consumers in the US spent \$21.9 billion on home textiles last year, a 2% increase over 2013; the beach towel market, a more niche and very seasonal sub-category of home textiles, remains steady around \$110 million at retail; the growth trajectory for the category is relatively flat
- Much of the category is unbranded, private label and direct to retail with inexpensive product coming out of China and South America
 - Private label towels focus mostly on patterns, designs and bright colors
- To supplement to their larger home textiles collections, luxury brands offer beach towels in department and specialty retailers
- The majority of branded towels are character driven, appealing to the youngest generations and their moms
- A relatively low price point item, mass retailers generally focus their collections on a mix of private label and character offerings
 - Character towels draw in the consumer, but private label gains a high retailer margin

evaluation: BEACH TOWELS

Recommendation:

Although Miami Beach does not have the equity in this space to directly compete in national department stores with lifestyle and home brands, such as Tommy Hilfiger and Ralph Lauren, there could be an opportunity for Miami Beach beach towels locally with independent specialty retailers and local drug retailers.

The category will likely be an exercise in maintaining loyalty and increasing brand impressions, allowing visitors to take home a bit of Miami Beach, but it is unlikely that a partnership for beach towels will yield a significant financial size of prize. However, a beach towel partner could also develop other textile products under the Miami Beach license, such as kitchen and bath textiles, home & garden textiles (patio and lounge), totes etc., potentially creating a broader revenue stream.

In order to successfully execute, a partner will require comprehensive brand design elements and inspiration.

Financial Opportunity:

- Term: 2-4 years
- Royalty Rate: 5-7%
- Projected Sales: \$250K-\$900K over 3 years

Prospective Partners:

- J.R. United
- Towel King of Florida
- Sherry Manufacturing Company
- Town & Country Living
- Springs Global
- Morgan Home Fashions, Inc.
- Venus Home
- Home Source International
- Loftex Industries
- Hilasal USA (based in El Salvador with offices in Broward; potential partner also for the LATAM region)

evaluation: CO-BRANDED LIFESTYLE APPAREL



INSIDE H&M
BALMAIN X H&M

Get ready for #HMBalmaination! H&M's next designer collaboration will be with the Parisian house of Balmain.

Category Dynamics:

- The \$140 billion womenswear market continues to evolve; the landscape is consolidating as a lack of consumer loyalty results in an uncertain and unstable future for many brands and retailers
- The apparel sector is beginning to move at quicker turns due to the emergence of the “fast fashion” trend. Rather than eight to twelve weeks in-store, styles can expect four to six weeks on shelf before turning over to the next collection
- Brand loyalty is fading while style and price point drive the purchase
- In an effort to bring consumers in-store, retailers are looking towards limited time co-brands to create excitement
 - The majority of these co-brands are happening in lower-tiers of distribution as luxury brands are looking to broaden their appeal and awareness beyond their core consumer
 - These partnerships are more often a marketing initiative rather than a revenue driver for the participant; unless unexpected success is achieved, the partnerships are short-term and meant to drive foot traffic
 - Compelling co-brand partners can drive new consumers in-store through dual marketing efforts
 - For luxury brands, the high profile name can be enough to bring new feet in the door, but non-conventional “fashion” brands have created incentives for co-branded retail partnerships:
 - H&M partnered with Coachella in Spring 2015; in addition to creating pop-up shops on festival grounds, Coachella also funded all-inclusive trips to the festival to H&M customers
- Branded retail partners can dedicate in-store and external marketing support beyond what would be expected of manufacturers who solely sell into the department store channel

evaluation: CO-BRANDED LIFESTYLE APPAREL

Recommendation:

Potentially pursue limited time apparel partnerships: if Miami Beach can develop the necessary assets and incentives for national partnership, limited prospects can be approached

It will be critical for Miami Beach to first create a visual story of the Miami Beach brand for a partner; being able to provide prospects a clear and unique aesthetic that exemplifies the Miami Beach lifestyle will be the first hurdle to cultivate interest

Beyond aesthetic, Miami Beach would need to determine a comprehensive marketing plan to bring consumers in-store for the promotion; in addition to digital marketing, Miami Beach should consider potential sweepstakes and associated prizes

If Miami Beach has the appetite to develop a robust opportunity for a branded retailer, the program could extend beyond apparel as most retailers are looking to sell broader branded assortments of apparel including footwear, accessories and even beauty

Financial Opportunity:

- Term: 1 year
- Royalty rate: 1-2.5%
- Projected Retail Sales: \$5-\$8MM

Prospective Partners:

Due to the prevalence of partnership in mass and fast fashion retailers, Miami Beach should look to potential partners with a track record of co-branding:

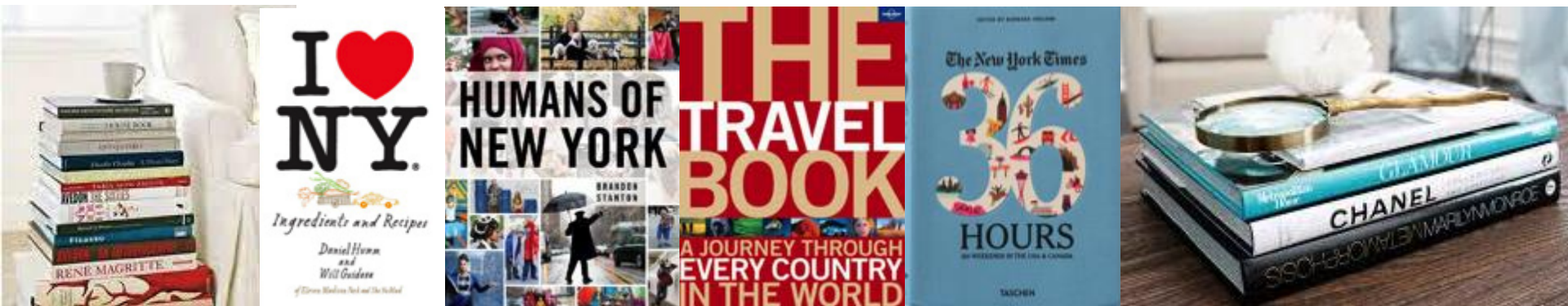
Primary Targets

- H&M
- Forever21
- Uniqlo
- Zara

Secondary Options

- Gap
- Target
- Banana Republic

evaluation: COFFEE TABLE BOOKS



Category Dynamics: Publishing (Coffee Table Books)

- The U.S. book and journal publishing industry generated \$27.98 billion in net revenue for 2014, representing 2.70 billion in units; the figures include trade (fiction/non-fiction), K-12 instructional materials, higher education course materials, university presses, and professional books
 - eBooks, hardbacks and paperback show steady market growth. Over 510 million eBooks were sold in 2014, nearly on-par with the number of hardbacks (568 million) sold in 2014.
 - Paperbacks, which remain the most popular format, also saw strong sales at \$4.84 billion and 942 units sold versus \$4.42 billion and 882 million in 2013
- While magazine publishing and book publishing have made the leap from print to digital, there is still one niche of book publishing that is slow to conform: the coffee table book
- Kindles and iPads can't compete with the experience of vast color photos, thick paper and sturdy binding; despite the transition into digital reading, coffee table books continue to sell in hard copy
- Price points for coffee table books have not been in decline despite the gradual transition of the publishing industry to digital content; price points can range from \$20 to several hundreds
- As other print materials switch to the digital age, coffee table books function as more than texts and are considered vital design elements for homes and offices
- As a function of design, the most successful coffee table books utilize beautiful and iconic imagery; books with a focus on fashion and style, works of art and photography, and travel continue to be published every year

evaluation: COFFEE TABLE BOOKS

Recommendation:

If proprietary art and photography is owned by Miami Beach, these exclusive assets should be utilized for a coffee table book. Although digital reading has grown tremendously, the art of printed books as design statements continues to thrive. Coffee table books allow consumers to make statements about themselves in their homes and lives.

In order to develop a compelling proposition for publishers, it will be vital for Miami Beach to catalog and curate all available assets. The less work for the publisher, the more enticing the opportunity.

Financial Opportunity:

- Term: 2-3 Years
- Royalty Rate: 4-7%
- Projected Net Sales: \$40-\$80K over the term

Prospective Partners:

- Media Lab Publishing
- Time Inc.
- Grand Central Publishing
- Taschen America

evaluation: ENERGY DRINKS



Category Dynamics:

- Energy drink beverages and shots' sales amounted to \$12.2 billion in 2014 and are projected to reach over \$13.5 billion by the end 2015
- There are a variety of energy drinks in the US, but the market is mainly dominated by Red Bull (42.1%), Monster (36.2%), Rockstar (8.1%), NOS (4.3%) and Amp (1.9%); Starbucks energy drink has less than 1% share
 - Beverage leaders SunnyD X and VitaminWater Energy entered the crowded market in 2014
- In the U.S., over 60% of the sales of energy drinks are made at convenience stores
- The target market for energy drinks is broadening as new products are developed in an effort to reach niche submarkets and differentiate themselves from their competition
 - Manufacturers are innovating their product offering to appeal to a broader consumer base (sugar free, gluten-free/caffeine-free, creamy flavors profiles, etc.)
- 34% of 18 to 24 year olds are regular energy drink consumers; as time-scarce young people struggle to maintain work-life balance, a continued growth is expected
- To appeal to a younger generation, brands are placing more marketing emphasis on value and less on style, by either increasing the ounces per can or investing in promotions and instant rebates; the average unit price of energy drinks declined by 1% in current value terms in 2014, following a 2% decline the previous year
- Hard Rock Energy Drink launched in December 2013 and is currently sold at convenience stores operated by the Seminole Tribe of Florida, who also owns Hard Rock International, as well as the licensee of the energy drink, Enterprise Beverage Group
 - At launch, Enterprise Beverage Group planned to test the Chicago market in 2014 and follow with a national rollout slated in 2015, however, the beverages still have very limited placement outside of South Florida

evaluation: ENERGY DRINKS

Recommendation:

With the exception of a promotional relationship for local events, it is not recommended that Miami Beach proactively pursue an energy drink partnership.

Highly saturated market with a handful of brands commanding over 94% of the market; even brands with significant equity in the beverage and energy segments have struggled to gain share

- Unless Miami Beach is able to work with existing partner Coca-Cola or another large beverage company, there would be limited opportunity for distribution

The emphasis on value would create a challenge for partner who would need to build on margin for royalty responsibilities. Health concerns associated with the product category could create liability and negative PR for Miami Beach.

Additionally, there is currently a Miami Beach energy drink available in Croatia, but the brand has not extended to the U.S.; Miami Beach would need to clear trademark availability in the U.S. before choosing to proceed.



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evaluation: CO-BRANDED SWIMWEAR



Category Dynamics:

- The \$4.4 billion U.S. swimwear market continues to grow, but the highly seasonal category
- The category is driven by design and fit; consumers purchases are highly trend associated and consumers stay loyal to brands that flatter their figures
- Few brands are partnering with other brand owners
 - The biggest buzz brand extensions over the last few years have been with explicitly sexual brands like Maxim or with swimsuit models, like the Ale collection by Alessandra Ambrosio
 - Success for the extensions has yet to seen
 - From the premium segment, the St. Regis hotel launched two exclusive suits with designer Cielo Rosso, but those items are only available in the St. Regis Monarch Beach in Southern California
- Because of the seasonality of swimwear, brands have fewer opportunities to innovate outside of design
 - The only major trend in swimwear over the past several years has been the innovation of protective material to avoid sun damage
- Few retailers stock swimwear for longer than two quarters

evaluation: CO-BRANDED SWIMWEAR

Recommendation:

It is not recommended that Miami Beach prioritize the pursuit of a swimwear partner.

Consumers tend to only be brand loyal where fit is concerned, but design preference is the main driver for the category. Miami Beach's equity in swim is not as critical as existing brands in the category would not require their trademark to utilize "Miami Beach" inspired design.

If Miami Beach is approached for partnership by a local vendor, they should pursue the relationship opportunistically, but due to limited distribution and financial opportunity, the category is not appropriate for prioritized outreach.

evaluation: COLLECTIBLE HOUSEWARES



Category Dynamics:

- Homewares sales reached \$11.3 billion in 2014.; figures include: cooking utensils, dishes, tableware, cutlery, drinkware, and other small articles used in a home.
 - Although collectible homewares represents a small piece of the total revenue, home accents are on an upward trend
- Targeted to consumers with significant brand affinity, novelty homewares have been a niche segment of the collectibles market for decades
 - Iconic brands such as Coca-Cola, Mattel, Hello Kitty, Ford, Elvis, and Marilyn Monroe have seen steady success due their cult-like following
- To capture the broadest consumer base, manufacturers develop product across a spectrum of design aesthetics, utilizing everything from bright and lively colors to a retro or antiques effect
 - Consumers remain solution oriented in their home furnishing shopping, searching for product that complements their existing decor
- Not all brands experience success in the homewares market; the brands with long-term success tend to be iconic, evergreen brands that ignite passion in their loyal consumer base
 - The Margaritaville® brand, influenced by the laid-back, island way of life where "it's always 5 o'clock somewhere," recently partnered with HSN and HSNI's Cornerstone division brands, Frontgate and TravelSmith, for a line of 200+ culinary, home, electronics, beauty and apparel products. The line of outdoor home décor includes wicker, rattan, signs, pool seats and accessories, outdoor mats/rugs, throw pillows and more

evaluation: COLLECTIBLE HOUSEWARES

Recommendation:

Although the housewares market has been growing, it is not recommended that Miami Beach prioritize pursuit of a collectible partnership. The housewares market is tough to penetrate and revenue potential unstable as consumer interest can be cyclical.

Miami Beach could potentially connect with smaller partners to develop novelty collectibles for local retail, but due to the limited distribution and financial opportunity, the category should be approached opportunistically and not be the focus for brand expansion.

evaluation: BEACH GEAR

Category Dynamics:

- In 2014, the Home Furnishings market reached \$127 billion in sales and is expected to continue growing through
 - The outdoor furniture category, which includes the beach gear & accessories sub-category, capitalized on growing consumer interest in outdoor activity to register a 3% increase in current value sales to reach US\$3.9 billion
- Beach gear, like beach towels, is a niche and seasonal category that represents a small fraction of the outdoor furniture and home furnishings segments
- Manufacturers report that beach products face lot of competition from private label brands as price drives consumer purchases
- Retailers dedicate limited space on shelf for the category
- The limited brick and mortar retailers who stock the category only do so regionally and during spring/summer season; product can typically be found in limited quantities at mass, drugstores and local/specialty retailers
- The higher end segment of the market is sold through specialty outdoor retail and tends to be retailer branded only



evaluation: BEACH GEAR

Recommendation:

Do not prioritize for pursuit. Although there has been an increase in sales over the past year for beach accessories, most manufacturers face fierce competition from private label and compete in price and margin. As there is little in-store space dedicated to the category and the business is highly seasonal, the financial opportunity is minimal.

Few beach accessories are branded today; with the exception of characters, brand owners generally participate in beach gear as a promotional opportunity. Some lifestyle brands play in this segment as a supplement to their broader outdoor apparel and accessory collections, but few are looking to compete at the mass level.

Premium outdoor brands seldom utilize co-branded partnerships as brand is not a key driver for purchase; design, materials and price point steer the premium purchase.

Although Miami Beach may be able to attract local partners for novelty beach products, the category should not be the primary focus for the Miami Beach team.



MIAMI BEACH

Prospecting Guidebook



CONTENTS

Prospecting List

Sales Materials

- Pitch email
- One sheet
- Sales presentation

Conducting Partner Due Diligence

Key Partnership Agreement Terms

how to create: PROSPECTING LIST

GOAL: Create a systematized prospecting list to track the sales process and progress

The following elements should be considered for creation of a prospecting list in preparation for pitching:

- **Develop Miami Beach prospecting pool by category**
 - Leads can come from market research, online search, retail visits, trade shows, recommendations, etc.
- **Key attributes of manufacturers to consider before adding them to the prospecting list:**
 - Do they possess strong retail relationships? Do they have product in multiple channels and retailers?
 - Are they organizationally structured to manage a partnership? Do they have existing brand partners?
 - Do they have the financial capability to develop and support multiple brands?



SALES MATERIALS

Sales Materials include:

- Pitch Email
- One Sheet
- Sales Presentation

GOALS:

- Communicate the value of the Miami Beach partnership
- Highlight the strength of the Miami Beach brand as one of the most-visited destinations with potential for product growth
- Outline key visitor and consumer information
- Describe key marketing initiatives
- Detail existing partners, program direction and successes

how to create: PITCH EMAIL

The Pitch Email allows the Miami Beach representative an opportunity to strategically communicate a brief overview and key selling points of the brand in an opening email to prospects to gauge interest. Generally followed by a phone call and additional sales materials, the Pitch Email is an initial tactic to grab the attention of a prospective partner.

The following elements should be present in a pitch e-mail to prospects:

- Introduction of the Miami Beach brand
 - Brand image and attributes
 - Awareness/reach
- Key data points, including basic visitor demographics and psychographics
- Current partnerships and categories highlights
- Brief description of what the partnership could achieve
- Why Miami Beach?

how to create: ONE SHEET

The One Sheet provides more brand and partnership information to a prospect who has inquired about additional information, but remains somewhat vague in an attempt to attract interest in setting a meeting or call.

The following elements should be considered for inclusion in a One Sheet:

- **Overview of Miami Beach**
 - Key brand attributes
 - Quantifiable data on Miami Beach brand strength
 - Annual visitor information
 - Marketing/advertising spend
- **Existing program**
 - Partners and categories
 - Program successes
- **Licensing opportunity**
 - Unique brand and market positioning
 - Available categories
 - Miami Beach support
 - Assets
 - Cross-promotion/events

how to create: SALES PRESENTATION

The Sales Presentation is a broadest sales tool designed to comprehensively detail the brand, articulate current program partners and successes and outline potential partnership opportunities. The Sales Presentation should be utilized in meetings and calls to articulate the opportunity in detail to prospects. The presentation can be include two distinct sections of: Brand Overview and Partnership Opportunity

Brand Overview

Introduce the brand. Tell the brand story utilizing key brand attributes and quantifiable data.

- Brand attributes and unique selling proposition of the Miami Beach brand
- Market positioning
- Years since foundation of city
- Growth of the city/history
- Aided or unaided brand awareness
- Annual number of visitors
- Visitor expenditure/economic impact/attracting investments
- International and domestic visitors/local population
- Market position/share

Who is the visitor/consumer? Include demographics and psychographics such as:

- Visitor age
- Male vs. Female
- Consumer/Visitor Profile (VALS metric)
- Household income
- Geographic strength

how to create: SALES PRESENTATION (CONT'D)

Brand Overview (cont'd)

Outline the existing program's product strength and reach, proving to the prospect that their category can achieve success.

- Existing partners and categories
- Top retail customers and aisle placement
- Case studies of existing successful partnerships and collaborations including examples of cross-marketing, merchandising or promotion

The Partnership Opportunity

Detail the opportunity including assets and support available to the prospective partner:

- Categories available
- Art assets including style guide, photography and other imagery
- Marketing support:
 - Presence in brand-owned advertising vehicles (newsletter, e-mail blast, magazine, catalog, website, social media etc.)
 - Joint advertising opportunities with brand or other partners
 - Dedicated website (micro-site) linked to main website or social media
 - Integration in official Miami Beach events
- Sales assistance:
 - Joint presentations to retailers either with other partners or with a Miami Beach representative
 - In-store cross-promotions opportunities and co-branding



PARTNER DUE DILIGENCE

Two key areas for due diligence:

- Company Background
- Partnership Proposal for Miami Beach

GOAL: Perform due diligence to ensure Miami Beach is entering into secure and long-term partnerships with companies in good standing that are committed to and aligned with the Miami Beach brand.

how to conduct: PARTNER DUE DILIGENCE

After initial discussions about opportunity have been established, the Prospect should provide significant information about their company, background and specific details about the proposed relationship for Miami Beach to consider. The following Company Background and Partnership Proposal sections should be utilized as a guide:

Company and Background

- **Company information**
 - General contact and background information
 - Number of years in business
 - Experience with different partnership models and current brand relationships
 - Key competitors
- **Sales/Customer Service Capabilities**
 - Top 5 retail accounts in various channels of distribution
 - Credit references
 - Retail references (buyers, external sales brokers, distribution partners)
 - Customer service infrastructure
 - Is there an 800 #?
 - Is customer service managed internally or externally?
 - What is their return policy?

how to conduct: PARTNER DUE DILIGENCE (cont'd)

Company and Background (cont'd)

- Financial assessment
 - 3-5 year history of company sales revenue
 - History of bankruptcies and claims
 - Miami Beach may consider running a D&B report to review the Prospect's credit score, accounts payable history and financial risk rating
- Manufacturing, Quality Assurance and Safety capabilities
 - Current factories and facilities
 - Product testing procedures
 - Inspection and audit procedures
 - Other customer service and consumer complaint information
 - Technical quality reference contacts
- Other company material to be requested:
 - Product catalogs
 - Company brochures
 - Samples of like-products they are already producing to assess quality

how to conduct: PARTNER DUE DILIGENCE (cont'd)

Partnership Proposal

- **Partnership objectives**
 - Statement of what Prospect wants to achieve through partnership
- **Marketing & Promotions Strategy**
 - Description of plans and strategy for the Miami Beach program/relationship
 - Detailed description of proposed product/service/partnership offering
 - Target audience
 - Anticipated competitive brands
 - Promotional and marketing activities planned to promote the products/relationship
- **Distribution**
 - Target channels of distribution for the program
 - Size of Prospect's industry, company market share and current trends in this market
 - Expected share of business
 - Type and size of sales staff (ex: internal sales teams, rep. groups, commissioned agents)

how to conduct: PARTNER DUE DILIGENCE (cont'd)

Partnership Proposal (cont'd)

- Proposed terms
 - Length of desired contract
 - Annual sales projections: retail and wholesale sales, projected royalties
 - Proposed royalty rate
 - Proposed minimum guaranteed royalties
 - Advance payment (due on signing)
 - Territories
 - Marketing/distribution start date
 - Required marketing spend, generally a percentage of sales to be invested in advertising/promotion of the brand

how to develop: KEY AGREEMENT TERMS

Goal: The partnership agreement should clearly outline the parameters of the relationship, delineating Partner's rights while ultimately protecting the City of Miami Beach and the Miami Beach brand

Key terms and clauses to include to define the bounds of the relationship and safeguard Miami Beach:

Exclusivity: Exclusive or non-exclusive; Exclusive means no other partners may share the rights to the trademark in the exact categories, territories or distribution channels. If exclusive relationships are entered, the agreement should also include critical benchmarks for termination or flip to non-exclusive if the Partner is not performing as expected

Licensed Marks: A clear, limited description of the licensed property and specific trademarks, preferably with the actual licensed marks set forth in an exhibit

Licensed Articles: Well-defined product categories and sub-categories

Term/Renewal Term: Clearly restrict relationship to a defined term of years. Make sure that if there is a renewal option for Partners, is it contingent on their achievement of sales or other critical benchmarks during the initial term

Territory: Clearly defined territories or countries; if the internet is a permitted channel of distribution, explicitly restrict customer deliveries to permitted geographical territories

how to develop: KEY AGREEMENT TERMS (CONT'D)

Channels of Distribution: Well-defined retailers or segments of retail (e.g., mass, mid-tier, grocery etc.)

Royalty Rate: Clearly defined base royalty rate with an option for a higher royalty rate on FOB sales by partner or sales via a distributor. A quick formula to calculate the applicable royalty rate is multiply 20% of the licensee margin

Minimum Guarantees: Standard provision for minimum royalties per year to be paid regardless of Partner success. Typically licensors and agencies ask licensees to guarantee 55-65% of their wholesale sales projections

Advance: Standard provision for a payment upon signature of the agreement. The Advance is typically a portion of the first year's Minimum Guarantees meant to incentivize Partner to commit to relationship from the very beginning. Typically licensors and agencies ask licensees to pay 50% (can go as low as 30%) of the first year's MGs

Marketing Requirement: A required percentage of net sales that partner must commit to utilize against marketing and promotion of the product annually. Another approach is to require partner to pay the Marketing Requirement towards a co-op fund that Miami Beach will pool from all partners and utilize internally against marketing initiatives

how to develop: KEY AGREEMENT TERMS (CONT'D)

Net Sales: Concrete definition for net sales or other income stream against which the royalty rate will be multiplied to determine earned royalties. Net sales should be defined as Partner's gross sales minus taxes, actual and customary returns, which should be subject to a cap of no more than 5% or 10% of total gross sales per year, and any additional permitted deductions from gross sales (e.g., volume discounts, also subject to an overall cap - aggregate deductions for returns and volume discounts that do not exceed X% of total gross sales per year). Net Sales clause should also include an explicit statement that all partner costs and expenses are their sole responsibility. A "sale" should be defined as the earlier of being shipped, billed out, or paid for

Royalty Reporting: As part of the agreement, Miami Beach should include a basic/prescribed form of royalty statement, that includes required fields for all critical categories of business information (e.g., gross sales per SKU, net sales per SKU, returns, etc.) so partners can consistently report sales in a consistent format, easily readable by Miami Beach

Cross Collateralization: Miami Beach must explicitly allow or disallow cross-collateralization of royalties for different product categories, contract years and territories (e.g., if sales exceed minimum guarantees for one territory, those overages may not forgive unearned royalties in other territories)

how to develop: KEY AGREEMENT TERMS (CONT'D)

Payment Due Dates: Earned royalties are due at the end of each quarter in which they are earned. Any unpaid minimum guarantee payments are due in full at the end of each contract year. Miami Beach may want to consider adding a clause allowing for an interest charge on overdue partner payments as an incentive for timely payment. If there is possibility of Partner sales outside of the United States, Miami Beach should consider including an explicit requirement that Partner pays all royalties in dollars, with all currency risk and conversion costs borne by Partner. Additionally, Partner must take all steps and provide all documentation necessary to enable Miami Beach to minimize withholding tax or to qualify for credits on withheld tax

Records: Partner must maintain program-related records during the entire term and for at least three years afterwards

Audits: Miami Beach should maintain the ability to perform an audit on Partner's premises at least once a year, at Partner's cost if audit shows a discrepancy of 3% or more (5% maximum) of gross sales income, as well as to pay late interest on unpaid sales. Partner to provide Miami Beach with full access to its program-related financial records and full cooperation with Miami Beach auditors

Insurance: Partner to maintain insurance coverage that names Miami Beach as an additional insured during the term and for at least three years after. Partner's insurance separately covers against claims of IP infringement, not just commercial general liability. Partner's insurer should be required to give Miami Beach thirty days notice prior to cancellation, expiration, or amendment of the policy and should also be required to provide Miami Beach with a certificate of insurance showing policy coverages and expiration date, at the commencement of the term and at least thirty days prior to expiration

how to develop: KEY AGREEMENT TERMS (CONT'D)

Approvals: Partner must submit samples of all products, packaging, advertising, press, and promotional materials for Miami Beach approval before sale or public release. Approval provision should include at least three different stages — concept, pre-production and production. Explicitly state that all product approvals and disapprovals are completely within Miami Beach's discretion and that Miami Beach will not be liable for disapprovals or late approval decisions. Also, clearly state that Miami Beach's failure to respond to an approval request shall be deemed a disapproval

Samples: Partner will provide Licensor with a specified number of samples every year and must attest that all produced articles shall conform to those approval samples. Partner is required to resubmit for approval articles that have departed from the approval samples during the production process

Health and Safety: Partner must commit to conform with all local laws and administrative regulations, especially those related to health and safety, and agrees to perform at-source health and safety testing for articles with potential health or safety effects that are manufactured in foreign countries

Inspections: Miami Beach has the right to perform unannounced quality control inspections at any facility where the articles are produced, including third party manufacturers

how to develop: KEY AGREEMENT TERMS (CONT'D)

IP Ownership: Explicit provision that all intellectual property developed by Partner and used in or for the partnership, become property of Miami Beach, either by work-made-for-hire or by assignment. Partner is required to get assignment contracts from all outside contractors who create original content or other intellectual property for the program. Partner should be required to transfer all interests developed in the property back to Miami Beach

Ownership of Licensed Marks: Partner must promise to not to challenge any rights of Miami Beach related to the licensed marks. Partner is prohibited from filing any trademark or copyright application in any way related to the property without prior written permission from Miami Beach. Partner should also be prohibited from combining or modifying the property without prior written permission from Miami Beach and from taking enforcement action against third party infringers of the property without prior written permission from Miami Beach. Partner should be required to assist Miami Beach in filing trademarks and performing other procedures to protect or perfect the property. Make sure to include specified trademark and copyright notices and other required notices for Partner to include with the articles

Unauthorized Use of Marks: Include a provision giving Miami Beach presumption of irreparable harm and right to injunction if Partner makes an unauthorized use of the property

Assignment of License: Partner should be prohibited from assigning or subcontracting the agreement. Partner must first receive written consent from Miami Beach to make a change in ownership or control

how to develop: KEY AGREEMENT TERMS (CONT'D)

Third Party Manufacturers: Partner should be explicitly prohibited from utilizing third party manufacturers of goods without prior written consent of Miami Beach. If/when Partner is permitted to utilize external manufacturers, Partner should remain the liable party for all actions and omissions of its manufacturers. Additionally, Partner is responsible for obtaining signature on a manufacturer's agreement that obligating the third party to observe fair labor standards, allowing Miami Beach or its agents to inspect its factories on little notice, respect Miami Beach's IP, and observe all applicable terms of the agreement as if it were the contract Partner, otherwise, Miami Beach can terminate partner for a third party manufacturer's breach of the terms of the agreement OR require Partner to terminate the manufacturer upon suspicion of pirating or other abuse of its' IP. Partner should be required to provide addresses for all of its factories and those of its third party manufacturers.

Termination: Miami Beach should consider a tiered system of termination provisions, with automatic termination without notice for the most serious Partner breaches (e.g., health and safety recalls, doing anything that could harm, dilute, tarnish, or otherwise unfavorably portray the Miami Beach marks); Termination effective upon notice for serious Partner breaches (e.g., sale of unapproved articles); And termination after notice and no more than a 30 day cure period for all other Partner breaches. Standard agreements require acceleration and immediate payment of all unpaid minimum guaranteed royalties upon termination of the agreement due to Partner's default. Partner is required to return all Miami Beach provided materials upon termination Partner's sell-off right is contingent on not having been in breach of the agreement

The top right corner features a diamond shape composed of eight triangles in shades of teal, yellow, and pink. The bottom right corner features a large orange diamond shape composed of many smaller triangles, with a smaller teal and pink triangle shape below it.

MIAMI BEACH

Program Management Guidebook



CONTENTS

Partner Onboarding

Product Development

- Product Development
- Approval Process

Partner Communication

- Update Calls
- Financial Reporting
- Business Review
- Partner Summit

Partner Support

- Point of contact
- Brand Book/Art Assets
- Marketing



PARTNER ONBOARDING

Onboarding initiatives include:

- Welcome Kit
- Miami Beach Immersion

GOALS:

- Present an overview of relationship requirements and processes, establish internal communication procedures and provide key contacts
- Provide partners with all documentation and assets they may need to ensure all partnerships are consistent and strategically aligned

program management: WELCOME KIT

Upon full execution of an agreement, the City of Miami Beach should send partners a Welcome Kit providing a comprehensive introduction to the program. A proper welcome to the program builds trust and ensures licensees understand what is expected of them throughout the relationship, identifies key points of contact within the City of Miami Beach and reiterates program requirements and processes.

The Welcome Kit should include:


- Key contacts at City of Miami Beach (day-to-day management, legal, finance)
- Key dates of deliverables (royalty payments and reports, projections, business plans)
- Style guide/brand book and other assets (see slide 15 for more)
- Product development and approval process and guidelines
- Sales, projections and business plan processes
- Royalty payment information
- Program management templates (financial reporting, projections, business plans, product approvals, etc.)

program management: BRAND IMMERSION

At the inception of each new program, the City of Miami Beach and the new partner should conduct a Brand Immersion. The Brand Immersion is a comprehensive study of the brand and should be led by key City of Miami Beach stakeholders. Immersing the partner with the City of Miami Beach's core brand attributes and positioning.

The following is an outline of topics to cover in a typical brand immersion:

- City history
- Brand equities
- Organizational structure
- Visitor data/trends/demographics
- Marketing/advertising initiatives by the City and by key partners
- Distribution (key retail relationships of the City and other partners)
- Style Guide review
- Product expectations (e.g. good/better/best, innovation, etc.)
- Communication flow
- Approval process



PRODUCT DEVELOPMENT

Product development includes:

- Product development
- Approval process

GOALS:

- Confirm all parties are aware of timelines and appropriate processes to achieve a smooth development process
- Ensure appropriateness and consistency across all partners' product, packaging and marketing collateral

program management: PRODUCT DEVELOPMENT

The product development process is one of the most important ways to ensure all brand extensions and marketing materials are aligned with City of Miami Beach brand attributes.

Product development calendar:

- Partner to develop overall launch plan and timeline
- To ensure that a partner introduces the program to retail in an appropriate and timely fashion, it is essential to understand the partner's product development cycle and launch plan, including, upcoming line reviews and key trade shows
- Knowing the partner's "critical dates" ensures that City of Miami Beach can manage the approval process appropriately
- The rhythms of a partner's go-to-market timeline will affect when they begin to generate wholesale sales, thus earned royalties

program management: APPROVAL PROCESS

The City of Miami Beach should require partners to submit all items bearing the trademark to the City for approval. This should include, but is not limited to, products, packaging, labeling, point of sale materials, trade show displays, sales materials, other collateral materials and marketing/PR. The City of Miami Beach should have a systemized approach to tracking in order to memorialize all approvals as well as to ensure they are providing timely feedback.

Approval process stages:

1. Concept Artwork/Prototype: Preliminary artwork or prototype sample
2. Pre-Production: Sample submitted prior to production
3. Final Production: Final production sample together with its associated packaging submitted prior to distribution

Information to be provided (when applicable):

- Product overview/SKU number
- Product image/concept/physical product
- Distribution and pricing strategy
- Launch timing
- Confirmation of QA/Safety testing
- Manufacturer information

What to look for?

- Review product concepts and samples to ensure products remain on brand and on trend and the trademark is being used accurately and appropriately
- Review product catalogs, sales materials and marketing to ensure partners are marketing the brand appropriately and effectively



PARTNER COMMUNICATION

Partner communication includes:

- Update calls
- Financial reporting
- Annual business reviews
- Partner summit

GOALS:

- Optimize program performance, reacting to partner needs in real-time
- Stay informed of program progress and obstacles
- Plan for future growth beyond current program
- Coordinate collaboration with partner and the City as well as between partners

program management: UPDATE CALLS

Regular calls are the most efficient way to ensure the City of Miami Beach is involved and informed about their partners' program successes and obstacles. During bi-weekly or monthly update calls, the City of Miami Beach should query the program's progress in the following areas:

Product

- Pending approvals and review status of pending submissions
- Any new submissions expected in the near term?
- Changes to timeline?
- New products or categories in the works?
- Is all on track per your expectations on where the program should be at this point?

Sales/financial performance update

- Current account review – sales trends (up, down, flat vs. last time we spoke?)
- Did you hit your target of X wholesale sales?
- Were your company-wide sales up or down?
- Is your forecast still on target for the year?
- Would you like to make any changes to your projections you last submitted?
- New/loss of accounts
- Buyer feedback and upcoming retail presentations

program management: UPDATE CALLS (cont'd)

Marketing/advertising

- Retailer specific promotions
- Consumer marketing activities
- Trade marketing activities

General

- Any issues that have arisen? Any concerns that we should discuss?
- Anything that City of Miami Beach can help with?
- Any consumer inquiries we should know about?
- Industry shifts/trends – any new brands/competitors entering the category?
- City of Miami Beach to provide updates and report new news
 - Key City initiatives
 - Program updates
 - Partner collaboration opportunities

program management: FINANCIAL REPORTING

At the close of each quarter, all partners should be required to share detailed financial reports, providing insight in to sell-through and health of the business and ensuring that partners are conducting business in adherence to their contract

Key areas for reporting:

- Gross sales by SKU including unit price
- Gross sales by top retail accounts
- Gross sales by region
- Adjustments/deductions – ensuring abides by contractually capped deductions
- Net sales
- Royalty calculation
- Rolling 3-quarter sales forecasts

To prepare for a partner meetings and renewals, a review of recent royalty reports is recommended. To be considered:

- Is the partner out earning guaranteed minimums?
- What territories are being exploited?
- Are appropriate discounts and allowances being taken?

program management: FINANCIAL PROJECTIONS

The City of Miami Beach should considering requiring partners to provide financial projections regularly, up to two formalized periods throughout the year. Understanding the root causes behind shifts in partner's projections is key to identifying emerging program challenges or successes and to assessing the financial health of the program.

Partners should make assumptions about upcoming quarters, projecting out at least 12 months. Forecasts should include:

- Forecasted net sales by category, if applicable
- Royalties
- Previous 12 months of actual net sales and royalties

During the quarterly forecasting process, review the following information to give a basis for the conversation:

- Latest submission of net sales and royalty projections, Actual wholesales sales and royalties earned during previous calendar year
- Most recent royalty reports

Identify shifts and look for financial trends to query:

- For example, Q3 was the biggest quarter last contract year; this year they are projecting a downturn in the same quarter. Why?

program management: ANNUAL BUSINESS PLAN

Each year, partners of the City should provide an Annual Business Plan detailing the past years successes and challenges and looking ahead, targeting goals designed to promote growth (e.g. penetrate a specific retailer, secure a promotion, cross-merchandise with another partner). Ideally, the review should be conducted in person.

City of Miami Beach can provide an annual business plan template highlighting:

- Company and product overview
- Product line lists, launch strategy, positioning, pricing and areas of growth
- Competitors
- Existing distribution and key retail partners
- Analysis of existing business including sell-in and sell-thru; projections vs. actuals
- Big wins from the past year
- Program challenges
- Future strategy adjustments
- New business opportunities and goals for upcoming year including new product, distribution and marketing opportunities

program management: PARTNER SUMMIT

Once City of Miami Beach has multiple partners, consider holding annual summits so each partner can collaborate and work together to find ways to cross-promote. The Annual Partner Summit should provide a forum to share brand initiatives, assess program success and build program synergies:

Key Topics:

- Review summit objectives
- Conduct brand overview
- Provide a program overview, by partner
- Retail matrix
- Review the results of past collaborative initiatives
- Promotions
- Challenges/successes



PARTNER SUPPORT

Partner support includes:

- Point of contact
- Brand book/art assets
- Marketing

GOALS:

- Ensure organization and consistency through one key internal stakeholder
- Support partner needs
- Supply fresh, on-brand art to inspire newness and continued development
- Provide incentive for partnership, opportunities to promote program achievements and grow sales

program management: POINT OF CONTACT

To ensure effective program supervision and consistency, the City of Miami Beach should have an internal single point of contact dedicated to managing existing partners, prospecting new categories/partnerships and developing initiatives to support growth and collaboration.

Responsibilities should include:

- Partner prospecting and contract negotiation
- Partner onboarding
- Day-to-day management of all partners
- Timely response of product, packaging and marketing approvals
- Analysis of financial projections and results
- Governance of existing partners, overseeing all contractual obligations
- Ensuring consistency across all branded initiatives (e.g., partner product/packaging/marketing, city business cards, city uniforms, local signage, etc.)
- Liaison for developing, organizing and maintaining assets
- Development and management of joint marketing opportunities and incorporation of partners into City initiatives

program management: BRAND BOOK/ART ASSETS

By providing a style guide/brand book, the City of Miami Beach will illustrate guidelines for key brand elements, provide art direction and inspiration and ultimately ensure a consistent and signature voice and spirit. The book should include:

- Brand logos and usage guidelines
- Brand voice
- Color palette
- Typography
- Packaging and merchandising guidelines and concepts
- Design assets and inspiration based on City of Miami Beach-owned art. It may be beneficial to incorporate successful designs of existing/past partners. Inspiration will require regular updates.

program management: MARKETING

While partners are expected to invest in the brand to help drive consumer trial of product, the City of Miami Beach should also support its partners by integrating them into on-going City of Miami Beach marketing activities. Inclusion not only supports and enhances existing relationships, but can be viewed as a compelling selling point to prospective partners. Partners can be expected to provide collateral/art, samples or participate financially, where appropriate.

- **Website:** Include links to partner and retailer sites; provide information and imagery of existing programs.
- **Social media:** Recommend transitioning Centennial account into City of Miami Beach social channel to help promote licensed product and partnerships, sponsored events, etc. Again, link to partner pages, websites and include products in City posts growing exposure.
- **Events:** Maximize existing City events to promote products/partnerships. Partners can participate in or sponsor events and should be expected to fund cost of samples or provide sponsorship dollars.
- **Advertising/public relations:** Include partner product in existing marketing initiatives to promote the program and increase exposure.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 13, 2018

SUBJECT: **DISCUSSION ON WATER AND SEWER UTILITY RATES**

ANALYSIS:

The Water and Sanitary Sewer user rate components include a base facility charge, consumption charge, and wholesale purchase pass-through charges from Miami-Dade County Water and Sewer Department (WASD). The base facility charge serves as the monthly minimum service charge on each service, varying with the size of the meter installed. The consumption charge is calculated on metered water consumption. The wholesale purchase pass-through charges are designed to recover the cost of purchased potable water to the City and the sanitary sewer treatment and disposal services as provided by WASD.

The City of Miami Beach was recently notified by WASD that there would not be an increase on the wholesale sanitary sewer purchase pass-through charges for fiscal year 2018/2019.

The City was also notified by WASD of a planned decrease for wholesale water charge of \$0.0713 or 3.89% to begin October 1, 2018. This decrease will be reflected in wholesale purchase pass-through charges from WASD.

On September 27, 2016, City Commission approved Miami-Dade Water and Sewer Department (WASD) pass-through costs and automatic rate increases according to the Consumer Price Index (CPI) as identified in Ordinance 2016-4039. The base facility charge and the consumption charge will be increased for both water and sanitary sewer beginning October 1, 2018 in accordance with the Consumer Price Index (CPI) for the Miami-Fort Lauderdale-West Palm Beach as published by the Bureau of Labor Statistics effective for the month of April 2018 as compared with April of 2017. The CPI increased 3.5% for April 2018.

Operations and maintenance costs have remained within budget for 2017-2018, and revenues are expected to be sufficient for budgeted fiscal year 2018/2019. The existing water and sanitary sewer rate structure was designed to support the cost of the 2017 Water and Sewer bond issuance which was issued in December 2017. Therefore, it is not anticipated that the charges will need to be increased to fund the projected debt service.

Below is an illustration of a cost comparison from fiscal year 2018 and fiscal year 2019 for a single family residential home with a 3/4" water meter.

Sample Residential Water Bill with a 3/4" water meter consuming 7,000 gallons per month

	FY 18	FY 19
*Base Facility Charge	\$ 8.04	\$ 8.32
*Consumption Charge	6.51	6.72

WASD Pass-Through	14.28	13.65
Monthly Charge for Water Consumption	\$ 28.83	\$ 28.69

Sample Residential Sanitary Sewer Bill with a 3/4" water meter at 7,000 gallons per month

	FY 18	FY 19
*Base Facility Charge	\$ 8.69	\$ 8.99
*Consumption Charge	30.66	31.71
WASD Pass-Through	35.00	35.00
Monthly Usage Charge For Sanitary Sewer	\$ 74.35	\$ 75.70

*Subject to the CPI increase

CONCLUSION:

The Administration is presenting this information to the Finance and Citywide Committee in advance of the pending rate change for water and sewer customers.

ATTACHMENTS:

Description	Type
❏ Memo to Commission - Sept. 27 2016	Memo

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Jimmy L. Morales, City Manager
DATE: September 27, 2016

5:10 p.m. Second Reading Public Hearing

SUBJECT: AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AMENDING CHAPTER 110 OF THE CODE OF THE CITY OF MIAMI BEACH ENTITLED "UTILITIES," ARTICLE IV, ENTITLED "FEES, CHARGES, RATES AND BILLING PROCEDURE," AT SECTION 110-166, ENTITLED "SCHEDULE OF WATER RATES AND TAPPING CHARGES," AT SECTION 110-168, ENTITLED "SANITARY SEWER SERVICE CHARGE" ARE TO BE AMENDED; AND CREATING SECTION 110-171, ENTITLED "RATE INDEXING," IN ORDER TO ADJUST AND MODIFY HOW WATER AND SANITARY SEWER RATES ARE CALCULATED AND APPLIED; AND ALSO AMENDING APPENDIX A TO CHAPTER 110, ENTITLED "FEE SCHEDULE" TO INCREASE AND RESTRUCTURE THE WATER RATES AND SANITARY SEWER SERVICE CHARGES IMPOSED BY THE CITY PURSUANT TO SECTIONS 110-166, 110-168, AND 110-171; PROVIDING FOR CODIFICATION; REPEALER; SEVERABILITY; AND AN EFFECTIVE DATE.

RECOMMENDATION

The Administration recommends the City Commission adopt such rates to enable collecting revenues sufficient to cover the cost of operating, maintaining, repairing and financing the water and sewer enterprise funds. The Miami-Dade Water and Sewer Department (WASD) proposed a sewer rate increase to all wholesale customers of \$.1598 for sewer per 1000 gallons effective October 1, 2016. In order to further the City goal of sustainability, the Administration is recommending that we transition to a conservation rate structure consistent with the guidance and recommendations of the South Florida Water Management District and approving the Ordinance on Second Reading Public Hearing.

ANALYSIS

The City's utility rates for water and sanitary sewer services are structured to collect the necessary revenues to meet annual operating and maintenance costs of the infrastructure, to cover debt service for water and sewer bonds, to maintain adequate operating fund reserves, and, to pay Miami-Dade County for wholesale water purchased, the treatment of the City's sewage and other fees.

In general, the rates for water supply and sanitary sewer services are based on full cost recovery principles and consist of:

- Pass-through of the wholesale rate the City pays to Miami-Dade County for the purchase of potable water and treatment of sewage;
- Debt service for the Water and Sewer Revenue Bonds;
- Operating and maintenance costs for the water and sewer utility; 8 % fee of previous year total revenue paid to the Miami-Dade County Environmental Resource Management Department (DERM).

Public Resources Management Group, Inc. ("PRMG") was asked to evaluate the current rate structure and propose alternative (redesigned) rates as necessary to recover the costs of providing service given the target monthly user rate revenues for the Fiscal Year 2016/17 for consideration by the City Commission which will incentivize conservation of valuable water resources, meet industry standards regarding cost recovery/rate application to its customers, and maintain rate reasonableness among customers.

The Miami-Dade Water and Sewer Department has informed all wholesale customers that the proposed water rate for FY2016/17 will remain unchanged. WASD has also notified wholesale customers that their proposed sewer rate will be \$2.9477, an increase of \$0.1598 above the current rate of \$2.7879 per 1000 gallons. The cost of the proposed FY2016/17 sewer rate increase to Miami Beach is approximately \$2,926,000. The proposed WASD wholesale water and sewer rates are subject to approval by the Board of County Commissioners at their Public Budget Hearings, scheduled for September 8 and September 22, 2016.

Based on their review of the City's existing rates and projected rate revenues, billing statistics and operating costs, and understanding the City desire to enact a conservation rate, the recommended rate structure adjustments are listed below:

- A) Implementation of water and wastewater monthly base facility charges for the residential class.
- B) Implementation of water and wastewater monthly base facility charges for the general services class (commercial, master-metered residential, government, etc.) that increase based on meter size to recognize the diverse capacity (demand) characteristics among such customers which is consistent with utility rate structure norms and structures recommended by the Florida Public Service Commission (FPSC).
- C) Removal of the minimum water flow in the water minimum service charges to promote conservation and provide a pricing structure where water consumption charges are based solely on the amount of water a consumer uses;
- D) Implementation of tiered water rates to incentivize water conservation to those customers with discretionary water use (i.e., individually metered residential and irrigation customers); and
- E) Provide a cost recovery mechanism to promote long-term rate sustainability by the implementation of a purchased water and wastewater pass-through and price index rate adjustment.

Water Revenue Review and Recommendation

All operational expenditure increases related to the proposed cost of living adjustment to salaries, increased costs of health insurance and pension, and increases in other operating costs can be absorbed without the requirement to increase the water rate. PRMG is proposing to modify the monthly billing to consist of: i) a base facility charge which serves as the monthly minimum service charge on each service installed, based upon the size of the meter installed in accordance with the standards of the Public Works Department; ii) a water consumption charge; and iii) a purchased water pass-through adjustment rate to recover the cost of purchased water

as billed by the Miami-Dade Water and Sewer Department (WASD). The monthly water user rates charged for service have been proposed and may be adjusted from time to time.

PRMG also recommends that a monthly base facility charge be billed to all privately-owned fire protection systems and equipment connected to the city water system based on the size of the service line connecting the private system to the City's system. These systems provide fire protection and are not metered. The recommended monthly base facility charges are as follows:

Proposed Fire Protection Fees By Meter Size	
Base Facility Charge (per meter size)	Rate
2-inch	\$9.34
3-inch	17.18
4-inch	26.00
6-inch	50.50
8-inch	79.90
10-inch	114.20

The derivation of these charges are based on the methodology utilized by the Florida Public Service Commission (the "FPSC") in the regulation of private utilities that is often applied by public utilities in the State of Florida. In accordance with Section 25-30.465 of the Florida Administrative Code:

25-30.465 Private Fire Protection Rates.

The rate for private fire protection service shall be a charge based on the size of the connection rather than the number of fixtures connected. The rate shall be one-twelfth the current base facility charge of the utility's meter sizes, unless otherwise supported by the utility.

Sewer Revenue Review and Recommendation

A significant portion of the sewer rate revenue requirement consists of the WASD charges for sewer treatment which has increased by six percent or approximately \$3 million and DERM fees of approximately \$400,000. The debt service is also proposed to increase by \$2.5 million. Similar to the water rate, the revenue requirements will be met utilizing a base facility charge which will serve as the monthly minimum service charge, a consumption charge, and WASD pass through charges.

Based on the rate determination methodology established, PRMG also recommends the City should increase the wastewater wholesale rates charged to the Village of Bal Harbour, the Town of Bay Harbor Islands, and the Town of Surfside (collectively, the "Satellite Cities") from \$3.1050 to \$3.2705 per 1,000 gallons of service effective October 1, 2016.

Typical Proposed Rate Comparison

3/4"-Meter Residential Customer - Domestic

	Fiscal Year 2016	Fiscal Year 2017	Difference
Water Rates			
Minimum Service Charge / Base Facility Charge	\$22.15	\$7.82	

Consumption Charge per 1,000 Gallons			
0 to 4,000 Gallons	\$0.00	\$0.63	[1]
4,001 to 5,000 Gallons	0.00	1.42	[1]
5,001 to 8,000 Gallons	4.61	1.42	[1]
8,001 to 16,000 Gallons	4.61	2.21	[1]
16,001 to 24,000 Gallons	4.61	2.99	[1]
Over 24,000 Gallons	4.61	3.78	[1]
Purchased Water Pass-Through Rate per 1,000 Gallons (All Usage)		\$1.93	[1]

Wastewater Rates

Base Facility Charge	N/A	\$8.45	
Consumption Charge per 1,000 Gallons (All Flow)			
All Flow per 1,000 Gallons	\$8.23	\$4.26	[2]
Purchased Sewer Pass-Through Rate per 1,000 Gallons (All Flow)	N/A	\$4.76	[2]

Bill Comparison

Monthly Cost to 10,000 Gallon Customer			
Water	\$45.20	\$39.74	(\$5.46)
Wastewater	82.30	98.65	16.35
Combined	\$127.50	\$138.39	\$10.89
Monthly Cost to 5,000 Gallon Customer			
Water	\$22.15	\$21.41	(\$0.74)
Wastewater	41.15	53.55	12.40
Combined	\$63.30	\$74.96	\$11.66

Footnotes:

[1] The water consumption charge per 1,000 gallons and purchased water pass-through rate per 1,000 gallons are additive

[2] The wastewater consumption charge per 1,000 gallons and purchased sewer pass-through rate per 1,000 gallons are additive

CONCLUSION

The Administration recommends approving the Ordinance on Second Reading Public Hearing.

KEY INTENDED OUTCOMES SUPPORTED

Ensure Expenditure Trends Are Sustainable Over The Long Term

Legislative Tracking

Public Works

Sponsor

Commissioner Ricky Arriola

ATTACHMENTS:

Description

D Ordinance

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 13, 2018

SUBJECT: **DISCUSSION ON THE STORMWATER UTILITY RATES**

HISTORY:

At its April 23, 2014 meeting, the City Commission approved Resolution 2014-28580 accepting the recommendations of the Mayor's Blue Ribbon Panel on Flooding and Sea Rise to design and implement the upgrade of the City's storm drainage system to meet the new design criteria set by the City Commission with a potential estimated cost of \$400 million and with the completion time of 3 to 5 years.

At its May 20, 2014 meeting, the Finance and Citywide Projects Committee (FCWPC) presented the funding strategy for this program, and recommended the issuance of three separate \$100 million stormwater tranches. The first bond was issued in July, 2015, the second bond was issued in December, 2017 and the third bond issuance is anticipated in fiscal year 2022. The remainder of the required funds are being provided by the 2015 updated interlocal agreement between the City and Miami-Dade County regarding the former Convention Development Tax.

The Stormwater Utility has experienced annual increases in certain fixed costs. As a result, the City Commission adopted Ordinance 2017-4145 on October 18, 2017 to impose an automatic annual adjustment in the rates charged for services of the Stormwater Utility equal to the Consumer Price Index (CPI) published by the Bureau of Labor Statistics for the month of April 2017. The CPI as of April 2017 was 2.8%. As a result of the 2017 rate ordinance, the monthly rate for service from the Stormwater Utility was increased from \$22.67 to \$23.30 effective October 1, 2017.

ANALYSIS:

A feasibility study was completed by Public Resources Management Group in December 2017 for the issuance of the Stormwater Revenue and Refunding Bonds, Series 2017. In this rate study, projected revenues were based on a schedule of rates as adopted by City Commission on October 17, 2017. The application of the assumed rate indexing adjustment of 3.5% and an additional rate adjustment of approximately 19.7% anticipated to be effective October 1, 2018 would be necessary to provide sufficient revenues to meet the requirements for the issuance of the Series 2022 Bonds and to provide funding for future capital improvements. This equates to an equivalent residential unit adjustment to \$28.87 per month for fiscal year 18/19, a 23.20% increase. This rate increase will provide sufficient revenues in order to issue the Series 2022 bonds. Additional increases are not required for future years as a result of this borrowing.

Based on current estimates of revenues and the cost of improvements currently contemplated in the program, if the rate increase currently recommended to finance such improvements is not approved by the City Commission,

the City may have to delay or forego certain improvements or find alternative sources of funding to implement such improvements.

CONCLUSION:

The preceding is presented to the members of the Committee for information and discussion.

ATTACHMENTS:

Description		Type
<input type="checkbox"/>	Stormwater Financial Feasibility Report 12/07/2017	Other
<input type="checkbox"/>	Stormwater Project Map 2017	Other
<input type="checkbox"/>	Stormwater Master Plan	Other

CITY OF MIAMI BEACH, FLORIDA

MIAMI BEACH

FINANCIAL FEASIBILITY REPORT
for the Issuance of

**Stormwater Revenue and
Revenue Refunding Bonds, Series 2017**

December 7, 2017

Appendix C



Public Resources Management Group, Inc.

Utility, Rate, Financial and Management Consultants



Public Resources Management Group, Inc.

Utility, Rate, Financial and Management Consultants

December 7, 2017

Honorable Mayor and
Members of the City Commission
City of Miami Beach
1700 Convention Center Drive
Miami Beach, FL 33129

Subject: **Financial Feasibility Report – City of Miami Beach, Florida
Stormwater Revenue and Revenue Refunding Bonds, Series 2017**

Ladies and Gentlemen:

Presented herein is the Financial Feasibility Report prepared by Public Resources Management Group, Inc. ("PRMG" and the "Feasibility Consultant") in its capacity as the feasibility consultant to the City of Miami Beach, Florida (the "City") for inclusion in the Official Statement that summarizes our analyses, studies and conclusions with regard to the proposal by the City to issue in the principal amount of approximately \$154,745,000 tax-exempt Stormwater Revenue and Revenue Refunding Bonds, Series 2017 (the "Series 2017 Bonds"). The City is expected to use the proceeds from the Series 2017 Bonds to: i) advance refund and defease approximately \$44,270,000 of the Stormwater Revenue Bonds, Series 2011A; ii) advance refund and defease approximately \$25,265,000 of the Stormwater Revenue Refunding Bonds, Series 2011B; iii) finance a portion of the costs of certain capital improvements currently contemplated as part of the City's multi-year program to improve and enhance the effectiveness and reliability of the City's stormwater utility system (the "System") (the "Series 2017 Project"); and iv) pay certain expenses related to the issuance and sale of the Series 2017 Bonds and the refunding of the Bonds to be refunded. This report recognizes only the effects of the portion of the Series 2017 Bonds associated with the financing of the Series 2017 Project. Should the City refund portions of the Stormwater Revenue Bonds, Series 2011A and the Stormwater Revenue Refunding Bonds, Series 2011B as mentioned above, the financial projections presented herein would be improved. For the purposes of this report, it has been assumed that the City will issue approximately \$87,650,000^[1] of tax-exempt Stormwater Revenue Bonds, Series 2017 (the "Series 2017 Revenue Bonds").

Capitalized undefined terms referenced in this letter shall have the meaning ascribed thereto in the Bond Resolution as defined hereinafter.

[1] Preliminary; as of November 20, 2017, assuming a 3.985500% All-In True Interest Cost ("TIC"), as provided by the City's Financial Advisor and is subject to change based on actual sale of the Series 2017 Bonds.

The primary purpose of this report is to provide information for parties reviewing the Official Statement associated with the issuance of the Series 2017 Bonds (the "Official Statement"). This report provides a summary of the financial projections of the System operations for the fiscal years ending September 30, 2018 through 2022 (the "Forecast Period") and the ability of the projected revenues derived from System operations to meet the forecasted expenditure and funding obligations of the System. The report includes, among other things, a presentation and discussion of: i) recent historical and projected billing determinants and customer growth for the System; ii) historical and projected System revenues; iii) the capital improvement needs anticipated to be financed by System operations, including the capital improvements to be financed by the Series 2017 Revenue Bonds, as well as other sources; and iv) the recent historical and projected financial operating results of the System. The projections of financial operating results include estimates of the System's ability to meet the rate covenant requirements of Resolution No. 2000-24127 adopted by the Commission of the City of Miami Beach, Florida (the "City Commission") on October 18, 2000 (the "Original Resolution" and as it may be further amended and supplemented from time to time, the "Bond Resolution"), authorizing the issuance of the Series 2017 Bonds. The financial projections were based on discussions with and information provided by the City; the financial advisor for the City, RBC Capital Markets, LLC (the "Financial Advisor"); the Consulting Engineer for the System, AECOM (the "Consulting Engineer"); as well as certain assumptions and analyses made by PRMG, as the Feasibility Consultant for the System. PRMG does not offer any opinion as to the condition of the System, compliance with regulations imposed by various agencies upon the System, or the estimated costs of the capital improvements anticipated to be funded during the Forecast Period. For additional information regarding a description of the facilities that comprise the System and the capital improvement projects, please refer to Appendix "B" – Engineer's Report attached to the Official Statement.

Findings and Conclusions

Based upon the principal considerations and assumptions and the results of our studies and analyses as summarized in this report, which should be read in its entirety and in conjunction with the following, we are of the opinion that:

1. The projected growth in customers of the System represents reasonable and attainable projections for the purposes of this report. It should be noted that the City's service territory is essentially built out, with very little opportunity for future growth. For the Forecast Period the Annual Compound Growth in Equivalent Residential Units ("ERU") is projected to be approximately 0.05% per year.
2. The projections of Revenues and Current Expenses, including the assumptions used to develop such projections, are reasonable for the purposes of this report. Such projections were based on historical trends in costs, Fiscal Year 2017 preliminary (unaudited) expenses, and budgeted Fiscal Year 2018 expenses as prepared and provided by the City, discussions with the City and its Consulting Engineers, and other industry sources.

3. The System revenues for the Forecast Period under the adopted rates contained in the City's Ordinance No. 2017-4145 and such rates as revised annually pursuant to Section 110-171 of Ordinance No. 2017-4145 (the "Rate Ordinance") and the anticipated rate adjustment assumed to be implemented for Fiscal Year 2019 should be sufficient to pay the projected Current Expenses, pay the estimated Principal and Interest Requirements on the Outstanding Bonds^[2] and anticipated Series 2017 Revenue Bonds coming due in such years.
4. Based on the financial information provided by the City, the Net Revenues of the System have historically (for the past five Fiscal Years ended September 30, 2017) and are projected for the Forecast Period to continue to be in compliance with the rate covenant contained in the Bond Resolution.
5. The existing rates for stormwater service are higher when compared to charges for similar service provided by other neighboring and coastal utilities located in Southeast Florida.

(Remainder of page intentionally left blank)

[2] The Outstanding Bonds include the: i) Stormwater Revenue Refunding Bonds, Taxable Series 2009J-2; ii) Stormwater Revenue Bonds, Series 2011A; iii) Stormwater Revenue Refunding Bonds, Series 2011B; and iv) Stormwater Revenue Bonds, Series 2015.

Honorable Mayor and Members of the City Commission
City of Miami Beach
December 7, 2017
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The financial projections set forth herein associated with the issuance of the Series 2017 Revenue Bonds were based on discussions with and information provided by the City, the Financial Advisor for the City, and the Consulting Engineers as well as certain assumptions and analyses made by us with respect to such financial projections. The ability of the Net Revenues of the System to fund the Principal and Interest Requirements and comply with the rate covenant set forth in the Bond Resolution is subject to the assumptions and considerations identified herein, including information obtained during the preparation of this report and the projected operating results.

Respectfully submitted,

Public Resources Management Group, Inc.



Henry L. Thomas
Senior Vice President



K. Ryan Smith
Rate Consultant

HLT/dlc
Attachments

CITY OF MIAMI BEACH, FLORIDA
FINANCIAL FEASIBILITY REPORT
STORMWATER REVENUE AND REVENUE REFUNDING BONDS, SERIES 2017

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CITY OF MIAMI BEACH, FLORIDA
FINANCIAL FEASIBILITY REPORT
STORMWATER REVENUE AND REVENUE REFUNDING BONDS, SERIES 2017

INTRODUCTION

Presented herein is the Financial Feasibility Report prepared by Public Resources Management Group, Inc. ("PRMG" and the "Feasibility Consultant") in its capacity as the Feasibility Consultant to the City of Miami Beach, Florida (the "City") that summarizes our analyses, studies, and conclusions with regard to the proposal by the City to issue in the principal amount of approximately \$154,745,000 tax-exempt Stormwater Revenue and Revenue Refunding Bonds, Series 2017 (the "Series 2017 Bonds"). The City is expected to use the proceeds from the Series 2017 Bonds primarily to: i) advance refund and defease approximately \$44,270,000 of the Stormwater Revenue Bonds, Series 2011A; ii) advance refund and defease approximately \$25,265,000 of the Stormwater Revenue Refunding Bonds, Series 2011B; iii) finance a portion of the costs of certain capital improvements currently contemplated as part of the City's multi-year program to improve and enhance the effectiveness and reliability of the City's stormwater utility system (the "System"). This report recognizes only the effects of the portion of the Series 2017 Bonds associated with the financing of the Series 2017 Project (defined below). Should the City refund portions of the Stormwater Revenue Bonds, Series 2011A and the Stormwater Revenue Refunding Bonds, Series 2011B as mentioned above, the financial projections presented herein would be improved. For the purposes of this report, it has been assumed that the City will issue approximately \$87,650,000^[1] of tax-exempt Stormwater Revenue Bonds, Series 2017 (the "Series 2017 Revenue Bonds"). The Series 2017 Bonds are being issued under the authority of Resolution No. 2000-24127 as adopted by the Commission of the City of Miami Beach, Florida (the "City Commission") on October 18, 2000 (the "Original Resolution" and as it may be further amended and supplemented from time to time, the "Bond Resolution"). For a more complete description of the Bond Resolution, please refer to Appendix "E" – "The Resolution" in the Official Statement relating to the Series 2017 Bonds (the "Official Statement"). Capitalized, undefined terms used in this report shall have the meanings ascribed thereto in the Bond Resolution.

The City plans to issue the Series 2017 Revenue Bonds in order to finance a portion of the costs of certain capital improvements currently contemplated as part of the City's multi-year program to improve and enhance the effectiveness and reliability of the City's System (the "Series 2017 Project") and pay certain expenses related to the issuance and sale of the Series 2017 Revenue Bonds.

[1] Preliminary; as of November 20, 2017, assuming a 3.985500% All-In True Interest Cost ("TIC"), as provided by the City's Financial Advisor and is subject to change based on actual sale of the Series 2017 Bonds.

Payment of the Outstanding Bonds^[2], the Series 2017 Revenue Bonds, and any additional parity bonds issued by the City pursuant to the Bond Resolution on behalf of the System, together with interest thereon, shall be solely from, and secured equally by, a lien on the Net Revenues derived by the City from the operation of the System. Neither the credit nor taxing power of the City will be pledged for debt repayment of any bonds issued pursuant to the terms of the Bond Resolution.

The primary purpose of this report is to provide information for parties reviewing the Official Statement associated with the issuance of the Series 2017 Bonds. This report summarizes the Feasibility Consultant's findings including the following: i) financial projections of the System for the Fiscal Years ending September 30, 2018 through and including September 30, 2022 (the "Forecast Period"); ii) the ability of the revenues derived from the System operations to meet the estimated expenditure and funding obligations of the System; and iii) the anticipated ability of the System to meet the rate covenant requirements as described in the Bond Resolution in order to provide information for parties reviewing the Official Statement associated with the issuance of the Series 2017 Revenue Bonds. This report also presents the following as documented by the Feasibility Consultant: i) recent historical and projected equivalent residential units ("ERUs") for the System; ii) the schedule of currently effective and anticipated rates for stormwater service; iii) the capital improvement needs anticipated to be financed by the City from System operations, including the Series 2017 Project to be financed by the Series 2017 Revenue Bonds, as well as other capital improvements and funding sources; and iv) the recent historical and projected financial operating results of the System.

PRMG was responsible for the compilation of financial information and the preparation of the recent historical and projected financial results, including the projections of ERUs and System revenues, Current Expenses, and other components that comprise the projected operating results of the System. PRMG is a recognized utility management consulting firm that specializes in the development of rates, charges, and financial projections for publicly-owned and not-for-profit utility systems, primarily in Florida and the southeastern United States. The firm has been involved in numerous utility financings that have involved the preparation of financial forecasts on behalf of local governments and utility corporations in Florida that issue utility bonds secured for repayment solely by the revenues of such utility.

PRMG does not offer any opinion as to the condition of the System, the compliance with regulations promulgated and imposed by various agencies upon the operation or construction of the System, or the estimated cost of improvements funded from System operations as referenced in this report. For a discussion of the System facilities and conditions, reference is made to the report prepared by AECOM (the "Consulting Engineer") and dated December 4, 2017 that is included as Appendix "B" to the Official Statement (the "Engineer's Report").

In the preparation of this report, PRMG relied upon financial, statistical, and operational data provided by the City that has been derived from operating and financial reports and records prepared and provided by City management, including information contained in the

[2] The Outstanding Bonds include the: i) Stormwater Revenue Refunding Bonds, Taxable Series 2009J-2; ii) Stormwater Revenue Bonds, Series 2011A; iii) Stormwater Revenue Refunding Bonds, Series 2011B; and iv) Stormwater Revenue Bonds, Series 2015.

Comprehensive Annual Financial Reports ("CAFR") prepared and provided by the City. We have relied on information provided by the City and other parties and, unless otherwise expressly indicated, have made no independent investigation or audit as to the validity, completeness, or accuracy of such information. PRMG has been furnished information and assumptions from the City and others including the estimated debt service requirements associated with the issuance of the Series 2017 Bonds by the City's financial advisor, RBC Capital Markets, LLC (the "Financial Advisor"), and certain information about the System from the City's Consulting Engineer. We have also utilized information obtained from other utility systems in Florida and other sources. PRMG believes the sources of such information, assumptions, and projections to be reasonable for the purposes of this report. The actual results achieved during the Forecast Period reflected in this report may vary from those projected and such variations could be material. Therefore, such projections and the underlying assumptions are subject to change and we can give no assurances that the projections will be realized. PRMG also relied upon certain assumptions regarding the timing and structure of the Series 2017 Bonds that will be secured for repayment from the Net Revenues of the System. These assumptions were provided by the City's Financial Advisor. The debt-related assumptions may vary from actual results and are subject to market conditions, as well as the City's credit rating at the time of issuance. In using the report prepared by PRMG, the City expressly acknowledges that PRMG is not a "Municipal Advisor" as defined under Section 15B(e)(4)(A) of the Exchange Act of 1934 as amended, and specially as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act and thus is not providing advice with respect to municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms and conditions and other similar matters concerning financial products or issues.

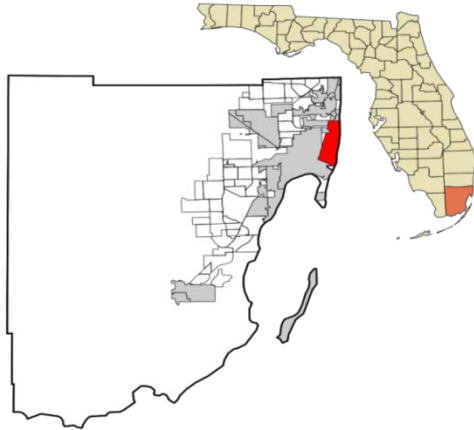
This report summarizes the results of our studies and analyses up to the date of this report. Prospective purchasers of the Series 2017 Bonds should not rely upon the information contained in this report for a current description of any matters set forth herein as of any date subsequent to the date of this report. Changed conditions occurring or becoming known after such date could affect the projections presented herein.

The remainder of this report provides: i) a general overview of the City and the System; ii) a summary of the existing rates for the System as approved by the City Commission and a planned rate adjustment in Fiscal Year 2019; iii) a discussion of the recent and projected customer billing statistics; iv) a presentation of the estimated funding program for the Capital Improvement Program for the System as identified by the City and its Consulting Engineers; v) a discussion of the projected System operating results for the Forecast Period, including a summary of all primary assumptions and analyses relied upon in the development of such projections and the ability of the estimated Net Revenues to meet the rate covenant requirements set forth in the Bond Resolution during the Forecast Period; vi) a summary of the cash reserves of the System at the end of each projected Fiscal Year of the Forecast Period by specific fund or account established by the Bond Resolution and the City; and vii) a summary of our conclusions based on the results of our analyses.

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GENERAL

Figure 1:
Location of the City of Miami Beach, Florida



The City is a political subdivision of the State of Florida governed by the State Constitution and the general laws of the State of Florida, and was incorporated on March 26, 1915. The City occupies approximately 17.5 square miles and is located in the southeastern portion of the State in Miami-Dade County (the "County"). Based on information developed by the Bureau of Economic and Business Research, University of Florida ("BEBR") and published on the website of the State of Florida Office of Economic and Demographic Research (the "2016 BEBR Estimates"), the City had an estimated permanent population of approximately 92,797 people as of April 1, 2016. There are currently 34 municipalities in the County and the City ranks as the 4th largest municipality in the County in terms of population.

In addition to the City, the incorporated municipalities in the County include the county seat of Miami and the major cities of Hialeah and Miami Gardens. Among the sixty-seven counties of Florida, the County ranked first in terms of population in 2016. With a permanent population of approximately 2,700,794 estimated as of April 1, 2016, the County is the seventh highest populated county in the country according to the United States Census Bureau. The population for Miami-Dade County is projected by the Florida Legislative Office of Economics and Demographic Research to increase to approximately 2,832,036 people by the year 2020 (4.9% above 2016 estimates or 1.2% annually), 2,995,956 by the year 2025 (10.9% above 2016 estimates), and 3,155,342 by the year 2030 (16.8% above 2016 estimates). Population projections for individual municipalities were not published.

GENERAL – THE SYSTEM

Stormwater System

The City's Stormwater System is established as a utility enterprise fund, whereby the rates for service are intended to fund the operation, maintenance, construction, and administration of the System. The purpose of the System is to regulate, maintain, and manage stormwater run-off within the City.

The System was established to: 1) reduce undesirable stormwater impacts through stormwater run-off reduction; 2) maintain the integrity of the City's stormwater infrastructure; 3) plan for and implement future System improvements; and 4) ensure compliance with Federal and State stormwater management rules and regulations.

The City established the Stormwater Enterprise Fund to create a dedicated funding source to address stormwater management issues. The City bills stormwater rates on a monthly basis along with other utility charges. The City has completed a Stormwater Capital Improvement Program to identify stormwater issues in order to deal with tidal flooding among other issues. The current Capital Improvement Program has identified approximately \$352.8 million in Stormwater

System projects to be appropriated in the Fiscal Years 2018 through 2022. In addition the City's capital spending plan includes \$28.2 million of projects that have been appropriated and begun in prior years and are still under construction for a total amount of \$381 million. The projects consist of a series of major upgrades to the existing stormwater infrastructure located inside the City's jurisdictional boundaries.

The purpose of this feasibility report is to evaluate the sufficiency of the adopted and planned stormwater rates to recover the costs of operating the System and financing the Capital Improvement Program, which, in part, will be funded from the Series 2017 Bonds and allow the System to maintain compliance with the covenants of the Bond Resolution. The adopted and planned rates outlined in this report are intended to fund the capital projects along with the projected costs of operating the System through Fiscal Year 2022. These costs are referred to herein as the System revenue requirements.

The City bills for stormwater service on an ERU basis. An ERU is defined as the average impervious area of a single-family residential home or 791 square feet. For all non-residential properties, each property's impervious area is measured and then divided by 791 square feet to determine the equivalent residential units that are billed for that property. The existing monthly charge for stormwater service is \$23.30 per ERU.

The City adopted the Stormwater Rate Ordinance No. 2017-4145, which among other things, allows the City to adjust monthly user rates automatically in the future based on a price index factor in order to offset the effects of inflation on the cost of operating and maintaining the System. The price indexing factor utilized to adjust the rates annually shall be equal to Consumer Price Index (CPI) – All Urban Consumers, Miami-Fort Lauderdale (Series ID CUURA320SA0), as published by the Bureau of Labor Statistics as reported for the month of April of the current year compared to the index reported for the immediately preceding month of April. The price index factor that was calculated and applied for the rates in effect during Fiscal Year 2018 was 2.80%.

Additionally, the projected operating results presented in this report recognize a planned Fiscal Year 2019 rate adjustment that is needed to maintain compliance with the covenants of the Bond Resolutions which require that the Net Revenues of the System be equal to or greater than: i) one hundred and ten percent (110%) of the annual Principal and Interest Requirement (essentially an accrual of the senior lien debt service payments); ii) provide for 100% of deposits or amounts to be paid to the Reserve Account, Rate Stabilization Account, and Subordinate Indebtedness Account; and iii) provide additional funds available to fund additional future indebtedness currently anticipated to be issued in Fiscal Year 2022; and iv) provide additional annual cash flow to fund capital improvements. The purpose of the Series 2022 Bonds is to fund further stormwater infrastructure improvements in the Capital Improvement Program as set forth herein. Should the City elect to not implement the Fiscal Year 2019 rate adjustment, the City would still be in compliance with the covenants of the Bond Resolution, but would need to reevaluate compliance prior to the issuance of the Series 2022 Bonds. Such amounts are estimated based on information from the City's Financial Advisor, information included in the Engineer's Report and discussions with City staff and are subject to change with respect to both amount and start dates.

EXISTING SYSTEM DEBT AND PLAN OF FINANCE

The City has previously issued long-term debt to fund certain capital improvements to the System. As of September 30, 2017 (the most recently completed Fiscal Year for the City and for which the City has provided PRMG with preliminary operating results [unaudited]), the City had Bonds outstanding in the aggregate principal amount of \$181,255,000 that were issued pursuant to the terms and conditions of the Bond Resolution (the "Outstanding Bonds"), and which are secured by a senior lien pledge on the Net Revenues of the System. The City intends to use the proceeds of the Series 2017 Bonds to finance the cost of construction of the Series 2017 Project as discussed in the Engineer's Report, refund the Refunded Bonds, and pay certain expenses related to the issuance and sale of the Series 2017 Bonds and refunding the Refunded Bonds.

The following is a summary of the Outstanding Bonds for the System as of September 30, 2017:

Outstanding Bonds	As of September 30, 2017
Stormwater Revenue Refunding Bonds, Taxable Series 2009J-2 (the "Series 2009 Bonds") [1]	\$7,190,000
Stormwater Revenue Bonds, Series 2011A (the "Series 2011A Bonds") [2]	49,055,000
Stormwater Revenue Refunding Bonds, Series 2011B (the "Series 2011B Bonds") [3]	25,855,000
Stormwater Revenue Bonds, Series 2015 (the "Series 2015 Bonds")	99,155,000
Total Outstanding Bonds	<u>\$181,255,000</u>

[1] The Series 2009 Bonds are currently outstanding in the aggregate principal amount of \$5,505,000 after December 1, 2017.

[2] Subject to market conditions at the time of pricing of the Series 2017 Bonds, \$44,270,000 of the Series 2011A Bonds are expected to be refunded upon issuance of the Series 2017 Bonds.

[3] Subject to market conditions at the time of pricing of the Series 2017 Bonds, \$25,265,000 of the Series 2011B Bonds are expected to be refunded upon issuance of the Series 2017 Bonds.

In addition to the Outstanding Bonds, the System has two (2) subordinate debts that are pledged for repayment from revenues of the System (the "Subordinate Obligations"). The Subordinate Obligations include: i) a loan with the City for the purchase of machinery and equipment; and ii) Clean Water State Revolving Fund ("SRF") loan SW131300 for surface water restoration projects. The following is a summary of the Subordinate Obligations as of September 30, 2017:

Subordinate Obligations	As of September 30, 2017
Equipment Loan (the "Equipment Loan")	\$38,650
Clean Water State Revolving Fund Loan SW131300 (the "SRF Loan")	5,233,113
Total Subordinate Obligations	<u>\$5,271,763</u>

It should be noted that since September 30, 2017, based on the total SRF loan approved, the amount of the Subordinate Obligations have increased. For the purposes of this report, it has been assumed that of the total amount of Subordinate Obligations will be \$38,650 and \$7,797,500 for the Equipment Loan and the SRF Loan, respectively.

For the purposes of this report and based on the direction of the City's Financial Advisor for the Series 2017 Revenue Bonds, it was assumed that the Series 2017 Revenue Bonds would have: i) an aggregate principal amount of approximately \$87,650,000; ii) an All-In True Interest Cost

(previously defined as "TIC") of 3.985500%; and iii) a delivery date of December 22, 2017. The following is a summary of the estimated sources and uses of the proceeds of the Series 2017 Bonds as provided by the City's Financial Advisor for the Series 2017 Bonds:

Summary of Estimated Series 2017 Revenue Bonds Sources and Uses of Funds [*]	
	Amount
Sources:	
Series 2017 Bond Proceeds – Par Amount	\$87,650,000
Premium	13,139,242
Total Sources of Funds	<u>\$100,789,242</u>
Uses of Funds:	
Deposit to Series 2017 Project Construction Account	\$100,000,000
Cost of Issuance	789,242
Total Uses of Funds	<u>\$100,789,242</u>

[*] Amounts provided by the City's Financial Advisor and are preliminary and subject to change based on the actual sale of the Series 2017 Bonds. Amounts shown reflect City Financial Advisor estimates as of November 20, 2017 and assumes a 3.985500% All-In TIC, which may be different based on actual sale of Series 2017 Bonds.

Additionally, this report assumes the issuance of additional senior lien bonds in order to fund capital improvements beginning in Fiscal Year 2022. For the purposes of this report and based on information provided by the City's Financial Advisor for the additional debt needs, it has been assumed that the City will issue Stormwater Revenue Bonds, Series 2022 (the "Series 2022 Bonds"). The Series 2022 Bonds assume: i) an aggregate principal amount of approximately \$96,920,000; ii) an All-In TIC of 6.063798%; and iii) a delivery date of August 1, 2022.

SYSTEM RATES AND CHARGES

General

The Bond Resolution authorizing the issuance of the Series 2017 Bonds contains a covenant that the City will establish rates such that:

"Net Revenues...will be sufficient to provide an amount in each Fiscal Year at least equal to one hundred ten per centum (110%) of the Principal and Interest Requirements for such Fiscal Year on account of the Bonds then Outstanding..."^[3]

The City further covenants that it will make revisions to the rates as necessary to ensure that the rate covenant requirements are continuously met.

[3] Reference derived from Article V, Section 502 of the Bond Resolution; for further information, reference "Appendix "E" The Resolution in the Official Statement for the Series 2017 Bonds.

Stormwater Rates for Monthly Service

The rates for monthly service are regulated or set by the City Commission and are not subject to regulation by any other jurisdiction. On October 17, 2017, the City Commission enacted Ordinance No. 2017-4145 that established the stormwater monthly user rates for the System (the "Rate Ordinance"). The adopted monthly rates as referenced in the Rate Ordinance include a service charge that is predicated on the number of ERUs for each parcel or property. The revenues derived from the application of the rates for monthly service has accounted for approximately 99% of the reported System Revenues, which include investment earnings on unrestricted fund balances but not funds where earnings are considered restricted (i.e., any Construction Fund balances) and realized gains from the sale of investments that are considered by the City as a component of the Revenues of the System during the Fiscal Year 2017. It should be noted that the System does not charge any other charges, deposits, or impact fees to customers beyond the monthly service charges.

The following is a summary of the existing adopted monthly rates per ERU for the System as contained in the Rate Ordinance.

	Monthly Stormwater Rate (per ERU)
Adopted Effective October 1, 2017	\$23.30

This report assumes that the City will adjust rates during Fiscal Year 2019 to provide additional funds available to fund additional future indebtedness currently anticipated to be issued in Fiscal Year 2022 and provide additional annual cash flow to fund capital improvements; currently this additional adjustment in Fiscal Year 2019 is assumed to be approximately 19.7%.

No Other Miscellaneous Fees or Charges

The Rate Ordinance does not include any additional fees, charges, deposits, or miscellaneous service charges. The City does not charge stormwater impact fees, which would recover the proportionate share of the cost for the stormwater infrastructure of the System associated with new development. While the imposition of impact fees is common in the state of Florida, typically stormwater utilities do not charge an impact fee to new connections.

Rate Comparisons

Table 11 at the end of this report provides a comparison of the monthly cost of providing stormwater service under the currently existing rates of the System. Also included on the comparison is the impervious surface area per ERU of other neighboring Florida utilities as of the billing month of August 2017. The monthly bills for the various Florida utilities used for the comparison are exclusive of local taxes. As can be seen in the comparisons, the rates charged by the City produce bills that are generally higher than the bills charged for similar service by other neighboring utilities. A summary of the comparison results as shown on Table 11 at the end of this report follows:

(Remainder of page intentionally left blank)

Comparison of Monthly Rates for Stormwater Service [1]

	Rate	Impervious Surface per ERU [2]
<u>City of Miami Beach:</u>		
Existing Rates Effective on October 1, 2017	\$23.30	791
<u>Surveyed Utilities:</u>		
City of Aventura	\$2.50	1,548
City of Boca Raton	3.22	2,837
City of Coral Gables	8.80	2,346
City of Delray Beach	5.33	2,502
City of Fort Lauderdale [3]	10.00	N/A
City of Hollywood	3.22	2,250
City of Homestead [4]	3.37	N/A
City of Miami	3.50	1,191
Miami Dade County	4.00	1,548
City of North Miami	6.19	1,760
Village of Pinecrest	10.00	1,548
City of Pompano Beach	4.21	2,880
City of West Palm Beach	13.57	2,171
<u>All Surveyed Florida Utilities:</u>		
Average	\$5.99	2,053

[1] Amounts based on rate survey of 13 neighboring utility systems as shown on Table 11 at the end of this report.

[2] Impervious Surface Area per ERU is based on the square footage designated by the municipality.

[3] The City of Fort Lauderdale charges residential customers with 3 or less units \$10.00 per month per unit.

[4] The City of Homestead charges residential customers a flat rate of \$3.37 per month.

STORMWATER CUSTOMER STATISTICS

General

This section of the report summarizes the recent trends in the stormwater system customer accounts and projected growth for the System (the "customer billing statistics"). The historical period reflected in this report covers the Fiscal Years ended September 30, 2013 through 2017 (the "Historical Period") and the projected or Forecast Period is for the Fiscal Years 2018 through 2022. Table 1 at the end of this report reflects the historical customer accounts as well as ERU for the System. Table 2 at the end of this report presents the projected customers or accounts, the corresponding ERUs by customer class, and the forecast of stormwater service charge revenues for the Forecast Period.

During Fiscal Year 2017, the City provided stormwater service to an average of 10,067 accounts, and 108,340 stormwater equivalent residential units ("ERU"). An ERU represents the effective impervious surface of a single-family residence and is defined as seven hundred and ninety one (791) square feet of the area covered by all impervious improvements. Use of the ERU methodology allows all accounts to be billed based on relative contribution to stormwater run-off, which recognizes that large, highly developed parcels (a commercial land use such as a mall and absent on-site retention and detention facilities) account for a greater amount of stormwater run-off when compared to a single-family residence. The associated ERUs assigned to all properties regardless of property or customer type are predicated on this impervious surface

relationship. Based on information provided by the City, a summary of the average number of customer accounts and associated ERUs by customer class being served by the Stormwater System for Fiscal Year 2017 is summarized below:

Stormwater System Average Monthly Billed Accounts and ERUs				
Fiscal Year 2017				
	Average Accounts		ERUs	
	Amount	Percent	Amount	Percent
Residential	5,764	57.26%	8,103	7.48%
Condo	953	9.47%	41,054	37.89%
Apartment	1,168	11.60%	14,630	13.50%
Duplex	17	0.17%	46	0.04%
Commercial	1,940	19.27%	28,978	26.75%
Hotel	181	1.80%	6,518	6.02%
City	44	0.43%	9,011	8.32%
Totals	10,067	100.00%	108,340	100.00%

As can be seen above, the single-family residential class represents approximately 57.3% of the total accounts served but only about 7.5% of the total ERUs served, whereas condos make up only 9.5% of the accounts and account for 37.9% of the ERUs of the System.

The following table shows the average annual customer accounts and average annual ERUs during the Historical Period, as can be seen the average annual growth in customer accounts is approximately 0.1% and the average annual growth in ERUs is approximately (0.07%). This low level of growth is indicative of the City's service area being essentially built-out with little available vacant properties that can be improved or developed.

Stormwater System Historical Customer Growth [*]		
Fiscal Year Ended September 30, (Historical)	Average Annual Accounts [2]	Average Annual ERUs [2]
2013	10,024	108,639
2014	10,032	108,951
2015	10,051	107,844
2016	10,070	108,500
2017	10,067	108,340
2013 to 2017	0.1%	(0.07%)

[*] Amounts shown derived from Table 1 at the end of the report.

For the Forecast Period it has been assumed that the average annual growth in customer accounts is estimated at approximately 0.1% per year and the average annual growth in ERUs is estimated at approximately 0.05% per year. This level of growth assumes average annual customer account growth of approximately twelve (12) accounts. Based on discussions with the City and review of recent historical trends, PRMG is of the opinion that this level of growth is conservative and attainable. The following is a summary of the projected stormwater customer accounts and ERUs served during the Forecast Period; this information is presented in detail on Table 2 at the end of this report:

Projected Stormwater Accounts and ERUs [*]

	2017		2018		2019		2020		2021		2022	
	Accounts	ERUs	Accounts	ERUs	Accounts	ERUs	Accounts	ERUs	Accounts	ERUs	Accounts	ERUs
Residential	5,764	8,103	5,774	8,113	5,784	8,123	5,794	8,133	5,804	8,143	5,814	8,153
Condo	953	41,054	953	41,054	953	41,054	953	41,054	953	41,054	953	41,054
Apartment	1,168	14,630	1,168	14,630	1,168	14,630	1,168	14,630	1,168	14,630	1,168	14,630
Duplex	17	46	17	46	17	46	17	46	17	46	17	46
Commercial	1,940	28,978	1,942	29,008	1,944	29,038	1,946	29,068	1,948	29,098	1,950	29,128
Hotel	181	6,518	181	6,518	181	6,518	181	6,518	181	6,518	181	6,518
City	44	9,011	44	9,011	44	9,011	44	9,011	44	9,011	44	9,011
Total	10,067	108,340	10,079	108,380	10,091	108,420	10,103	108,460	10,115	108,500	10,127	108,540

[*] Amounts shown derived from Table 2 at the end of this report.

For the Stormwater System, it is expected that the predominance of the growth will be for serving residential and commercial customers. Actual levels of customer account and ERU growth may vary from these projections if future redevelopment (i.e., residential single-family properties being converted to condos or apartments) occurs within the City's jurisdictional boundaries.

Revenue Forecast

As shown in the previous section and for the determination of projected revenues from stormwater utility service charges during the Forecast Period, in Fiscal Year 2017, the City implemented a thirty-six percent (36.0%) increase to stormwater utility service charges in order to provide additional revenues to fund System capital improvements funded by the anticipated issuance of the Series 2017 Bonds. With respect to the remainder of the Forecast Period for the projection of stormwater revenues, it was assumed that the level of ERUs currently served by the System would not increase significantly and that there would be no decline as a result of the implementation of the increased stormwater utility service charges. The stormwater ERU and revenue projections are shown below and on Table 2 at the end of this report served as the basis for the projection of financial operating results for the System over the Forecast Period.

Stormwater Utility Revenue Projection [1]

Fiscal Year Ended September 30, (Historical)	Average Annual ERUs	Existing Stormwater Utility Service Charge (Monthly)	Estimated Revenue
2018	108,380	\$23.30	\$30,133,813
2019 [2]	108,420	28.54	36,924,310
2020 [2]	108,460	29.34	37,973,334
2021 [2]	108,500	30.16	39,049,016
2022 [2]	108,540	31.00	40,151,385

[1] Amounts shown derived from Table 2 at the end of the report.

[2] Estimated Revenues shown reflect the application of annual rate indexing adjustments and the anticipated additional rate adjustment to become effective on October 1, 2018. It should be noted that except for adjustments resulting from annual rate indexing, the additional rate adjustment has not yet been approved by the City Commission.

As can be seen above the rate adjustment for Fiscal Year 2019 will produce approximately \$6.8 million dollars of additional System revenue that will be required to provide sufficient revenues available to meet the requirements of the System and meet the estimated debt service coverage

requirements associated with the issuance of the proposed Series 2022 Bonds and to fund other capital needs.

Ten Largest Customers of System

In order to provide additional information regarding the System's existing customer base, a summary of certain statistical information of the ten largest retail customers in Fiscal Year 2016 on the basis of revenue billed (pursuant to rates in effect for the System) has been presented based on information compiled by the City. It should be noted that PRMG, is not presenting this information for Fiscal Year 2017, since certain billing information was not yet available at the time of production of this report and Fiscal Year 2016 represents the most recently completed CAFR that was issued for the City. The top ten System customer accounts on a combined basis accounted for approximately fourteen and sixty-five one hundredths (14.65%) of the System's utility service charge revenue in Fiscal Year 2016 as shown in the following table.

Top Ten Stormwater System Retail Customers for Fiscal Year 2016 Based on Stormwater Utility Service Charge Revenue				
Customer Name	Customer Class	Equivalent Residential Units	Annual Rate Revenue [*]	Percent of Total Rate Revenue
Convention Center	City	3,764	\$752,951	3.48%
Metered Parking Division	City	3,100	620,124	2.87%
Mt Sinai Hospital	Commercial	2,453	490,698	2.27%
Fontainebleau Florida	Hotel	1,516	303,261	1.40%
Miami Beach Redevelopment	Commercial	1,277	255,451	1.18%
Deauville Hotel Condominiums	Condominium	1,164	232,847	1.08%
2201 Collins Fee LLC	Condominium	667	133,427	0.62%
Carillon South Joint	Condominium	652	130,426	0.60%
Triton Tower Condominiums	Condominium	630	126,025	0.58%
Decoplage Condominiums	Condominium	598	119,624	0.55%
Total of Ten Largest Users			\$3,164,833	14.65%
All Other System Retail Users			18,443,035	85.35%
Total Fiscal Year 2016 Billed Revenue – All Customer Accounts			\$21,607,868	100.00%

[*] Amounts shown reflect only revenue derived from the monthly stormwater utility service charges.

CAPITAL IMPROVEMENT PROGRAM

Capital Improvement Program Summary

The City has planned capital improvements associated with providing additional stormwater mitigation which includes repairs, replacements, and/or installation of curbs and gutters, reconstruction and/or raising of streets and sidewalks, installation of collection systems, catch basins and manholes, construction of pumping stations, installation of water quality treatment devices, and repairs or upgrades to existing outfalls. The Capital Improvement Program as set forth in this report includes a summary of project appropriations, as shown on Table 5, and associated project expenditures, as shown on Table 6, which reflects project spending curves. Out of a total capital improvement project appropriation of approximately \$381 million, as shown on Table 5, the projected expenditures for new projects during the Forecast Period, based on project spending curves, total \$352.8 million. This excludes the \$28.1 million in capital projects that were appropriated and started in prior Fiscal Years and are assumed to be completed

in Fiscal Year 2018. The cost of the capital improvements is based on capital plans prepared by the City as part of its ongoing Capital Improvement Program. A summary of the Capital Improvement Program project expenditure estimates by funding source for the Forecast Period is presented in the following table and shown in more detail on Table 6 at the end of this report. Based on the total project appropriations of approximately \$381.0 million, for the Forecast Period, approximately \$78.7 million of the capital project expenditures will be spent subsequent to the Forecast Period. The total amount of projects that are anticipated to be appropriated are shown on Table 5 along with the funding sources.

Summary of Capital Improvement Program Spending by Facility Function for the Forecast Period [1][2]							
	Fiscal Year Ending September 30,					Total for Forecast Period	Post [3] Forecast Period
	2018	2019	2020	2021	2022		
Total Annual Capital Projects	\$69,252,199	\$58,646,832	\$59,225,978	\$41,960,466	\$73,198,162	\$302,283,637	\$78,674,987
Funding Sources:							
Operating Reserves	\$225,872	\$263,517	\$138,033	\$14,481,872	\$24,235,703	\$39,344,996	\$14,275,388
Prior Bond Proceeds	28,206,833	0	0	0	0	28,206,833	0
Series 2017 Bond Proceeds	40,819,495	42,112,081	17,068,424	0	0	100,000,000	0
Series 2022 Bond Proceeds	0	0	0	0	37,451,356	37,451,356	\$58,644,047
Miami-Dade County – TIF	0	16,271,234	42,019,522	27,478,595	11,511,103	97,280,453	5,755,551
Total Capital Funding	<u>\$69,252,199</u>	<u>\$58,646,832</u>	<u>\$59,225,978</u>	<u>\$41,960,466</u>	<u>\$73,198,162</u>	<u>\$302,283,637</u>	<u>\$78,674,987</u>

[1] Totals may not add due to rounding.

[2] Amounts shown derived from Table 6 at end of report; amounts reflect capital project spending and not when funds are appropriated for capital projects.

[3] Total amounts of projects to be funded by the proposed Series 2022 Bonds are \$96,095,403. However, the amount shown reflects Fiscal Year 2022 expenditures based on the spending curves provided by the City.

The Capital Improvement Program shown above is presented on a cash basis, which shows when the spending on such projects is expected to occur as compared to an appropriations basis in which the funds must be set aside at the onset of such project. This basis was utilized because the majority of the identified capital projects are estimated to take 24 to 48 months to complete. Additionally, for informational purposes, Table 5 at the end of this report presents the Capital Improvement Program on an appropriations basis. The appropriations basis Capital Improvement Program identified approximately \$381.0 million in capital projects to be appropriated during the Forecast Period, which includes projects started in prior Fiscal Years.

The Series 2017 Project

The City staff has identified for the Fiscal Year 2018 a total amount of capital expenditure appropriations of \$100,000,000 that will be funded from the issuance of the Series 2017 Bonds and are planned to be constructed in the next 36 months. The Series 2017 Project is a grouping of projects which, when combined with the remaining CIP and amounts funded from the proceeds of the Series 2015 Bonds, represents the City's total capital improvement needs to address tidal flooding and stormwater run-off mitigation issues. The capital projects anticipated to be funded from the proceeds of the Series 2017 Bonds include the following:

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Summary of Series 2017 Project [*]	
Capital Project	Total Capital Cost
Indian Creek (FDOT)	\$5,500,000
West Avenue	37,583,744
South Pointe 1st Street	1,178,381
La Gorce / Lakeview	40,000,000
City Center	2,300,000
Sunset Island 3 & 4	2,343,000
Sunset Harbour	3,750,973
Palm and Hibiscus Islands	4,791,402
Central Bayshore South	1,065,000
Central Bayshore	250,000
SCADA and PLC Replacement	1,237,500
Total Series 2017 Project Expenditures	\$100,000,000

[*] Amounts shown provided by the City and represents estimated capital expenditures anticipated to be funded by the Series 2017 Revenue Bonds; such amounts could be modified by the City if capital expenditure priorities change.

For a more detailed description of the capital projects that comprise the Series 2017 Project, please refer to the Engineer's Report included in Appendix "B" in the Official Statement.

Funding Sources for Capital Improvement Program

As discussed above, and show on Tables 5 and Table 6 at the end of this report, the City has identified approximately \$352.8 million in capital requirements funds that will need to be appropriated for the Forecast Period (excludes remaining expenditures for capital projects that were initiated either during or prior to the Fiscal Year 2018; the available fund balance for such work in progress has also been adjusted to recognize the capital appropriations). The City has identified several funding sources for the construction of the above referenced capital projects. Based on an analysis of available funds to the City (e.g., Operating Reserves), the funding sources for the total appropriations-based Capital Improvement Program as assumed for the financial forecast is as follows:

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**Summary of Appropriations Based Capital Funding Sources
for the Forecast Period (Dollars in 000s) [1]**

	Estimated Funding Source [2]	Percent
Series 2017 Bonds [3]	\$100,000	26.25%
Additional Parity Bonds – Series 2022 Bonds[4]	96,095	25.22%
Prior Bond Proceeds	28,207	7.40%
Available Operating Reserves [5]	53,620	14.08%
Tax Increment Financing [6]	103,036	27.05%
Total Estimated Funding Sources	<u>\$380,959</u>	<u>100.00%</u>

[1] Totals may not add due to rounding.

[2] Amounts derived from detailed Capital Improvement Program funding analysis assumed for the purposes of this report; amounts shown include use of available unrestricted funds at beginning of Forecast Period (i.e., October 1, 2017) as well as estimated deposits to such accounts during the Forecast Period from System operations and other sources. Amounts shown are in thousands of dollars (\$000s).

[3] Represents deposit to Series 2017 Construction Account from Series 2017 Revenue Bonds proceeds being issued for the funding of capital improvements on behalf of the System.

[4] Reflects proceeds from the anticipated issuance of additional parity bonds to finance capital projects as identified by the City.

[5] Reflects the use of System reserves earned in prior periods that represent available, unencumbered funds that are not restricted by the City or by resolution / law as to its use or purpose.

[6] Amounts shown represent funds derived from the proposed real estate tax assessment by Miami-Dade County, Florida on the real property located inside the jurisdictional boundaries of Miami-Dade County, Florida.

As can be seen above, approximately 14.08% of the capital program is anticipated by the City to be funded from internal sources (e.g., capital reserve accounts, rate revenues, and other sources). The remainder of the funding for the capital program is primarily associated with external funding sources which include the proceeds of the Series 2017 Bonds, additional bond proceeds (the Series 2022 Bonds), prior bond proceeds, and \$103,036,000 to be funded with tax increment funding anticipated to be available to the City in support of the capital program.

HISTORICAL OPERATING RESULTS

General

The historical operating results for the System are presented for the Fiscal Years ended September 30, 2013 through 2017 (previously defined as the "Historical Period"), and are shown in detail on Table 8 at the end of this report. The operating results for Fiscal Years 2013, 2014, 2015, and 2016 were prepared based on financial information compiled and provided by the City and information included in the CAFR as prepared by the management of the City for the respective fiscal years shown. Amounts shown for Fiscal Year 2017 were based on preliminary operating results as compiled by City staff, while such amounts have not been audited, they appear to be reasonable when compared with Fiscal Year 2016 results. The historical operating results have been presented in a manner consistent with the requirements of the Bond Resolution relative to the determination of Net Revenues of the System. Therefore, the amounts shown reflect certain differences in the presentation of the financial results when compared to the CAFR of the City. Specifically, these major differences include, but may not be limited to: i) Current Expenses do not include depreciation or amortization expenses or internal administrative (central service) charges; ii) interest income does not include earnings on the Construction Fund accounts, if any; and iii) exclusion of other revenues such as proceeds derived from the sale of System property.

Summary of Historical Operating Results

The historical operating results for the System are shown on Table 8 at the end of this report and are summarized as follows:

Summary of Historical System Operating Results and Debt Service Coverage

	Fiscal Year Ended September 30,				
	2013	2014	2015	2016	2017 [1]
Charges for Service [2]	\$11,671,714	\$11,659,582	\$21,258,353	\$21,490,894	\$28,570,734
Interest Income [3]	344,743	220,480	61,205	334,377	187,125
Other Operating Revenues [4]	0	0	0	0	0
Total Revenues	\$12,016,457	\$11,880,062	\$21,319,558	\$21,825,271	\$28,757,859
Current Expenses					
Personal Services [5]	\$1,709,332	\$2,296,788	\$2,559,349	\$2,831,997	\$3,224,137
Operating Supplies	49,114	3,011	17,860	22,703	43,015
Contractual Services	134,718	441,718	1,004,910	1,196,667	2,221,783
Utilities	60,567	69,343	131,791	222,053	288,323
Insurance	0	0	0	0	0
Internal Charges	936,189	357,511	359,129	425,571	436,128
Claims and Judgements	0	0	0	0	0
Other Operating	127,159	124,955	872,332	249,633	300,693
Administrative Fees [6]	584,000	637,000	658,000	798,000	798,000
Less Total Current Expenses	\$3,601,079	\$3,930,326	\$5,603,371	\$5,746,624	\$7,312,079
Net Revenues	\$8,415,378	\$7,949,736	\$15,716,187	\$16,078,647	\$21,445,780
Debt Service Coverage Test:					
Net Revenues	\$8,415,378	\$7,949,736	\$15,716,187	\$16,078,647	\$21,445,780
Principal and Interest Requirements	\$5,847,595	\$5,848,872	\$6,828,297	\$11,236,865	\$11,361,226
Calculated Coverage	144%	136%	230%	143%	189%
Minimum Required	110%	110%	110%	110%	110%

[1] Amounts shown based on preliminary operating results as prepared by City Staff for Fiscal Year 2017; certain adjustments may still be made as the City's external auditor completes their audit of the Comprehensive Annual Financial Report ("CAFR") for Fiscal Year 2017.

[2] Amounts shown are derived from Table 8 at the end of this report and are based on information in the CAFR for Fiscal Years 2013 through 2016 and preliminary information provided by City staff for Fiscal Year 2017 and other financial information provided by the City.

	2013	2014	2015	2016	2017
Revenues:					
Charges for Service	\$11,671,714	\$11,659,582	\$21,258,353	\$21,490,894	\$28,570,734
Permits, Rentals, and Other Revenues	0	55,717	0	0	0
Total Operating Revenues	\$11,671,714	\$11,715,299	\$21,258,353	\$21,490,894	\$28,570,734
FEMA Grant [b]	0	(55,717)	0	0	0
Charges for Service Recognized	\$11,671,714	\$11,659,582	\$21,258,353	\$21,490,894	\$28,570,734

[a] Amounts shown have been excluded from the calculation of debt service compliance since such amounts represent a reimbursement of Operating expenses from a prior period and should not be considered revenue for the current period.

[b] Amount shown has been excluded from the calculation of debt service compliance since such amounts represents a grant received from Federal Emergency Management Agency ("FEMA") for operating expenses associated with the hurricane Wilma event which occurred in 2006, since such event occurred in a prior period such amounts have been excluded from current period revenues.

Footnotes continued on following page.

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Footnotes (cont'd.)

- [3] Amounts shown reflect interest income as reported in the CAFR for Fiscal Years 2013 through 2016 and preliminary information provided by City Staff for Fiscal Year 2017. Amounts shown were adjusted consistent with the definition set forth in the Bond Resolution.

	2013	2014	2015	2016	2017
Interest Income Reported	\$345,512	\$223,638	\$67,119	\$342,414	\$578,395
Adjustments					
Interest Income on Customer Deposits	0	0	0	0	0
Interest Income on Debt Service (430)	(611)	(2,815)	(2,192)	(1,529)	(1,527)
Interest Income on 2011 Bond Construction Fund (431)	(158)	(343)	(640)	(822)	(1,511)
Interest Income on 2015 Bond Construction Fund (432)	0	0	(3,082)	(5,686)	(388,232)
Interest Income Recognized:	<u>\$344,743</u>	<u>\$220,480</u>	<u>\$61,205</u>	<u>\$334,377</u>	<u>\$187,125</u>

- [4] Based on the definition of Revenues as set forth in the Bond Resolution the following Non-operating Revenues and Capital Contributions, as shown for Fiscal Years 2013 through 2016 in each year's CAFR and for Fiscal Year 2017 compiled from preliminary operating results provided by City Staff, have been excluded from the calculation of Revenues. The following has been assumed for Other Operating Revenues in the Calculation of Debt Service Coverage:

	2013	2014	2015	2016	2017
Non-operating Revenues and Capital Contributions per CAFR					
Gain (Loss) on Disposal of Assets	\$4,184	\$23,284	\$36,889	\$37,388	\$0
Unrealized Gains (Losses) on Investments	(171,778)	(81,605)	69,807	84,835	0
Capital Contributions	2,678	0	311	0	(420)
Total Non-operating Revenues and Capital Contributions per CAFR	<u>(\$164,916)</u>	<u>(\$58,321)</u>	<u>\$107,007</u>	<u>\$122,223</u>	<u>(\$420)</u>
Excluded Non-operating Revenues and Capital Contributions per CAFR					
Gain (Loss) on Disposal of Assets	(\$4,184)	(\$23,284)	(\$36,889)	(\$37,388)	\$0
Unrealized Gains (Losses) on Investments	171,778	81,605	(69,807)	(84,835)	0
Capital Contributions	(2,678)	0	(311)	0	420
Other Operating Revenues Recognized:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

- [5] The following adjustments have been made to personal services as reported in the CAFRs for Fiscal Years 2013 through 2016 and as reported in the preliminary operating results compiled by City Staff for Fiscal Year 2017: i) a contra-expense was recorded in Fiscal Year 2015 and 2016 to report the reduction in the long-term pension liability to account for reporting requirements for Governmental Accounting Standards Board ("GASB") Statement 68, this contra-expense has been removed for the calculation of Current Expenses; and ii) to reclassify transfers out pension funds. The Bond Resolution's definition of Current Expenses states "any reasonable payments to pension or retirement funds properly chargeable to the Stormwater Utility" shall be included as Current Expenses.

	2013	2014	2015	2016	2017
Personal Expenses	\$1,703,961	\$2,290,564	\$2,418,608	\$2,435,996	\$3,511,472
Adjustments:					
Change in Long Term Pension Liability (GASB 68 Actuarial Expense)	0	0	130,741	385,001	(298,335)
Transfer Out – Pension Obligations	5,371	6,224	10,000	11,000	11,000
Total Personal Expenses	<u>\$1,709,332</u>	<u>\$2,296,788</u>	<u>\$2,559,349</u>	<u>\$2,831,997</u>	<u>\$3,224,137</u>

- [6] The Bond Resolution's definition of Current Expenses states the Current Expenses shall not include "any administrative expenses payable to the City's General Fund". The following administrative expenses have been identified as being paid from the Stormwater Utility during the Historical Period. In accordance with the Bond Resolution such amounts that have been paid to the City's General Fund have been excluded from the calculation of Current Expenses. The Stormwater Utility has incurred transfers out to the Sanitation Fund (Fund 435) for administration of the Stormwater Utility; these transfers have been reclassified to Current Expenses. The following summarizes the Administrative Fees recognized in the calculation of Current Expenses.

	2013	2014	2015	2016	2017
Administrative Fees (to General Fund)	\$433,000	\$435,000	\$631,000	\$612,996	\$667,000
Transfers Out (to Sanitation Fund) for Administrative Fees	584,000	637,000	658,000	798,000	798,000
Total Administrative Fees	\$1,017,000	\$1,072,000	\$1,289,000	\$1,410,996	\$1,465,000
Less Administrative Fees Paid to General Fund	<u>(433,000)</u>	<u>(435,000)</u>	<u>(631,000)</u>	<u>(612,996)</u>	<u>(667,000)</u>
Administrative Fees Recognized as Current Expenses:	<u>\$584,000</u>	<u>\$637,000</u>	<u>\$658,000</u>	<u>\$798,000</u>	<u>\$798,000</u>

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In the development of the historical operating results and evaluation of the debt service coverage test as shown above and in more detail on Table 8, several observations and information sources were recognized. The following is a summary of such observations and information sources.

1. The increase in charges for service revenues beginning in Fiscal Year 2015 was due to the implementation of increased monthly stormwater utility service charges as adopted and implemented by the City Commission as a part of Ordinance No. 2014-3894. This rate adjustment was adopted by the City Commission, among other things, to provide sufficient annual revenues to meet the requirements of the Bond Resolution associated with increases in the annual Principal and Interest Requirement associated with the issuance of the Stormwater Revenue Bonds, Series 2015 Bonds (the "Series 2015 Bonds") to fund capital improvements to the System's infrastructure.
2. On a combined basis, Current Expenses increased at a compound annual rate of approximately 20.37% from Fiscal Year 2013 to 2017. Personal Services and Contractual Services account for approximately 97% of the increases to Current Expenses from Fiscal Year 2013 to Fiscal Year 2017. This increase reflects the City's goal of achieving higher maintenance service levels provided to the customers of the Stormwater System.
3. During the Historical Period, the City issued the Series 2015 Bonds in the aggregate principal amount of \$99,590,000 in order to fund certain capital improvements of the System's infrastructure.

There were no subordinate lien bonds pledged from the Net Revenues of the System during the Historical Period. However, the City did execute an equipment capital lease between the City and SunTrust Equipment Finance and Leasing Corporation to finance several vehicles for the City, including for the System. This equipment lease is accounted for as a debt obligation in the City's General Fund and the pledge for repayment is from General Fund revenue sources. The System does transfer to the General Fund its proportionate share of the capital lease payment for the vehicles financed on behalf of the System and this payment has been recognized as a required transfer or payment from the System and would be made prior to the funding of any capital reinvestment requirements from operations.

4. The City currently charges the System administrative fees associated with those costs that are accounted for in the City's General Fund that are allocable to the operations and management of the System. Examples of such expenses would include, but not be limited to, City Manager and City Commission, purchasing, finance and accounting, human resources, and other related costs. Pursuant to the Bond Resolution, the administrative fees are not recognized as Current Expenses. Since such expenses are ongoing and payments are budgeted and made annually from System operations, such payments were also classified as a required transfer and would be made prior to the funding of any capital reinvestment requirements from operations.

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ADDITIONAL BONDS TEST

Since the City is issuing additional indebtedness (the Series 2017 Bonds) on a parity basis with the Outstanding Bonds, the City must meet certain financial tests relative to the issuance of such parity bonds as defined in Section 209 of the Bond Resolution (the "Additional Bonds Test"). The Additional Bonds Test requirements as outlined in the Bond Resolution states that the Net Revenues, as may be adjusted as provided in the Bond Resolution (the "Adjusted Net Revenues"), of the System must comply with certain coverage requirements recognizing the Maximum Principal and Interest Requirements for the Outstanding and additional Series of parity bonds (the "Additional Bonds") for the Fiscal Year following the Fiscal Year in which the improvements to be financed by the Additional Bonds are completed or during any twelve consecutive months in the eighteen months immediately preceding the date of the issuance of the Additional Bonds. Specifically, the Bond Resolution provides that the Adjusted Net Revenues during the Test Period or the Measurement Period (each as hereinafter defined) must be at least equal to one hundred ten percent (110%) of the Maximum Principal and Interest Requirements on the Outstanding and Additional Bonds. For the purposes of the Additional Bonds Test, two tests were performed: i) a historic analysis based on the Fiscal Year 2017 preliminary reported results as compiled by City staff (the "Test Period"), which represents to the most recently completed fiscal year for the City as of the date of this report and occurred within the last 18 months and ii) a projected test based on estimated Fiscal Year 2020 results, which is the assumed Fiscal Year following the construction of the Series 2017 Project (the "Measurement Period").

The Bond Resolution does provide that adjustments to the Net Revenues can be made to reflect, among others, i) increases in rates, fees, rentals and other charges for the services furnished by the System if such increases had been implemented and in effect during such Test Period; and ii) the acquisition of any privately or publicly owned existing water and/or sewer system which became a part of the System if such existing system had been operated as part of the System during such Test Period or Measurement Period. Based on the provisions of the Bond Resolution, the following adjustments were made with respect to the determination of the Additional Bonds Test as reflected in this report for the Test Period and the Measurement Period calculations:

1. The Revenues were increased to reflect the application of the Fiscal Year 2018 rate adjustment of approximately 2.80%, which was adopted with Ordinance No. 2017-4145; this increased the stormwater service charge per ERU from \$22.67 to \$23.30.
2. The annual Principal and Interest Requirements for the Outstanding Bonds were adjusted to recognize the estimated Maximum Principal and Interest Requirements on such Outstanding Bonds, including the issuance of the Series 2017 Revenue Bonds, which were based on assumptions as provided by the City's Financial Advisor. The Fiscal Year of the Maximum Bond Service Requirement for the System was estimated to occur during Fiscal Year 2045 based on: i) the actual Principal and Interest Requirement schedule for the Outstanding Bonds; and ii) the estimated Principal and Interest Requirement schedule for the Series 2017 Revenue Bonds as provided by the City's Financial Advisor. It should be noted, that if the City elects to refund a portion of the Outstanding Bonds as is currently anticipated as a component of the issuance of the Series 2017 Bonds, the potential savings could result in a decreased Maximum Principal and Interest Requirement.

Based on our understanding of the Additional Bonds Test requirements as defined in the Bond Resolution, the Adjusted Net Revenues derived from System operations should be sufficient to meet the Additional Bonds Test requirements as shown as follows:

Estimated Additional Bonds Test [1]				
	Test Period – Twelve Months Ended September 30, 2017			Measurement Period – Fiscal Year 2020
	City-Reported Actual [2]	Adjustments	As Adjusted	As Projected [3]
Revenues:				
Charges for Service [4]	\$28,570,734	\$1,563,079	\$30,133,813	\$30,133,813
Unrestricted Interest Income [5]	187,125	0	187,125	187,125
Other Operating Revenues	0	0	0	0
Total Revenues	\$28,757,859	\$28,757,859	\$28,757,859	\$28,757,859
Current Expenses [6]	\$7,312,079	\$0	\$7,312,079	\$9,266,191
Net Revenues Available for Debt Service	\$21,445,780	\$1,559,171	\$23,008,859	\$21,054,746
Maximum Principal and Interest Requirements				
Maximum Principal and Interest Requirements [7]	\$11,361,226	\$5,461,974	\$16,823,200	\$16,823,200
Maximum Principal and Interest Requirement Coverage – Requirement	110%		110%	110%
Maximum Principal and Interest Requirement Coverage – Calculated	188%		137%	125%

[1] Historical information based on preliminary operating results provided by City Staff for Fiscal Year 2017.

[2] Amounts shown derived from Table 8 and are based on preliminary operating results provided by City Staff for Fiscal Year 2017 for the Test Period.

[3] In accordance with the Bond Resolution, the "Measurement Period" was recognized as the Fiscal Year following the Fiscal Year in which the improvements to be financed by the Additional Bonds are completed, which was assumed to be the Fiscal Year 2021.

[4] The Revenues were increased to reflect the application of the Fiscal Year 2018 rate adjustment of approximately 2.80%, which was adopted with Ordinance No. 2017-4145, which increased the stormwater service charge per ERU from \$22.67 to \$23.30.

[5] Amounts shown reflect interest income on unrestricted fund balances as defined in the Bond Resolution.

[6] Pursuant to the Bond Resolution, Current Expenses do not include depreciation or amortization expenses (non-cash expense) or any administrative expenses (considered as a required transfer) payable the General Fund.

[7] Adjustments reflect estimated increase to reflect the Maximum Principal and Interest Requirements upon the issuance of the Series 2017 Revenue Bonds. The Maximum Principal and Interest Requirements for the combined Bonds are estimated to occur in Fiscal Year 2045 based on information provided by the City's Financial Advisor.

As can be seen in the preceding table and recognizing the estimated Maximum Principal and Interest Requirements on the Outstanding Bonds and the Series 2017 Revenue Bonds as of the date of issuance of the Series 2017 Revenue Bonds, it is estimated that the City would meet the Additional Bonds Test requirements as defined in the Bond Resolution from the Adjusted Net Revenues of the System.

PROJECTED OPERATING RESULTS

General

Projections of the operating results of the System have been prepared for the five Fiscal Years 2018 through 2022 (previously defined as the "Forecast Period"). Projections were based on: i) the adopted Fiscal Year 2018 Budget for the System as provided by City staff; ii) preliminary Fiscal Year 2017 operating results as prepared by City staff, and other supporting financial information as reported by the City for the System; iii) discussions with City staff and its engineering consultants regarding current and future needs associated with capital improvements to the System; iv) information regarding the issuance of additional parity debt requirements as

provided by the City and the City's Financial Advisor; and vi) other information provided by the City and its consultants and advisors.

Presented on Table 9 at the end of this report are the financial projections prepared by PRMG for the System. The table includes annual projections of Revenues, Current Expenses, Principal, and Interest Requirements on the estimated Outstanding Bonds, the Series 2017 Revenue Bonds, and additional parity bonds (the Series 2022 Bonds) anticipated to be issued during the Forecast Period, and balances available for capital outlay and other purposes. Projected revenue includes those from System rates and interest income on the available funds derived from System operations. The projected revenue has been forecasted based on revenue anticipated to be derived from the existing and anticipated monthly stormwater utility rates of the System. The projected total Principal and Interest Requirement shown on Table 9 at the end of this report is subject to change based upon the actual terms of the sale of the Series 2017 Revenue Bonds.

Projected revenue for the System was based on historical growth coupled with information provided by the City relating to projected service area population and development within the System. The projected System revenue has been forecasted based on revenue anticipated to be derived from the adopted rates as reflected the Rate Ordinance (which includes automatic annual rate increases, based on the CPI), and the anticipated additional rate adjustment assumed in Fiscal Year 2019 to provide increased funds for capital projects of the System and to fund the issuance of the Series 2022 Bonds. Such increases, expressed as a percentage of System sales revenue, are projected as follows:

Estimated System Average Rate Percentage Adjustments [1]		
Fiscal Year	Stormwater System	Additional Revenue
2019 [2]	22.5%	\$6,790,497
2020	2.8%	\$1,049,024
2021	2.8%	\$1,075,682
2022	2.8%	\$1,102,369

[1] All rate adjustments are assumed to become effective with bills rendered on October 1st of each Fiscal Year.

[2] Reflects application of a 19.7% rate adjustment in addition to the assumed annual rate indexing adjustment; the 19.7% rate adjustment has not yet been adopted by the City.

Interest income has been estimated on cash (fund) balances estimated to be on deposit and available to the City during the Forecast Period. The projected Current Expenses were increased above current Fiscal Year 2017 estimates based on various factors such as projected expense increases due to inflation and changes in System operations associated with the Capital Improvement Program, and other factors.

Principal Considerations and Assumptions Regarding Projected Operating Results

In the preparation of this report and the conclusions that follow, we have made certain assumptions with respect to conditions that may occur in the future. While we believe the assumptions are reasonable for the purpose of this report, they are dependent upon future events and actual conditions may differ from those assumed. In addition, for our projections and estimates, we have used and relied upon certain information and assumptions provided to us or prepared by others, including: i) information and assumptions provided to us by the City

regarding historical financial information and historical customer and sales statistics; ii) information contained in the City's CAFR and other financial information provided by the City for the Historical Period; iii) assumptions provided by the Financial Advisor with respect to the issuance of the Series 2017 Bonds and the proposed Series 2022 Bonds for the Forecast Period; iv) information provided by the City's Consulting Engineer regarding the System; and v) information provided by the City and its Consulting Engineer with respect to the Capital Improvement Program of the System. While we believe use thereof to be reasonable for the purpose of this report, we offer no further assurances with respect thereto. To the extent that actual conditions differ from those assumed by us herein or from information or assumptions provided to us, or prepared by others, the actual results will vary from those estimated and projected herein.

In making the projections and estimates summarized in this report, the principal considerations and assumptions made by us and the principal information and assumptions provided to us or prepared by others include the following:

1. Projected revenues from current and anticipated rates were based on the schedule of rates as adopted by the City Commission on October 17, 2017 pursuant to Ordinance No. 2017-4145 (previously defined as the "Rate Ordinance"), the application of the assumed rate indexing adjustment, as delineated in Section No. 110-171 of the Rate Ordinance, and the application of an additional rate adjustment of approximately 19.7% the City also anticipates adopting effective October 1, 2018 to provide sufficient revenues to meet the requirements for the issuance of the Series 2022 Bonds and to provide funding for future capital improvements. The following is a summary of the additional stormwater system rate revenues associated with the anticipated rate adjustment recognized for Fiscal Year 2019 which does not include the effect of the assumed rate indexing adjustment:

Revenue from Additional System Rate Adjustment for Series 2022 Bonds and Additional Capital Needs [*]	
	<u>Effective October 1, 2018</u>
Rate Adjustment	19.70%
Rate Adjustment Status	Anticipated / Not Yet Adopted by City Commission
Additional Rate Revenue	<u>\$5,945,458</u>

[*] Amounts based on assumed increases in monthly stormwater utility service charges as billed by the City.

2. The financial projections do not include any other operating revenues associated with sale of scrap or surplus materials and other miscellaneous revenue. As has been discussed previously in this report, the System does not charge any other fees beyond the stormwater utility service. Additionally, while the System may realize additional revenues from the sales of scrap or surplus material from the implementation of the Capital Improvement Program, such amounts have not been included for the purposes of the projected operating results herein. If such revenues do materialize during the Forecast Period that would further enhance the operating results of the System.

3. The Fiscal Year 2018 Budget (the "Budget"), and actual Fiscal Year 2016 and 2017 operating results served as the primary baseline for the expenditure projections. The Budget represents the most recent financial plan for the System as approved by the City Commission. The Fiscal Year 2018 Budget was incorporated into the Fiscal Year 2018 component of the Current Expenses and served as the basis for the projections of the Current Expenses for the Forecast Period.
4. Projected System Current Expenses associated with the operation of the System have been escalated from Fiscal Year 2018 budgeted levels based upon several assumptions. A summary of Current Expenses for the Forecast Period is included on Table 3 at the end of this report, and the escalation references are shown in Table 4. These projected expenditures were escalated for the Forecast Period as follows:
 - a. The projected Current Expenses for the Fiscal Year 2018 were based upon the City's Operating Budget for such Fiscal Year that reflects the most recent annual financial projection of the System prepared by management. Such amounts were incorporated into the Fiscal Year 2018 component of the Forecast Period and were adjusted for other known or anticipated conditions and contingencies in developing the financial forecast included in this report.
 - b. The projected cost of personnel expenses (wages and salaries and associated benefits) were escalated above Fiscal Year 2018 budget estimates by 3.5% annually as discussed with the City staff to reflect increases due to inflation and allowances for salary adjustments, such as position changes of the existing personnel, merit increases, and cost of living adjustments. For the purposes of the projected operating results, it was assumed that all budgeted positions would be filled (no vacancies) for each respective full Fiscal Year, which is consistent with the City's budget process. However, it is anticipated that during the course of each respective Fiscal Year that vacancies may occur which could reduce the overall personnel costs actually paid by the City. Based on discussions with the City and recognizing the growth of the System, no additional personnel (net change in total employees associated with the System) were assumed for the Forecast Period.
 - c. Based on discussions with the City, the City has historically funded 100% of its annual required transfers for its Other Post Employment Benefit ("OPEB") liability, which as a result is required to be recognized in accordance with Governmental Accounting Standards Board Statement (previously defined as "GASB") No. 45, as well as its accrued liability for pensions, which is required to be recognized in accordance with GASB No. 68. The City anticipates that 100% of the required annual transfers will continue to be funded during the Forecast Period.
 - d. Materials and supplies expenses, other contractual services expenses, repair and maintenance expenses, and certain other operating expenses have been projected to increase in general from historical and current budgetary levels at an annual rate equal to inflation ranging from 1.0% to 5.0% based on the nature of the expenditure. These escalation factors were based, in part, on the Implicit GDP Deflator and the Consumer Price Index forecast prepared by the Congressional Budget Office, as contained in the

Economic and Budget Outlook dated August 2017 and recent operating expense trends.

- e. With respect to the projection of the cost for purchased power for the stormwater pumping facilities, such expenses were projected to increase during the Forecast Period based on: i) a review of historical costs and trends recently incurred by the City; ii) discussions with the City staff; and iii) the estimates contained in the 2018 Budget; and as shown on Table 3 at the end of this report. In addition to the growth of the System, an allowance for impacts of cost inflation was recognized for the Forecast Period. With respect to the cost of electricity, an inflationary adjustment equal to 3.00% was assumed, based on the twenty-year average change (1996-2016) in the Consumer Price Index for All South Urban Consumers for Electricity (CUSR0000SEFH01), as published by the Bureau of Labor Statistics.
- f. In the projection of the estimated expenditure requirements, a contingency allowance has been included in each year of the Forecast Period. The contingency allowance assumed for the development of the projected total expenditure needs of the System was based on one percent (1.0%) of the total System Current Expenses for each respective Fiscal Year of the Forecast Period. The allowance has been included as a component of Current Expenses in order to meet any unknown or unplanned expenses throughout each respective Fiscal Year. To the extent the contingency allowance is not required to pay for any Current Expenses or provide funds for ongoing System operations, such monies would accrue to the benefit of the System and could be used for other purposes, such as providing increased funds to finance renewals, replacements, and upgrades to the System over time or to increase cash reserve fund balances. The result of this contingency adjustment was to increase the Current Expenses by approximately \$284,000 for each Fiscal Year of the Forecast Period.
- g. An allowance for bad debt expenses has been made to recognize that a certain amount of revenues will be considered as uncollectible and written-off throughout the year, which is typical for a utility business enterprise. This expenditure item was included as a Current Expense and reflects an incremental adjustment to each year's expenses, and was estimated at 0.25% of rate revenue. The result of this expense adjustment was to increase annual Current Expenses by approximately \$87,000 during the Forecast Period.
- h. Although considered a System operating expense for financial reporting purposes, depreciation and amortization expenses have not been recognized as a component of the Current Expenses, consistent with the provisions of the Bond Resolution, since such amounts represent non-cash expenses.
- i. Included as an operating expense for financial reporting purposes are administrative expenses that represent certain costs accounted for in and payable to the City's General Fund, which supports the ongoing operations of the System. Such expenses include, but are not limited to, City management, financial accounting and reporting, human resources, purchasing, legal, and other service or cost categories. Although considered as an operating expense for financial reporting purposes, such expenses are not

considered as a Current Expense in accordance with the provisions of the Bond Resolution. For the purposes of the projected operating results, the administrative expenses were based on estimates contained in the Fiscal Year 2018 Budget and escalated for the remainder of the Forecast Period at approximately 2.4% annually. Such amounts were recognized as a required transfer for the determination of compliance with the flow of funds pursuant to the Bond Resolution since such costs are required by the City to be paid to the General Fund.

5. As previously discussed in this report and as restated below, the City had outstanding as of September 30, 2017 in the principal amount \$181,255,000 of Bonds issued pursuant to the Bond Resolution (previously defined as the "Outstanding Bonds") that were issued to finance capital improvements to the System and to refund prior Bonds issued for that purpose to achieve interest expense savings. Repayment of the Outstanding Bonds is from the Net Revenues derived from System operations.

Outstanding Bonds	As of September 30, 2017
Stormwater Revenue Refunding Bonds, Taxable Series 2009J-2 (the "Series 2009 Bonds") [1]	\$7,190,000
Stormwater Revenue Bonds, Series 2011A (the "Series 2011A Bonds") [2]	49,055,000
Stormwater Revenue Refunding Bonds, Series 2011B (the "Series 2011B Bonds") [3]	25,855,000
Stormwater Revenue Bonds, Series 2015 (the "Series 2015 Bonds")	99,155,000
Total Outstanding Bonds	<u>\$181,255,000</u>

[1] The Series 2009 Bonds are currently outstanding in the aggregate principal amount of \$5,505,000 after December 1, 2017.

[2] Subject to market conditions at the time of pricing of the Series 2017 Bonds, \$44,270,000 of the Series 2011A Bonds are expected to be refunded upon issuance of the Series 2017 Bonds.

[3] Subject to market conditions at the time of pricing of the Series 2017 Bonds, \$25,265,000 of the Series 2011B Bonds are expected to be refunded upon issuance of the Series 2017 Bonds.

The Principal and Interest Requirement on the Outstanding Bonds included in this report for each year of the Forecast Period was based on the existing debt service schedule for each respective issue and are presented on a "gross" basis (i.e., not net of interest earnings on any debt service related funds or accounts). Furthermore, the amounts shown are based on the Principal and Interest Requirements (i.e., the monthly funding requirements (deposits from rates to the Debt Service Account – an accrual basis) as provided in the Bond Resolution.

6. In addition to the Outstanding Bonds, the System has two (2) subordinate debts that are pledged for repayment from revenues of the System (previously defined as the "Subordinate Obligations"). The Subordinate Obligations include: i) a loan with the City for the purchase of machinery and equipment; and ii) Clean Water SRF loan SW131300 for surface water restoration projects. The following is a summary of the Subordinate Obligations as of September 30, 2017:

Subordinate Obligations	As of September 30, 2017
Equipment Loan (the "Equipment Loan")	\$38,650
Clean Water State Revolving Fund Loan SW131300 (the "SRF Loan")	5,233,113
Total Subordinate Obligations	<u>\$5,271,763</u>

It should be noted that since September 30, 2017, based on the total SRF loan approved, the amount of the Subordinate Obligations have increased. For the purposes of this report, it has been assumed that the total amount of Subordinate Obligations will be \$38,650 and \$7,797,500 for the Equipment Loan and the SRF Loan, respectively.

7. The City plans to issue the tax-exempt Series 2017 Revenue Bonds on parity with then Outstanding Bonds for the primary purpose of financing certain capital improvements as discussed previously in this report. Based on the direction of the City's Financial Advisor for the Series 2017 Revenue Bonds, it was assumed that the Series 2017 Revenue Bonds would have: i) an aggregate principal amount of approximately \$87,650,000; ii) an All-In TIC of 3.985500%; and iii) a delivery date of December 21, 2017. The following is a summary of the estimated sources and uses of the proceeds of the Series 2017 Revenue Bonds as provided by the Financial Advisor for the Series 2017 Revenue Bonds:

Summary of Estimated Series 2017 Revenue Bonds Sources and Uses of Funds [*]	
Sources of Funds:	
Series 2017 Bond Proceeds – Par Amount	\$87,650,000
Premium	13,139,242
Total Sources of Funds	<u>\$100,789,242</u>
Uses of Funds:	
Deposit to Series 2017 Construction Account	\$100,000,000
Cost of Issuance	789,242
Total Uses of Funds	<u>\$100,789,242</u>

[*] Amounts provided by the City's Financial Advisor and are preliminary and subject to change based on the actual sale of the Series 2017 Revenue Bonds. Amounts shown reflect City Financial Advisor estimates as of November 20, 2017 and assumes a 3.985500% All-In TIC, which may be different based on actual sale of Series 2017 Bonds.

8. Based on the multi-year Capital Improvement Program and the corresponding plan of finance, as shown on Tables 5 and 6 at the end of this report, a portion of the projects in the Capital Improvement Program was assumed to be funded from the issuance of additional senior lien bonds (the Series 2022 Bonds) in Fiscal Year 2022. Based on information provided by the City's Financial Advisor for the additional debt needs, it has been assumed that the City would issue of the Stormwater Revenue Bonds, Series 2022 (previously defined as the "Series 2022 Bonds"). The Series 2022 Bonds assume: i) an aggregate principal amount of approximately \$96,920,000; ii) an All-In TIC of 6.063798%; and iii) a delivery date of August 1, 2022.
9. In accordance with normal utility operations and the flow of funds, as provided in the Bond Resolution that authorized the issuance of Outstanding Bonds and additional parity Bonds for the System, interest income has been recognized as an available revenue source to fund the annual expenditure needs and meet the Bond Resolution rate covenant requirements of the System. For the Forecast Period, interest income was based on the estimated balances held in the Enterprise Fund, Stormwater Revenue Bonds Debt Service Account, and the Subordinate Indebtedness Account, anticipated to be on deposit. For the purposes of estimating compliance with the covenants of the Bond Resolution, no interest income has been recognized on fund balances held in accounts, from the issuance of additional parity

bonds (Series 2015 Bonds, Series 2017 Bonds, and Series 2022 Bonds); should the City realize interest income from these fund balances, it would improve the operating results as compared to the amounts presented in this report. With respect to the evaluation of the compliance with the rate covenant described in the Bond Resolution, interest earned on those fund balances, which were available to meet total utility expenditures, was recognized. These fund balances included debt service funds and operating reserves. No earnings on the Construction Fund (established by each series of additional parity bonds issued by the City) were considered for the purposes of meeting the covenant requirements as described in the Bond Resolution.

In development of the estimated interest earnings for the Forecast Period, an average annual interest rate of 0.50% was applied to the estimated average fund balances in each account maintained by the City during the Forecast Period. This interest rate assumption is based on recent earnings performance results of the System and discussions with City staff. A summary of the interest earnings recognized in the financial forecast for each Fiscal Year as well as the estimated cash balances by individual fund or account is presented in Table 10 at the end of this report. The projected interest income recognized in the determination of Net Revenues for the Forecast Period is shown as follows:

Summary of Projected Interest Earnings – For the Forecast Period [1][2]					
	Fiscal Year Ending September 30,				
	2018	2019	2020	2021	2022
Unrestricted Interest Income:					
Enterprise Fund	\$121,942	\$162,153	\$219,835	\$247,534	\$219,372
Stormwater Revenue Bonds Debt Service Account	37,274	40,548	40,495	42,051	43,269
Subordinate Indebtedness Account	1,240	1,147	1,147	1,146	1,146
Total Interest Income	\$160,456	\$203,848	\$261,477	\$290,731	\$263,787

[1] Derived from Table 10 at the end of this report.

[2] Reflects earnings recognized in the development of Revenues.

10. The Capital Improvement Program and corresponding financing plan for the System was based on: i) the City's most recent multi-year Capital Improvement Program; ii) information provided by the City regarding the status of current and anticipated projects (appropriated in prior periods that are considered as active projects with expenditures occurring during the Forecast Period); and iii) discussions with the City and its Consulting Engineer. The Capital Improvement Program is summarized on Tables 5 and 6 at the end of this report. It should be noted that the City continues to redefine and adjust the program due to the changing capital requirements of the City and updates the program annually as part of the normal budget process.

The funding plan for the Capital Improvement Program was based on: i) the purpose of the expenditures; ii) available fund balances in accounts established by the City, which are available for capital projects; iii) the use of proceeds from the Series 2017 Revenue Bonds and the proposed additional parity bonds, the Series 2022 Bonds; and iv) tax increment financing on the real property as imposed by Miami-Dade County, Florida. The following is a summary of the cash expenditures associated with the Capital Improvement Program

recognized in the development of the projected operating results, which is shown in detail on Table 6 at the end of this report:

Summary of Capital Improvement Program by Funding Source for the Forecast Period [1][2]						
	Fiscal Year Ending September 30,					Total for Forecast Period
	2018	2019	2020	2021	2022	
Total Annual Capital Projects	\$69,252,199	\$58,646,832	\$59,225,978	\$41,960,466	\$73,198,162	\$302,283,637
Funding Sources:						
Operating Reserves	\$225,872	\$263,517	\$138,033	\$14,481,872	\$24,235,703	\$39,344,996
Prior Bond Proceeds	28,206,833	0	0	0	0	28,206,833
Series 2017 Revenue Bonds Proceeds	40,819,495	42,112,081	17,068,424	0	0	100,000,000
Series 2022 Bonds Proceeds [3]	0	0	0	0	37,451,356	37,451,356
Miami-Dade County – TIF	0	16,271,234	42,019,522	27,478,595	11,511,103	97,280,453
Total Capital Funding	\$69,252,199	\$58,646,832	\$59,225,978	\$41,960,466	\$73,198,162	\$302,283,637

[1] Totals may not add due to rounding.

[2] Amounts shown derived from Tables 5 and 6 at end of report; amounts reflect capital project spending and not when funds are appropriated for capital projects.

[3] Amounts shown reflect expenditures in Fiscal Year 2022 from the proceeds of the proposed Series 2022 Bonds.

Summary of Projected Operating Results

As shown on Table 9 at the end of this report and summarized as follows, projections have been prepared of the operating results for the System. Such projections were prepared in accordance with our understanding of the flow of funds prescribed by the Bond Resolution and the assumptions and considerations used in the projections as described above.

Summary of Projected System Operating Results and Debt Service Coverage [1]					
	Fiscal Year Ending September 30,				
	2018	2019	2020	2021	2022
Revenues [2]	\$30,294,269	\$37,128,158	\$38,804,411	\$40,520,004	\$42,249,222
Current Expenses [3]	\$8,669,835	\$8,734,305	\$8,996,197	\$9,266,191	\$9,544,544
Net Revenues	\$21,624,434	\$28,393,854	\$29,808,214	\$31,253,812	\$32,704,677
Debt Service Coverage Test [4]					
Net Revenues	\$21,624,434	\$28,393,854	\$29,808,214	\$31,253,812	\$32,704,677
Principal and Interest Requirements	14,909,534	16,219,005	16,197,927	16,820,552	17,307,665
Calculated Coverage	145%	175%	184%	186%	189%
Minimum Required	110%	110%	110%	110%	110%
Other Required Transfers	1,168,836	1,147,176	1,163,700	1,180,180	1,197,506
Amounts Available for Other System Purposes After Payment of Debt Service and Required Transfers [6]	\$5,546,065	\$11,027,672	\$12,446,586	\$13,253,080	\$14,199,506

[1] Amounts shown are derived from Table 9 at the end of this report.

[2] Amounts shown include additional rate revenues derived from the application of the anticipated rate adjustments. It should be noted that the additional rate adjustment of 19.7% for Fiscal Year 2019 has not yet been approved by the City Commission.

[3] Pursuant to the Bond Resolution, amounts shown do not include i) depreciation or amortization expenses that are considered as a non-cash expense; or ii) any administrative expenses payable to the General Fund.

[4] The Principal and Interest Requirements include the Outstanding Bonds, Series 2017 Revenue Bonds, and Series 2022 Bonds. Reference is made to the rate covenant as more fully described in Section 502 of the Bond Resolution (referred to as the "Rate Covenant").

[5] Other required transfers as defined in the Bond Resolution include any required transfers to the Reserve Account, Rate Stabilization Account, and Subordinated Indebtedness Account. For purposes of this report, the administrative fees not recognized as Current Expenses pursuant to the Bond Resolution were classified as required transfers.

[6] Represents amounts available for other System purposes such as future capital expenditures of the System.

CONCLUSIONS

Based upon the principal considerations and assumptions and the results of our studies and analyses, as summarized in this report, which should be read in its entirety in conjunction with the following, we are of the opinion that:

1. The projected growth in customers and usage of the System represents reasonable and attainable projections for the purposes of this report.
2. The projections of Revenues and Current Expenses represent reasonable projections for the purposes of this report. Such projections were based on historical trends in costs, the Fiscal Year 2018 Operating Budget as provided by the City, discussions with the City and its Consulting Engineers, and other industry sources.
3. The System revenues for the Forecast Period under the City approved rates contained in the City's Rate Ordinance and the rates based on the application of the rate indexing provision of the Rate Ordinance and the additional rate adjustment anticipated in Fiscal Year 2019 should be sufficient to pay the projected Current Expenses, pay the estimated Principal and Interest Requirements on the remaining Outstanding Bonds^[4] and anticipated Series 2017 Revenue Bonds coming due in such years, and make the projected deposits to the other accounts established by the Bond Resolution for the System.
4. Based on the financial information provided by the City and assumptions identified in this report, the Net Revenues of the System have historically (for the past five Fiscal Years ended September 30, 2017) and are projected for the Forecast Period to continue to be in compliance with the rate covenant contained in the Bond Resolution.
5. The existing monthly stormwater services charges are generally higher when compared to charges for similar service provided by other neighboring and coastal stormwater utilities located in Southeast Florida.

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[4] The Outstanding Bonds include the: i) Stormwater Revenue Refunding Bonds, Taxable Series 2009J-2; ii) Stormwater Revenue Bonds, Series 2011A; iii) Stormwater Revenue Refunding Bonds, Series 2011B; and iv) Stormwater Revenue Bonds, Series 2015.

CITY OF MIAMI BEACH, FLORIDA
FINANCIAL FEASIBILITY REPORT
STORMWATER REVENUE AND REVENUE REFUNDING BONDS, SERIES 2017

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Summary of Historical Stormwater Customers Statistical Information

Line No	Description	Historical Fiscal Year Ending September 30,				
		2013	2014	2015	2016	2017
1	Residential Accounts	5,737	5,742	5,756	5,772	5,764
2	Residential ERUs [1]	8,076	8,083	8,016	8,152	8,103
3	ERU per Account	1.41	1.41	1.39	1.41	1.41
4	Condo Accounts	954	954	952	953	953
5	Condo ERUs [1]	41,296	41,581	41,010	41,078	41,054
6	ERU per Account	43.29	43.60	43.07	43.10	43.08
7	Apartment Accounts	1,165	1,166	1,165	1,168	1,168
8	Apartment ERUs [1]	14,747	14,742	14,553	14,651	14,630
9	ERU per Account	12.65	12.65	12.50	12.54	12.53
10	Duplex Accounts	17	17	17	17	17
11	Duplex ERUs [1]	48	49	47	46	46
12	ERU per Account	2.87	2.90	2.78	2.71	2.71
13	Commercial Accounts	1,932	1,934	1,936	1,934	1,940
14	Commercial ERUs [1]	29,072	29,065	28,706	29,020	28,978
15	ERU per Account	15.05	15.03	14.83	15.01	14.94
16	Hotel Accounts	181	181	182	182	181
17	Hotel ERUs [1]	6,453	6,486	6,500	6,542	6,518
18	ERU per Account	35.72	35.88	35.78	35.95	36.01
19	City Accounts	39	39	44	44	44
20	City ERUs [1]	8,946	8,946	9,011	9,011	9,011
21	ERU per Account	229.38	229.38	204.80	204.80	204.80
22	Total Accounts	10,024	10,032	10,051	10,070	10,067
23	Total ERUs [1]	108,639	108,951	107,844	108,500	108,340
24	ERU per Account	10.84	10.86	10.73	10.77	10.76

Footnote

- [1] An Equivalent Residential Usage Unit ("ERU") as defined in the City's Code of Ordinance, Chapter 110 Utilities Article III - Stormwater Utility, as the rate per 791 square feet of impervious surface area. Accordingly each residential dwelling unit is assigned one (1) ERU and all non-residential properties are assigned an ERU value based on that properties impervious area divided by 791 square feet.

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Summary of Projected Customer Statistics and Forecast of System Revenues

Line No	Description	Historical 2017 [1]	Fiscal Year Ending September 30,				
			2018	2019	2020	2021	2022
1	Utility Service Charge (Monthly) [2]	\$ 22.67	\$ 23.30	\$ 28.54	\$ 29.34	\$ 30.16	\$ 31.00
2	Residential Accounts	5,764	5,774	5,784	5,794	5,804	5,814
3	Account Growth	-	10	10	10	10	10
4	ERU Growth	-	10.00	10.00	10.00	10.00	10.00
5	Residential ERUs	8,103	8,113	8,123	8,133	8,143	8,153
6	Average ERUs Per Account	1.41	1.41	1.41	1.41	1.41	1.41
7	Residential Revenue	\$ 2,204,340	\$ 2,268,395	\$ 2,781,965	\$ 2,863,467	\$ 2,947,115	\$ 3,032,916
8	Condo Accounts	953	953	953	953	953	953
9	Account Growth	-	-	-	-	-	-
10	ERU Growth	-	-	-	-	-	-
11	Condo ERUs	41,054	41,054	41,054	41,054	41,054	41,054
12	Average ERUs Per Account	43.08	43.08	43.08	43.08	43.08	43.08
13	Condo Revenue	\$ 11,168,330	\$ 11,478,698	\$ 14,060,174	\$ 14,454,292	\$ 14,858,264	\$ 15,272,088
14	Apartment Accounts	1,168	1,168	1,168	1,168	1,168	1,168
15	Account Growth	-	-	-	-	-	-
16	ERU Growth	-	-	-	-	-	-
17	Apartment ERUs	14,630	14,630	14,630	14,630	14,630	14,630
18	Average ERUs Per Account	12.53	12.53	12.53	12.53	12.53	12.53
19	Apartment Revenue	\$ 3,979,945	\$ 4,090,548	\$ 5,010,482	\$ 5,150,930	\$ 5,294,890	\$ 5,442,360
20	Duplex Accounts	17	17	17	17	17	17
21	Account Growth	-	-	-	-	-	-
22	ERU Growth	-	-	-	-	-	-
23	Duplex ERUs	46	46	46	46	46	46
24	Average ERUs Per Account	2.71	2.71	2.71	2.71	2.71	2.71
25	Duplex Revenue	\$ 12,514	\$ 12,862	\$ 15,754	\$ 16,196	\$ 16,648	\$ 17,112
26	Commercial Accounts	1,940	1,942	1,944	1,946	1,948	1,950
27	Account Growth	-	2.00	2.00	2.00	2.00	2.00
28	ERU Growth	-	30.00	30.00	30.00	30.00	30.00
29	Duplex ERUs	28,978	29,008	29,038	29,068	29,098	29,128
30	Average ERUs Per Account	14.94	14.94	14.94	14.94	14.94	14.94
31	Commercial Revenue	\$ 7,883,175	\$ 8,110,637	\$ 9,944,934	\$ 10,234,261	\$ 10,531,148	\$ 10,835,616
32	Hotel Accounts	181	181	181	181	181	181
33	Account Growth	-	-	-	-	-	-
34	ERU Growth	-	-	-	-	-	-
35	Hotel ERUs	6,518	6,518	6,518	6,518	6,518	6,518
36	Average ERUs Per Account	36.01	36.01	36.01	36.01	36.01	36.01
37	Hotel Revenue	\$ 1,773,157	\$ 1,822,433	\$ 2,232,285	\$ 2,294,857	\$ 2,358,995	\$ 2,424,696
38	City Accounts	44	44	44	44	44	44
39	Account Growth	-	-	-	-	-	-
40	ERU Growth	-	-	-	-	-	-
41	City ERUs	9,011	9,011	9,011	9,011	9,011	9,011
42	Average ERUs Per Account	204.80	204.80	204.80	204.80	204.80	204.80
43	City Revenue	\$ 2,451,352	\$ 2,519,476	\$ 3,086,087	\$ 3,172,593	\$ 3,261,261	\$ 3,352,092
43	Adjustment - Percentage [3]	(0.56%)	(0.56%)	(0.56%)	(0.56%)	(0.56%)	(0.56%)
44	Adjustment - Dollars	\$ (164,599)	\$ (169,235)	\$ (207,372)	\$ (213,263)	\$ (219,304)	\$ (225,495)
Total System							
45	Accounts	10,067	10,079	10,091	10,103	10,115	10,127
46	Account Growth	-	12	12	12	12	12
47	ERU Growth	-	40.00	40.00	40.00	40.00	40.00
48	ERUs	108,340	108,380	108,420	108,460	108,500	108,540
49	ERU Growth	-	40	40	40	40	40
50	Average ERUs Per Account	10.76	10.75	10.74	10.74	10.73	10.72
51	Projected Charges for Service Revenue	\$ 29,308,215	\$ 30,133,813	\$ 36,924,310	\$ 37,973,334	\$ 39,049,016	\$ 40,151,385

Footnotes:

- [1] Fiscal Year 2017 Revenues based on 10 months of actual customer billing data and 2 month of estimated customer billing data. Effective October 1, 2016 the City's stormwater utility service charge increased from \$16.67 to \$22.67 per ERU, per Ordinance 2016-4040. Additionally, the Fiscal Year 2017 Revenue do not include adjustments for accounts receivables. Based on discussions with City Staff, the preliminary Charges for Services presented on Table 8, include an adjustment of approximately (\$737,481) to account for accounts receivables.

- [2] Amounts shown based on the application of rate indexing as adopted by the City in Ordinance No. 2017-4145 and the projected additional rate adjustment to provide revenues sufficient to meet the requirements of the Series 2022 Bonds and internally funded capital needs.

	2018	2019	2020	2021	2022
Projected Rate Indexing Adjustment (a)	2.80%	2.80%	2.80%	2.80%	2.80%
Additional Adjustment - Series 2022 Bonds / Capital Needs	0.00%	19.70%	0.00%	0.00%	0.00%
Total Adjustment	2.80%	22.50%	2.80%	2.80%	2.80%
Utility Service Charge (Monthly)	\$ 23.30	\$ 28.54	\$ 29.34	\$ 30.16	\$ 31.00

(a) Amounts shown based on Section 110-171 of the Rate Ordinance which allows for annual automatic adjustments based upon the Consumer Price Index - All Urban Consumers, Miami-Fort Lauderdale, as published by the Bureau of Labor Statistics as reported for the month of April of the current year.

- [3] Adjustment to calibrate customer billing information from the City's billing system as provided by the City Staff to the total revenue reported in the City's financial accounting system for Fiscal Year 2017.

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Summary of Budgeted and Projected Operating Expenses

Line No	Description	Adopted	Adjustments	Adjusted	Escalator	Fiscal Year Ending September 30,			
		2018		2018		2019	2020	2021	2022
Stormwater Expenses									
PERSONNEL SERVICES									
1	Salaries and Wages	\$ 2,077,000	\$ -	\$ 2,077,000	Labor	\$ 2,149,695	\$ 2,224,934	\$ 2,302,807	\$ 2,383,405
2	Shift Differential	1,000	-	1,000	Labor	1,035	1,071	1,109	1,148
3	Steeplejack	1,000	-	1,000	Labor	1,035	1,071	1,109	1,148
4	Overtime	151,000	-	151,000	Labor	156,285	161,755	167,416	173,276
5	Holiday Pay - Overtime	3,000	-	3,000	Labor	3,105	3,214	3,326	3,443
6	Work Above Classification	4,000	-	4,000	Labor	4,140	4,285	4,435	4,590
7	Allowances	97,000	-	97,000	Labor	100,395	103,909	107,546	111,310
8	Uniforms	19,000	-	19,000	Labor	19,665	20,353	21,066	21,803
9	Transfers-Pension Obligation	9,000	-	9,000	Labor	9,315	9,641	9,978	10,328
10	Retirement Contributions-Pension	598,000	-	598,000	Labor	618,930	640,593	663,013	686,219
11	Health & Life Insurance	241,000	-	241,000	Labor	249,435	258,165	267,201	276,553
12	Workmen's Compensation Pay	3,000	-	3,000	Labor	3,105	3,214	3,326	3,443
13	FICA	15,000	-	15,000	Labor	15,525	16,068	16,631	17,213
14	Social Security Medicare	33,000	-	33,000	Labor	34,155	35,350	36,588	37,868
15	FICA Alternative (457)	-	-	-	Labor	-	-	-	-
16	OPEB Contributions	10,000	-	10,000	Labor	10,350	10,712	11,087	11,475
17	OPEB Pay-As-You-Go	148,000	-	148,000	Labor	153,180	158,541	164,090	169,833
18	Employee Fringe Benefits	30,000	-	30,000	Labor	31,050	32,137	33,262	34,426
19	TOTAL PERSONNEL SERVICES	\$ 3,440,000	\$ -	\$ 3,440,000		\$ 3,560,400	\$ 3,685,014	\$ 3,813,989	\$ 3,947,479
OPERATING EXPENDITURES									
20	Temporary Labor	\$ 50,000	\$ -	\$ 50,000	ProfSvc	\$ 51,500	\$ 53,045	\$ 54,636	\$ 56,275
21	Professional Services	452,000	-	452,000	ProfSvc	465,560	479,527	493,913	508,730
22	Bank Fees	100,000	-	100,000	ProfSvc	103,000	106,090	109,273	112,551
23	Electricity	350,000	-	350,000	Electric	360,500	371,315	382,454	393,928
24	Telephone	19,000	-	19,000	Utilities	19,618	20,255	20,913	21,593
25	Water	19,000	-	19,000	Utilities	19,618	20,255	20,913	21,593
26	Sewer	30,000	-	30,000	Utilities	30,975	31,982	33,021	34,094
27	Sanitation Fees	2,000	-	2,000	Utilities	2,065	2,132	2,201	2,273
28	Administration Fee	673,000	-	673,000	Inflation	688,479	705,002	721,923	739,249
29	Rent-Building & Equipment	274,000	-	274,000	Inflation	280,302	287,029	293,918	300,972
30	Hurricane Irma Debris Clean-Up	-	191,000	191,000	Eliminate	-	-	-	-
31	Contract Maintenance	1,615,000	-	1,615,000	Inflation	1,652,145	1,691,796	1,732,400	1,773,977
32	Stormwater	23,000	-	23,000	Utilities	23,748	24,519	25,316	26,139
33	Supplies-Information Technology	-	-	-	Inflation	-	-	-	-
34	Supplies-Office	6,000	-	6,000	Inflation	6,138	6,285	6,436	6,591
35	Contracted Services - Repairs and Maint.	311,000	-	311,000	Repair	323,440	336,378	349,833	363,826
36	Other Operating Expenditures	159,000	-	159,000	Inflation	162,657	166,561	170,558	174,652
37	Engine and Fuel Lubricants	8,000	-	8,000	Oil	8,400	8,820	9,261	9,724
38	Contingencies	371,000	(93,500)	277,500	Calculated	274,765	281,964	289,357	296,949
39	Bad Debt Expense	-	75,335	75,335	Calculated	92,311	94,933	97,623	100,378
40	Dues & Memberships	1,000	-	1,000	Inflation	1,023	1,048	1,073	1,098
41	Travel	-	-	-	Inflation	-	-	-	-
42	Training & Awards	17,000	-	17,000	Inflation	17,391	17,808	18,236	18,673
43	Funded Renewal & Replacement	1,456,000	(1,456,000)	-	Inflation	-	-	-	-
44	TOTAL OPERATING EXPENDITURES	\$ 5,936,000	\$ (1,283,165)	\$ 4,652,835		\$ 4,583,634	\$ 4,706,746	\$ 4,833,258	\$ 4,963,266
DEBT SERVICE									
45	Transfers Out	\$ 798,000	\$ -	\$ 798,000	Inflation	\$ 816,354	\$ 835,946	\$ 856,009	\$ 876,553
46	Transfers Out - Debt Service	3,000	(3,000)	-	Inflation	-	-	-	-
47	TOTAL DEBT SERVICE	\$ 801,000	\$ (3,000)	\$ 798,000		\$ 816,354	\$ 835,946	\$ 856,009	\$ 876,553
OTHER DEBT SERVICE									
48	Equipment Loan	\$ 39,000	\$ (39,000)	\$ -	Inflation	\$ -	\$ -	\$ -	\$ -
49	Debt Service 09	1,966,000	(1,966,000)	-	Inflation	-	-	-	-
50	Line of Credit Fees	75,000	(75,000)	-	Inflation	-	-	-	-
51	Debt Service-11 Additional Bonds	4,856,000	(4,856,000)	-	Inflation	-	-	-	-
52	Stormwater Bond Series 2015	4,549,000	(4,549,000)	-	Inflation	-	-	-	-
53	Stormwater Bond Series 2017	4,952,000	(4,952,000)	-	Inflation	-	-	-	-
54	State Revolving Fund	459,000	(459,000)	-	Inflation	-	-	-	-
55	Cost of Debt Issuance	-	-	-	Inflation	-	-	-	-
56	TOTAL OTHER DEBT SERVICE	\$ 16,896,000	\$ (16,896,000)	\$ -		\$ -	\$ -	\$ -	\$ -

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Summary of Budgeted and Projected Operating Expenses

Line No	Description	Adopted 2018	Adjustments	Adjusted 2018	Escalator	Fiscal Year Ending September 30,			
						2019	2020	2021	2022
	INTERNAL CHARGES								
57	Central Services-Internal Svc	\$ 1,000	\$ -	\$ 1,000	Inflation	\$ 1,023	\$ 1,048	\$ 1,073	\$ 1,098
58	Property Mgmt-Internal Svc	5,000	-	5,000	Inflation	5,115	5,238	5,363	5,492
59	Fleet Management-Internal Svc	65,000	-	65,000	Inflation	66,495	68,091	69,725	71,398
60	Self Insurance-Internal Svc	263,000	-	263,000	Inflation	269,049	275,506	282,118	288,889
61	Applications/Computer Hardware/Network	109,000	-	109,000	Inflation	111,507	114,183	116,924	119,730
62	Fleet Accidents - Internal Svc	9,000	-	9,000	Inflation	9,207	9,428	9,654	9,886
63	TOTAL INTERNAL CHARGES	\$ 452,000	\$ -	\$ 452,000		\$ 462,396	\$ 473,494	\$ 484,857	\$ 496,494
	CAPITAL EXPENDITURES								
64	Motor Vehicles	\$ -	\$ -	\$ -	Inflation	\$ -	\$ -	\$ -	\$ -
65	Machinery & Equipment	-	-	-	Inflation	-	-	-	-
66	Renovations	-	-	-	Inflation	-	-	-	-
67	TOTAL CAPITAL ACCOUNTS	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
68	TOTAL:	\$ 27,525,000	\$ (18,182,165)	\$ 9,342,835		\$ 9,422,784	\$ 9,701,200	\$ 9,988,114	\$ 10,283,793

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Calculation of Operating Expense Escalation Factors

Line No.	Description	Escalation Reference	2019	2020	2021	2022
1	Constant	Constant	1.0000	1.0000	1.0000	1.0000
2	General Inflation [1]	Inflation	1.0230	1.0240	1.0240	1.0240
3	Professional Services	ProfSvc	1.0300	1.0300	1.0300	1.0300
4	Labor Escalator	Labor	1.0350	1.0350	1.0350	1.0350
5	Customer Acct. Growth + Inflation	Customers	1.0234	1.0244	1.0244	1.0244
6	Repair and Maintenance [2]	Repair	1.0400	1.0400	1.0400	1.0400
7	Gas & Oil [3]	Oil	1.0500	1.0500	1.0500	1.0500
8	Rate Revenue	Revenue	1.1839	1.0276	1.0275	1.0275
9	Electric	Electric	1.0300	1.0300	1.0300	1.0300
10	Utilities [4]	Utilities	1.0325	1.0325	1.0325	1.0325
11	Property Taxes	Property	1.0000	1.0000	1.0000	1.0000
12	Insurance Escalator	Insurance	1.1000	1.1000	1.1000	1.1000
13	Management Contract	Mgt Contract	1.0300	1.0300	1.0300	1.0300
14	Elimination Factor	Eliminate	0.0000	0.0000	0.0000	0.0000

Footnotes:

- [1] General Inflation based on the Consumer Price Index (CPI) as published by the Congressional Budget Office as of August 2017.
- [2] Repair and Maintenance based on the Engineering Construction Cost Index as published by the Engineering News Record (ENR) as of August 2017.
- [3] Gas & Oil based on the Fuel Oil index for all United States Cities Average as published by the Bureau of Labor Statistics as of August 2017.
- [4] Utilities is based on the Water, Sewer, and Trash Collection Services Index for all United States Cities Average as published by the Bureau of Labor Statistics as of August 2017.

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Capital Improvement Program - Appropriations Basis

Line No	Description	Funding Source	Fiscal Year Ending September 30,					
			2018	2019	2020	2021	2022	Total
Stormwater Master Plan Program								
1	Indian Creek (FDOT)	2017Bonds	\$ 5,500,000	\$ -	\$ -	\$ -	\$ -	\$ 5,500,000
2	West Avenue	2017Bonds	37,583,744	-	-	-	-	37,583,744
3	South Pointe 1st Street	2017Bonds	1,178,381	-	-	-	-	1,178,381
4	South Pointe 1st Street	MDC-TIF	-	11,682,780	12,387,961	-	-	24,070,741
5	La Gorce / Lakeview	2017Bonds	40,000,000	-	-	-	-	40,000,000
6	La Gorce / Lakeview - 2nd Funding Source	OpRes	627,421	-	-	-	-	627,421
7	Middle North Bay Road & Mount Sinai Pump Station	MDC-TIF	-	13,227,421	-	-	-	13,227,421
8	North Shore	MDC-TIF	-	-	15,000,000	25,627,421	-	40,627,421
9	City Center	2017Bonds	2,300,000	-	-	-	-	2,300,000
10	City Center [1]	PriorDebt	5,170,000	-	-	-	-	5,170,000
11	City Center	OpRes	-	-	-	40,227,421	-	40,227,421
12	Flamingo Park	2022Bonds	-	-	-	-	55,854,121	55,854,121
13	Nautilus/Orchard Park	2022Bonds	-	-	-	-	19,236,421	19,236,421
14	Normandy Isle South	2022Bonds	-	-	-	-	21,004,861	21,004,861
15	Sunset Island 1&2	OpRes	-	-	-	-	12,765,542	12,765,542
16	Town Center	MDC-TIF	-	-	20,110,421	-	-	20,110,421
17	Lower North Bay Road [1]	PriorDebt	105,973	-	-	-	-	105,973
18	Venetian Islands [1]	PriorDebt	5,407,313	-	-	-	-	5,407,313
19	Sunset Island 3 & 4 [1]	PriorDebt	697,555	-	-	-	-	697,555
20	Sunset Island 3 & 4	2017Bonds	2,343,000	-	-	-	-	2,343,000
21	Sunset Harbour	2017Bonds	3,750,973	-	-	-	-	3,750,973
22	Palm & Hibiscus Islands [1]	PriorDebt	6,642,002	-	-	-	-	6,642,002
23	Palm & Hibiscus Islands	2017Bonds	4,791,402	-	-	-	-	4,791,402
24	Central Bayshore South [1]	PriorDebt	10,133,990	-	-	-	-	10,133,990
25	Central Bayshore South	2017Bonds	1,065,000	-	-	-	-	1,065,000
26	Central Bayshore [1]	PriorDebt	50,000	-	-	-	-	50,000
27	Central Bayshore	2017Bonds	250,000	-	-	-	-	250,000
28	SCADA and PLC Replacement (Stormwater Portion)	2017Bonds	1,237,500	-	-	-	-	1,237,500
29	Lincoln Road Washington Ave to Lenox	MDC-TIF	-	-	5,000,000	-	-	5,000,000
30	Total		\$ 128,834,254	\$ 24,910,201	\$ 52,498,382	\$ 65,854,842	\$ 108,860,945	\$ 380,958,624
Funding Sources								
31	Operating Reserves	OpRes	\$ 627,421	\$ -	\$ -	\$ 40,227,421	\$ 12,765,542	\$ 53,620,384
32	Prior Debt Proceeds	PriorDebt	28,206,833	-	-	-	-	28,206,833
33	Series 2017 Revenue Bonds	2017Bonds	100,000,000	-	-	-	-	100,000,000
34	Series 2022 Bonds	2022Bonds	-	-	-	-	96,095,403	96,095,403
35	Miami Dade County - Tax Increment Financing	MDC-TIF	-	24,910,201	52,498,382	25,627,421	-	103,036,004
36	Total		\$ 128,834,254	\$ 24,910,201	\$ 52,498,382	\$ 65,854,842	\$ 108,860,945	\$ 380,958,624

Footnotes:

- [1] Identifies capital projects which funds were appropriated for and construction was started in prior fiscal years. Amounts shown represent total encumbrances and remaining project budget as of September 30, 2017 (end of Fiscal Year 2017), for the purposes of this analysis, these amounts are considered to be fully spent in Fiscal Year 2018.

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Summary of Capital Improvement Program - Spending Plan [1]

Line No	Description	Funding Source	Fiscal Year Ending September 30,					
			2018	2019	2020	2021	2022	Total
Stormwater Master Plan Program								
1	Indian Creek (FDOT) [2]	2017Bonds	\$ 3,162,500	\$ 2,337,500	\$ -	\$ -	\$ -	\$ 5,500,000
2	West Avenue [2]	2017Bonds	13,530,148	15,785,172	8,268,424	-	-	37,583,744
3	South Pointe 1st Street [2]	2017Bonds	677,569	500,812	-	-	-	1,178,381
4	South Pointe 1st Street [2]	MDC-TIF	-	8,665,467	10,109,711	5,295,563	-	24,070,741
5	La Gorce / Lakeview [2]	2017Bonds	14,400,000	16,800,000	8,800,000	-	-	40,000,000
6	La Gorce / Lakeview - 2nd Funding Source [2]	OpRes	225,872	263,517	138,033	-	-	627,421
7	Middle North Bay Road & Mount Sinai Pump Station [2]	MDC-TIF	-	7,605,767	5,621,654	-	-	13,227,421
8	North Shore [3]	MDC-TIF	-	-	11,849,664	11,511,103	11,511,103	34,871,870
9	City Center [2]	2017Bonds	1,322,500	977,500	-	-	-	2,300,000
10	City Center [4]	PriorDebt	5,170,000	-	-	-	-	5,170,000
11	City Center [2]	OpRes	-	-	-	14,481,872	16,895,517	31,377,388
12	Flamingo Park [5]	2022Bonds	-	-	-	-	14,312,619	14,312,619
13	Nautilus/Orchard Park [2]	2022Bonds	-	-	-	-	11,060,942	11,060,942
14	Normandy Isle South [2]	2022Bonds	-	-	-	-	12,077,795	12,077,795
15	Sunset Island 1&2 [2]	OpRes	-	-	-	-	7,340,187	7,340,187
16	Town Center [2]	MDC-TIF	-	-	11,563,492	8,546,929	-	20,110,421
17	Lower North Bay Road [4]	PriorDebt	105,973	-	-	-	-	105,973
18	Venetian Islands [4]	PriorDebt	5,407,313	-	-	-	-	5,407,313
19	Sunset Island 3 & 4 [4]	PriorDebt	697,555	-	-	-	-	697,555
20	Sunset Island 3 & 4 [2]	2017Bonds	1,347,225	995,775	-	-	-	2,343,000
21	Sunset Harbour [2]	2017Bonds	2,156,809	1,594,164	-	-	-	3,750,973
22	Palm & Hibiscus Islands [4]	PriorDebt	6,642,002	-	-	-	-	6,642,002
23	Palm & Hibiscus Islands [2]	2017Bonds	2,755,056	2,036,346	-	-	-	4,791,402
24	Central Bayshore South [4]	PriorDebt	10,133,990	-	-	-	-	10,133,990
25	Central Bayshore South [2]	2017Bonds	612,375	452,625	-	-	-	1,065,000
26	Central Bayshore [2]	PriorDebt	50,000	-	-	-	-	50,000
27	Central Bayshore [2]	2017Bonds	143,750	106,250	-	-	-	250,000
28	SCADA and PLC Replacement (Stormwater Portion) [2]	2017Bonds	711,563	525,938	-	-	-	1,237,500
29	Lincoln Road Washington Ave to Lenox [2]	MDC-TIF	-	-	2,875,000	2,125,000	-	5,000,000
30	Total		\$69,252,199	\$58,646,832	\$59,225,978	\$41,960,466	\$73,198,162	\$302,283,637
Funding Sources								
31	Operating Reserves	OpRes	\$ 225,872	\$ 263,517	\$ 138,033	\$ 14,481,872	\$ 24,235,703	\$ 39,344,996
32	Prior Debt Proceeds	PriorDebt	28,206,833	-	-	-	-	28,206,833
33	Series 2017 Revenue Bonds	2017Bonds	40,819,495	42,112,081	17,068,424	-	-	100,000,000
34	Series 2022 Bonds [6]	2022Bonds	-	-	-	-	37,451,356	37,451,356
35	Miami Dade County - Tax Increment Financing [7]	MDC-TIF	-	16,271,234	42,019,522	27,478,595	11,511,103	97,280,453
36	Total		\$ 69,252,199	\$ 58,646,832	\$ 59,225,978	\$ 41,960,466	\$ 73,198,162	\$ 302,283,637

Footnotes:

- [1] Amounts shown based on the Capital Improvement Program shown on Table 5, which was based on identified capital needs of the System as indicated in the Engineer's Report, which is included in Appendix B of the Official Statement.
- [2] Amounts shown based on discussions with City staff and recognized the following assumptions: i) initial design / construction start date commencing with the onset of such fiscal year; ii) estimated project design lasting approximately six (6) months; iii) estimated project design cost equal to approximately fifteen percent (15.0%) of the total project cost; iv) estimated project construction time frame of approximately eighteen (18) months, commencing after project design is completed; and v) estimated project construction cost equal to approximately eighty-five percent (85.0%) of the total project cost.
- [3] Amounts shown based on discussions with City staff and recognized the following assumptions: i) initial design / construction start date commencing with the onset of such fiscal year; ii) estimated project design lasting approximately six (6) months; iii) estimated project design cost equal to approximately fifteen percent (15.0%) of the total project cost; iv) estimated project construction time frame of approximately twenty four (24) months, commencing after project design is completed; and v) estimated project construction cost equal to approximately eighty-five percent (85.0%) of the total project cost.
- [4] Identifies capital projects which funds were appropriated for and construction was started in prior fiscal years. Amounts shown represent total encumbrances and remaining project budget as of September 30, 2017 (end of Fiscal Year 2017), for the purposes of this analysis, these amounts are considered to be fully spent in Fiscal Year 2018.
- [5] Amounts shown based on discussions with City staff and recognized the following assumptions: i) initial design / construction start date commencing with the onset of such fiscal year; ii) estimated project design lasting approximately six (6) months; iii) estimated project design cost equal to approximately fifteen percent (15.0%) of the total project cost; iv) estimated project construction time frame of approximately forty eight (48) months, commencing after project design is completed; and v) estimated project construction cost equal to approximately eighty-five percent (85.0%) of the total project cost.
- [6] Amounts shown represent projects that are identified to be funded from the issuance of the proposed Series 2022 Bonds which are assumed to be additional senior lien bonds which will be issued on par with the Series 2017 Revenue Bonds of approximately \$96,095,403. The amount shown represents Fiscal Year 2022 spending, based on discussions with City staff.
- [7] Amounts shown represent projects that are identified to be funded from a tax increment financing assessments which will be assessed on the real property within Miami-Dade County, Florida (the "County"). The County will collect and distributed amounts collected to the City annually. Based on discussions with City staff, it has been assumed that sufficient funds will be available to fund the approximately \$103,741,185 of stormwater system projects.

**City of Miami Beach, Florida
Financial Feasibility Report**

Summary of Outstanding and Proposed Senior Lien Bonds - Principal and Interest Requirements

Line No	Fiscal Year	Outstanding Bonds - Annual Debt Service Payments											
		Stormwater Revenue Refunding Bonds, Taxable Series 2009J-2			Stormwater Revenue Bonds, Series 2011A			Stormwater Revenue Refunding Bonds, Series 2011B			Stormwater Revenue Bonds, Series 2015		
		Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
1	2018	\$ 1,685,000	\$ 280,916	\$ 1,965,916	\$ 1,110,000	\$ 2,384,496	\$ 3,494,496	\$ 140,000	\$ 1,218,700	\$ 1,358,700	\$ 445,000	\$ 4,102,019	\$ 4,547,019
2	2019	1,755,000	207,141	1,962,141	1,165,000	2,328,996	3,493,996	145,000	1,211,700	1,356,700	460,000	4,088,669	4,548,669
3	2020	1,835,000	127,463	1,962,463	1,225,000	2,270,746	3,495,746	150,000	1,207,350	1,357,350	475,000	4,074,869	4,549,869
4	2021	1,915,000	43,088	1,958,088	1,285,000	2,209,496	3,494,496	155,000	1,199,850	1,354,850	495,000	4,060,619	4,555,619
5	2022	-	-	-	1,350,000	2,145,246	3,495,246	2,295,000	1,192,100	3,487,100	330,000	4,050,719	4,380,719
6	2023	-	-	-	1,415,000	2,077,746	3,492,746	2,410,000	1,071,613	3,481,613	345,000	4,043,294	4,388,294
7	2024	-	-	-	1,490,000	2,003,459	3,493,459	2,540,000	945,088	3,485,088	350,000	4,034,669	4,384,669
8	2025	-	-	-	1,570,000	1,925,234	3,495,234	2,670,000	811,738	3,481,738	360,000	4,024,169	4,384,169
9	2026	-	-	-	1,650,000	1,842,809	3,492,809	2,810,000	671,563	3,481,563	375,000	4,013,369	4,388,369
10	2027	-	-	-	1,740,000	1,756,184	3,496,184	2,935,000	548,625	3,483,625	380,000	4,002,119	4,382,119
11	2028	-	-	-	1,810,000	1,684,409	3,494,409	3,065,000	420,219	3,485,219	395,000	3,990,244	4,385,244
12	2029	-	-	-	1,905,000	1,589,384	3,494,384	3,200,000	286,125	3,486,125	405,000	3,977,406	4,382,406
13	2030	-	-	-	1,990,000	1,506,040	3,496,040	3,340,000	146,125	3,486,125	420,000	3,963,738	4,383,738
14	2031	-	-	-	2,095,000	1,401,565	3,496,565	-	-	-	3,920,000	3,949,038	7,869,038
15	2032	-	-	-	2,185,000	1,307,290	3,492,290	-	-	-	4,060,000	3,811,838	7,871,838
16	2033	-	-	-	2,290,000	1,202,135	3,492,135	-	-	-	4,200,000	3,669,738	7,869,738
17	2034	-	-	-	2,400,000	1,091,925	3,491,925	-	-	-	4,355,000	3,517,488	7,872,488
18	2035	-	-	-	2,520,000	976,395	3,496,395	-	-	-	4,515,000	3,354,175	7,869,175
19	2036	-	-	-	2,640,000	855,075	3,495,075	-	-	-	4,695,000	3,172,363	7,867,363
20	2037	-	-	-	2,765,000	727,950	3,492,950	-	-	-	4,875,000	2,996,300	7,871,300
21	2038	-	-	-	2,900,000	595,700	3,495,700	-	-	-	5,115,000	2,752,550	7,867,550
22	2039	-	-	-	3,035,000	457,000	3,492,000	-	-	-	5,375,000	2,496,800	7,871,800
23	2040	-	-	-	3,185,000	311,838	3,496,838	-	-	-	5,640,000	2,228,050	7,868,050
24	2041	-	-	-	3,335,000	159,500	3,494,500	-	-	-	5,925,000	1,946,050	7,871,050
25	2042	-	-	-	-	-	-	-	-	-	9,715,000	1,649,800	11,364,800
26	2043	-	-	-	-	-	-	-	-	-	10,100,000	1,261,200	11,361,200
27	2044	-	-	-	-	-	-	-	-	-	10,505,000	857,200	11,362,200
28	2045	-	-	-	-	-	-	-	-	-	10,925,000	437,000	11,362,000
29	2046	-	-	-	-	-	-	-	-	-	-	-	-
30	2047	-	-	-	-	-	-	-	-	-	-	-	-
31	2048	-	-	-	-	-	-	-	-	-	-	-	-
32	2049	-	-	-	-	-	-	-	-	-	-	-	-
33	2050	-	-	-	-	-	-	-	-	-	-	-	-
34	2051	-	-	-	-	-	-	-	-	-	-	-	-
35	2052	-	-	-	-	-	-	-	-	-	-	-	-
36	2053	-	-	-	-	-	-	-	-	-	-	-	-
37	2054	-	-	-	-	-	-	-	-	-	-	-	-
38	2055	-	-	-	-	-	-	-	-	-	-	-	-
39	Total	\$ 7,190,000	\$ 658,607	\$ 7,848,607	\$ 49,055,000	\$ 34,810,618	\$ 83,865,618	\$ 25,855,000	\$ 10,930,796	\$ 36,785,796	\$ 99,155,000	\$ 90,525,488	\$ 189,680,488

**City of Miami Beach, Florida
Financial Feasibility Report**

Summary of Outstanding and Proposed Senior Lien Bonds - Principal and Interest Requirements

Line No	Fiscal Year	Proposed Bonds - Annual Debt Service Payments						Total Outstanding and Proposed Bonds - Annual Debt Service Payments					
		Stormwater Revenue Bonds, Series 2017			Stormwater Revenue Bonds, Series 2022			Principal			Interest		
		Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
40	2018	\$ 500,000	\$ 3,043,403	\$ 3,543,403	\$ -	\$ -	\$ -	\$ 3,880,000	\$ 11,029,534	\$ 14,909,534			
41	2019	500,000	4,357,500	4,857,500	-	-	-	4,025,000	12,194,005	16,219,005			
42	2020	500,000	4,332,500	4,832,500	-	-	-	4,185,000	12,012,927	16,197,927			
43	2021	1,150,000	4,307,500	5,457,500	-	-	-	5,000,000	11,820,552	16,820,552			
44	2022	1,210,000	4,250,000	5,460,000	-	484,600	484,600	5,185,000	12,122,665	17,307,665			
45	2023	1,270,000	4,189,500	5,459,500	25,000	5,815,200	5,840,200	5,465,000	17,197,353	22,662,353			
46	2024	1,330,000	4,126,000	5,456,000	30,000	5,813,700	5,843,700	5,740,000	16,922,916	22,662,916			
47	2025	1,400,000	4,059,500	5,459,500	30,000	5,811,900	5,841,900	6,030,000	16,632,541	22,662,541			
48	2026	1,470,000	3,989,500	5,459,500	30,000	5,810,100	5,840,100	6,335,000	16,327,341	22,662,341			
49	2027	1,545,000	3,916,000	5,461,000	30,000	5,808,300	5,838,300	6,630,000	16,031,228	22,661,228			
50	2028	1,615,000	3,838,750	5,453,750	35,000	5,806,500	5,841,500	6,920,000	15,740,122	22,660,122			
51	2029	1,700,000	3,758,000	5,458,000	35,000	5,804,400	5,839,400	7,245,000	15,415,315	22,660,315			
52	2030	1,780,000	3,673,000	5,453,000	40,000	5,802,300	5,842,300	7,570,000	15,091,203	22,661,203			
53	2031	1,870,000	3,584,000	5,454,000	45,000	5,799,900	5,844,900	7,930,000	14,734,503	22,664,503			
54	2032	1,965,000	3,490,500	5,455,500	45,000	5,797,200	5,842,200	8,255,000	14,406,828	22,661,828			
55	2033	2,065,000	3,392,250	5,457,250	50,000	5,794,500	5,844,500	8,605,000	14,058,623	22,663,623			
56	2034	2,165,000	3,289,000	5,454,000	50,000	5,791,500	5,841,500	8,970,000	13,689,913	22,659,913			
57	2035	2,275,000	3,180,750	5,455,750	55,000	5,788,500	5,843,500	9,365,000	13,299,820	22,664,820			
58	2036	2,390,000	3,067,000	5,457,000	60,000	5,785,200	5,845,200	9,785,000	12,879,638	22,664,638			
59	2037	2,510,000	2,947,500	5,457,500	60,000	5,781,600	5,841,600	10,210,000	12,453,350	22,663,350			
60	2038	2,635,000	2,822,000	5,457,000	65,000	5,778,000	5,843,000	10,715,000	11,948,250	22,663,250			
61	2039	2,765,000	2,690,250	5,455,250	70,000	5,774,100	5,844,100	11,245,000	11,418,150	22,663,150			
62	2040	2,905,000	2,552,000	5,457,000	70,000	5,769,900	5,839,900	11,800,000	10,861,788	22,661,788			
63	2041	3,050,000	2,406,750	5,456,750	75,000	5,765,700	5,840,700	12,385,000	10,278,000	22,663,000			
64	2042	3,200,000	2,254,250	5,454,250	80,000	5,761,200	5,841,200	12,995,000	9,665,250	22,660,250			
65	2043	3,365,000	2,094,250	5,459,250	85,000	5,756,400	5,841,400	13,550,000	9,111,850	22,661,850			
66	2044	3,535,000	1,926,000	5,461,000	90,000	5,751,300	5,841,300	14,130,000	8,534,500	22,664,500			
67	2045	3,710,000	1,749,250	5,459,250	95,000	5,745,900	5,840,900	14,730,000	7,932,150	22,662,150			
68	2046	15,255,000	1,563,750	16,818,750	105,000	5,740,200	5,845,200	15,360,000	7,303,950	22,663,950			
69	2047	16,020,000	801,000	16,821,000	105,000	5,733,900	5,838,900	16,125,000	6,534,900	22,659,900			
70	2048	-	-	-	16,935,000	5,727,600	22,662,600	16,935,000	5,727,600	22,662,600			
71	2049	-	-	-	17,950,000	4,711,500	22,661,500	17,950,000	4,711,500	22,661,500			
72	2050	-	-	-	19,025,000	3,634,500	22,659,500	19,025,000	3,634,500	22,659,500			
73	2051	-	-	-	20,170,000	2,493,000	22,663,000	20,170,000	2,493,000	22,663,000			
74	2052	-	-	-	21,380,000	1,282,800	22,662,800	21,380,000	1,282,800	22,662,800			
75	2053	-	-	-	-	-	-	-	-	-			
76	2054	-	-	-	-	-	-	-	-	-			
77	2055	-	-	-	-	-	-	-	-	-			
78	Total	\$ 87,650,000	\$ 95,651,653	\$ 183,301,653	\$ 96,920,000	\$ 162,921,400	\$ 259,841,400	\$ 365,825,000	\$ 395,498,561	\$ 761,323,561			

Table 7

**City of Miami Beach, Florida
Financial Feasibility Report**

Summary of Outstanding and Proposed Senior Lien Bonds - Principal and Interest Requirements

Line No	Fiscal Year	Subordinate Obligation Debt Service - Annual Debt Service Payments						Total Subordinate		
		Equipment Loan			Clean Water State Revolving Loan - SW131300			Obligations - Annual Debt Service Payments		
		Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
79	2018	\$ 36,810	\$ 1,024	\$ 37,834	\$ 338,443	\$ 119,559	\$ 458,002	\$ 375,253	\$ 120,583	\$ 495,836
80	2019	664	31	695	343,948	114,054	458,002	344,612	114,085	458,697
81	2020	677	18	695	349,542	108,460	458,002	350,219	108,478	458,697
82	2021	247	8	256	355,228	102,774	458,002	355,475	102,782	458,258
83	2022	252	3	256	361,006	96,996	458,002	361,258	96,999	458,258
84	2023	-	-	-	366,878	91,124	458,002	366,878	91,124	458,002
85	2024	-	-	-	372,846	85,156	458,002	372,846	85,156	458,002
86	2025	-	-	-	378,910	79,092	458,002	378,910	79,092	458,002
87	2026	-	-	-	385,073	72,929	458,002	385,073	72,929	458,002
88	2027	-	-	-	391,337	66,665	458,002	391,337	66,665	458,002
89	2028	-	-	-	397,702	60,300	458,002	397,702	60,300	458,002
90	2029	-	-	-	404,171	53,831	458,002	404,171	53,831	458,002
91	2030	-	-	-	410,745	47,257	458,002	410,745	47,257	458,002
92	2031	-	-	-	417,426	40,576	458,002	417,426	40,576	458,002
93	2032	-	-	-	424,216	33,786	458,002	424,216	33,786	458,002
94	2033	-	-	-	431,116	26,886	458,002	431,116	26,886	458,002
95	2034	-	-	-	438,128	19,874	458,002	438,128	19,874	458,002
96	2035	-	-	-	445,255	12,747	458,002	445,255	12,747	458,002
97	2036	-	-	-	452,504	5,505	458,009	452,504	5,505	458,009
98	2037	-	-	-	-	-	-	-	-	-
99	2038	-	-	-	-	-	-	-	-	-
100	2039	-	-	-	-	-	-	-	-	-
101	2040	-	-	-	-	-	-	-	-	-
102	2041	-	-	-	-	-	-	-	-	-
103	2042	-	-	-	-	-	-	-	-	-
104	2043	-	-	-	-	-	-	-	-	-
105	2044	-	-	-	-	-	-	-	-	-
106	2045	-	-	-	-	-	-	-	-	-
107	2046	-	-	-	-	-	-	-	-	-
108	2047	-	-	-	-	-	-	-	-	-
109	2048	-	-	-	-	-	-	-	-	-
110	2049	-	-	-	-	-	-	-	-	-
111	2050	-	-	-	-	-	-	-	-	-
112	2051	-	-	-	-	-	-	-	-	-
113	2052	-	-	-	-	-	-	-	-	-
114	2053	-	-	-	-	-	-	-	-	-
115	2054	-	-	-	-	-	-	-	-	-
116	2055	-	-	-	-	-	-	-	-	-
117	Total	\$ 38,650	\$ 1,085	\$ 39,736	\$ 7,464,474	\$ 1,237,571	\$ 8,702,045	\$ 7,503,124	\$ 1,238,656	\$ 8,741,781

**City of Miami Beach, Florida
Financial Feasibility Report**

Calculation of Historical Operating Results and Debt Service Coverage

Line No	Description	Fiscal Year Ending September 30,				
		2013	2014	2015	2016	2017 [1]
	Calculation of Net Revenues					
	Revenues					
1	Charges for Services [2]	\$ 11,671,714	\$ 11,659,582	\$ 21,258,353	\$ 21,490,894	\$ 28,570,734
2	Interest Income [3]	344,743	220,480	61,205	334,377	187,125
3	Other Operating Revenues [4]	-	-	-	-	-
4	Total Revenues	\$ 12,016,457	\$ 11,880,062	\$ 21,319,558	\$ 21,825,271	\$ 28,757,859
	Current (Operating) Expenses					
5	Personal Services [5]	\$ 1,709,332	\$ 2,296,788	\$ 2,559,349	\$ 2,831,997	\$ 3,224,137
6	Operating Supplies	49,114	3,011	17,860	22,703	43,015
7	Contractual Services [6]	134,718	441,718	1,004,910	1,196,667	2,221,783
8	Utilities	60,567	69,343	131,791	222,053	288,323
9	Insurance	-	-	-	-	-
10	Internal Charges	936,189	357,511	359,129	425,571	436,128
11	Claims and Judgements	-	-	-	-	-
12	Other Operating [7]	127,159	124,955	872,332	249,633	300,693
13	Administrative Fees [8]	584,000	637,000	658,000	798,000	798,000
14	Total Current (Operating) Expenses	\$ 3,601,079	\$ 3,930,326	\$ 5,603,371	\$ 5,746,624	\$ 7,312,079
15	Net Revenues	\$ 8,415,378	\$ 7,949,736	\$ 15,716,187	\$ 16,078,647	\$ 21,445,780
	Principal and Interest Requirements					
16	Stormwater Revenue Refunding Bonds, Taxable Series 2009J-2	\$ 1,983,949	\$ 1,983,676	\$ 1,976,701	\$ 1,977,065	\$ 1,969,511
17	Stormwater Revenue Bonds, Series 2011A	2,507,496	2,507,496	3,492,496	3,493,096	3,492,096
18	Stormwater Revenue Refunding Bonds, Series 2011B	1,356,150	1,357,700	1,359,100	1,359,100	1,353,900
19	Stormwater Revenue Bonds, Series 2015	0	0	0	4,407,604	4,545,719
20	Total Principal and Interest Requirements	\$ 5,847,595	\$ 5,848,872	\$ 6,828,297	\$ 11,236,865	\$ 11,361,226
	Principal and Interest Requirement					
21	Coverage Ratio - Calculated	144%	136%	230%	143%	189%
22	Coverage Ratio - Required	110%	110%	110%	110%	110%
	Other Required Transfers [9]					
23	Administration Fee - Payable to General Fund	\$ (433,000)	\$ (435,000)	\$ (631,000)	\$ (612,996)	\$ (667,000)
23	Net Amount Available for Other System Purposes	\$ 2,134,783	\$ 1,665,864	\$ 8,256,890	\$ 4,228,786	\$ 9,417,554

Footnotes:

- [1] Amounts shown for Fiscal Year 2017 are based on preliminary operating results as compiled by City Staff, amounts may be adjusted based on the compilation of the financial statements performed by the City's external auditor.
- [2] Amounts shown reflect charges for service as reported in such years comprehensive annual financial report ("CAFR") for the Fiscal Years 2013 through 2016 and preliminary information provided by City Staff for Fiscal Year 2017. The Bond Resolution does not allow for contributions. For informational purposes the following was reported for contributions in the CAFR:

	2013	2014	2015	2016	2017
Revenues					
Charges for Services (a)	\$ 11,671,714	\$ 11,659,582	\$ 21,258,353	\$ 21,490,894	\$ 28,570,734
Permits, Rental, and Other	-	55,717	-	-	-
Total Operating Revenues	\$ 11,671,714	\$ 11,715,299	\$ 21,258,353	\$ 21,490,894	\$ 28,570,734
FEMA Grant (b)	-	(55,717)	-	-	-
Charges for Service Recognized	\$ 11,671,714	\$ 11,659,582	\$ 21,258,353	\$ 21,490,894	\$ 28,570,734

(a) Effective October 1, 2014 the City's stormwater utility service charge increased from \$9.06 to \$16.67 per ERU.

(b) Amounts shown has been excluded from the calculation of debt service coverage compliance since such amounts represents a grant received from Federal Emergency Management Agency (FEMA) for operating expenses associated with the hurricane Wilma event which occurred in 2006, since such event occurred in a prior period such amounts have been excluded from current period revenues.

**City of Miami Beach, Florida
Financial Feasibility Report**

Calculation of Historical Operating Results and Debt Service Coverage

Footnotes (Cont'd.):

- [3] Amounts shown reflect interest income as reported in the CAFR for Fiscal Years 2013 through 2016 and preliminary information provided by City Staff for Fiscal Year 2017. Amounts shown were adjusted consistent with the definition of Revenue set forth in the Bond Resolution.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Interest Income Reported	\$ 345,512	\$ 223,638	\$ 67,119	\$ 342,414	\$ 578,395
Adjustments:					
Interest Income on Customer Deposits (a)	-	-	-	-	-
Interest Income on Debt Service Fund (430)	(611)	(2,815)	(2,192)	(1,529)	(1,527)
Interest Income on 2011 Bond Construction Fund (431)	(158)	(343)	(640)	(822)	(1,511)
Interest Income on 2015 Bond Construction Fund (432)	-	-	(3,082)	(5,686)	(388,232)
Interest Income Recognized:	\$ 344,743	\$ 220,480	\$ 61,205	\$ 334,377	\$ 187,125

(a) Interest Income Reported on Funds held for customer's deposits includes both the interest income earned by the City and interest expense associated with interest paid to customers. For the purposes of the debt service coverage calculation such amounts have been excluded

- [4] Based on the definition of Revenues as set forth in the Bond Resolution the following Nonoperating Revenues and Capital Contributions as shown in each year's respective CAFR, as well as the preliminary results for Fiscal Year 2017 as provided by City Staff, have been excluded from the calculation of Revenues. The following has been assumed for Other Operating Revenues in the Calculation of Debt Service Coverage:

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Nonoperating Revenues and Capital Contributions:					
Gain(Loss) on Disposal of Capital Assets	\$ 4,184	\$ 23,284	\$ 36,889	\$ 37,388	\$ -
Unrealized Gains (Losses) on Investments	(171,778)	(81,605)	69,807	84,835	-
Capital Contributions	2,678	-	311	-	(420)
Total Nonoperating Revenues and Capital Contributions:	\$ (164,916)	\$ (58,321)	\$ 107,007	\$ 122,223	\$ (420)
Excluded Nonoperating Revenues and Capital Contributions:					
Gain(Loss) on Disposal of Capital Assets	\$ (4,184)	\$ (23,284)	\$ (36,889)	\$ (37,388)	\$ -
Unrealized Gains (Losses) on Investments	171,778	81,605	(69,807)	(84,835)	-
Capital Contributions	(2,678)	-	(311)	-	420
Other Operating Revenues Recognized:	\$ -	\$ -	\$ -	\$ -	\$ -

- [5] The following adjustments have been made to personal services as reported in each respective year's CAFR, as well as preliminary results for Fiscal Year 2017 as provided by City Staff:
- i) a contra-expense was recorded in Fiscal Year 2015, 2016, and 2017 to report the change in the long term pension liability to meet reporting requirements for Governmental Accounting Standards Board ("GASB") Statement 68, this contra-expense has been removed for the calculation of Current Expenses; and ii) to reclassify transfers out pension funds. The Bond Resolution's definition of Current Expenses states "any reasonable payments to pension or retirement funds properly chargeable to the Stormwater Utility" shall be included as Current Expenses.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Personal Expenses	\$ 1,703,961	\$ 2,290,564	\$ 2,418,608	\$ 2,435,996	\$ 3,511,472
Adjustments:					
Change in Long Term Pension Liability (GASB 68 Actuarial Expense)	-	-	130,741	385,001	(298,335)
Transfer Out - Pension Obligations	5,371	6,224	10,000	11,000	11,000
Total Personal Expenses	\$ 1,709,332	\$ 2,296,788	\$ 2,559,349	\$ 2,831,997	\$ 3,224,137

- [6] The City began outsourcing outfall pipe cleaning and repair services in July 2014 (Fiscal Year 2014), and has continued to use the same contractor (Envirowaster Services Group) for this service for Fiscal Year 2015, 2016, and 2017. This operational change accounted for the majority of the increases to Contractual Services as compared to the prior historical fiscal years.

- [7] During Fiscal Year 2015 the City incurred non-recurring operating expenses associated with the expansion and additional construction of the System's pumping infrastructure.

- [8] The Bond Resolution's definition of Current expenses states the Current Expenses shall not include "any administrative expenses payable to the City's General Fund. The following administrative expenses have been identified as being paid from the Stormwater Utility during the Historical Period. In accordance with the Bond Resolution such amounts that have been paid to the City's General Fund have been excluded from the calculation of Current Expenses. The Stormwater Utility has incurred transfers out to the Sanitation Fund (Fund 435) for administration of the Stormwater Utility, these transfers have been reclassified to Current Expenses. The following summarizes the Administrative Fees recognized in the calculation of Current Expenses:

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Administrative Fees (to General Fund)	\$ 433,000	\$ 435,000	\$ 631,000	\$ 612,996	\$ 667,000
Transfers Out (to Sanitation Fund) for Administrative Fees	584,000	637,000	658,000	798,000	798,000
Total Administrative Fees	\$ 1,017,000	\$ 1,072,000	\$ 1,289,000	\$ 1,410,996	\$ 1,465,000
Less Administrative Fees Paid to General Fund	(433,000)	(435,000)	(631,000)	(612,996)	(667,000)
Administrative Fees Recognized as Current Expenses:	\$ 584,000	\$ 637,000	\$ 658,000	\$ 798,000	\$ 798,000

- [9] Other required transfers as defined in the Bond Resolution include any required transfers to the Reserve Account, Rate Stabilization Account, and Subordinate Indebtedness Account.

**City of Miami Beach, Florida
Financial Feasibility Report**

Calculation of Projected Operating Results and Debt Service Coverage

Line No	Description	Fiscal Year Ending September 30,				
		2018	2019	2020	2021	2022
	Calculation of Net Revenues					
	Revenues					
1	Charges for Services [1]	\$ 30,133,813	\$ 36,924,310	\$ 38,542,934	\$ 40,229,272	\$ 41,985,435
2	Interest Income [2]	160,456	203,848	261,477	290,731	263,787
3	Other Operating Revenues	-	-	-	-	-
4	Total Revenues	\$ 30,294,269	\$ 37,128,158	\$ 38,804,411	\$ 40,520,004	\$ 42,249,222
	Current (Operating) Expenses [3]					
5	Personal Services	\$ 3,440,000	\$ 3,560,400	\$ 3,685,014	\$ 3,813,989	\$ 3,947,479
6	Operating Supplies	31,000	31,929	32,914	33,933	34,988
7	Contractual Services	2,994,000	2,876,970	2,954,913	3,035,045	3,117,430
8	Utilities	443,000	456,523	470,458	484,820	499,620
9	Insurance	-	-	-	-	-
10	Internal Charges	452,000	462,396	473,494	484,857	496,494
11	Claims and Judgements	-	-	-	-	-
12	Other Operating	511,835	529,733	543,458	557,538	571,979
13	Administrative Fees [4]	798,000	816,354	835,946	856,009	876,553
14	Total Current (Operating) Expenses	\$ 8,669,835	\$ 8,734,305	\$ 8,996,197	\$ 9,266,191	\$ 9,544,544
15	Net Revenues	<u>\$ 21,624,434</u>	<u>\$ 28,393,854</u>	<u>\$ 29,808,214</u>	<u>\$ 31,253,812</u>	<u>\$ 32,704,677</u>
	Principal and Interest Requirements					
16	Stormwater Revenue Refunding Bonds, Taxable Series 2009J-2	\$ 1,965,916	\$ 1,962,141	\$ 1,962,463	\$ 1,958,088	\$ -
17	Stormwater Revenue Bonds, Series 2011A [5]	3,494,496	3,493,996	3,495,746	3,494,496	3,495,246
18	Stormwater Revenue Refunding Bonds, Series 2011B [5]	1,358,700	1,356,700	1,357,350	1,354,850	3,487,100
19	Stormwater Revenue Bonds, Series 2015	4,547,019	4,548,669	4,549,869	4,555,619	4,380,719
20	Stormwater Revenue Bonds, Series 2017 [6]	3,543,403	4,857,500	4,832,500	5,457,500	5,460,000
21	Stormwater Revenue Bonds, Series 2022 [7]	0	0	0	0	484,600
22	Total Principal and Interest Requirements	\$ 14,909,534	\$ 16,219,005	\$ 16,197,927	\$ 16,820,552	\$ 17,307,665
	Principal and Interest Requirement					
23	Coverage Ratio - Calculated	145%	175%	184%	186%	189%
24	Coverage Ratio - Required	110%	110%	110%	110%	110%
25	Net Revenues After Principal and Interest Requirement [8]	\$ 5,223,947	\$ 10,552,948	\$ 11,990,494	\$ 12,751,205	\$ 13,666,246
	Other Required Transfers					
26	Payment for Equipment Loan	\$ 37,834	\$ 695	\$ 695	\$ 256	\$ 256
27	Clean Water State Revolving Loan - SW131300	458,002	458,002	458,002	458,002	458,002
28	Administration Fee - Payable to General Fund	673,000	688,479	705,002	721,923	739,249
29	Total Other Required Transfers	\$ 1,168,836	\$ 1,147,176	\$ 1,163,700	\$ 1,180,180	\$ 1,197,506
30	Net Amount Available for Other System Purposes	<u>\$ 5,546,065</u>	<u>\$ 11,027,672</u>	<u>\$ 12,446,586</u>	<u>\$ 13,253,080</u>	<u>\$ 14,199,506</u>

Footnotes:

[1] Amounts shown includes rate increases from the City's Rate Indexing section of the Rate Ordinance and an additional adjustment in Fiscal Year 2019 to fund the Series 2022 Bonds and other capital needs. As shown on Table 2.

[2] Amounts shown from information provided on Table 10.

[3] Amounts shown from information provided on Table 3.

Footnotes continued on page 2 of 2.

City of Miami Beach, Florida
Financial Feasibility Report

Calculation of Projected Operating Results and Debt Service Coverage

Footnotes: (cont'd.)

- [4] The Bond Resolution's definition of Current expenses states the Current Expenses shall not include "any administrative expenses payable to the City's General Fund. The following administrative expenses have been identified as being paid from the Stormwater Utility from the Operating Budget of the City. In accordance with the Bond Resolution such amounts that have been paid to the City's General Fund have been excluded from the calculation of Current Expenses. The Stormwater Utility has incurred transfers out to the Sanitation Fund (Fund 435) for administration of the Stormwater Utility, these transfers have been reclassified to Current Expenses. The following summarizes the Administrative Fees recognized in the calculation of Current Expenses:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Budget - Administrative Fees (to General Fund)	\$ 673,000	\$ 688,479	\$ 705,002	\$ 721,923	\$ 739,249
Budget - Transfers Out (to Sanitation Fund) for Administrative Fees	798,000	816,354	835,946	856,009	876,553
Total Administrative Fees	\$ 1,471,000	\$ 1,504,833	\$ 1,540,949	\$ 1,577,932	\$ 1,615,802
Less Administrative Fees Paid to General Fund	(673,000)	(688,479)	(705,002)	(721,923)	(739,249)
Administrative Fees Recognized as Current Expenses:	\$ 798,000	\$ 816,354	\$ 835,946	\$ 856,009	\$ 876,553

- [5] The City is expected to use a portion of the proceeds from the Series 2017 Bonds to: advance refund and defease approximately \$44,270,000 of the Stormwater Revenue Bonds, Series 2011A and approximately \$25,265,000 of the Stormwater Revenue Refunding Bonds, Series 2011B.
- [6] Amount shown associated with the debt service payments for the proposed Series 2017 Revenue Bonds provided by the City's Municipal Financial Advisor and recognize:
i) estimated delivery date of December 21, 2017; ii) All-In true interest cost ("TIC") of approximately 3.985500%; iii) par amount of bonds of approximately \$87,650,000; and iv) a thirty (30) year repayment schedule. This amount only recognizes the effects of the portion of the Series 2017 Bonds associated with the financing of the Series 2017 Project.
- [7] Amount shown associated with the debt service payments for the proposed Series 2022 Bonds provided by the City's Municipal Financial Advisor and recognize:
i) estimated delivery date of August 1, 2022; ii) All-In true interest cost ("TIC") of approximately 6.03798%; iii) par amount of bonds of approximately \$96,920,000; and iv) a thirty (30) year repayment schedule. It should be noted that the total Principal and Interest Requirement projected for the Series 2022 Bonds is approximately \$5,840,000 in Fiscal Year 2023.
- [8] Amount shown represents the Net Revenues remaining after the payment of the Principal and Interest Requirement and an allowance of ten percent (10%) for debt service coverage compliance, which is in compliance with the provisions of the Bond Resolution.

**City of Miami Beach, Florida
Financial Feasibility Report**

Calculation of Projected Fund Balances and Interest Income

Line No.	Description	Fiscal Year Ending September 30,				
		2018	2019	2020	2021	2022
	<u>Year End Cash Balances Roll-Up</u>					
1	Enterprise Fund	\$ 27,048,541	\$ 37,812,696	\$ 50,121,250	\$ 48,892,458	\$ 38,856,261
2	Stormwater Revenue Bonds Debt Service Account	7,454,767	8,109,503	8,098,964	8,410,276	8,653,832
3	Redemption Account	0	0	0	0	0
4	Reserve Account	0	0	0	0	0
5	Rate Stabilization Account	8,889,419	8,889,419	8,889,419	8,889,419	8,889,419
6	Subordinate Indebtedness Account	247,918	229,349	229,349	229,129	229,129
7	Construction Account - Prior Construction	0	0	0	0	0
8	Construction Account - Series 2017 Revenue Bonds	59,180,505	17,068,424	0	0	0
9	Construction Account - Series 2022 Bonds	0	0	0	0	58,644,047
10	Total Ending Cash Balance	\$ 102,821,150	\$ 72,109,390	\$ 67,338,981	\$ 66,421,282	\$ 115,272,689
	<u>Enterprise Fund</u>					
11	Beginning Balance	\$ 21,728,348	\$ 27,048,541	\$ 37,812,696	\$ 50,121,250	\$ 48,892,458
12	Transfer In - Revenue Requirements	5,546,065	11,027,672	12,446,586	13,253,080	14,199,506
13	Transfers Out - Capital Improvements	225,872	263,517	138,033	14,481,872	24,235,703
14	Interest Rate	0.50%	0.50%	0.50%	0.50%	0.50%
15	Interest Income	121,942	162,153	219,835	247,534	219,372
16	Ending Balance	27,048,541	37,812,696	50,121,250	48,892,458	38,856,261
17	Minimum Requirement: 60 Days of Current Expenses	1,425,178	1,435,776	1,478,827	1,523,210	1,568,966
18	Calculated Days of Available Cash (Current Expenses)	1,139	1,580	2,034	1,926	1,486
	<u>Stormwater Revenue Bonds Debt Service Account</u>					
19	Annual Deposit to Account	\$ 14,909,534	\$ 16,219,005	\$ 16,197,927	\$ 16,820,552	\$ 17,307,665
20	Average Annual Balance	7,454,767	8,109,503	8,098,964	8,410,276	8,653,832
21	Interest Rate	0.50%	0.50%	0.50%	0.50%	0.50%
22	Interest Income	37,274	40,548	40,495	42,051	43,269
23	Recognition of Interest Earnings in Revenue Requirements	37,274	40,548	40,495	42,051	43,269
	<u>Redemption Account</u>					
24	Beginning Balance [1]	\$ -	\$ -	\$ -	\$ -	\$ -
25	Transfers In - Enterprise Fund	0	0	0	0	0
26	Transfers In - R&R Fund	0	0	0	0	0
27	Transfers Out - Operating Reserves	0	0	0	0	0
28	Transfers Out - R&R Fund	0	0	0	0	0
29	Transfers In (Out)	0	0	0	0	0
30	Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%
31	Interest Income	0	0	0	0	0
32	Ending Balance	0	0	0	0	0
	<u>Reserve Account</u>					
33	Beginning Balance [1]	\$ -	\$ -	\$ -	\$ -	\$ -
34	Transfers In - Operating Reserves	0	0	0	0	0
35	Transfers In - Stormwater Capital Fund	0	0	0	0	0
36	Transfers Out - Operating Reserves	0	0	0	0	0
37	Transfers Out - Stormwater Capital Fund	0	0	0	0	0
38	Transfers Out - Capital Improvements	0	0	0	0	0
39	Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%
40	Interest Income	0	0	0	0	0
41	Ending Balance	0	0	0	0	0

**City of Miami Beach, Florida
Financial Feasibility Report**

Calculation of Projected Fund Balances and Interest Income

Line No.	Description	Fiscal Year Ending September 30,				
		2018	2019	2020	2021	2022
Rate Stabilization Account						
42	Beginning Balance [1]	\$ 8,889,419	\$ 8,889,419	\$ 8,889,419	\$ 8,889,419	\$ 8,889,419
43	Transfers In - Operating Reserves	0	0	0	0	0
44	Transfers Out - Capital Improvements	0	0	0	0	0
45	Transfers Out - Operating Reserves	0	0	0	0	0
46	Transfers Out	0	0	0	0	0
47	Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%
48	Interest Income	0	0	0	0	0
49	Ending Balance	8,889,419	8,889,419	8,889,419	8,889,419	8,889,419
Subordinate Indebtedness Account						
50	Annual Deposit to Account	\$ 495,836	\$ 458,697	\$ 458,697	\$ 458,258	\$ 458,258
51	Average Annual Balance	247,918	229,349	229,349	229,129	229,129
52	Interest Rate	0.50%	0.50%	0.50%	0.50%	0.50%
53	Interest Income	1,240	1,147	1,147	1,146	1,146
Construction Account - Prior Construction						
54	Beginning Balance	\$ 28,206,833	\$ -	\$ -	\$ -	\$ -
55	Transfers In	0	0	0	0	0
56	Transfers Out	28,206,833	0	0	0	0
57	Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%
58	Interest Income	0	0	0	0	0
59	Ending Balance	0	0	0	0	0
Construction Account - Series 2017 Revenue Bonds						
60	Beginning Balance	\$ -	\$ 59,180,505	\$ 17,068,424	\$ -	\$ -
61	Transfers In	100,000,000	0	0	0	0
62	Transfers Out	40,819,495	42,112,081	17,068,424	0	0
63	Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%
64	Interest Income	0	0	0	0	0
65	Ending Balance	59,180,505	17,068,424	0	0	0
Construction Account - Series 2022 Bonds						
66	Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -
67	Transfers In	0	0	0	0	96,095,403
68	Transfers Out	0	0	0	0	37,451,356
69	Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%
70	Interest Income	0	0	0	0	0
71	Ending Balance	0	0	0	0	58,644,047
Interest Income						
72	Unrestricted Interest Income	160,456	203,848	261,477	290,731	263,787
73	Restricted Interest Income	0	0	0	0	0
74	Total Interest Income	\$ 160,456	\$ 203,848	\$ 261,477	\$ 290,731	\$ 263,787

Table 11

City of Miami Beach, Florida
Financial Feasibility Report

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Comparison of Monthly Residential Stormwater Service Charges [1]

Line No.	Description	Monthly Stormwater Rate per ERU	Impervious Surface per ERU
City of Miami Beach			
1	Existing Rates as of October 1, 2017	\$23.30	791
<u>Other Florida Utilities</u>			
2	City of Aventura	\$2.50	1,548
3	City of Boca Raton	3.22	2,837
4	City of Coral Gables	8.80	2,346
5	City of Delray Beach	5.33	2,502
6	City of Fort Lauderdale	10.00	N/A
7	City of Hollywood	3.22	2,250
8	City of Homestead	3.37	N/A
9	City of Miami	3.50	1,191
10	Miami Dade County	4.00	1,548
11	City of North Miami	6.19	1,760
12	Village of Pinecrest	10.00	1,548
13	City of Pompano Beach	4.21	2,880
14	City of West Palm Beach	13.57	2,171
15	Other Utilities' Average	\$5.99	2,053

Footnotes:

- [1] Unless otherwise noted, amounts shown reflect rates in effect August 2017 and are exclusive of taxes or franchise fees, if any. All rates are as reported by the respective local government.

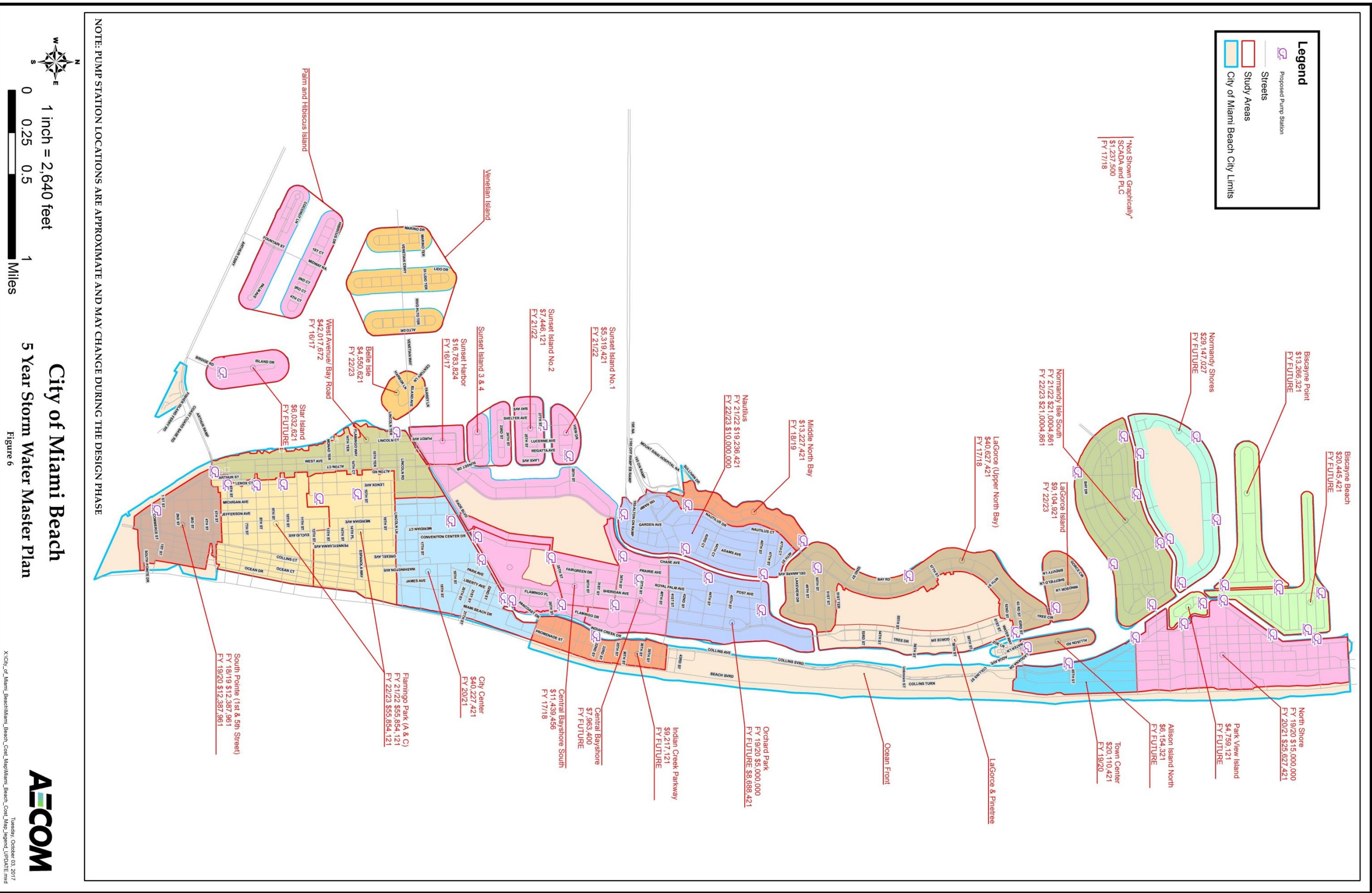




Figure 5: Proposed Stormwater Bond Projects

Location Name	Engineer Projected Cost	Appropriated or Spent Fund	Funds Required	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	Future	Sub-Total for Each Project
Allison Island North	\$ 6,154,321	\$ -	\$ 6,154,321	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,154,321	\$ 6,154,321
Belle Isle	\$ 4,550,621	\$ -	\$ 4,550,621	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,550,621	\$ 4,550,621
Biscayne Beach	\$ 20,445,421	\$ -	\$ 20,445,421	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,445,421	\$ 20,445,421
Biscayne Point	\$ 13,266,321	\$ -	\$ 13,266,321	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,266,321	\$ 13,266,321
Central Bayshore	\$ 8,213,400	\$ 250,000	\$ 7,963,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,963,400	\$ 7,963,400
Central Bayshore South	\$ 11,439,456	\$ 11,439,456	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Center	\$ 42,527,421	\$ 2,300,000	\$ 40,227,421	\$ -	\$ -	\$ -	\$ 40,227,421	\$ -	\$ -	\$ 40,227,421
Middle North Bay	\$ 13,227,421	\$ -	\$ 13,227,421		\$ 13,227,421	\$ -	\$ -	\$ -	\$ -	\$ 13,227,421
Nautilus	\$ 29,236,421	\$ -	\$ 29,236,421	\$ -	\$ -	\$ -	\$ -	\$ 19,236,421	\$ 10,000,000	\$ 29,236,421
Flamingo Park	\$ 119,208,242	\$ 7,500,000	\$ 111,708,242	\$ -	\$ -	\$ -	\$ -	\$ 55,854,121	\$ 55,854,121	\$ 111,708,242
Indian Creek Parkway	\$ 14,717,121	\$ 5,500,000	\$ 9,217,121	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,217,121	\$ 9,217,121
La Gorce (Upper North Bay)	\$ 40,627,421	\$ -	\$ 40,627,421	\$ 40,627,421	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,627,421
La Gorce Island	\$ 9,104,921	\$ -	\$ 9,104,921	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,104,921	\$ 9,104,921
Orchard Park	\$ 13,688,421	\$ -	\$ 13,688,421	\$ -	\$ -	\$ 5,000,000	\$ -	\$ -	\$ 8,688,421	\$ 13,688,421
Normandy Isle South	\$ 42,009,721	\$ -	\$ 42,009,721	\$ -	\$ -	\$ -	\$ -	\$ 21,004,861	\$ 21,004,861	\$ 42,009,721
Normandy Shores	\$ 29,147,027	\$ -	\$ 29,147,027	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,147,027	\$ 29,147,027
North Shore	\$ 40,627,421	\$ -	\$ 40,627,421	\$ -	\$ -	\$ 15,000,000	\$ 25,627,421	\$ -	\$ -	\$ 40,627,421
Park View Island	\$ 4,759,121	\$ -	\$ 4,759,121	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,759,121	\$ 4,759,121
South Pointe (1st & 5th Street)	\$ 25,249,121	\$ 473,200	\$ 24,775,921	\$ -	\$ 12,387,961	\$ 12,387,961	\$ -	\$ -	\$ -	\$ 24,775,921
Star Island	\$ 6,032,621	\$ -	\$ 6,032,621	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,032,621	\$ 6,032,621
Sunset Harbour	\$ 16,783,824	\$ 16,783,824	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sunset Island #1	\$ 5,319,421	\$ -	\$ 5,319,421	\$ -	\$ -	\$ -	\$ -	\$ 5,319,421	\$ -	\$ 5,319,421
Sunset Island #2	\$ 7,446,121	\$ -	\$ 7,446,121	\$ -	\$ -	\$ -	\$ -	\$ 7,446,121	\$ -	\$ 7,446,121
Town Center	\$ 20,110,421	\$ -	\$ 20,110,421	\$ -	\$ -	\$ 20,110,421	\$ -	\$ -	\$ -	\$ 20,110,421
West Avenue/ Bay Road	\$ 42,017,672	\$ 42,017,672	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SCADA and PLC	\$ 1,237,500	\$ -	\$ 1,237,500	\$ 1,237,500	\$ -	\$ -	\$ -	\$ -		\$ 1,237,500
SUB-TOTAL	\$ 587,146,920	\$ 86,264,152	\$ 500,882,768	\$ 41,864,921	\$ 25,615,382	\$ 52,498,382	\$ 65,854,842	\$ 108,860,945	\$ 206,188,298	\$ 500,882,768
Under Construction / Completed										
Lower North Bay Road	\$ 5,025,128	\$ 5,025,128	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sunset Island 3 and 4	\$ 6,520,000	\$ 6,520,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Venetian Islands	\$ 20,516,285	\$ 20,516,285	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Palm & Hibiscus Islands	\$ 32,161,390	\$ 32,161,390	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Central Bayshore Bid Pak A	\$ 2,815,776	\$ 2,815,776	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Citywide Tidal Flooding Mitigation - Ph 1	\$ 2,544,588	\$ 2,544,588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Drainage Hot Spots	\$ 2,210,000	\$ 2,210,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	\$ 658,940,087	\$ 158,057,319	\$ 500,882,768	\$ 41,864,921	\$ 25,615,382	\$ 52,498,382	\$ 65,854,842	\$ 108,860,945	\$ 206,188,298	\$ 500,882,768

Tranche #	Funding requirements
Tranche 2	\$ 41,864,921
Tranche 3	\$ 25,615,382
Tranche 3	\$ 78,125,803
Tranche 4	\$ 149,088,366
Future Revenue Stream	\$ 95,963,903
Future Revenue Stream	\$ 110,224,395



MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 13, 2018

SUBJECT: **SANITATION FEE ADJUSTMENT**

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 13, 2018

SUBJECT: **DISCUSSION TO REVIEW STATUS, ISSUES, AND PLANS RELATED TO THE
INDIAN CREEK DRIVE FLOODING MITIGATION**

ANALYSIS:

Discussion at Committee.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 13, 2018

SUBJECT: **DISCUSSION TO CONSIDER SPONSORING A COMMUNITY YOUTH CYBER BEHAVIOR AND SAFETY PROGRAM**

HISTORY:

At the May 16, 2018 Commission meeting, a referral was made to the Finance and Citywide Finance Committee to consider sponsoring a community youth cyber behavior and safety program.

ANALYSIS:

Per conversation with Miami Dade County Public Schools, school guidance counselors utilize a Common Sense Education Digital Citizenship program in grades K-12. Schools may earn the Digital Citizenship School Certification. Currently, Miami Beach Senior High has earned the Digital Citizenship School Certification. The other Miami Beach public schools have not earned or pursued this certificate.

Additionally, Miami Beach police assigned to Miami Beach public schools in the 2018-19 school year have requested from Miami Dade County Public Schools to utilize the Federal Trade Commission (FTC) material "Talking to Kids About Being Online" (see attached).

The City may also consider expanding its partnership with the Anti-Defamation League (ADL) to provide a CyberALLY program to middle and high school students to help students better understand the problem of cyberbullying and how to respond when they experience it or see it happen to others. A three (3) hour session for up to 30 students is approximately \$1,500 per session. The ADL also provides a cyberbullying program for middle and high school educators entitled Trickery, Trolling and Threats: Understanding and Addressing Cyberbullying. This program increases educators' awareness about the unique features and impact of cyberbullying, and provides strategies for educators to respond effectively to foster an increased culture of e-safety. A three (3) hour session for up to 30 educators is approximately \$1,500 per session.

CONCLUSION:

Staff is seeking direction on preferred approach to the request based on MDCPS program availability, Miami Beach police department planned in-school activities, and ADL Cyberbullying program options.

The City Anti-Defamation League (ADL) CyberALLY program for middle and high school students and Trickery, Trolling and Threats: Understanding and Addressing Cyberbullying for teachers will cost approximately \$21,000.

If recommended by the Committee, this enhancement will be considered as part of the FY 18/19 budget development process.

ATTACHMENTS:

Description	Type
▣ K-2 Pacing Guide	Other
▣ K-2 DC	Other
▣ 3-5 DC	Other
▣ 3-5 PG	Other
▣ 6-8 PG	Other
▣ 6-8 DC	Other
▣ 9-12 PC	Other
▣ DC Overall Program	Other
▣ Cyber Safety Sample Provider	Other
▣ PD Material	Other
▣ PD Material - Consequences	Other
▣ PD Material - Infographic	Other
▣ PD Material - Protection	Other
▣ PD Material - Talking	Other
▣ ADL Proposal 2018-19	Memo

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades K-2 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 1(A)				Pacing
Lesson Title: Going Places Safely Value(s) Aligned: Responsibility				August 21- October 26, 2017 September 4, 2017 -Legal Holiday September 21, 2017 -Teacher Planning Day September 28- Secondary Early Release October 2- Teacher Planning Day (No Opt) October 27- Teacher Planning Day (No Opt)
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Science- SC.K.L.14 SC.K2.CS-CC.1.3 Social Studies- SS.K.G.2.1 Visual Arts- VA.K.0	<i>How do I go places on the computer?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Discover that the Internet can be used to visit far-away places and learn new things. Compare how staying safe online is similar to staying safe in the real world. Explain rules for traveling safely on the Internet. 	Domain(s): Academic Development and Social/Emotional Development Mindset Standards: 2, 5, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 3, 4, 5, 9 Self-Management Skills: 1, 3, 9, 10 Social Skills: 3, 5, 9 Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.	<i>Estimated Lesson Time: 45 minutes</i> Suggested Grade-Level: Kindergarten Materials and Preparation: <ul style="list-style-type: none"> Crayons or markers Copy the My Favorite Place Handout, one for each student. Preview the video "My Online Neighborhood," and prepare to show students. Preview the websites Destination Modern Art (www.moma.org/interactives/destination) and The San Diego Zoo (http://kids.sandiegozoo.org) and prepare to guide students through one of them. Family Resources: <ul style="list-style-type: none"> Send home and post the Talking Safely Online Family Tip Sheet on school website. (Spanish Version)

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades K-2 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 1(B)				Pacing
Lesson Title: Staying Safe Online				August 21-October 26, 2017 September 4, 2017 -Legal Holiday September 21, 2017 -Teacher Planning Day September 28- Secondary Early Release October 2- Teacher Planning Day (No Opt) October 27- Teacher Planning Day (No Opt)
Value(s) Aligned: Cooperation and Responsibility				Common Sense Media Additional Resources and MDCPS Suggestions
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	
Language Arts- LAFS.2.SL.1 LAFS.2.SL.2 Science- SC.K2.CS-CC.1.3 Visual Arts- VA.2.F.3	<i>How do you stay safe when you visit websites?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Understand that being safe when they visit websites is similar to staying safe in real life. Learn to recognize websites that are good for them to visit. Recognize if they should ask an adult they trust before they visit a particular website. 	Domain(s): Academic Development and Social/Emotional Development Mindset Standards: 1, 2, 3, 5, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 6, 8, 9 Self-Management Skills: 1, 2, 7, 9, 10 Social Skills: 1, 2, 3, 5, 6, 8, 9 <i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</i>	<i>Estimated Lesson Time: 45 minutes</i> Suggested Grade-Level: 2 nd Grade Materials and Preparation: <ul style="list-style-type: none"> Whiteboard A long piece of string or tape Red, yellow, and green markers or crayons Copy the Website Traffic Light Student Handout, for each student. Family Resources: <ul style="list-style-type: none"> Send home and post Talking Safely Online Family Tip Sheet on school website. Spanish Version

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades K-2 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 1(C)				Pacing
Lesson Title: Follow the Digital Trail				August 21-October 26, 2017 September 4, 2017 -Legal Holiday September 21, 2017 -Teacher Planning Day September 28- Secondary Early Release October 2- Teacher Planning Day (No Opt) October 27- Teacher Planning Day (No Opt)
Value(s) Aligned: Respect and Responsibility				Common Sense Media Additional Resources And MDCPS Suggestions
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	
Language Arts- LAFS.2.RI.1.1 LAFS.2.SL.1.1 Science- SC.K2.CS-PC.4.1	<i>What information is appropriate in a digital footprint?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Learn that the information they put online leaves a digital footprint or "trail." Explore what information is appropriate to be put online. Judge the nature of different types of digital footprints by following the information trails of two fictional animals. 	Domain(s): Academic Development, Career Development, and Social/Emotional Development Mindset Standards: 1, 2, 3, 5, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 4, 6, 8, 9 Self-Management Skills: 1, 2, 9, 10 Social Skills: 1, 2, 3, 5, 6, 8, 9 Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.	Estimated Lesson Time: 45 minutes Suggested Grade-Level: 2 nd Grade Materials and Preparation: <ul style="list-style-type: none"> Preview the video "Follow the Digital Footprint," and prepare to show it to students. Cut apart the Digital Trail Squares (found at the end of the lesson plan), keeping the elephant and mouse squares separate. Be prepared to lay out each animal's "tracks" in different locations in the classroom after the lesson introduction. Copy the Animal tracks Student Handout, one for each group of four. Family Resources: <ul style="list-style-type: none"> Send home and post the Privacy and Digital Footprints Family Tip Sheet on school website. (Spanish Version).

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades K-2 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 1(D)				Pacing
Lesson Title: Powerful Passwords				August 21-October 26, 2017 September 4, 2017 -Legal Holiday September 21, 2017 -Teacher Planning Day September 28- Secondary Early Release October 2- Teacher Planning Day (No Opt) October 27- Teacher Planning Day (No Opt)
Value(s) Aligned: Responsibility				Common Sense Media Additional Resources and Suggestions
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	
Health- HE.1.B.5.3 Science- SC.K2.CS-PC.1.4	How do you create a secure password?	<i>Students will be able to...</i> <ul style="list-style-type: none"> Understand the functions of passwords. Identify strategies for creating and protecting secure passwords. Create their own secure passwords using the lesson guidelines. 	<u>Domain(s):</u> Academic Development <u>Mindset Standards:</u> 1, 2, 3, 6 <u>Behavior Standards:</u> <ul style="list-style-type: none"> Learning Strategies: 1, 2, 6, 8 Self-Management Skills: 1, 3, 9, 10 Social Skills: 1, 2, 5, 6, 8, 9 <i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</i>	Estimated Lesson Time: 45 minutes Suggested Grade-Level: 1 st Grade <u>Materials and Preparation:</u> <ul style="list-style-type: none"> Copy DOs and DON'Ts of Powerful Passwords Student Handout, one for every four students. Whiteboard Index cards or strips of paper, four per student. Review online password generator Dinopass. <u>Family Resources:</u> <ul style="list-style-type: none"> Send home and post the Online Security Family Tip sheet on school website. (Spanish Version)

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades K-2 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 1(E)				Pacing
Lesson Title: Keep It Private				August 21-October 26, 2017 September 4, 2017 -Legal Holiday September 21, 2017 -Teacher Planning Day September 28- Secondary Early Release October 2- Teacher Planning Day (No Opt) October 27- Teacher Planning Day (No Opt)
Value(s) Aligned: Responsibility				Common Sense Media Additional Resources and MDCPS Suggestions
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Health- HE.2.B.5.3 Science- SC.K2.CS-PC.1.3 SC.K2.CS-PC.4.1	<i>What kinds of information should I keep to myself when I use the Internet?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Recognize the kind of information that is private. Understand that they should never give out private information on the Internet. Learn to create effective usernames that protect their private information. 	Domain(s): Academic Development and Social/Emotional Development Mindset Standards: 1, 2, 5, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 5, 6, 8, 9 Self-Management Skills: 1, 2, 3, 9, 10 Social Skills: 1, 3, 5, 8, 9 <i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</i>	<i>Estimated Lesson Time: 45 minutes</i> Suggested Grade-Level: 2 nd Grade Materials and Preparation: <ul style="list-style-type: none"> Prepare to show students an example of an online form, like the checkout page on a site like Amazon (www.amazon.com). Preview websites Scholastic's The Stacks (www.scholastic.com/kids/stacks) and LEGO (www.lego.com) and prepare to show them to students. Index cards or strips of paper, four per student. Family Resources: <ul style="list-style-type: none"> Send home and post the Online Security Family Tip sheet on school website. (Spanish Version)
				Pacing

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades K-2 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 2(A)

Lesson Title: A-B-C Searching

Value(s) Aligned: Citizenship and Pursuit of Excellence

October 30, 2017- January 18, 2018

November 10-Legal Holiday
November 22-Teacher Planning Day
November 23- Legal Holiday
November 24-Recess Day
December 25, 2017-January 5, 2018-Recess Days
January 15-Legal Holiday
January 19-Teacher Planning Day

Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.K.SL.1.3 LAFS.K.W.3.8 Science- SC.K2.CS-CC.1.2	<i>How can you use the alphabet to find things online?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Learn how to search online by using the alphabet. Understand how to search for a specified letter of the alphabet on a children's directory site. Apply the results of their alphabet search to create a picture dictionary. 	<p>Domain(s): Academic Development</p> <p>Mindset Standards: 1, 5, 6</p> <p>Behavior Standards:</p> <ul style="list-style-type: none"> Learning Strategies: 1, 3, 4, 5 Self-Management Skills: 1, 2, 3, 10 Social Skills: 1, 5 <p>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</p>	<p>Estimated Lesson Time: 45 minutes</p> <p>Suggested Grade-Level: Kindergarten</p> <p>Materials and Preparation:</p> <ul style="list-style-type: none"> Copy the Our Picture Dictionary Student Handout, one for each student. (Alternatively, students can use blank paper.) Review the websites Enchanted Learning (www.enchantedlearning.com/coloring) and NASA Picture Dictionary (www.nasa.gov/audience/forstudents/k-4/dictionary), and chose one to use throughout the lesson. Picture dictionary book, paper, crayons or markers, scissors and paste Optional: Report cover or hole punch and binder <p>Family Resources:</p> <ul style="list-style-type: none"> Send home and post the Smart Searching Family Tip Sheet on school website. (Spanish Version)

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades K-2 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 2(B)				Pacing
Lesson Title: Sites I Like Value(s) Aligned: Pursuit of Excellence				October 30, 2017- January 18, 2018 November 10-Legal Holiday November 22-Teacher Planning Day November 23- Legal Holiday November 24-Recess Day December 25, 2017-January 5, 2018-Recess Days January 15-Legal Holiday January 19-Teacher Planning Day
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.2.RL.3 Science- SC.K2.CS-CC.1.2 SC.K2.CS-PC.2.2	<i>What makes a website the right site for me?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Identify and explore different features of an informational website. Understand that not everyone will rate a website the same way. Evaluate whether they like or dislike features of a site. 	Domain(s): Academic Development Mindset Standards: 1, 5, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 5, 6, 9 Self-Management Skills: 1, 3, 10 Social Skills: 1,5 <i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</i>	<i>Estimated Lesson Time: 45 minutes</i> Suggested Grade-Level: 2 nd Grade Materials and Preparation: <ul style="list-style-type: none"> Copy the Rate My Site Student Handout, one for each student. Preview the websites listed below: <ul style="list-style-type: none"> -Census in Schools: www.census.gov/schools/census_for_kids -Clifford the Big Red Dog: www.pbsskids.org/clifford -Color with Leo: www.colorwithleo.com -Curious George: www.pbsskids.org/curiousgeorge -Molecularium: www.molecularium.com/kidsite.html -Starfall: www.starfall.com -Seussville: www.seussville.com -U.S. Mint for Kids: www.usmint.gov/kids Family Resources: <ul style="list-style-type: none"> Send home and post the Evaluating Websites Family Tip Sheet on school website. (Spanish Version)
Year-At-A-Glance Lesson Number: 2(C)				Pacing

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades K-2 Digital Citizenship Curriculum

Lesson Title: Things for Sale

Value(s) Aligned: Pursuit of Excellence

October 30, 2017- January 18, 2018

November 10-Legal Holiday
November 22-Teacher Planning Day
November 23- Legal Holiday
November 24-Recess Day
December 25, 2017-January 5, 2018-Recess Days
January 15-Legal Holiday
January 19-Teacher Planning Day

Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Social Studies- SS.2.E.1.1 SS.2.E.1.2 Science- SC.K2.CS-CC.1.2	<i>How do some websites try to get you to buy things?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Understand that the main purpose of product sites is to encourage viewers to buy the product. Recognize how a site's fun and interesting features help sell the product. Create their own product site home pages with features designed to sell their products. 	<p>Domain(s): Academic Development and Social/Emotional Development</p> <p>Mindset Standards: 1, 5, 6</p> <p>Behavior Standards:</p> <ul style="list-style-type: none"> Learning Strategies: 2, 4, 5, 6 Self-Management Skills: 3, 10 Social Skills: 1 <p>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</p>	<p>Estimated Lesson Time: 45 minutes</p> <p>Suggested Grade-Level: 2nd Grade</p> <p>Materials and Preparation:</p> <ul style="list-style-type: none"> Crayons, markers, or colored pencils Copy the My Product Website Student Handout, one for every student. (Or provide paper students with blank paper) Preview the websites www.crayola.com and www.webkinz.com, and be prepared to guide students through the steps in the lesson. (Keep in mind that the sites listed include advertising content. Common Sense Media chose these sites to illustrate the point that sites for kids often include advertising, and to help students recognize advertising content. Common Sense Media does not endorse or promote the products sold on these sites.) <p>Family Resources:</p> <ul style="list-style-type: none"> Send home and post the Evaluating Websites Family Tip Sheet on school website. (Spanish Version)
Year-At-A-Glance Lesson Number: 2(D)				Pacing

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades K-2 Digital Citizenship Curriculum

Lesson Title: My Creative Work

Value(s) Aligned: Citizenship

October 30, 2017- January 18, 2018

November 10-Legal Holiday
November 22-Teacher Planning Day
November 23- Legal Holiday
November 24-Recess Day
December 25, 2017-January 5, 2018-Recess Days
January 15-Legal Holiday
January 19-Teacher Planning Day

Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.2.W.2.6 LAFS.2.W.3.8 Science- SC.K2.CS-CC.1.2	<i>How can you give credit to your own creative work?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Define the Key Vocabulary term credit. List some reasons why credit is important for an artist. Give themselves proper credit on their own work. 	<p>Domains: Academic Development, Career Development, and Social/Emotional Development</p> <p>Mindset Standards: 1, 2, 5, 6</p> <p>Behavior Standards:</p> <ul style="list-style-type: none"> Learning Strategies: 1, 6, 8 Self-Management Skills: 1, 3, 10 Social Skills: 1, 2, 5, 6, 9 <p><i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</i></p>	<p>Estimated Lesson Time: 45 minutes</p> <p>Suggested Grade-Level: 2nd Grade</p> <p>Materials and Preparation:</p> <ul style="list-style-type: none"> Prepare a fictitious time capsule with a container (e.g., a showbox) containing a few doodles or simplistic sketches that do not have names associated with them. You may want to provide hints in the sketches showing that you are the artist. Copy the Time Capsule Self-Portrait Student Handout, one for every two students, and then cut the handouts in half. Optional: Preview the free online drawing tool picassohead (www.picassohead.com). Optional: Print your template for crediting work on address labels. <p>Family Resources:</p> <ul style="list-style-type: none"> Send home and post the Evaluating Websites Family Tip Sheet on school website. (Spanish Version)

Year-At-A-Glance Lesson Number: 3(A)

Pacing

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades K-2 Digital Citizenship Curriculum

Lesson Title: Screen Out the Mean Value(s) Aligned: Kindness				January 22, – March 22, 2018 February 15- Secondary Early Release February 19- Legal Holiday March 23-Teacher Planning Day
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Science- SC.1.N.1.4 SC.K2.CS-PC.1.3 SC.K2.CS-CC.3.1 Social Studies- SS.1.C.2.4	<i>What can you do when someone is mean to you?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Analyze online behaviors that could be considered cyberbullying. Explain how to deal with cyberbullying situation. Recognize the importance of engaging a trusted adult when they experience cyberbullying. 	Domain(s): Academic Development and Social/Emotional Development Mindset Standards: 1, 2, 3, 5, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 6, 8, 9 Self-Management Skills: 1, 2, 3, 4, 7, 9, 10 Social Skills: 1, 2, 4, 5, 6, 8, 9 Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.	Estimated Lesson Time: 45 minutes Suggested Grade-Level: 1 st Grade Materials and Preparation: <ul style="list-style-type: none"> Copy the STOP Cyberbullying Student Handout, one for each student. Preview the following scenario and be prepared to present it to the class. <ul style="list-style-type: none"> Jada's parents let her play on a website where she can take care of a pet pony and decorate its stall. Her friend Michael has played with her in the past and knows her user name and password. One day Jada goes to the site to care for her pony. She finds that her pony's stall is a mess and that there are some things missing. Family Resources: <ul style="list-style-type: none"> Send home and post the Cyberbullying Family Tip Sheet on school website. (Spanish Version)
Year-At-A-Glance Lesson Number: 3(B)				Pacing

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades K-2 Digital Citizenship Curriculum

Lesson Title: Show Respect Online

Value(s) Aligned: Fairness and Kindness

January 22, – March 22, 2018

February 15- Secondary Early Release

February 19- Legal Holiday

March 23-Teacher Planning Day

Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.1.L.1.1 LAFS.1.W.2.6 Science- SC.K2.CS-CC.1.3	<i>How can I make sure my online messages are clear and respectful?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Understand how show respect in social situations. Recognize the importance of tone in both face-to-face and online communications. Learn rules for writing clear and respectful emails by editing an email message. 	<p>Domain(s): Academic Development and Social/Emotional Development</p> <p>Mindset Standards: 1, 2, 3, 5, 6</p> <p>Behavior Standards:</p> <ul style="list-style-type: none"> Learning Strategies: 1, 6, 8, 9 Self-Management Skills: 1, 2, 3, 4, 7, 9, 10 Social Skills: 1, 2, 4, 5, 6, 8, 9 <p><i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</i></p>	<p><i>Estimated Lesson Time: 45 minutes</i></p> <p>Suggested Grade-Level: 1st Grade</p> <p>Materials and Preparation:</p> <ul style="list-style-type: none"> Preview the video, "Mindful Messaging," and prepare to show it to students. Copy the Email Edit Student Handout, one for each student. <p>Family Resources:</p> <ul style="list-style-type: none"> Send home and post the Effective Email Communication Family Tip Sheet on school website. (Spanish Version)

Year-At-A-Glance Lesson Number: 3(C)

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Pacing

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades K-2 Digital Citizenship Curriculum

Lesson Title: Using Keywords Value(s) Aligned: Fairness and Kindness				January 22, – March 22, 2018 February 15- Secondary Early Release February 19- Legal Holiday March 23-Teacher Planning Day
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources And MDCPS Suggestions
Language Arts- LAFS.2.W.3 Science- SC.K2.CS-CC.1.2	<i>What are keywords, and how do you choose them and use them?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Understand the function of keywords and keyword searches. Learn step-by-step procedure for selecting suitable keywords. Apply their chosen keywords to find the information they are looking for on the Internet. 	Domain(s): Academic Development Mindset Standards: 2, 3, 5, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 5, 6, 8, 9 Self-Management Skills: 1, 3, 6, 10 Social Skills: 1, 2, 6, 9 <i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</i>	Estimated Lesson Time: 45 minutes Suggested Grade-Level: 2 nd Grade Materials and Preparation: <ul style="list-style-type: none"> Paper and pencils Copy the Choose Your Keywords Student Handout, one for every two students, or review the handout and be prepared to guide your students through the steps. Review the search sites listed below and select the one you want to use. <ul style="list-style-type: none"> Kid Rex: www.kidrex.org KOLjr: http://us.search.kol.com/ Google SafeSearch for Kids: www.safesearchkids.com/google-for-kids.html Family Resources: <ul style="list-style-type: none"> Send home and post the Smart Searching Family Tip Sheet on school website. (Spanish Version)
Year-At-A-Glance Lesson Number: 4(A)				Pacing

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades K-2 Digital Citizenship Curriculum

Lesson Title: My Online Community

Value(s) Aligned: Honesty and Integrity

April 2, - June 7, 2018

March 26 – 30 Recess Days
April 19- Secondary Early Release
April 20- Teacher Planning Day
May 17- Secondary Early Release
May 28 – Legal Holiday
June 8 – Teacher Planning Day

Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources And MDCPS Suggestions
Social Studies- SS.K.G.1.1 SS.K.G.1.2 SS.K.G.2.1 Science- SC.K2.CS-CC.1.1 SC.K2.CS-CC.1.3	<i>How does the Internet connect you to others?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Consider what it means to go online and use Internet. Compare and contrast how they are connected to different people and places, in person and on the Internet. Demonstrate an understanding of how people can connect on the Internet by drawing a map of their online community. 	<p>Domain(s): Academic Development, Career Development, and Social/Emotional Development</p> <p>Mindset Standards: 1, 2, 3, 4, 5, 6</p> <p>Behavior Standards:</p> <ul style="list-style-type: none"> Learning Strategies: 1, 2, 6, 8, 9 Self-Management Skills: 1, 3, 9, 10 Social Skills: 1, 2, 3, 5, 6, 7, 9 <p><i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</i></p>	<p>Estimated Lesson Time: 45 minutes</p> <p>Suggested Grade-Level: Kindergarten</p> <p>Materials and Preparation:</p> <ul style="list-style-type: none"> Preview the video "What Is the Internet?" and prepare to show it to students. Copy the Online Community Map Student Handout, one for each student. Scratch paper and pencils, crayons, or markers <p>Family Resources:</p> <ul style="list-style-type: none"> Send home and post the Digital Life Family Tip Sheet on school website. (Spanish Version) Post the link to the PBS Kids Webonauts Internet Academy, which families can play together.

Year-At-A-Glance Lesson Number: 4(B)

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Pacing

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades K-2 Digital Citizenship Curriculum

Lesson Title: Writing Good Emails

Value(s) Aligned: Honesty and Integrity

April 2, - June 7, 2018

March 26 – 30 Recess Days
April 19- Secondary Early Release
April 20- Teacher Planning Day
May 17- Secondary Early Release
May 28 – Legal Holiday
June 8 – Teacher Planning Day

Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.1.L.1.1 LAFS.1.L.1.2 Science- SC.K2.CS-CC.1.1	<i>How is writing an email similar to or different from writing a letter?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Identify the five main parts of letter/email writing. Compare and contrast the format of letter writing to that of writing emails. Proofread a draft of an email. 	<p>Domain(s): Academic Development, Career Development, and Social/Emotional Development</p> <p>Mindset Standards: 1, 4, 5, 6</p> <p>Behavior Standards:</p> <ul style="list-style-type: none"> Learning Strategies: 1, 4, 5, 9 Self-Management Skills: 1, 2, 3, 9, 10 Social Skills: 1, 2, 9 <p><i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</i></p>	<p><i>Estimated Lesson Time: 45 minutes</i></p> <p>Suggested Grade-Level: 1st Grade</p> <p>Materials and Preparation:</p> <ul style="list-style-type: none"> Whiteboard Optional: Preview the Venn diagram tool at ClassTools.net (prepare to project it for students to see). Copy the You've Got Mail Student Handout, one for each student. Review the You've Got Mail Student Handout – Teacher Version. Preview PBS Kids's Arthur's Letter Writer Helper: Email (www.pbskids.org/arthur/games/letterwriter/email.html). <p>Family Resources:</p> <ul style="list-style-type: none"> Send home and post the Effective Email Communication Family Tip Sheet on school website. (Spanish Version)

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades K-2 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 4(C)

Lesson Title: Sending Email

Value(s) Aligned: Honesty and Integrity

Pacing

April 2, - June 7, 2018

March 26 – 30 Recess Days
April 19- Secondary Early Release
April 20- Teacher Planning Day
May 17- Secondary Early Release
May 28 – Legal Holiday
June 8 – Teacher Planning Day

Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.2.W.1.2 LAFS.2.W.1.3 LAFS.2.SL.2.4 Science- SC.K2.CS-CC.1.1 SC.K2.CS-CC.1.3	<i>How do you connect with others through email?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Understand that the Internet provides a means of communicating with real people. Describe how email messages are sent and received. Demonstrate an appreciation of how real people send messages to one another on the Internet through a role-playing activity. 	<p><u>Domain(s):</u> Academic Development, Career Development, and Social/Emotional Development</p> <p><u>Mindset Standards:</u> 1, 4, 5, 6</p> <p><u>Behavior Standards:</u></p> <ul style="list-style-type: none"> Learning Strategies: 1, 4, 5, 9 Self-Management Skills: 1, 2, 3, 9, 10 Social Skills: 1, 2, 6, 9 <p><i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</i></p>	<p><i>Estimated Lesson Time: 45 minutes</i></p> <p><u>Suggested Grade-Level:</u> 2nd Grade</p> <p><u>Materials and Preparation:</u></p> <ul style="list-style-type: none"> Copy the Emails in Print Student Handout, one for every two students, or conduct a brief email exchange with another teacher at school and print out a string of at least three messages to show to students. Paper, blank labels or nametags, and markers or crayons Access to school email network <p><u>Family Resources:</u></p> <ul style="list-style-type: none"> Send home and post the Digital Life Family Tip Sheet on school website. (Spanish Version)

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades K-2 Digital Citizenship Curriculum

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Alignment of ASCA Domains, Mindsets and Behavior Standards

ASCA Domains

The ASCA Mindsets and Behaviors are organized in three broad domains: academic, career and social/emotional development. These domains promote mindsets and behaviors that enhance the learning process and create a culture of college and career readiness for all students.

The definitions of each domain are as follows:

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades K-2 Digital Citizenship Curriculum

Academic Development	Standards guiding school counseling programs to implement strategies and activities to support and maximize each student's ability to learn.
Career Development	Standards guiding school counseling programs to help students 1) understand the connection between school and the world of work and 2) plan for and make successful transition from school to postsecondary education and/ or the world of work and from job to job across the life span.
Social/Emotional Development	Standards guiding school counseling programs to help students manage emotions and learn and apply interpersonal skills.

Category 1: Mindset Standards

School counselors encourage the following mindsets for all students.

Mindset Standards are as follows:

1. Belief in development of whole self, including a health balance of mental, social/emotional and physical well-being.
2. Self-confidence in ability to succeed.
3. Sense of belonging in the school environment.
4. Understanding that postsecondary education and life-long learning are necessary for long-term career success.
5. Belief in using abilities to their fullest to achieve high quality results and outcomes.
6. Positive attitude toward work and learning.

Alignment of ASCA Domains, Mindsets and Behavior Standards

Category 2: Behavior Standards

Students will demonstrate the following standards through classroom lessons, activities and/or individual/small-group counseling.

Learning Strategies	Self-Management Skills	Social Skills
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District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades K-2 Digital Citizenship Curriculum

1. Demonstrate critical- thinking skills to make informed decisions.	1. Demonstrate ability to assume responsibility.	1. Use effective oral and written communication skills and listening skills.
2. Demonstrate creativity.	2. Demonstrate self-discipline and self-control.	2. Create positive and supportive relationships with other students.
3. Use time-management, organizational and study skills.	3. Demonstrate ability to work independently.	3. Create relationships with adults that support success.
4. Apply self-motivation and self-direction to learning.	4. Demonstrate ability to delay immediate gratification for long-term rewards.	4. Demonstrate empathy.
5. Apply media and technology skills.	5. Demonstrate perseverance to achieve long- and short-term goals.	5. Demonstrate ethical decision-making and social responsibility.
6. Set high standards of quality.	6. Demonstrate ability to overcome barriers to learning.	6. Use effective collaboration and cooperation skills.
7. Identify long- and short-term academic goals, career and social/emotional goals.	7. Demonstrate effective coping skills when faced with a problem.	7. Use leadership and teamwork skills to work effectively in diverse teams.
8. Actively engage in challenging coursework.	8. Demonstrate the ability to balance school, home and community activities.	8. Demonstrate advocacy skills and ability to assert self, when necessary.
9. Gather evidence and consider multiple perspectives to make informed decisions.	9. Demonstrate personal safety skills.	9. Demonstrate social maturity and behaviors appropriate to the situation and environment.
10. Participate in enrichment and extracurricular activities.	10. Demonstrate ability to manage transitions and ability to adapt to changing situations and responsibilities.	

YEAR-AT-A-GLANCE

Common Sense Grades K-2 Digital Citizenship Curriculum			
1 st Nine Weeks	2 nd Nine Weeks	3 rd Nine Weeks	4 th Nine Weeks
<p>Featured Values: Cooperation, Respect, Responsibility</p> <p>1(A). Going Places Safely <u>Lesson Description:</u> Students learn that they can go to exciting places online, but they need to follow certain rules. (Value Aligned: Responsibility)</p> <p>1(B). Staying Safe Online <u>Lesson Description:</u> Students understand that they should stay safe online by, choosing websites that are good for them to visit, and avoid sites that are not appropriate for them. (Values Aligned: Cooperation and Responsibility)</p> <p>1(C). Follow the Digital Trail <u>Lesson Description:</u> Students learn that the information they put online leaves a digital footprint or "trail." This trail can be big or small, helpful, or hurtful, depending on how they manage it. (Values Aligned: Respect and Responsibility)</p> <p>1(D). Powerful Passwords <u>Lesson Description:</u> Students explore reasons why people use passwords, learn the benefits of using passwords, and discover strategies for creating and keeping strong, secure passwords. (Value Aligned: Responsibility)</p> <p>1(E). Keep It Private <u>Lesson Description:</u> Students learn that many websites ask for information that is private and discuss how to responsibly handle such requests. (Value Aligned: Responsibility)</p>	<p>Featured Values: Citizenship, Pursuit of Excellence</p> <p>2(A). A-B-C Searching <u>Lesson Description:</u> Students search for pictures online by clicking on letters of the alphabet. They learn that directory sites with alphabetical listings offer one way to find things on the Internet. (Values Aligned: Citizenship and Pursuit of Excellence)</p> <p>2(B). Sites I like <u>Lesson Description:</u> Students discuss criteria for rating information websites and apply them to an assigned site. Students learn that all websites are not equally good sources of information. (Value Aligned: Pursuit of Excellence)</p> <p>2(C). Things for Sale <u>Lesson Description:</u> Students examine product websites and understand that the purpose of the site is to encourage buying the product. Students learn methods used to promote products on these sites. (Value Aligned: Pursuit of Excellence)</p> <p>2(D). My Creative Work <u>Lesson Description:</u> Students are introduced to the concept of having ownership over creative work. They practice putting their name and date on something they produce. (Value Aligned: Citizenship)</p>	<p>Featured Values: Fairness, Kindness</p> <p>3(A). Screen Out the Mean <u>Lesson Description:</u> Students learn that children sometimes act like bullies when they are online. They explore what cyberbullying means and what they can do when they encounter it. (Value Aligned: Kindness)</p> <p>3(B). Show Respect Online <u>Lesson Description:</u> Students explore the similarities and differences between in-person and online communications, and then learn how to write clear and respectful messages. (Values Aligned: Fairness and Kindness)</p> <p>3(C). Using Keywords <u>Lesson Description:</u> Students understand that keywords searching is an effective way to locate information on the Internet. They learn how to select keywords to produce the best search results. (Values Aligned: Fairness and Kindness)</p>	<p>Featured Values: Honesty, Integrity</p> <p>4(A). My Online Community <u>Lesson Description:</u> Students explore the concept that people can connect with one another through the Internet. They understand how the ability for people to communicate online can unite a community. (Values Aligned: Honesty and Integrity)</p> <p>4(B). Writing Good Emails <u>Lesson Description:</u> Students learn how to communicate effectively by email, taking into account the purpose and audience of their message, and the tone they want to convey. (Values Aligned: Honesty and Integrity)</p> <p>4(C). Sending Email <u>Lesson Description:</u> Students explore how they can use email to communicate with real people within their schools, families, and communities. (Values Aligned: Honesty and Integrity)</p>

YEAR-AT-A-GLANCE

Common Sense Grades K-2 Digital Citizenship Curriculum

Digital Citizenship Student Instruction Required for School Certification

How much digital citizenship instructional time is required?

You have two options to meet the **MINIMUM** number of instructional hours and grades taught. Using [Common Sense digital citizenship resources](#),

- 1) In two grade levels, teach three hours, 45 minutes of digital citizenship instruction, OR
- 2) In three grade levels, teach 2 hours, 15 minutes of digital citizenship instruction.

Note that these are the minimum requirements for both the number of grades taught and the instructional hours. In order to have the biggest impact on the most students, we encourage schools to do more. For example, in a K-5 school, they could teach digital citizenship for a total of three hours, 45 minutes in all six grade levels, which is the equivalent to five lessons from our K-12 Digital Citizenship Curriculum.

You can use any combination of the below Common Sense digital citizenship resources to provide the instruction:

- **K-12 Digital Citizenship Curriculum**
- **Digital Passport**
- **Digital Compass**
- **Digital Bytes**

Follow the appropriate table below in order to understand how many lessons (or modules, story lines, or bytes — depending on the resource) are equivalent to the instructional hours required to meet the criteria.

Two Grade Levels

Resources

K-12 Curriculum	Minimum hours of instruction: 3 hours, 45 minutes	Equivalent number of lessons: 5 lessons
Digital Passport	Minimum hours of instruction: 3 hours, 45 minutes	Equivalent number of modules: 5 modules
Digital Compass	Minimum hours of instruction: 3 hours, 45 minutes	Equivalent number of story lines: 5 story lines
Digital Bytes	Minimum hours of instruction: 3 hours, 45 minutes	Equivalent number of bytes: 2 “bytes”

Three Grade Levels

Resources

K-12 Curriculum	Minimum hours of instruction: 2 hours, 15 minutes	Equivalent number of lessons: 3 lessons
Digital Passport	Minimum hours of instruction: 2 hours, 15 minutes	Equivalent number of modules: 3 modules
Digital Compass	Minimum hours of instruction: 2 hours, 15 minutes	Equivalent number of story lines: 3 story lines
Digital Bytes	Minimum hours of instruction: 2 hours, 15 minutes	Equivalent number of bytes: 1 “bytes”

YEAR-AT-A-GLANCE

Common Sense Grades K-2 Digital Citizenship Curriculum

Certified School Checklist

Use this checklist to help your school meet the requirements to become a Common Sense Digital Citizenship

PLAN

- ☐ Identify a project lead for the school.
- ☐ Register on [Common Sense Education](#) to get familiar with the digital citizenship resources.
- ☐ Form a project team with key stakeholders (teachers, students, parents/caregivers, administrators), if appropriate.
- ☐ Create your school's digital citizenship vision.
- ☐ Determine how, when, and who will provide digital citizenship instruction to students. Consider the following:
 - ☐ In which grades instruction will occur (a minimum of two is required)
 - ☐ Which [Common Sense resources](#) will be used, and on which platforms (e.g., app vs. Web-based)
 - ☐ How many hours of instruction will be taught? At a minimum:
 - ☐ In two grade levels, teach three hours, 45 minutes of digital citizenship instruction, OR in three grade levels, teach 2 hours, 15 minutes of digital citizenship instruction. All students in the chosen grades must receive instruction.
 - ☐ Which teachers will be responsible for the instruction
 - ☐ When the instruction will occur
- ☐ Develop the school's parent outreach plan to engage and educate parents using the [Connecting Families Program](#) in three distinct ways.
- ☐ Once your parent outreach and student instructional plans have been finalized, input them on the [Digital Citizenship Certified School Implementation Plan](#), which you will ultimately need to submit as part of your application.

PREPARE

- ☐ Introduce [Common Sense Education](#) and what you're doing in your school to your principal, and encourage him or her to roll out a school-wide digital citizenship program.
- ☐ Request that all educators register with [Common Sense Education](#).
- ☐ Communicate your school's commitment to digital citizenship to your parent body, staff, and students.
- ☐ Share a link to [Common Sense Education](#) on your school website (or equivalent notice board if your school doesn't have a website).

IMPLEMENT

- ☐ Implement your parent outreach and student instructional plans.
- ☐ **For new applicants only**, save at least three pieces of documentation to submit with your Common Sense Certified School application.

APPLY

- ☐ Apply to become a [Digital Citizenship Certified School](#). As part of the application, you will need to submit:
 - ☐ The [Digital Citizenship Certified School Implementation Plan](#) (new applicants only).
 - ☐ The Digital Citizenship Teacher Worksheet (optional). Educators in schools applying to become Common Sense Certified do not need to submit a separate application. The Project Lead can submit the information on their behalf using the Teacher Worksheet.
 - ☐ Three pieces of documentation (new applicants only).

CELEBRATE (Optional)

- ☐ Join our Facebook community @CommonSenseEducators to connect with other educators, share best practices, and be part of a growing professional learning network!
- ☐ Display your Common Sense Certified School badge on your school website.
- ☐ Tweet using @CommonSenseEdu #digcitcertified to share your work with your followers.
- ☐ Let your local press know of your Common Sense Certified School status.

YEAR-AT-A-GLANCE

Common Sense Grades K-2 Digital Citizenship Curriculum

Parent Out Reach

What are some ways to engage parents?

Schools are required to take a whole-community approach to digital citizenship by communicating with families about and educating them on digital citizenship. You must do this in three distinct ways.

One of these efforts must be the distribution of at least one Common Sense [Family Tip Sheet](#) or the [Family Media Agreement](#) to all parents/caregivers.

You must also implement two additional efforts. Examples include but are not limited to:

- Hosting a school-wide parent education evening with a [teen panel](#) with materials, ideas, and best practices from the [Connecting Families program](#).
- Training Title 1 coordinators and/or PTA/PTO leaders to facilitate ongoing family engagement activities, such as [informal discussion groups](#) using [Connecting Families resources](#).
- Publishing an article about the importance of digital citizenship in the school newsletter.
- Posting a link to [Common Sense Media](#) on the school website.
- Embedding the Common Sense parent advice blog widget onto the school website.
- Give your parents easy access to advice on parenting in the digital age by adding our [Making Sense blog widget](#) for families to your school's site.

Application

The Digital Citizenship New School Application requires various pieces of documentation. What should I plan to submit?

- [Digital Citizenship Certified School Implementation Plan](#)
- [Digital Citizenship Teacher Worksheet](#), if applicable
- At least three of the following examples:
 - Photos of students (Media Releases Required) engaging in lessons or interactive activities in which it's clear that Common Sense resources are being used.
 - A lesson plan or course syllabus including mention of and/or links to Common Sense resources.
 - A sample of student work in which concepts learned from Common Sense resources are evident.
 - A screenshot of, or a link to, your teacher website showing a link to Common Sense and/or a description of work you're doing with students.
 - A screenshot of your Digital Passport Student Group Summary or Student Group Overview.
 - An email sent to your principal letting him or her know about your efforts around digital citizenship.
 - A screenshot of a student's Digital Compass assessment.
 - A sample from Digital Bytes.

How do I apply?

Apply to be a Common Sense Digital Citizenship Certified School [HERE](#).

YEAR-AT-A-GLANCE

Common Sense Grades K-2 Digital Citizenship Curriculum

Resources

What resources can schools use for student instruction?

- K-12 Digital Literacy and Citizenship Curriculum
<http://www.commonsensemedia.org/educators/scope-and-sequence>
- Nearpod
<http://www.nearpod.com/digitalcitizenship>
- K-12 Digital Literacy and Citizenship Curriculum available on iBooks:
<http://search.itunes.apple.com/WebObjects/MZContentLink.woa/wa/link?path=commonsensemedia>
- Digital Passport™
Web version: <http://www.digitalpassport.org>
iTunes: <https://itunes.apple.com/us/app/digital-passport-for-kids/id658593545>
Google Play: <https://play.google.com/store/apps/details?id=air.org.csm.digitalpassportparents&hl=en>
- Digital Compass
<https://www.commonsensemedia.org/educators/digital-compass>
- Digital Bytes
<http://digitalbytes.commonsensemedia.org>

What professional development resources does Common Sense Education have to help educators meet the criteria?

To fulfill Digital Citizenship School criteria, we ask that professional development be provided to staff designated for leading student instruction. The following online resources can be used:

- [Common Sense curriculum narrated tutorial](#)
- [Common Sense facilitated webinars](#)
- [Digital Passport training videos](#)
- edWeb at <http://www.edweb.net/digitalcitizenship>
- Edmodo at <https://www.edmodo.com/home#/publisher/digitalcitizenship>
- [Whats New at Common Sense Education](#)

YEAR-AT-A-GLANCE

Common Sense Grades K-2 Digital Citizenship Curriculum

Alignment of [ASCA Domains, Mindsets and Behavior Standards](#)

ASCA Domains

The ASCA Mindsets and Behaviors are organized in three broad domains: academic, career and social/emotional development. These domains promote mindsets and behaviors that enhance the learning process and create a culture of college and career readiness for all students.

The definitions of each domain are as follows:

Lessons are aligned as follows:

<u>Academic Development</u> Standards guiding school counseling programs to implement strategies and activities to support and maximize each student's ability to learn.	1(A); 1(B); 1(C); 1(D); 1(E); 2(A); 2(B); 2(C); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)
<u>Career Development</u> Standards guiding school counseling programs to help students 1) understand the connection between school and the world of work and 2) plan for and make successful transition from school to postsecondary education and/ or the world of work and from job to job across the life span.	1(C); 2(D); 4(A); 4(B); 4(C)
<u>Social/Emotional Development</u> Standards guiding school counseling programs to help students manage emotions and learn and apply interpersonal skills.	1(A); 1(B); 1(C); 1(E); 2(C); 2(D); 3(A); 3(B); 4(A); 4(B); 4(C)

Category 1: Mindset Standards

School counselors encourage the following mindsets for all students.

Mindset Standards are as follows:

Lessons are aligned as follows:

1. Belief in development of whole self, including a health balance of mental, social/emotional and physical well-being.	1(B); 1(C); 1(D); 1(E); 2(A); 2(B); 2(C); 2(D); 3(A); 3(B); 4(A); 4(B); 4(C)
2. Self-confidence in ability to succeed.	1(A); 1(B); 1(C); 1(D); 1(E); 2(D); 3(A); 3(B); 3(C); 4(A)
3. Sense of belonging in the school environment.	1(B); 1(C); 1(D); 3(A); 3(B); 3(C); 4(A)
4. Understanding that postsecondary education and life-long learning are necessary for long-term career success.	4(A); 4(B); 4(C)
5. Belief in using abilities to their fullest to achieve high quality results and outcomes.	1(A); 1(B); 1(C); 1(E); 2(A); 2(B); 2(C); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)
6. Positive attitude toward work and learning.	1(A); 1(B); 1(C); 1(D); 1(E); 2(A); 2(B); 2(C); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)

YEAR-AT-A-GLANCE

Common Sense Grades K-2 Digital Citizenship Curriculum

Alignment of [ASCA Domains, Mindsets and Behavior Standards](#)

Category 2: Behavior Standards

Students will demonstrate the following standards through classroom lessons, activities and/or individual/small-group counseling.

Learning Strategies	Lessons Aligned as follows:	Self-Management Skills	Lessons Aligned as follows:	Social Skills	Lessons Aligned as follows:
1. Demonstrate critical-thinking skills to make informed decisions.	1(A); 1(B); 1(C); 1(D); 1(E); 2(A); 2(B); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)	1. Demonstrate ability to assume responsibility.	1(A); 1(B); 1(C); 1(D); 1(E); 2(A); 2(B); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)	1. Use effective oral and written communication skills and listening skills.	1(B); 1(C); 1(D); 1(E); 2(A); 2(B); 2(C); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)
2. Demonstrate creativity.	1(D); 2(C); 4(A)	2. Demonstrate self-discipline and self-control.	1(B); 1(C); 1(E); 2(A); 3(A); 3(B); 4(B); 4(C)	2. Create positive and supportive relationships with other students.	1(B); 1(C); 1(D); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)
3. Use time-management, organizational and study skills.	1(A); 2(A); 2(C)	3. Demonstrate ability to work independently.	1(A); 1(D); 1(E); 2(A); 2(B); 2(C); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)	3. Create relationships with adults that support success.	1(A); 1(B); 1(C); 1(E); 4(A)
4. Apply self-motivation and self-direction to learning.	1(A); 1(C); 2(A); 2(C); 4(B); 4(C)	4. Demonstrate ability to delay immediate gratification for long-term rewards.	3(A); 3(B)	4. Demonstrate empathy.	3(A); 3(B)
5. Apply media and technology skills.	1(A); 1(E); 2(A); 2(B); 2(C); 3(C); 4(B); 4(C)	5. Demonstrate perseverance to achieve long- and short-term goals.		5. Demonstrate ethical decision-making and social responsibility.	1(A); 1(B); 1(C); 1(D); 1(E); 2(A); 2(B); 2(D); 3(A); 3(B); 4(A)
6. Set high standards of quality.	1(B); 1(C); 1(D); 1(E); 2(B); 2(C); 2(D); 3(A); 3(B); 3(C); 4(A);	6. Demonstrate ability to overcome barriers to learning.	3(C)	6. Use effective collaboration and cooperation skills.	1(B); 1(C); 1(D); 2(D); 3(A); 3(B); 3(C); 4(A); 4(C)
7. Identify long- and short-term academic goals, career and social/emotional goals.		7. Demonstrate effective coping skills when faced with a problem.	1(B); 3(A); 3(B)	7. Use leadership and teamwork skills to work effectively in diverse teams.	4(A)
8. Actively engage in challenging coursework.	1(B); 1(C); 1(D); 1(E); 2(D); 3(A); 3(B); 3(C); 4(A)	8. Demonstrate the ability to balance school, home and community activities.		8. Demonstrate advocacy skills and ability to assert self, when necessary.	1(B); 1(C); 1(D); 1(E); 3(A); 3(B)
9. Gather evidence and consider multiple perspectives to make informed decisions.	1(A); 1(B); 1(C); 1(E); 2(B); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)	9. Demonstrate personal safety skills.	1(A); 1(B); 1(C); 1(D); 1(E); 3(A); 3(B); 4(A); 4(B); 4(C)	9. Demonstrate social maturity and behaviors appropriate to the situation and environment.	1(A); 1(B); 1(C); 1(D); 1(E); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)
10. Participate in enrichment and extracurricular activities.		10. Demonstrate ability to manage transitions and ability to adapt to changing situations and responsibilities.	1(A); 1(B); 1(C); 1(D); 1(E); 2(A); 2(B); 2(C); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)		

YEAR-AT-A-GLANCE

Common Sense Grades 3-5 Digital Citizenship Curriculum			
1 st Nine Weeks	2 nd Nine Weeks	3 rd Nine Weeks	4 th Nine Weeks
<p>Featured Values: Cooperation, Respect, Responsibility</p> <p>1(A). Super Digital Citizen <u>Lesson Description:</u> Students explore Spider-Man's motto, "with great power comes great responsibility" through the lens of digital citizenship. They create comic strips to show a digital superhero who witnesses an act of poor digital citizenship, and then helps resolve it. (Values Aligned: Cooperation, Respect, and Responsibility)</p> <p>1(B). Digital Citizenship Pledge <u>Lesson Description:</u> Students work together to outline common expectations in order to build a strong digital citizenship community. Each member of the class signs a We the Digital Citizens Pledge. (Values Aligned: Cooperation, Respect, and Responsibility)</p> <p>1(C). Strong Passwords <u>Lesson Description:</u> Students learn how to create strong passwords in order to protect their private information and accounts online. (Value Aligned: Responsibility)</p> <p>1(D). Rings of Responsibility <u>Lesson Description:</u> Students explore what it means to be responsible and respectful of their offline and online communities as a way to learn how to be good digital citizens. (Values Aligned: Respect and Responsibility)</p> <p>1(E). Privacy Rules <u>Lesson Description:</u> Students learn that children's websites must protect their private information. They learn to identify these secure sites by looking for their privacy policies and privacy seals of approval. (Value Aligned: Responsibility)</p>	<p>Featured Values: Citizenship, Pursuit of Excellence</p> <p>2(A). Private and Personal Information <u>Lesson Description:</u> How can you protect yourself from online identity theft? Students think critically about the information they share online. (Value Aligned: Pursuit of Excellence)</p> <p>2(B). The Key to Keywords <u>Lesson Description:</u> Students learn strategies to increase the accuracy of their keyword searches and make inferences about the effectiveness of the strategies. (Value Aligned: Pursuit of Excellence)</p> <p>2(C). How to Cite a Site <u>Lesson Description:</u> Students reflect on the importance of citing all sources when they do research. They then learn how to write bibliographical citations for online resources. (Values Aligned: Citizenship and Pursuit of Excellence)</p> <p>2(D). Selling Stereotypes <u>Lesson Description:</u> Students explore how the media can play a powerful role in shaping our ideas about boys and girls. They practice identifying messages about gender roles in two online activity zones for kids. (Value Aligned: Pursuit of Excellence)</p>	<p>Featured Values: Fairness, Kindness</p> <p>3(A). The Power of Words <u>Lesson Description:</u> Students consider they may get online messages from other kids that can make them feel angry, hurt, sad, or fearful. Students identify actions that make them upstanders in the face of cyberbullying. (Values Aligned: Fairness and Kindness)</p> <p>3(B). Picture Perfect <u>Lesson Description:</u> Students learn how photos can be altered digitally. They will consider the creative upsides of photo alteration, as well as its power to distort our perceptions of beauty and health. (Values Aligned: Fairness and Kindness)</p> <p>3(C). What's Cyberbullying? <u>Lesson Description:</u> Students explore how it feels to be cyberbullied, how cyberbullying is similar to or different than in-person bullying, and learn strategies for handling cyberbullying when it arises. (Values Aligned: Fairness and Kindness)</p>	<p>Featured Values: Honesty, Integrity</p> <p>4(A). Talking Safely Online <u>Lesson Description:</u> Students learn that the Internet is a great place to develop rewarding relationships. But they also learn not to reveal private information to a person they know only online. (Value Aligned: Integrity)</p> <p>4(B). You've Won a Prize! <u>Lesson Description:</u> Students learn what spam is, the forms it takes (is it true?), and then identify strategies for dealing with it. (Value Aligned: Honesty)</p> <p>4(C). Whose is it, Anyway? <u>Lesson Description:</u> Students learn that copying the work of others and presenting it as one's own is called plagiarism. They also learn about when and how it's ok to use the work of others. (Values Aligned: Honesty and Integrity)</p>

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Common Sense Grades 3-5 Digital Citizenship Curriculum

Digital Citizenship Student Instruction Required for School Certification

How much digital citizenship instructional time is required?

You have two options to meet the **MINIMUM** number of instructional hours and grades taught. Using [Common Sense digital citizenship resources](#),

- 1) In two grade levels, teach three hours, 45 minutes of digital citizenship instruction, OR
- 2) In three grade levels, teach 2 hours, 15 minutes of digital citizenship instruction.

Note that these are the minimum requirements for both the number of grades taught and the instructional hours. In order to have the biggest impact on the most students, we encourage schools to do more. For example, in a K-5 school, they could teach digital citizenship for a total of three hours, 45 minutes in all six grade levels, which is the equivalent to five lessons from our K-12 Digital Citizenship Curriculum.

You can use any combination of the below Common Sense digital citizenship resources to provide the instruction:

- **K-12 Digital Citizenship Curriculum**
- **Digital Passport**
- **Digital Compass**
- **Digital Bytes**

Follow the appropriate table below in order to understand how many lessons (or modules, story lines, or bytes — depending on the resource) are equivalent to the instructional hours required to meet the criteria.

Two Grade Levels

Resources

K-12 Curriculum	Minimum hours of instruction: 3 hours, 45 minutes	Equivalent number of lessons: 5 lessons
Digital Passport	Minimum hours of instruction: 3 hours, 45 minutes	Equivalent number of modules: 5 modules
Digital Compass	Minimum hours of instruction: 3 hours, 45 minutes	Equivalent number of story lines: 5 story lines
Digital Bytes	Minimum hours of instruction: 3 hours, 45 minutes	Equivalent number of bytes: 2 “bytes”

Three Grade Levels

Resources

K-12 Curriculum	Minimum hours of instruction: 2 hours, 15 minutes	Equivalent number of lessons: 3 lessons
Digital Passport	Minimum hours of instruction: 2 hours, 15 minutes	Equivalent number of modules: 3 modules
Digital Compass	Minimum hours of instruction: 2 hours, 15 minutes	Equivalent number of story lines: 3 story lines
Digital Bytes	Minimum hours of instruction: 2 hours, 15 minutes	Equivalent number of bytes: 1 “bytes”

YEAR-AT-A-GLANCE

Common Sense Grades 3-5 Digital Citizenship Curriculum

Certified School Checklist

Use this checklist to help your school meet the requirements to become a Common Sense Digital Citizenship

PLAN

- ☐ Identify a project lead for the school.
- ☐ Register on [Common Sense Education](#) to get familiar with the digital citizenship resources.
- ☐ Form a project team with key stakeholders (teachers, students, parents/caregivers, administrators), if appropriate.
- ☐ Create your school's digital citizenship vision.
- ☐ Determine how, when, and who will provide digital citizenship instruction to students. Consider the following:
 - ☐ In which grades instruction will occur (a minimum of two is required)
 - ☐ Which [Common Sense resources](#) will be used, and on which platforms (e.g., app vs. Web-based)
 - ☐ How many hours of instruction will be taught? At a minimum:
 - ☐ In two grade levels, teach three hours, 45 minutes of digital citizenship instruction, OR in three grade levels, teach 2 hours, 15 minutes of digital citizenship instruction. All students in the chosen grades must receive instruction.
 - ☐ Which teachers will be responsible for the instruction
 - ☐ When the instruction will occur
- ☐ Develop the school's parent outreach plan to engage and educate parents using the [Connecting Families Program](#) in three distinct ways.
- ☐ Once your parent outreach and student instructional plans have been finalized, input them on the [Digital Citizenship Certified School Implementation Plan](#), which you will ultimately need to submit as part of your application.

PREPARE

- ☐ Introduce [Common Sense Education](#) and what you're doing in your school to your principal, and encourage him or her to roll out a school-wide digital citizenship program.
- ☐ Request that all educators register with [Common Sense Education](#).
- ☐ Communicate your school's commitment to digital citizenship to your parent body, staff, and students.
- ☐ Share a link to [Common Sense Education](#) on your school website (or equivalent notice board if your school doesn't have a website).

IMPLEMENT

- ☐ Implement your parent outreach and student instructional plans.
- ☐ **For new applicants only**, save at least three pieces of documentation to submit with your Common Sense Certified School application.

APPLY

- ☐ Apply to become a [Digital Citizenship Certified School](#). As part of the application, you will need to submit:
 - ☐ The [Digital Citizenship Certified School Implementation Plan](#) (new applicants only).
 - ☐ The Digital Citizenship Teacher Worksheet (optional). Educators in schools applying to become Common Sense Certified do not need to submit a separate application. The Project Lead can submit the information on their behalf using the Teacher Worksheet.
 - ☐ Three pieces of documentation (new applicants only).

CELEBRATE (Optional)

- ☐ Join our Facebook community @CommonSenseEducators to connect with other educators, share best practices, and be part of a growing professional learning network!
- ☐ Display your Common Sense Certified School badge on your school website.
- ☐ Tweet using @CommonSenseEdu #digcitcertified to share your work with your followers.
- ☐ Let your local press know of your Common Sense Certified School status.

YEAR-AT-A-GLANCE

Common Sense Grades 3-5 Digital Citizenship Curriculum

Parent Out Reach

What are some ways to engage parents?

Schools are required to take a whole-community approach to digital citizenship by communicating with families about and educating them on digital citizenship. You must do this in three distinct ways.

One of these efforts must be the distribution of at least one Common Sense [Family Tip Sheet](#) or the [Family Media Agreement](#) to all parents/caregivers.

You must also implement two additional efforts. Examples include but are not limited to:

- Hosting a school-wide parent education evening with a [teen panel](#) with materials, ideas, and best practices from the [Connecting Families program](#).
- Training Title 1 coordinators and/or PTA/PTO leaders to facilitate ongoing family engagement activities, such as [informal discussion groups](#) using [Connecting Families resources](#).
- Publishing an article about the importance of digital citizenship in the school newsletter.
- Posting a link to [Common Sense Media](#) on the school website.
- Embedding the Common Sense parent advice blog widget onto the school website.
- Give your parents easy access to advice on parenting in the digital age by adding our [Making Sense blog widget](#) for families to your school's site.

Application

The Digital Citizenship School Application requires various pieces of documentation. What should I plan to submit?

- [Digital Citizenship Certified School Implementation Plan](#)
- [Digital Citizenship Teacher Worksheet](#) if applicable
- At least three of the following examples:
 - Photos of students (Media Releases Required) engaging in lessons or interactive activities in which it's clear that Common Sense resources are being used.
 - A lesson plan or course syllabus including mention of and/or links to Common Sense resources.
 - A sample of student work in which concepts learned from Common Sense resources are evident.
 - A screenshot of, or a link to, your teacher website showing a link to Common Sense and/or a description of work you're doing with students.
 - A screenshot of your Digital Passport Student Group Summary or Student Group Overview.
 - An email sent to your principal letting him or her know about your efforts around digital citizenship.
 - A screenshot of a student's Digital Compass assessment.
 - A sample from Digital Bytes.

How do I apply?

Apply to be a Common Sense Digital Citizenship Certified School [HERE](#)

YEAR-AT-A-GLANCE

Common Sense Grades 3-5 Digital Citizenship Curriculum

Resources

What resources can schools use for student instruction?

- K-12 Digital Literacy and Citizenship Curriculum
<http://www.common sense media.org/educators/scope-and-sequence>
- Nearpod
<http://www.nearpod.com/digitalcitizenship>
- K-12 Digital Literacy and Citizenship Curriculum available on iBooks:
<http://search.itunes.apple.com/WebObjects/MZContentLink.woa/wa/link?path=commonsensemedia>
- Digital Passport™
Web version: <http://www.digitalpassport.org>
iTunes: <https://itunes.apple.com/us/app/digital-passport-for-kids/id658593545>
Google Play: <https://play.google.com/store/apps/details?id=air.org.csm.digitalpassportparents&hl=en>
- Digital Compass
<https://www.common sense media.org/educators/digital-compass>
- Digital Bytes
<http://digitalbytes.common sense media.org>

What professional development resources does Common Sense Education have to help educators meet the criteria?

To fulfill Digital Citizenship School criteria, we ask that professional development be provided to staff designated for leading student instruction. The following online resources can be used:

- [Common Sense curriculum narrated tutorial](#)
- [Common Sense facilitated webinars](#)
- [Digital Passport training videos](#)
- edWeb at <http://www.edweb.net/digitalcitizenship>
- Edmodo at <https://www.edmodo.com/home#/publisher/digitalcitizenship>
- [Whats New at Common Sense Education](#)

YEAR-AT-A-GLANCE

Common Sense Grades 3-5 Digital Citizenship Curriculum

Alignment of [ASCA Domains, Mindsets and Behavior Standards](#)

ASCA Domains

The ASCA Mindsets and Behaviors are organized in three broad domains: academic, career and social/emotional development. These domains promote mindsets and behaviors that enhance the learning process and create a culture of college and career readiness for all students.

The definitions of each domain are as follows:

Lessons are aligned as follows:

<u>Academic Development</u> Standards guiding school counseling programs to implement strategies and activities to support and maximize each student's ability to learn.	1(A); 1(B); 1(C); 1(D); 1(E); 2(A); 2(C); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)
<u>Career Development</u> Standards guiding school counseling programs to help students 1) understand the connection between school and the world of work and 2) plan for and make successful transition from school to postsecondary education and/ or the world of work and from job to job across the life span.	2(C); 2(D); 4(C)
<u>Social/Emotional Development</u> Standards guiding school counseling programs to help students manage emotions and learn and apply interpersonal skills.	1(A); 1(B); 1(D); 1(E); 2(A); 2(B); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)

Category 1: Mindset Standards

School counselors encourage the following mindsets for all students.

Mindset Standards are as follows:

Lessons are aligned as follows:

1. Belief in development of whole self, including a healthy balance of mental, social/emotional and physical well-being.	1(A); 1(B); 1(C); 1(D); 1(E); 2(A); 2(B); 2(C); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)
2. Self-confidence in ability to succeed.	1(A); 1(B); 1(C); 1(D); 1(E); 2(A); 2(B); 2(C); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)
3. Sense of belonging in the school environment.	1(A); 1(B); 1(C); 1(D); 2(B); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)
4. Understanding that postsecondary education and life-long learning are necessary for long-term career success.	2(C); 2(D); 4(C)
5. Belief in using abilities to their fullest to achieve high quality results and outcomes.	1(A); 1(B); 1(D); 1(E); 2(A); 2(B); 2(C); 2(D); 3(A); 3(C); 4(A); 4(B); 4(C)
6. Positive attitude toward work and learning.	1(A); 1(B); 1(C); 1(D); 1(E); 2(A); 2(B); 2(C); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)

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Common Sense Grades 3-5 Digital Citizenship Curriculum

Alignment of [ASCA Domains, Mindsets and Behavior Standards](#)

Category 2: Behavior Standards

Students will demonstrate the following standards through classroom lessons, activities and/or individual/small-group counseling.

Learning Strategies	Lessons Aligned as follows:	Self-Management Skills	Lessons Aligned as follows:	Social Skills	Lessons Aligned as follows:
1. Demonstrate critical-thinking skills to make informed decisions.	1(A); 1(B); 1(C); 1(D); 1(E); 2(A); 2(B); 2(C); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)	1. Demonstrate ability to assume responsibility.	1(A); 1(B); 1(C); 1(D); 1(E); 2(A); 2(B); 2(C); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)	1. Use effective oral and written communication skills and listening skills.	1(A); 1(B); 1(C); 1(D); 1(E); 2(A); 2(B); 2(C); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)
2. Demonstrate creativity.	1(A); 1(B); 1(C); 4(B)	2. Demonstrate self-discipline and self-control.	1(B); 1(D); 1(E); 2(A); 2(D); 3(A); 3(C); 4(A)	2. Create positive and supportive relationships with other students.	1(A); 1(B); 1(C); 1(D); 2(A); 2(B); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B)
3. Use time-management, organizational and study skills.		3. Demonstrate ability to work independently.	1(A); 1(C); 1(D); 1(E); 2(A); 2(B); 2(C); 2(D); 3(A); 3(B); 3(C); 4(B); 4(C)	3. Create relationships with adults that support success.	1(B); 1(D); 1(E); 2(D); 4(A)
4. Apply self-motivation and self-direction to learning.		4. Demonstrate ability to delay immediate gratification for long-term rewards.	3(C)	4. Demonstrate empathy.	1(A); 1(D); 3(A); 3(B); 3(C);
5. Apply media and technology skills.	1(E); 2(B); 2(C); 2(D);	5. Demonstrate perseverance to achieve long- and short-term goals.		5. Demonstrate ethical decision-making and social responsibility.	1(A); 1(B); 1(C); 1(D); 1(E); 2(A); 2(C); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)
6. Set high standards of quality.	1(B); 1(C); 1(D); 1(E); 2(A); 2(B); 2(C); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)	6. Demonstrate ability to overcome barriers to learning.	2(B); 2(D)	6. Use effective collaboration and cooperation skills.	1(B); 1(C); 1(D); 1(E); 2(B); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)
7. Identify long- and short-term academic goals, career and social/emotional goals.		7. Demonstrate effective coping skills when faced with a problem.	1(A); 3(A); 3(C); 4(A); 4(B)	7. Use leadership and teamwork skills to work effectively in diverse teams.	2(D)
8. Actively engage in challenging coursework.	1(A); 1(C); 1(D); 1(E); 2(A); 2(B); 2(C); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)	8. Demonstrate the ability to balance school, home and community activities.		8. Demonstrate advocacy skills and ability to assert self, when necessary.	1(A); 1(C); 1(E); 2(A); 2(D); 3(A); 3(B); 3(C); 4(A)
9. Gather evidence and consider multiple perspectives to make informed decisions.	1(B); 1(D); 1(E); 2(A); 2(B); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B)	9. Demonstrate personal safety skills.	1(B); 1(C); 1(E); 2(A); 2(D); 3(A); 3(C); 4(A); 4(B)	9. Demonstrate social maturity and behaviors appropriate to the situation and environment.	1(A); 1(B); 1(C); 1(D); 1(E); 2(A); 2(B); 2(C); 2(D); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)
10. Participate in enrichment and extracurricular activities.		10. Demonstrate ability to manage transitions and ability to adapt to changing situations and responsibilities.	1(B); 1(C); 1(D); 2(A); 2(D); 3(B); 3(C); 4(A)		

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 3-5 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 1(A)				Pacing
Lesson Title: Super Digital Citizen				August 21-October 26, 2017 September 4, 2017 -Legal Holiday September 21, 2017 -Teacher Planning Day September 28- Secondary Early Release October 2- Teacher Planning Day (No Opt) October 27- Teacher Planning Day (No Opt)
Value(s) Aligned: Cooperation, Respect, and Responsibility				
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.3.SL.1.1 Science- SC.35.CS-PC.1.2	<i>How can people help others to be good digital citizens?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Compare and contrast the responsibilities to their offline and online communities. Reflect on the characteristics that make someone an upstanding citizen. Devise resolutions to digital dilemmas. 	<u>Domain(s):</u> Academic Development, Social/Emotional Development <u>Mindset Standards:</u> 1, 2, 3, 5, 6 <u>Behavior Standards:</u> <ul style="list-style-type: none"> Learning Strategies: 1, 2, 8 Self-Management Skills: 1, 3, 7 Social Skills: 1, 2, 4, 5, 8, 9 <p><i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</i></p>	Estimated Lesson Time: 45 Minutes Suggested Grade-Level: 3 rd Grade <u>Materials and Preparation:</u> <ul style="list-style-type: none"> Preview the video "Super Digital Citizen" and prepare to show it to students. Copy the Save the Day! Student Handout, one for each student. Preview the following optional online tools: <ul style="list-style-type: none"> Marvel's Spider Man (www.marvel.com/universe/Spider-Man) Marvel's Create Your Own Superhero (http://marvel.com/games/play/31/create_your_own_superhero) Make Beliefs Comix (www.makebeliefscomix.com) Comic Life (http://comiclife.com) ABCYa! (www.abcya.com/word_clouds.htm) ReadWriteThink Plot Diagram (www.readwritethink.org/files/resource/interactives/plot-diagram/) <p><u>Family Resources:</u></p> <ul style="list-style-type: none"> Send home and post the Digital Life Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 3-5 Digital Citizenship Curriculum

Common Sense Grades 3-5 Digital Citizenship Curriculum				Pacing
Year-At-A-Glance Lesson Number: 1(B) Lesson Title: Digital Citizenship Pledge Value(s) Aligned: Cooperation, Respect, and Responsibility				August 21-October 26, 2017 September 4, 2017 -Legal Holiday September 21, 2017 -Teacher Planning Day September 28- Secondary Early Release October 2- Teacher Planning Day (No Opt) October 27- Teacher Planning Day (No Opt)
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.4.W.2.5 LAFS.4.L.1.1 Science- SC.35.CS-PC.1.1	<i>How do you create a positive online community?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Establish expectations and norms for the group related to appropriate online behavior. Participate responsibly and respectfully in an online community. Collaborate on a classroom motto about digital citizenship. 	Domain(s): Academic Development, Social/Emotional Development Mindset Standards: 1, 2, 3, 5, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 2, 6, 9 Self-Management Skills: 1, 2, 9, 10 Social Skills: 1, 2, 3, 5, 6, 9 Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.	Estimated Lesson Time: 45 Minutes Suggested Grade-Level: 4 th Grade Materials and Preparation: <ul style="list-style-type: none"> Copy the We the Digital Citizens Pledge Student Handout, one per group of two or three students. Print out one copy of the We the Digital Citizens Pledge as a poster for your classroom wall (which can be printed in black and white or in color, sizes 8.5" x 11" x 17"). Family Resources: <ul style="list-style-type: none"> Send home and post the Digital Life Family Tip Sheet (Spanish Version).

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 3-5 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 1(C)				Pacing
Lesson Title: Strong Passwords				August 21-October 26, 2017 September 4, 2017 -Legal Holiday September 21, 2017 -Teacher Planning Day September 28- Secondary Early Release October 2- Teacher Planning Day (No Opt) October 27- Teacher Planning Day (No Opt)
Value(s) Aligned: Responsibility				Common Sense Media Additional Resources And MDCPS Suggestions
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	
Language Arts- LAFS.5.RI.1.1 Science- SC.35.CS-PC.1.3	<i>How can a secure password help you protect your private information?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Identify the characteristics of strong passwords. Apply characteristics of strong passwords to create new passwords. Create secure passwords with their family members. 	<u>Domain(s)</u> Academic Development <u>Mindset Standards:</u> 1, 2, 3, 6 <u>Behavior Standards:</u> <ul style="list-style-type: none"> Learning Strategies: 1, 2, 6, 8 Self-Management Skills: 1, 3, 9, 10 Social Skills: 1, 2, 5, 6, 8, 9 <p><i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</i></p>	Estimated Lesson Time: 45 Minutes Suggested Grade-Level: 5 th Grade <u>Materials and Preparation:</u> <ul style="list-style-type: none"> Copy the Password Tips Student Handout, one for each student. Copy the Password Challenge Student Handout, one for each student. Supplies for creating posters (paper or poster board, markers, crayons, pens, etc.). <u>Family Resources:</u> <ul style="list-style-type: none"> Send home and post the Online Security Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 3-5 Digital Citizenship Curriculum

Common Sense Grades 3-5 Digital Citizenship Curriculum				Pacing
Year-At-A-Glance Lesson Number: 1(D) Lesson Title: Rings of Responsibility Value(s) Aligned: Respect and Responsibility				August 21-October 26, 2017 September 4, 2017 -Legal Holiday September 21, 2017 -Teacher Planning Day September 28- Secondary Early Release October 2- Teacher Planning Day (No Opt) October 27- Teacher Planning Day (No Opt)
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.5.RI.1.3 P.E.- PE.5.R.5 Science- SC.35.CS-PC.1.1	<i>What kinds of responsibilities does a good digital citizen have?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Reflect upon their offline responsibilities. Examine their online responsibilities. Learn that good digital citizens are responsible and respectful in the digital world (and beyond). 	Domain(s): Academic Development, Social/Emotional Development Mindset Standards: 1, 2, 3, 5, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 6, 8, 9 Self-Management Skills: 1, 2, 3, 10 Social Skills: 1, 2, 3, 4, 5, 6, 9 <p><i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</i></p>	Estimated Lesson Time: 45 Minutes Suggested Grade-Level: 5 th Grade Materials and Preparation: <ul style="list-style-type: none"> Prepare to draw the Rings of Responsibility (refer to Teach 1) on the board. Create a version of the Rings of Responsibility in your classroom, large enough for students to sit or stand in. You may want to outline the three rings using masking tape or by forming concentric circles with chairs. You could also use chalk outside if possible. Copy the My Rings of Responsibility Student Handout, one for each student. Review the My Rings of Responsibility Student Handout- Teacher Version. Family Resources: <ul style="list-style-type: none"> Send home and post the Digital Family Life Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 3-5 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 1(E)				Pacing
Lesson Title: Privacy Rules				August 21-October 26, 2017 September 4, 2017 -Legal Holiday September 21, 2017 -Teacher Planning Day September 28- Secondary Early Release October 2- Teacher Planning Day (No Opt) October 27- Teacher Planning Day (No Opt)
Value(s) Aligned: Responsibility				Common Sense Media Additional Resources and MDCPS Suggestions
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	
Language Arts- LAFS.5.RI.1.1 LAFS.5.RI.2.4 Science- SC.35.CS-CC.1.2	<i>How do you know if a website protects your private information?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Learn which information they should avoid sharing online because it is private. Understand which kinds of websites have privacy policies, and why. Practice checking websites they visit for privacy policies and privacy seals of approvals. 	<u>Domain(s):</u> Academic Development, Social/Emotional Development <u>Mindset Standards:</u> 1, 2, 5, 6 <u>Behavior Standards:</u> • Learning Strategies: 1, 5, 6, 8, 9 • Self-Management Skills: 1, 2, 3, 9 • Social Skills: 1, 3, 5, 6, 8, 9 Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.	Estimated Lesson Time: 45 Minutes Suggested Grade-Level: 5 th Grade <u>Materials and Preparation:</u> <ul style="list-style-type: none"> Online computer access White board Copy the Privacy Checklist Student Handout, two for every student. Preview the websites listed in Teach 2 (Note: The use of these sites is for educational purposes only and does not constitute a recommendation or endorsement.) <u>Family Resources:</u> <ul style="list-style-type: none"> Send home and post the Privacy and Digital Footprints Family Tip Sheet on school website. (Spanish Version)

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 3-5 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 2(A)				Pacing
Lesson Title: Private and Personal Information				October 30, 2017- January 18, 2018 November 10-Legal Holiday November 22-Teacher Planning Day November 23- Legal Holiday November 24-Recess Day December 25, 2017-January 5, 2018-Recess Days January 15-Legal Holiday January 19-Teacher Planning Day
Value(s) Aligned: Pursuit of Excellence				
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources And MDCPS Suggestions
Language Arts- LAFS.3.SL.1.3 Science- SC.35.CS-PC.1.2	<i>How can you protect yourself online from identity theft?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Learn about the benefits of sharing online, but also about the safety and security risks of sharing certain types of information. Understand what type of information can put them at risk for identity theft and other scams. Distinguish between personal information, which is safe to share online, and private information, which is unsafe to share. 	<u>Domain(s):</u> Academic Development, Social/Emotional Development <u>Mindset Standards:</u> 1, 2, 5, 6 <u>Behavior Standards:</u> <ul style="list-style-type: none"> Learning Strategies: 1, 6, 8, 9 Self-Management Skills: 1, 2, 3, 9, 10 Social Skills: 1, 2, 5, 8, 9 Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.	<i>Estimated Lesson Time: 45 Minutes</i> Suggested Grade-Level: 3 rd Grade <u>Materials and Preparation:</u> <ul style="list-style-type: none"> Copy the Protect Yourself Student Handout, one for each student. Copy the All About Me Student Handout, one for each student. Preview the website Neopets (www.neopets.com), Nickelodeon (www.nick.com), and BookAdventure (www.bookadventure.org) and be prepared to show them to the class. White board. <u>Family Resources:</u> <ul style="list-style-type: none"> Send home and post the Online Security Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 3-5 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 2(B)				Pacing
Lesson Title: The Key to Keywords				October 30, 2017- January 18, 2018 November 10-Legal Holiday November 22-Teacher Planning Day November 23- Legal Holiday November 24-Recess Day December 25, 2017-January 5, 2018-Recess Days January 15-Legal Holiday January 19-Teacher Planning Day
Value(s) Aligned: Pursuit of Excellence				
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.4.RI.1.1 Science- SC.35.CS-CC.1.2	Which keywords will give you the best search results?	<i>Students will be able to...</i> <ul style="list-style-type: none"> Experiment with different keyword searches and compare their results. Refine their searches by using multiple words, synonyms, and alternative words and phrases. Draw inferences to explain their search results. 	<u>Domain(s):</u> Academic Development <u>Mindset Standards:</u> 2, 3, 5, 6 <u>Behavior Standards:</u> <ul style="list-style-type: none"> Learning Strategies: 1, 5, 6, 8, 9 Self-Management Skills: 1, 3, 6 Social Skills: 1, 2, 6, 9 <p>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</p>	<i>Estimated Lesson Time: 45 Minutes</i> Suggested Grade-Level: 4 th Grade <u>Student Services Activities:</u> <u>Materials and Preparation:</u> <ul style="list-style-type: none"> Copy the Fetch! Student Handout, one for every two students. Copy the Doggy Data Student Handout, one for every two students. <u>Family Resources:</u> <ul style="list-style-type: none"> Send home and post the Smart Searching Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 3-5 Digital Citizenship Curriculum

Common Sense Grades 3-5 Digital Citizenship Curriculum				Pacing
Year-At-A-Glance Lesson Number: 2(C) Lesson Title: How to Cite a Site Value(s) Aligned: Citizenship and Pursuit of Excellence				October 30, 2017- January 18, 2018 November 10-Legal Holiday November 22-Teacher Planning Day November 23- Legal Holiday November 24-Recess Day December 25, 2017-January 5, 2018-Recess Days January 15-Legal Holiday January 19-Teacher Planning Day
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources And MDCPS Suggestions
Science- SC.35.CS-PC.1.4	<i>How do I cite different types of online sources?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Explain the value of giving proper citations. Name the components of an MLA style citation for different types of websites. Create MLA style citations for online articles and professional sites. 	<u>Domain(s):</u> Academic Development, Career Development <u>Mindset Standards:</u> 1, 2, 4, 5, 6 <u>Behavior Standards:</u> <ul style="list-style-type: none"> Learning Strategies: 1, 5, 6, 8 Self-Management Skills: 1, 3 Social Skills: 1, 5, 9 Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.	Estimated Lesson Time: 45 Minutes Suggested Grade-Level: 5 th Grade <u>Materials and Preparation:</u> <ul style="list-style-type: none"> Copy the Citing Online Sources Student Handout, one for each student. Review the Citing Online Sources Student Handout and be prepared to guide students through the components of a bibliography citation for two types of online sources. Copy the Cite Your Site Student Handout, one for each student. Preview the four sites listed in Teach 2 together with the correct bibliography citation for each. Review the Modern Language Association's (MLA's) formatting and style conventions. In addition to the MLA website (www.mla.org) sites like Easy Bib (http://owl.english.purdue.edu/owl/resource/747/01) may be of help. <u>Family Resources:</u> <ul style="list-style-type: none"> Send home and post the Respecting Creative Work Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 3-5 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 2(D)				Pacing
Lesson Title: Selling Stereotypes				October 30, 2017- January 18, 2018 November 10-Legal Holiday November 22-Teacher Planning Day November 23- Legal Holiday November 24-Recess Day December 25, 2017-January 5, 2018-Recess Days January 15-Legal Holiday January 19-Teacher Planning Day
Value(s) Aligned: Pursuit of Excellence				
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources And MDCPS Suggestions
Language Arts- LAFS.4.RI.3.7 Science- SC.35.CS-CC.1.2	<i>How do we learn about stereotypes of boys and girls from the world around us?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Compare and contrast gender stereotypes. Evaluate online media messages that convey gender stereotypes. Reflect on why gender stereotypes sometimes can be limiting. 	<u>Domain(s):</u> Academic Development, Career Development, Social/Emotional Development <u>Mindset Standards:</u> 1, 2, 3, 4, 5, 6 <u>Behavior Standards:</u> • Learning Strategies: 1, 5, 6, 8, 9 • Self-Management Skills: 1, 2, 3, 6, 9,10 • Social Skills: 1, 2, 3, 5, 6, 7, 8, 9 <i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</i>	<i>Estimated Lesson Time: 45 Minutes</i> Suggested Grade-Level: 4 th Grade <u>Materials and Preparation:</u> <ul style="list-style-type: none"> Preview the YouTube clip "Riley on Marketing" and prepare to show it to students. Copy the Spot the Messages Student Handout, one for every four students. Colored pencils. String (cut string the length of the classroom) <u>Family Resources:</u> <ul style="list-style-type: none"> Send home and post the Boys, Girls and Media Messages Family Tip Sheet on school website. (Spanish Version)

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 3-5 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 3(A)				Pacing
Lesson Title: The Power of Words				January 22, – March 22, 2018 February 15- Secondary Early Release February 19- Legal Holiday March 23-Teacher Planning Day
Value(s) Aligned: Fairness and Kindness				
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.3.RL.1.1 Science- SC.35.CS-PC.1.1 SC.35.CS-PC.1.2	<i>What should you do when someone uses mean or scary language on the Internet?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> • Empathize with those who have received mean and hurtful messages. • Judge what it means to cross the line from harmless to harmful communication online. • Generate solutions for dealing with cyberbullying. 	Domain(s): Academic Development, Career Development Social/Emotional Development Mindset Standards: 1, 2, 3, 5, 6 Behavior Standards: • Learning Strategies: 1, 6, 8, 9 • Self-Management Skills: 1, 2, 3, 7, 9 • Social Skills: 1, 2, 4, 5, 6, 8, 9 Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.	Estimated Lesson Time: 45 Minutes Suggested Grade-Level: 3 rd Grade Materials and Preparation: <ul style="list-style-type: none"> • Preview the video "The Power of Words", and prepare to show it to students. • Copy the Words Can Hurt Student Handout, one for every four students. • Copy the Talk and Take Action Student Handout, one for each student. • Colored pencils. • String (cut string the length of the classroom) Family Resources: <ul style="list-style-type: none"> • Send home and post the Cyberbullying Family Tip Sheet (Spanish Version) on school website.

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Common Sense Grades 3-5 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 3(B)				Pacing
Lesson Title: Picture Perfect				January 22, – March 22, 2018 February 15- Secondary Early Release February 19- Legal Holiday March 23-Teacher Planning Day
Value(s) Aligned: Fairness and Kindness				
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.4.SL.1.1 Science- SC.35.CS-PC.1.2 Visual Arts- VA.4.C.3	<i>How can photos be changed on the computer, and how can that affect our feelings about the way we look?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Recognize that photos can be altered digitally, and consider the upsides and downsides of this practice. Discuss how photo alteration can distort our perceptions and affect our self-image. Analyze how advertising uses photo alteration to help sell products. 	Domain(s): Academic Development, Social/Emotional Development Mindset Standards: 1, 2, 3, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 6, 8, 9 Self-Management Skills: 1, 3, 10 Social Skills: 1, 2, 4, 5, 6, 8, 9 Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.	Estimated Lesson Time: 45 Minutes Suggested Grade-Level: 4 th Grade Materials and Preparation: <ul style="list-style-type: none"> Review the Gender and Digital Life Teacher Backgrounder. Prepare to show students the Colorful Lemon Visual. If you are unable to project the visual for the class to see, print out hard copies for students. Preview the Dove Campaign for Real Beauty's video "Evolution" and prepare to show it to students. Copy the Magazine Magic Student Handout, one for each group of four or five students. Family Resources: <ul style="list-style-type: none"> Send home and post the Boys, Girls and Media Messages Family Tip Sheet on school website. (Spanish Version)

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 3-5 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 3(C)				Pacing
Lesson Title: What's Cyberbullying?				January 22, – March 22, 2018 February 15- Secondary Early Release February 19- Legal Holiday March 23-Teacher Planning Day
Value(s) Aligned: Fairness and Kindness				
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.5.RI.1.3 Social Studies- SS.5.C.2.4 Science- SC.35.CS-PC.1.1 SC.35.CS-PC.1.2	<i>What is cyberbullying and how will you deal with it?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> • Empathize with the targets of cyberbullying. • Recognize some of the key similarities and differences between in-person bullying and cyberbullying. • Identify strategies for dealing responsibly with cyberbullying. 	<u>Domain(s):</u> Academic Development, Social/Emotional Development <u>Mindset Standards:</u> 1, 2, 3, 5, 6 <u>Behavior Standards:</u> • Learning Strategies: 1, 6, 8, 9 • Self-Management Skills: 1, 2, 3, 4, 7, 9, 10 • Social Skills: 1, 2, 4, 5, 6, 8, 9 <i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</i>	<i>Estimated Lesson Time: 45 Minutes</i> Suggested Grade-Level: 5 th Grade <u>Materials and Preparation:</u> <ul style="list-style-type: none"> • White board • Copy the That's Cyberbullying Student Handout, one per group of four or five students. <u>Family Resources:</u> <ul style="list-style-type: none"> • Send home and post the Cyberbullying Family Tip Sheet (Spanish Version) on school website.

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Common Sense Grades 3-5 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 4(A)				Pacing
Lesson Title: Talking Safely Online				April 2, - June 7, 2018 March 26 – 30 Recess Days April 19- Secondary Early Release April 20- Teacher Planning Day May 17- Secondary Early Release May 28 – Legal Holiday June 8 – Teacher Planning Day
Value(s) Aligned: Integrity				
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.3.RI.1.1 Science- SC.35.CS-PC.1.1	<i>What's the difference between Internet friends and in-person friends?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Compare and contrast online-only friends and in-person, face-to-face pals. Analyze why private information should not be given to anyone without the permission of a trusted adult. Debate how to respond if an on-line friend asks them personal questions. 	Domain(s): Academic Development, Social/Emotional Development Mindset Standards: 1, 2, 3, 5, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 6, 8, 9 Self-Management Skills: 1, 2, 7, 9, 10 Social Skills: 1, 2, 3, 5, 6, 8, 9 <p><i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</i></p>	<i>Estimated Lesson Time: 45 Minutes</i> Suggested Grade-Level: 3 rd Grade Student Services Activities: Materials and Preparation: <ul style="list-style-type: none"> White board Copy The Right Answer Student Handout, one for each student. Copy the Chatting Safety Checklist Student Handout, one for each student. Family Resources: <ul style="list-style-type: none"> Send home and post the Talking Safely Online Family Tip Sheet (Spanish Version) on school website.

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Common Sense Grades 3-5 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 4(B)				Pacing
Lesson Title: You've Won a Prize!				April 2, - June 7, 2018 March 26 – 30 Recess Days April 19- Secondary Early Release April 20- Teacher Planning Day May 17- Secondary Early Release May 28 – Legal Holiday June 8 – Teacher Planning Day
Value(s) Aligned: Honesty				
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.4.RI.1.1 Science- SC.35.CS-PC.1.3 Theatre- TH.4.H.3	<i>What is spam, and what can you do about it?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Define what spam is. Explore strategies for safely managing unwanted messages. Identify different forms of spam. 	Domain(s): Academic Development, Social/Emotional Development Mindset Standards: 1, 2, 3, 5, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 2, 6, 8, 9 Self-Management Skills: 1, 3, 7, 9 Social Skills: 1, 2, 5, 6, 9 <i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</i>	Estimated Lesson Time: 45 Minutes Suggested Grade-Level: 4 th Grade Student Services Activities: Materials and Preparation: <ul style="list-style-type: none"> Copy the Is It True? Student Handout, one for each student. Bring in several pieces of junk mail that have been opened and spread the mail around the classroom. Optional: Preview GarageBand or download the free online version of Audacity (www.audacity.sourceforge.net) for Teach 2. Family Resources: <ul style="list-style-type: none"> Send home and post the Online Security Family Tip Sheet (Spanish Version) on school website,

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 3-5 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 4(C)				Pacing
Lesson Title: Whose is it, Anyway?				April 2, - June 7, 2018 March 26 – 30 Recess Days April 19- Secondary Early Release April 20- Teacher Planning Day May 17- Secondary Early Release May 28 – Legal Holiday June 8 – Teacher Planning Day
Value(s) Aligned: Honesty and Integrity				
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.4.RI.1.1 Science- SC.35.CS-PC.1.4	<i>How can I show respect for people's work?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Define plagiarism and describe its consequences. Explain how giving credit is a sign of respect for people's work. Articulate when it is acceptable to use people's work, and how to write a citation. 	Domain(s): Academic Development, Career Development, Social/Emotional Development Mindset Standards: 1, 2, 3, 4, 5, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 6, 8 Self-Management Skills: 1, 3 Social Skills: 1, 5, 6, 9 Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.	Estimated Lesson Time: 45 Minutes Suggested Grade-Level: 4 th Grade Materials and Preparation: <ul style="list-style-type: none"> Review the Time for Kids article, "One Small Step, One Great Man". Prepare to point out information on the webpage that students would need in order to create a citation for the article (Teach 2). Copy the Okay or No Way! Student Handout, one for each student. Family Resources: <ul style="list-style-type: none"> Send home and post the Respecting Creative Work Family Tip Sheet (Spanish Version) on the school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 3-5 Digital Citizenship Curriculum

Alignment of ASCA Domains, Mindsets and Behavior Standards

ASCA Domains

The ASCA Mindsets and Behaviors are organized in three broad domains: academic, career and social/emotional development. These domains promote mindsets and behaviors that enhance the learning process and create a culture of college and career readiness for all students.

The definitions of each domain are as follows:

Academic Development	Standards guiding school counseling programs to implement strategies and activities to support and maximize each student's ability to learn.
Career Development	Standards guiding school counseling programs to help students 1) understand the connection between school and the world of work and 2) plan for and make successful transition from school to postsecondary education and/ or the world of work and from job to job across the life span.
<u>Social/Emotional Development</u>	Standards guiding school counseling programs to help students manage emotions and learn and apply interpersonal skills.

Category 1: Mindset Standards

School counselors encourage the following mindsets for all students.

Mindset Standards are as follows:

1. Belief in development of whole self, including a health balance of mental, social/emotional and physical well-being.
2. Self-confidence in ability to succeed.
3. Sense of belonging in the school environment.
4. Understanding that postsecondary education and life-long learning are necessary for long-term career success.
5. Belief in using abilities to their fullest to achieve high quality results and outcomes.
6. Positive attitude toward work and learning.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 3-5 Digital Citizenship Curriculum

Alignment of ASCA Domains, Mindsets and Behavior Standards

Category 2: Behavior Standards

Students will demonstrate the following standards through classroom lessons, activities and/or individual/small-group counseling.

Learning Strategies	Self-Management Skills	Social Skills
1. Demonstrate critical- thinking skills to make informed decisions.	1. Demonstrate ability to assume responsibility.	1. Use effective oral and written communication skills and listening skills.
2. Demonstrate creativity.	2. Demonstrate self-discipline and self-control.	2. Create positive and supportive relationships with other students.
3. Use time-management, organizational and study skills.	3. Demonstrate ability to work independently.	3. Create relationships with adults that support success.
4. Apply self-motivation and self-direction to learning.	4. Demonstrate ability to delay immediate gratification for long-term rewards.	4. Demonstrate empathy.
5. Apply media and technology skills.	5. Demonstrate perseverance to achieve long- and short-term goals.	5. Demonstrate ethical decision-making and social responsibility.
6. Set high standards of quality.	6. Demonstrate ability to overcome barriers to learning.	6. Use effective collaboration and cooperation skills.
7. Identify long- and short-term academic goals, career and social/emotional goals.	7. Demonstrate effective coping skills when faced with a problem.	7. Use leadership and teamwork skills to work effectively in diverse teams.
8. Actively engage in challenging coursework.	8. Demonstrate the ability to balance school, home and community activities.	8. Demonstrate advocacy skills and ability to assert self, when necessary.
9. Gather evidence and consider multiple perspectives to make informed decisions.	9. Demonstrate personal safety skills.	9. Demonstrate social maturity and behaviors appropriate to the situation and environment.
10. Participate in enrichment and extracurricular activities.	10. Demonstrate ability to manage transitions and ability to adapt to changing situations and responsibilities.	

District Pacing Guide for Digital Citizenship School Certification**Common Sense Grades 3-5 Digital Citizenship Curriculum**

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 6-8 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 1(A) Lesson Title: Digital Life 101 Value(s) Aligned: Responsibility				Pacing August 21-October 26, 2017 September 4, 2017 -Legal Holiday September 21, 2017 -Teacher Planning Day September 28- Secondary Early Release October 2- Teacher Planning Day (No Opt) October 27- Teacher Planning Day (No Opt)
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.6.RI.2.4 Science- SC.68.CS-PC.1.2 SC.68.CS-PC.2.1	<i>What is the place of digital media in our lives?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Learn about the 24/7, social nature of digital media. Explore their digital lives. Learn that it is important to act responsibly when carrying out relationships over digital media. 	Domain(s): Academic Development and Social/Emotional Development Mindset Standards: 1, 2, 3, 5, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 2, 5, 6, 9 Self-Management Skills: 1, 2, 3, 7, 9, 10 Social Skills: 1, 2, 4, 5, 6, 8, 9 <i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</i>	<i>Estimated Lesson Time: 45 minutes</i> Suggested Grade-Level: 6 th Grade Materials and Preparation: <ul style="list-style-type: none"> Preview the video "Digital Life 101 Animation," and prepare to show it to students. Copy the My Media Life Is Like ... Student Handout, one for each student. Copy the Got Media Smarts? Student Handout, one for each student. Copy the Digital Life Glossary Student Handout, one for each student. Family Resources: <ul style="list-style-type: none"> Send home and post the Digital Life Family Tip Sheet on school website. (Spanish Version)

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 6-8 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 1(B)

Lesson Title: Scams and Schemes

Value(s) Aligned: Cooperation and Responsibility

Pacing

August 21 - October 26, 2017

September 4, 2017 -Legal Holiday
September 21, 2017 -Teacher Planning Day
September 28- Secondary Early Release
October 2- Teacher Planning Day (No Opt)
October 27- Teacher Planning Day (No Opt)

Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources And MDCPS Suggestions
Language Arts- LAFS.7.W.1.1 LAFS.7.W.1.2 Science- SC.68.CS-PC.1.1 SC.68.CS-PC.1.2 SC.68.CS-PC.2.1 SC.68.CS-PC.3.1	<i>What is identity theft, and how can you protect yourself from it?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Understand what identity theft is and why it is important to guard against it. Learn to recognize strategies that scam artists use to access private information. Learn how to guard against phishing and identity theft. 	<p><u>Domain(s):</u> Academic Development and Social/Emotional Development</p> <p><u>Mindset Standards:</u> 1, 2, 3, 5, 6</p> <p><u>Behavior Standards:</u></p> <ul style="list-style-type: none"> Learning Strategies: 1, 2, 6, 8, 9 Self-Management Skills: 1, 3, 7, 9, 10 Social Skills: 1, 2, 5, 6, 9 <p><i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</i></p>	<p><i>Estimated Lesson Time: 45 minutes</i></p> <p>Suggested Grade-Level: 7th Grade</p> <p><u>Materials and Preparation:</u></p> <ul style="list-style-type: none"> Paper and markers or colored pencils (or computers with Microsoft Office if you are using the high-tech option in Teach 3) of the lesson plan. Copy the Spotting Scams Student Handout, one for each student. Review the Spotting Scams Student Handout — Teacher Version. <p><u>Family Resources:</u></p> <ul style="list-style-type: none"> Send home and post the Online Security Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 6-8 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 1(C) Lesson Title: Gender Stereotypes Online Value(s) Aligned: Respect and Responsibility				Pacing August 21 - October 26, 2017 September 4, 2017 -Legal Holiday September 21, 2017 -Teacher Planning Day September 28- Secondary Early Release October 2- Teacher Planning Day (No Opt) October 27- Teacher Planning Day (No Opt)
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.8.RI.1.3 Science- SC.68.CS-PC.1.1 SC.68.CS-PC.1.2 SC.68.CS-PC.2.1 Visual Arts- VA.68.C.3	<i>What are gender stereotypes, and how can they shape our experiences online?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Define gender stereotypes and their impact on people's identities, both online and offline. Identify gender stereotypes in a virtual world for kids. Analyze opportunities and limitations for gender expression in virtual worlds. 	Domain(s): Academic Development, Career Development, and Social/Emotional Development Mindset Standards: 1, 2, 3, 4, 5, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 5, 6, 8, 9 Self-Management Skills: 1, 2, 3, 6, 10 Social Skills: 1, 2, 3, 5, 6, 7, 8, 9 Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.	Estimated Lesson Time: 45 minutes Suggested Grade-Level: 8 th Grade Materials and Preparation: <ul style="list-style-type: none"> Review the Gender and Digital Life Teacher Background. Copy the Dress Up Your Avatar Student Handout, one for each pair of students. Set up students' dummy accounts for the virtual world SecretBuilders, one for each pair of students. Refer to the Dress Up Your Avatar Student Handout-Teacher Version for guidance. Check with your school about firewalls. You may need to clear the URL for SecretBuilders. To learn more about SecretBuilders, read Common Sense Media's review at: https://www.common sense media.org/website-reviews/secretbuilders. Family Resources: <ul style="list-style-type: none"> Send home and post the Boys, Girls, and Media Messages Family Tip Sheet on school website. (Spanish Version)

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 6-8 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 1(D) Lesson Title: Trillion Dollar Footprint Value(s) Aligned: Responsibility				Pacing August 21 - October 26, 2017 September 4, 2017 -Legal Holiday September 21, 2017 -Teacher Planning Day September 28- Secondary Early Release October 2- Teacher Planning Day (No Opt) October 27- Teacher Planning Day (No Opt)
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.8.RI.1.3 Science- SC.68.CS-PC.1.2 SC.68.CS-PC.2.1	<i>What is a digital footprint, and what does yours convey?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Learn that they have a digital footprint and that information from it can be searched, copied and passed on, and seen by a large, invisible audience, and that it can be persistent. Recognize that people's online information can be helpful or harmful to their reputation and image. Consider their own digital footprints and what they want those footprints to be like in the future. 	Domain(s): Academic Development, Career Development, and Social/Emotional Development Mindset Standards: 1, 2, 3, 4, 5, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 4, 5, 6, 8, 9 Self-Management Skills: 1, 2, 3, 9, 10 Social Skills: 1, 2, 3, 5, 6, 8, 9 Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.	Estimated Lesson Time: 45 minutes Suggested Grade-Level: 8 th Grade Materials and Preparation: <ul style="list-style-type: none"> Preview the video "The Digital Footprint," and prepare to show it to students. Copy the Choose a Host Student Handout, one for every four students. Review the Choose a Host Student Handout – Teacher Version. Copy the My Digital Footprint Student Handout, one for every student. Family Resources: <ul style="list-style-type: none"> Send home and post the Protecting and Respecting Privacy Family Tip Sheet on school website. (Spanish Version)

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 6-8 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 2(A)				Pacing
Lesson Title: Strategic Searching				<p>October 30, 2017- January 18, 2018 November 10-Legal Holiday November 22-Teacher Planning Day November 23- Legal Holiday November 24-Recess Day December 25, 2017-January 5, 2018-Recess Days January 15-Legal Holiday January 19-Teacher Planning Day</p>
Value(s) Aligned: Pursuit of Excellence				
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
<p>Language Arts- LAFS.7.RI.2.4</p> <p>Science- SC.68.CS-PC.2.6 SC.68.CS-PC.3.3</p>	<p><i>What steps can help you find what you're looking for when you search online?</i></p>	<p><i>Students will be able to...</i></p> <ul style="list-style-type: none"> Understand the importance of using a variety of search strategies. Master new strategies for effective and efficient online searches. Learn to create and execute a five-step plan for conducting an online search. 	<p>Domain(s): Academic Development</p> <p>Mindset Standards: 2, 3, 5, 6</p> <p>Behavior Standards:</p> <ul style="list-style-type: none"> Learning Strategies: 1, 5, 6, 8, 9 Self-Management Skills: 1, 3, 6, 10 Social Skills: 1, 2, 5, 6, 9 <p>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</p>	<p><i>Estimated Lesson Time: 45 minutes</i></p> <p>Suggested Grade-Level: 7th Grade</p> <p>Student Services Activities:</p> <p>Materials and Preparation:</p> <ul style="list-style-type: none"> Copy or download the Tips for Strategic Searching Student Handout, one for each student. Copy or download the Make a Search Plan Student Handout, one for every three to four students. Prepare computer access for student groups to do online research. <p>Family Resources:</p> <ul style="list-style-type: none"> Send home and post the Strategic Searching Family Tip Sheet (Spanish Version) on school website. <p>Note: This lesson emphasizes informal online searching, rather than academic research specifically for school. In their everyday lives, students search or surf for information online. This lesson helps students think critically about their online searches so they are effective and produce relevant results. Much of what students learn can be applied to their schoolwork as well. In this lesson, we encourage you to use search engines that students typically use on their own, such as Google, Yahoo!, and Bing.</p>

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 6-8 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 2(B)				Pacing
Lesson Title: A Creator's Rights				<p>October 30, 2017- January 18, 2018</p> <p>November 10-Legal Holiday November 22-Teacher Planning Day November 23- Legal Holiday November 24-Recess Day December 25, 2017-January 5, 2018-Recess Days January 15-Legal Holiday January 19-Teacher Planning Day</p>
Value(s) Aligned: Pursuit of Excellence				
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
<p>Art- VA.68.S.1 VA.68.F.1</p> <p>Music- MU.68.S.1 MU.68.F.1</p> <p>Science- SC.68.CS-PC.1.1 SC.68.CS-PC.1.2 SC.68.CS-PC.1.4 SC.68.CS-PC.4.1 SC.68.CS-PC.4.2 SC.68.CS-PC.4.3</p> <p>Theatre- TH.68.S.1 TH.68.F.1</p>	What rights do you have as a creator?	<p>Students will be able to...</p> <ul style="list-style-type: none"> Understand that copyright is a legal system that protects their rights to creative work. Compare different ways people license their copyrighted work. Create an original song, perform it in front of the class, and reflect on their copyright for the song. 	<p>Domain(s): Academic Development, Career Development, and Social/Emotional Development</p> <p>Mindset Standards: 1, 2, 3, 4, 5, 6</p> <p>Behavior Standards:</p> <ul style="list-style-type: none"> Learning Strategies: 1, 2, 6, 8, 9 Self-Management Skills: 1, 2, 3, 6, 10 Social Skills: 1, 2, 3, 4, 5, 6, 9 <p><i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</i></p>	<p>Estimated Lesson Time: 45 minutes</p> <p>Suggested Grade-Level: 7th Grade</p> <p>Materials and Preparation:</p> <ul style="list-style-type: none"> Preview the video "Nicole's Story – Copyrighting Creative Work," and prepare to show it to students. Copy the 411 for Creators Student Handout and The Truth About Happy Birthday Student Handout for all students. If using audiovisual recording for "The Truth about 'Happy Birthday'" activity, get the technology ready. Review the Respecting Creative Work Teacher Backgrounder and the 411 for Creators Student Handout – Teacher Version. If completing the Extension Activity, copy and distribute the Copyright Detectives Student Handout to all students. Review the Copyright Detectives Student Handout – Teacher Version for guidance. <p>Family Resources:</p> <ul style="list-style-type: none"> Send home and post the Respecting Creative Work Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 6-8 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 2(C)				Pacing
Lesson Title: A Creator's Responsibilities				<p>October 30, 2017- January 18, 2018</p> <p>November 10-Legal Holiday November 22-Teacher Planning Day November 23- Legal Holiday November 24-Recess Day December 25, 2017-January 5, 2018-Recess Days January 15-Legal Holiday January 19-Teacher Planning Day</p>
Value(s) Aligned: Citizenship and Pursuit of Excellence				
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
<p>Art- VA.68.S.1 VA.68.F.1</p> <p>Music- MU.68.S.1 MU.68.S.2</p> <p>Science- SC.68.CS-PC.1.1 SC.68.CS-PC.1.2 SC.68.CS-PC.1.4 SC.68.CS-PC.4.1 SC.68.CS-PC.4.2 SC.68.CS-PC.4.3</p> <p>Theatre- TH.68.S.1 TH.68.F.1</p>	<p><i>What responsibilities do you have to respect others' creative work?</i></p>	<p><i>Students will be able to...</i></p> <ul style="list-style-type: none"> Consider ethical questions about real-life decisions young creators make in exercising their creative rights and responsibilities. Understand that piracy and plagiarism are irresponsible and disrespectful behaviors that have ethical and legal implications. Brainstorm solutions to dilemmas creators might encounter. 	<p>Domain(s): Academic Development, Career Development, and Social/Emotional Development</p> <p>Mindset Standards: 1, 2, 3, 4, 5, 6</p> <p>Behavior Standards:</p> <ul style="list-style-type: none"> Learning Strategies: 1, 2, 6, 8, 9 Self-Management Skills: 1, 2, 3, 6, 7, 10 Social Skills: 1, 2, 3, 4, 5, 6, 8, 9 <p><i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</i></p>	<p><i>Estimated Lesson Time: 45 minutes</i></p> <p>Suggested Grade-Level: 8th Grade</p> <p>Student Services Activities:</p> <p>Materials and Preparation:</p> <ul style="list-style-type: none"> Preview the video "Henry's Story – Making Mashups," and be prepared to play the video for the class. Copy the A Creator's Responsibilities Discussion Guide, one for each student. Review the A Creator's Responsibilities Discussion Guide Discussion Guide – Teacher Version. <p>Family Resources:</p> <ul style="list-style-type: none"> Send home and post the Respecting Creative Work Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 6-8 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 2(D)				Pacing
Lesson Title: Identifying High-Quality Sites				<p>October 30, 2017- January 18, 2018</p> <p>November 10-Legal Holiday November 22-Teacher Planning Day November 23- Legal Holiday November 24-Recess Day December 25, 2017-January 5, 2018-Recess Days January 15-Legal Holiday January 19-Teacher Planning Day</p>
Value(s) Aligned: Pursuit of Excellence				
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
<p>Language Arts- LAFS.6.RI.3.7</p> <p>Science- SC.68.CS-PC.3.3</p>	<p><i>When can you trust what you find on the Internet?</i></p>	<p><i>Students will be able to...</i></p> <ul style="list-style-type: none"> Understand how the ease of publishing on the Internet might affect how much they can trust the content of some sites. Learn criteria that will help them evaluate websites. Apply the criteria to a site to determine how trustworthy and useful it is. 	<p>Domain(s): Academic Development, Career Development, and Social/Emotional Development</p> <p>Mindset Standards: 1, 2, 3, 4, 5, 6</p> <p>Behavior Standards:</p> <ul style="list-style-type: none"> Learning Strategies: 1, 6, 8, 9 Self-Management Skills: 1, 2, 3, 6, 10 Social Skills: 1, 2, 3, 5, 6, 9 <p>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</p>	<p><i>Estimated Lesson Time: 45 minutes</i></p> <p>Suggested Grade-Level: 6th Grade</p> <p>Materials and Preparation:</p> <ul style="list-style-type: none"> Preview the images and slideshow from the Huffington Post article "Fake Hurricane Sandy Photos Spread On Internet As Storm Barrels Toward Northeast." Prepare to show them to students. Review the Test Before You Trust Student Handout – Teacher Version. Preview the sites listed on the handout, and read through the discussion questions and the Website Test that students will perform. Copy the two-page Test Before You Trust Student Handout, one for each pair of students. <p>Note: Depending on what news stories are trending, the Huffington Post may feature controversial sidebar content on its site. You can work around this by presenting the Hurricane Sandy slideshow in full-screen mode, or by taking screen shots of the "real" photos and show them to students offline. Alternatively, you can explore Snopes.com's "Hurricane Sandy Photographs" as a class and modify the discussion questions accordingly (www.snopes.com/photos/natural/sandy.asp).</p> <p>Family Resources:</p> <ul style="list-style-type: none"> Send home and post the Research and Evaluation Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 6-8 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 2(E)				Pacing
Lesson Title: Rework, Reuse, Remix				<p>October 30, 2017- January 18, 2018</p> <p>November 10-Legal Holiday November 22-Teacher Planning Day November 23- Legal Holiday November 24-Recess Day December 25, 2017-January 5, 2018-Recess Days January 15-Legal Holiday January 19-Teacher Planning Day</p>
Value(s) Aligned: Pursuit of Excellence				
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
<p>Art- VA.68.S.1 VA.68.F.1</p> <p>Music- MU.68.S.1 MU.68.S.2</p> <p>Science- SC.68.CS-PC.1.1 SC.68.CS-PC.1.2 SC.68.CS-PC.1.4 SC.68.CS-PC.4.1 SC.68.CS-PC.4.2 SC.68.CS-PC.4.3</p> <p>Theatre- TH.68.S.1 TH.68.F.1</p>	What rights do you have as a creator?	<p>Students will be able to...</p> <ul style="list-style-type: none"> Identify the key points required for a creative work to fall under fair use. Judge whether or not the two case studies can be called fair use. Understand the value of fair use by reworking and remixing copyrighted material in a collage or video. 	<p>Domain(s): Academic Development, Career Development, and Social/Emotional Development</p> <p>Mindset Standards: 1, 2, 3, 4, 5, 6</p> <p>Behavior Standards:</p> <ul style="list-style-type: none"> Learning Strategies: 1, 2, 6, 8, 9 Self-Management Skills: 1, 2, 3, 10 Social Skills: 1, 2, 5, 6, 9 <p>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</p>	<p>Estimated Lesson Time: 45 minutes</p> <p>Suggested Grade-Level: 6th Grade</p> <p>Materials and Preparation:</p> <ul style="list-style-type: none"> Magazines, scissors, construction paper, and glue for the low-tech magazine collage, or student Internet access and sound for the high-tech remix video (Teach 3) of the lesson plan. Use of Internet access to show public domain and fair use case studies to the class. Preview Project Gutenberg and "The Commons" on Flickr and prepare to show the sites to students. Copy the Four Points of Fair Use Student Handout, one for each student. Preview the case study video options- "Scary Mary" and "United State of Pop 2012 (Shine Brighter)" in (Teach 2) of the lesson plan, and prepare to show them to students. <p>Family Resources:</p> <ul style="list-style-type: none"> Send home and post the Respecting Creative Work Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 6-8 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 3(A)				Pacing
Lesson Title: Cyberbullying: Be Upstanding				January 22, – March 22, 2018 February 15- Secondary Early Release February 19- Legal Holiday March 23-Teacher Planning Day
Value(s) Aligned: Fairness and Kindness				
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.7.SL.2.4 Science- SC.68.CS-PC.1.1 SC.68.CS-PC.1.2 SC.68.CS-PC.2.2 SC.68.CS-PC.2.3	<i>How do you judge the intentions and impact of people's words and actions online?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Reflect on what it means to be brave and stand up for others offline and online. Learn to show empathy for those who have been cyberbullied. Generate multiple solutions for helping others when cyberbullying occurs. 	Domain(s): Academic Development and Social/Emotional Development Mindset Standards: 1, 2, 3, 5, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 2, 6, 8, 9 Self-Management Skills: 1, 2, 3, 4, 7, 9, 10 Social Skills: 1, 2, 4, 5, 6, 8, 9 <i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</i>	Estimated Lesson Time: 45 minutes Suggested Grade-Level: 7 th Grade Materials and Preparation: <ul style="list-style-type: none"> Drawing paper and markers (for all students). Copy the Why Care? Student Handout, one per group of four or five. Family Resources: <ul style="list-style-type: none"> Send home and post the Cyberbullying Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 6-8 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 3(B)				Pacing
Lesson Title: The Reality of Digital Drama				January 22, – March 22, 2018 February 15- Secondary Early Release February 19- Legal Holiday March 23-Teacher Planning Day
Value(s) Aligned: Kindness				
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.8.RI.1.3 Science- SC.68.CS-PC.1.1 SC.68.CS-PC.1.2 SC.68.CS-PC.2.2 SC.68.CS-PC.2.3 Visual Arts- VA.68.C.3	<i>Does the way we think about digital drama have anything to do with gender?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Reflect on their own impressions of digital drama. Compare underlying messages about drama on reality TV with “real world” digital drama among young teens. Think critically about the gender stereotypes associated with drama. 	Domain(s): Academic Development, Career Development, and Social/Emotional Development Mindset Standards: 1, 2, 3, 4, 5, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 5, 6, 8, 9 Self-Management Skills: 1, 2, 3, 6, 9, 10 Social Skills: 1, 2, 3, 5, 6, 7, 8, 9 <i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</i>	Estimated Lesson Time: 45 minutes Suggested Grade-Level: 8 th Grade Materials and Preparation: <ul style="list-style-type: none"> Review the Gender and Digital Life Teacher Backrounder. Preview the videos “Discussing Digital Drama” and “The Real Housewives Series Video Clips,” and prepare to how them to students. Copy the Dissecting Drama Student Handout, one for each student. Family Resources: <ul style="list-style-type: none"> Send home and post the Dealing with Digital Drama Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 6-8 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 3(C)				Pacing
Lesson Title: Cyberbullying: Crossing the Line				January 22, – March 22, 2018 February 15- Secondary Early Release February 19- Legal Holiday March 23-Teacher Planning Day
Value(s) Aligned: Fairness and Kindness				
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources And MDCPS Suggestions
Language Arts- LAFS.6.SL.2.4 Science- SC.68.CS-PC.1.1 SC.68.CS-PC.1.2 SC.68.CS-PC.2.2 SC.68.CS-PC.2.3	<i>When does inappropriate online behavior cross the line to cyberbullying, and what can you do about it?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Analyze online bullying behaviors that “cross the line.” Learn about the various ways that students can be cyberbullied, including flaming, deceiving, and harassing. Adopt the point of view of teens who have been cyberbullied, and offer solutions. 	Domain(s): Academic Development and Social/Emotional Development Mindset Standards: 1, 2, 3, 5, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 2, 6, 8, 9 Self-Management Skills: 1, 2, 3, 4, 7, 9, 10 Social Skills: 1, 2, 4, 5, 6, 8, 9 Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.	Estimated Lesson Time: 45 minutes Suggested Grade-Level: 6 th Grade Materials and Preparation: <ul style="list-style-type: none"> Preview the video, “Stacey’s Story – When Rumors Escalate,” and prepare to show it to students. Copy the Cyberbullying: Crossing the Line Student Discussion Guide, one for each student. Review the Cyberbullying: Crossing the Line Student Discussion Guide–Teacher Version and select which case study you would like students to analyze. Family Resources: <ul style="list-style-type: none"> Send home and post the Cyberbullying Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 6-8 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 4(A) Lesson Title: My Media Value(s) Aligned: Honesty and Integrity				Pacing April 2, - June 7, 2018 March 26 – 30 Recess Days April 19- Secondary Early Release April 20- Teacher Planning Day May 17- Secondary Early Release May 28 – Legal Holiday June 8 – Teacher Planning Day
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Mathematics- MAFS.6.SP.2.5 Science- SC.68.CS-CC.1.1 SC.68.CS-PC.1.1 SC.68.CS-PC.1.2 SC.68.CS-PC.2.3 Visual Arts- VA.68.F.1 VA.68.F.3	<i>What are your personal media habits, and how much time do you spend with different forms of media?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Assess how much time they spend with media activities. Record and compare the time they spend with different forms of digital media (cell phones, Internet, etc.) and in different activities (texting, posting, and watching or creating videos). Formulate a viewpoint on the role that digital media plays in their lives. 	Domain(s): Academic Development and Social/Emotional Development Mindset Standards: 1, 2, 3, 5, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 2, 3, 5, 6, 8, 9 Self-Management Skills: 1, 2, 3, 9, 10 Social Skills: 1, 5, 9 <i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</i>	Estimated Lesson Time: 45 minutes Suggested Grade-Level: 6 th Grade Materials and Preparation: <ul style="list-style-type: none"> Copy the My Media Log Student Handout, one for each student. Note: Students should fill in their My Media Logs for an entire day before coming to class. <ul style="list-style-type: none"> Copy the My Media Bar Graph Student Handout, one for each student. Optional: Preview the National Center for Educational Statistics Kids' Zone Create a Graph tool. Optional: Copy the My Media Log Student Handout for the At-Home Activity, two for each student. Family Resources: <ul style="list-style-type: none"> Send home and post the Digital Life Family Tip Sheet (Spanish Version) on school website.

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Year-At-A-Glance Lesson Number: 4(B)				Pacing
Lesson Title: Safe Online Talk				April 2, - June 7, 2018 March 26 – 30 Recess Days April 19- Secondary Early Release April 20- Teacher Planning Day May 17- Secondary Early Release May 28 – Legal Holiday June 8 – Teacher Planning Day
Value(s) Aligned: Honesty and Integrity				
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.8.SL.1.1 LAFS.8.W.1.1 LAFS.8.W.2.4 Science- SC.68.CS-PC.1.1 SC.68.CS-PC.1.2 SC.68.CS-PC.2.1 SC.68.CS-PC.2.2	How should you handle inappropriate online talk?	<i>Students will be able to...</i> <ul style="list-style-type: none"> Describe positive aspects of online talking and messaging. Identify situations in which flirting and chatting become inappropriate and risky. Understand rules for safe online messaging, and feel empowered to deal with uncomfortable situations when communicating online. 	Domain(s): Academic Development and Social/Emotional Development Mindset Standards: 1, 2, 3, 5, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 6, 8, 9 Self-Management Skills: 1, 2, 3, 4, 7, 9, 10 Social Skills: 1, 2, 5, 6, 8, 9 <p><i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</i></p>	Estimated Lesson Time: 45 minutes Suggested Grade-Level: 8 th Grade Materials and Preparation: <ul style="list-style-type: none"> Half-size sheets of paper, three for every student. Green, yellow, and red markers or colored pencils, one set for each group of four to five students. Preview the video, "Perspectives on Chatting Safely Online," and prepared to show it to students. Copy the Take Three Student Handout, one for each student. Copy the Internet Traffic Light Student Handout, one for each student. Review the Take Three Student Handout–Teacher Version. Review the Internet Traffic Light Student Handout–Teacher Version. Read the Communicating Safely Online Teacher Backgrounder. Family Resources: <ul style="list-style-type: none"> Send home and post the Safe Online Talk Family Tip Sheet (Spanish Version) on school website.

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Common Sense Grades 6-8 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 4(C)				Pacing
Lesson Title: Which Me Should I Be?				April 2, - June 7, 2018 March 26 – 30 Recess Days April 19- Secondary Early Release April 20- Teacher Planning Day May 17- Secondary Early Release May 28 – Legal Holiday June 8 – Teacher Planning Day
Value(s) Aligned: Honesty and Integrity				
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.7.W.1.3 Science- SC.68.CS-PC.1.1 SC.68.CS-PC.1.2	<i>What are the benefits and risks of presenting yourself in different ways online?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Reflect on the benefits and risks of presenting their identities in different ways online. Evaluate – from an ethical point of view – the feelings, motivations, contexts, and possible outcomes associated with adopting different roles online. Judge whether certain ways people present themselves online are harmless or harmful. 	Domain(s): Academic Development and Social/Emotional Development Mindset Standards: 1, 2, 3, 5, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 4, 6, 8, 9 Self-Management Skills: 1, 2, 3, 7, 9, 10 Social Skills: 1, 2, 4, 5, 6, 8, 9 <p>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 16-17.</p>	Estimated Lesson Time: 45 minutes Suggested Grade-Level: 7 th Grade Materials and Preparation: <ul style="list-style-type: none"> Preview the video, "Henry's Story – Creating Online Identities," and be prepared to play the video for the class. Copy the Take a Stand Student Handout, one for each student. Review the Take a Stand Student Handout – Teacher Version. Prepare the classroom by clearing space in the room and creating a HARMLESS/HARMFUL line with tape down the center of the room. Refer to (Teach 2) part of the lesson plan. Family Resources: <ul style="list-style-type: none"> Send home and post the Self-Expression and Identity Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 6-8 Digital Citizenship Curriculum

Alignment of ASCA Domains, Mindsets and Behavior Standards

ASCA Domains

The ASCA Mindsets and Behaviors are organized in three broad domains: academic, career and social/emotional development. These domains promote mindsets and behaviors that enhance the learning process and create a culture of college and career readiness for all students.

The definitions of each domain are as follows:

Academic Development	Standards guiding school counseling programs to implement strategies and activities to support and maximize each student's ability to learn.
Career Development	Standards guiding school counseling programs to help students 1) understand the connection between school and the world of work and 2) plan for and make successful transition from school to postsecondary education and/ or the world of work and from job to job across the life span.
<u>Social/Emotional Development</u>	Standards guiding school counseling programs to help students manage emotions and learn and apply interpersonal skills.

Category 1: Mindset Standards

School counselors encourage the following mindsets for all students.

Mindset Standards are as follows:

1. Belief in development of whole self, including a health balance of mental, social/emotional and physical well-being.
2. Self-confidence in ability to succeed.
3. Sense of belonging in the school environment.
4. Understanding that postsecondary education and life-long learning are necessary for long-term career success.
5. Belief in using abilities to their fullest to achieve high quality results and outcomes.
6. Positive attitude toward work and learning.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 6-8 Digital Citizenship Curriculum

Alignment of ASCA Domains, Mindsets and Behavior Standards

Category 2: Behavior Standards

Students will demonstrate the following standards through classroom lessons, activities and/or individual/small-group counseling.

Learning Strategies	Self-Management Skills	Social Skills
1. Demonstrate critical- thinking skills to make informed decisions.	1. Demonstrate ability to assume responsibility.	1. Use effective oral and written communication skills and listening skills.
2. Demonstrate creativity.	2. Demonstrate self-discipline and self-control.	2. Create positive and supportive relationships with other students.
3. Use time-management, organizational and study skills.	3. Demonstrate ability to work independently.	3. Create relationships with adults that support success.
4. Apply self-motivation and self-direction to learning.	4. Demonstrate ability to delay immediate gratification for long-term rewards.	4. Demonstrate empathy.
5. Apply media and technology skills.	5. Demonstrate perseverance to achieve long- and short-term goals.	5. Demonstrate ethical decision-making and social responsibility.
6. Set high standards of quality.	6. Demonstrate ability to overcome barriers to learning.	6. Use effective collaboration and cooperation skills.
7. Identify long- and short-term academic goals, career and social/emotional goals.	7. Demonstrate effective coping skills when faced with a problem.	7. Use leadership and teamwork skills to work effectively in diverse teams.
8. Actively engage in challenging coursework.	8. Demonstrate the ability to balance school, home and community activities.	8. Demonstrate advocacy skills and ability to assert self, when necessary.
9. Gather evidence and consider multiple perspectives to make informed decisions.	9. Demonstrate personal safety skills.	9. Demonstrate social maturity and behaviors appropriate to the situation and environment.
10. Participate in enrichment and extracurricular activities.	10. Demonstrate ability to manage transitions and ability to adapt to changing situations and responsibilities.	

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 6-8 Digital Citizenship Curriculum

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Common Sense Grades 6-8 Digital Citizenship Curriculum			
1 st Nine Weeks	2 nd Nine Weeks	3 rd Nine Weeks	4 th Nine Weeks
<p>Featured Values: Respect, Responsibility</p> <p>1(A). Digital Life 101 <u>Lesson Description:</u> Students are introduced to the 24/7, social nature of digital media and technologies, and gain basic vocabulary and knowledge for discussing the media landscape. (Value Aligned: Responsibility)</p> <p>1(B). Scams and Schemes <u>Lesson Description:</u> Students learn strategies for guarding against identity theft and scams that try to access their private information online. (Values Aligned: Cooperation and Responsibility)</p> <p>1(C). Gender Stereotypes Online <u>Lesson Description:</u> Students analyze a "Dress Up Your Avatar" feature of a virtual world for kids for evidence of stereotypes about boys and girls. (Values Aligned: Respect and Responsibility)</p> <p>1(D). Trillion Dollar Footprint <u>Lesson Description:</u> Students learn that they have a digital footprint and that this information can be searched, copied and passed on, but that they can take some control based on what they post online. (Value Aligned: Responsibility)</p>	<p>Featured Values: Citizenship, Pursuit of Excellence</p> <p>2(A). Strategic Searching <u>Lesson Description:</u> Students learn that to conduct effective and efficient online searches, they must use a variety of searching strategies. (Value Aligned: Pursuit of Excellence)</p> <p>2(B). A Creator's Rights <u>Lesson Description:</u> Students are introduced to copyright, fair use, and the rights they have as creators. (Value Aligned: Pursuit of Excellence)</p> <p>2(C). A Creator's Responsibilities <u>Lesson Description:</u> Students reflect on their responsibilities as creators and users of creative work. (Values Aligned: Citizenship and Pursuit of Excellence)</p> <p>2(D). Identifying High-Quality Sites <u>Lesson Description:</u> Students learn that anyone can publish on the Web, so not all sites are equally trustworthy. (Value Aligned: Pursuit of Excellence)</p> <p>2(E). Rework, Reuse, Remix <u>Lesson Description:</u> Students expand their understanding of fair use, apply it to case studies, and create an original work of fair use. (Value Aligned: Pursuit of Excellence)</p>	<p>Featured Values: Fairness, Kindness</p> <p>3(A). Cyberbullying: Be Upstanding <u>Lesson Description:</u> Students learn about the difference between being a passive bystander versus a brave upstander in cyberbullying situation. (Values Aligned: Fairness and Kindness)</p> <p>3(B). The Reality of Digital Drama <u>Lesson Description:</u> Students draw connections between young teens' perceptions of digital drama and stereotypes of men and women on reality TV. (Value Aligned: Kindness)</p> <p>3(C). Cyberbullying: Crossing the Line <u>Lesson Description:</u> Students learn to distinguish good-natured teasing from cyberbullying. (Values Aligned: Fairness and Kindness)</p>	<p>Featured Values: Honesty, Integrity</p> <p>4(A). My Media <u>Lesson Description:</u> Students review their media habits and the array of media they use on a weekly basis, and reflect on the role of digital media in their lives. (Values Aligned: Honesty and Integrity)</p> <p>4(B). Safe Online Talk <u>Lesson Description:</u> While acknowledging the benefits of online talk and messaging, students learn how to handle situations or online behavior which may make them feel uncomfortable. (Values Aligned: Honesty and Integrity)</p> <p>4(C). Which Me Should I Be? <u>Lesson Description:</u> Students learn that presenting themselves in different ways online carries both benefits and risks. (Values Aligned: Honesty and Integrity)</p>

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Common Sense Grades 6-8 Digital Citizenship Curriculum

Digital Citizenship Student Instruction Required for School Certification

How much digital citizenship instructional time is required?

You have two options to meet the **MINIMUM** number of instructional hours and grades taught. Using [Common Sense digital citizenship resources](#).

- 1) In two grade levels, teach three hours, 45 minutes of digital citizenship instruction, OR
- 2) In three grade levels, teach 2 hours, 15 minutes of digital citizenship instruction.

Note that these are the minimum requirements for both the number of grades taught and the instructional hours. In order to have the biggest impact on the most students, we encourage schools to do more. For example, in a K-5 school, they could teach digital citizenship for a total of three hours, 45 minutes in all six grade levels, which is the equivalent to five lessons from our K-12 Digital Citizenship Curriculum.

You can use any combination of the below Common Sense digital citizenship resources to provide the instruction:

- **K-12 Digital Citizenship Curriculum**
- **Digital Passport**
- **Digital Compass**
- **Digital Bytes**

Follow the appropriate table below in order to understand how many lessons (or modules, story lines, or bytes — depending on the resource) are equivalent to the instructional hours required to meet the criteria.

Two Grade Levels

Resources

K-12 Curriculum	Minimum hours of instruction: 3 hours, 45 minutes	Equivalent number of lessons: 5 lessons
Digital Passport	Minimum hours of instruction: 3 hours, 45 minutes	Equivalent number of modules: 5 modules
Digital Compass	Minimum hours of instruction: 3 hours, 45 minutes	Equivalent number of story lines: 5 story lines
Digital Bytes	Minimum hours of instruction: 3 hours, 45 minutes	Equivalent number of bytes: 2 “bytes”

Three Grade Levels

Resources

K-12 Curriculum	Minimum hours of instruction: 2 hours, 15 minutes	Equivalent number of lessons: 3 lessons
Digital Passport	Minimum hours of instruction: 2 hours, 15 minutes	Equivalent number of modules: 3 modules
Digital Compass	Minimum hours of instruction: 2 hours, 15 minutes	Equivalent number of story lines: 3 story lines
Digital Bytes	Minimum hours of instruction: 2 hours, 15 minutes	Equivalent number of bytes: 1 “bytes”

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Common Sense Grades 6-8 Digital Citizenship Curriculum

Certified School Checklist

Use this checklist to help your school meet the requirements to become a Common Sense Digital Citizenship

PLAN

- ☐ Identify a project lead for the school.
- ☐ Register on [Common Sense Education](#) to get familiar with the digital citizenship resources.
- ☐ Form a project team with key stakeholders (teachers, students, parents/caregivers, administrators), if appropriate.
- ☐ Create your school's digital citizenship vision.
- ☐ Determine how, when, and who will provide digital citizenship instruction to students. Consider the following:
 - ☐ In which grades instruction will occur (a minimum of two is required)
 - ☐ Which [Common Sense resources](#) will be used, and on which platforms (e.g., app vs. Web-based)
 - ☐ How many hours of instruction will be taught? At a minimum:
 - ☐ In two grade levels, teach three hours, 45 minutes of digital citizenship instruction, OR in three grade levels, teach 2 hours, 15 minutes of digital citizenship instruction. All students in the chosen grades must receive instruction.
 - ☐ Which teachers will be responsible for the instruction
 - ☐ When the instruction will occur
- ☐ Develop the school's parent outreach plan to engage and educate parents using the [Connecting Families Program](#) in three distinct ways.
- ☐ Once your parent outreach and student instructional plans have been finalized, input them on the [Digital Citizenship Certified School Implementation Plan](#), which you will ultimately need to submit as part of your application.

PREPARE

- ☐ Introduce [Common Sense Education](#) and what you're doing in your school to your principal, and encourage him or her to roll out a school-wide digital citizenship program.
- ☐ Request that all educators register with [Common Sense Education](#).
- ☐ Communicate your school's commitment to digital citizenship to your parent body, staff, and students.
- ☐ Share a link to [Common Sense Education](#) on your school website (or equivalent notice board if your school doesn't have a website).

IMPLEMENT

- ☐ Implement your parent outreach and student instructional plans.
- ☐ **For new applicants only**, save at least three pieces of documentation to submit with your Common Sense Certified School application.

APPLY

- ☐ Apply to become a [Digital Citizenship Certified School](#). As part of the application, you will need to submit:
 - ☐ The [Digital Citizenship Certified School Implementation Plan](#) (new applicants only).
 - ☐ The Digital Citizenship Teacher Worksheet (optional). Educators in schools applying to become Common Sense Certified do not need to submit a separate application. The Project Lead can submit the information on their behalf using the Teacher Worksheet.
 - ☐ Three pieces of documentation (new applicants only).

CELEBRATE (Optional)

- ☐ Join our Facebook community @CommonSenseEducators to connect with other educators, share best practices, and be part of a growing professional learning network!
- ☐ Display your Common Sense Certified School badge on your school website.
- ☐ Tweet using @CommonSenseEdu #digcitcertified to share your work with your followers.
- ☐ Let your local press know of your Common Sense Certified School status.

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Common Sense Grades 6-8 Digital Citizenship Curriculum

Parent Out Reach

What are some ways to engage parents?

Schools are required to take a whole-community approach to digital citizenship by communicating with families about and educating them on digital citizenship. You must do this in three distinct ways.

One of these efforts must be the distribution of at least one Common Sense [Family Tip Sheet](#) or the [Family Media Agreement](#) to all parents/caregivers.

You must also implement two additional efforts. Examples include but are not limited to:

- Hosting a school-wide parent education evening with a [teen panel](#) with materials, ideas, and best practices from the [Connecting Families program](#).
- Training Title 1 coordinators and/or PTA/PTO leaders to facilitate ongoing family engagement activities, such as [informal discussion groups](#) using [Connecting Families resources](#).
- Publishing an article about the importance of digital citizenship in the school newsletter.
- Posting a link to [Common Sense Media](#) on the school website.
- Embedding the Common Sense parent advice blog widget onto the school website.
- Give your parents easy access to advice on parenting in the digital age by adding our [Making Sense blog widget](#) for families to your school's site.

Application

The Digital Citizenship School Application requires various pieces of documentation. What should I plan to submit?

- [Digital Citizenship Certified School Implementation Plan](#)
- [Digital Citizenship Teacher Worksheet](#), if applicable
- At least three of the following examples:
 - Photos of students (Media Releases Required) engaging in lessons or interactives in which it's clear that Common Sense resources are being used.
 - A lesson plan or course syllabus including mention of and/or links to Common Sense resources.
 - A sample of student work in which concepts learned from Common Sense resources are evident.
 - A screenshot of, or a link to, your teacher website showing a link to Common Sense and/or a description of work you're doing with students.
 - A screenshot of your Digital Passport Student Group Summary or Student Group Overview.
 - An email sent to your principal letting him or her know about your efforts around digital citizenship.
 - A screenshot of a student's Digital Compass assessment.
 - A sample from Digital Bytes.

How do I apply?

Apply to be a Common Sense Digital Citizenship Certified School [HERE](#)

YEAR-AT-A-GLANCE

Common Sense Grades 6-8 Digital Citizenship Curriculum

Resources

What resources can schools use for student instruction?

- K-12 Digital Literacy and Citizenship Curriculum
<http://www.common sense media.org/educators/scope-and-sequence>
- Nearpod
<http://www.nearpod.com/digitalcitizenship>
- K-12 Digital Literacy and Citizenship Curriculum available on iBooks:
<http://search.itunes.apple.com/WebObjects/MZContentLink.woa/wa/link?path=commonsense media>
- Digital Passport™
Web version: <http://www.digitalpassport.org>
iTunes: <https://itunes.apple.com/us/app/digital-passport-for-kids/id658593545>
Google Play: <https://play.google.com/store/apps/details?id=air.org.csm.digitalpassportparents&hl=en>
- Digital Compass
<https://www.common sense media.org/educators/digital-compass>
- Digital Bytes
<http://digitalbytes.common sense media.org>

What professional development resources does Common Sense Education have to help educators meet the criteria?

To fulfill Digital Citizenship School criteria, we ask that professional development be provided to staff designated for leading student instruction. The following online resources can be used:

- [Common Sense curriculum narrated tutorial](#)
- [Common Sense facilitated webinars](#)
- [Digital Passport training videos](#)
- edWeb at <http://www.edweb.net/digitalcitizenship>
- Edmodo at <https://www.edmodo.com/home#/publisher/digitalcitizenship>
- [Whats New at Common Sense Education](#)

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Common Sense Grades 6-8 Digital Citizenship Curriculum

Alignment of [ASCA Domains, Mindsets and Behavior Standards](#)

ASCA Domains

The ASCA Mindsets and Behaviors are organized in three broad domains: academic, career and social/emotional development. These domains promote mindsets and behaviors that enhance the learning process and create a culture of college and career readiness for all students.

The definitions of each domain are as follows:

Lessons are aligned as follows:

<p><u>Academic Development</u></p> <p>Standards guiding school counseling programs to implement strategies and activities to support and maximize each student's ability to learn.</p>	1(A); 1(B); 1(C); 1(D); 2(A); 2(B); 2(C); 2(D); 2(E); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)
<p><u>Career Development</u></p> <p>Standards guiding school counseling programs to help students 1) understand the connection between school and the world of work and 2) plan for and make successful transition from school to postsecondary education and/ or the world of work and from job to job across the life span.</p>	1(C); 1(D); 2(B); 2(C); 2(D); 2(E); 3(B)
<p><u>Social/Emotional Development</u></p> <p>Standards guiding school counseling programs to help students manage emotions and learn and apply interpersonal skills.</p>	1(A); 1(B); 1(C); 1(D); 2(B); 2(C); 2(D); 2(E); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)

Category 1: Mindset Standards

School counselors encourage the following mindsets for all students.

Mindset Standards are as follows:

Lessons are aligned as follows:

1. Belief in development of whole self, including a healthy balance of mental, social/emotional and physical well-being.	1(A); 1(B); 1(C); 1(D); 2(B); 2(C); 2(D); 2(E); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)
2. Self-confidence in ability to succeed.	1(A); 1(B); 1(C); 1(D); 2(A); 2(B); 2(C); 2(D); 2(E); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)
3. Sense of belonging in the school environment.	1(A); 1(B); 1(C); 1(D); 2(A); 2(B); 2(C); 2(D); 2(E); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)
4. Understanding that postsecondary education and life-long learning are necessary for long-term career success.	1(C); 1(D); 2(B); 2(C); 2(D); 2(E); 3(B)
5. Belief in using abilities to their fullest to achieve high quality results and outcomes.	1(A); 1(B); 1(C); 1(D); 2(A); 2(B); 2(C); 2(D); 2(E); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)
6. Positive attitude toward work and learning.	1(A); 1(B); 1(C); 1(D); 2(A); 2(B); 2(C); 2(D); 2(E); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)

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Common Sense Grades 6-8 Digital Citizenship Curriculum

Alignment of [ASCA Domains, Mindsets and Behavior Standards](#)

Category 2: Behavior Standards

Students will demonstrate the following standards through classroom lessons, activities and/or individual/small-group counseling.

Learning Strategies	Lessons Aligned as follows:	Self-Management Skills	Lessons Aligned as follows:	Social Skills	Lessons Aligned as follows:
1. Demonstrate critical-thinking skills to make informed decisions.	1(A); 1(B); 1(C); 1(D); 2(A); 2(B); 2(C); 2(D); 2(E); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)	1. Demonstrate ability to assume responsibility.	1(A); 1(B); 1(C); 1(D); 2(A); 2(B); 2(C); 2(D); 2(E); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)	1. Use effective oral and written communication skills and listening skills.	1(A); 1(B); 1(C); 1(D); 2(A); 2(B); 2(C); 2(D); 2(E); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)
2. Demonstrate creativity.	1(A); 1(B); 2(B); 2(C); 2(E); 3(A); 3(C); 4(A)	2. Demonstrate self-discipline and self-control.	1(A); 1(C); 1(D); 2(B); 2(C); 2(D); 2(E); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)	2. Create positive and supportive relationships with other students.	1(A); 1(B); 1(C); 1(D); 2(A); 2(B); 2(C); 2(D); 2(E); 3(A); 3(B); 3(C); 4(B); 4(C)
3. Use time-management, organizational and study skills.	4(A)	3. Demonstrate ability to work independently.	1(A); 1(B); 1(C); 1(D); 2(A); 2(B); 2(C); 2(D); 2(E); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)	3. Create relationships with adults that support success.	1(C); 1(D); 2(B); 2(C); 2(D); 3(B)
4. Apply self-motivation and self-direction to learning.	1(D); 4(C)	4. Demonstrate ability to delay immediate gratification for long-term rewards.	3(A); 3(C); 4(B)	4. Demonstrate empathy.	1(A); 2(B); 2(C); 3(A); 3(C); 4(C)
5. Apply media and technology skills.	1(A); 1(C); 1(D); 2(A); 3(B); 4(A)	5. Demonstrate perseverance to achieve long- and short-term goals.		5. Demonstrate ethical decision-making and social responsibility.	1(A); 1(B); 1(C); 1(D); 2(A); 2(B); 2(C); 2(D); 2(E); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)
6. Set high standards of quality.	1(A); 1(B); 1(C); 1(D); 2(A); 2(B); 2(C); 2(D); 2(E); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)	6. Demonstrate ability to overcome barriers to learning.	1(C); 2(A); 2(B); 2(C); 2(D); 3(B)	6. Use effective collaboration and cooperation skills.	1(A); 1(B); 1(C); 1(D); 2(A); 2(B); 2(C); 2(D); 2(E); 3(A); 3(B); 3(C); 4(B); 4(C)
7. Identify long- and short-term academic goals, career and social/emotional goals.		7. Demonstrate effective coping skills when faced with a problem.	1(A); 1(B); 2(C); 3(A); 3(C); 4(B); 4(C)	7. Use leadership and teamwork skills to work effectively in diverse teams.	1(C); 3(B)
8. Actively engage in challenging coursework.	1(B); 1(C); 1(D); 2(A); 2(B); 2(C); 2(D); 2(E); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)	8. Demonstrate the ability to balance school, home and community activities.		8. Demonstrate advocacy skills and ability to assert self, when necessary.	1(A); 1(C); 1(D); 2(C); 3(A); 3(B); 3(C); 4(B); 4(C)
9. Gather evidence and consider multiple perspectives to make informed decisions.	1(A); 1(B); 1(C); 1(D); 2(A); 2(B); 2(C); 2(D); 2(E); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)	9. Demonstrate personal safety skills.	1(A); 1(B); 1(D); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)	9. Demonstrate social maturity and behaviors appropriate to the situation and environment.	1(A); 1(B); 1(C); 1(D); 2(A); 2(B); 2(C); 2(D); 2(E); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)
10. Participate in enrichment and extracurricular activities.		10. Demonstrate ability to manage transitions and ability to adapt to changing situations and responsibilities.	1(A); 1(B); 1(C); 1(D); 2(A); 2(B); 2(C); 2(D); 2(E); 3(A); 3(B); 3(C); 4(A); 4(B); 4(C)		

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 9-12 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 1(A) Lesson Title: Risky Online Relationships Value(s) Aligned: Responsibility				Pacing August 21-October 26, 2017 September 4, 2017 -Legal Holiday September 21, 2017 -Teacher Planning Day September 28- Secondary Early Release October 2- Teacher Planning Day (No Opt) October 27- Teacher Planning Day (No Opt)
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.910.RI.1.2 LAFS.910.SL.1.1 Science- SC.912.CS-PC.1.1 SC.912.CS-PC.1.2	<i>How can you tell when an online relationship is risky?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Compare and contrast stereotypes and realities when it comes to Internet "stranger danger." Learn guidelines for determining safe online relationships, especially when strangers or casual acquaintances. Brainstorm ways to help teens avoid risky online behavior. 	<u>Domain(s):</u> Academic Development, Social/Emotional Development <u>Mindset Standards:</u> 1, 2, 3, 5, 6 <u>Behavior Standards:</u> <ul style="list-style-type: none"> Learning Strategies: 1, 6, 8, 9 Self-Management Skills: 1, 2, 3, 4, 7, 9, 10 Social Skills: 1, 2, 3, 5, 6, 8, 9 Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 21-22.	Estimated Lesson Time: 45 minutes Suggested Grade-Level: 9 th Grade Materials and Preparation: <ul style="list-style-type: none"> Read the Communicating Safely Online Teacher Backgrounder (High School) Review the Sheyna'a Situation Student Handout-Teacher Version. Copy the Sheyna'a Situation Student Handout, one for each student. <p>Note: Research suggests that lessons on Internet safety should not shy away from honest conversations about teen risk-taking, relationships, and sexuality. As such, this lesson deals with issues that may be difficult for both teachers and students to discuss openly. Please refer to the Communicating Safely Online Teacher Backgrounder for extra information on the content of this lesson, as well as tips for teaching sensitive topics.</p> Family Resources: <ul style="list-style-type: none"> Send home and post Risky Online Relationships Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 9-12 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 1(B) Lesson Title: Feeling on Display Value(s) Aligned: Cooperation, Respect and Responsibility				Pacing August 21-October 26, 2017 September 4, 2017 -Legal Holiday September 21, 2017 -Teacher Planning Day September 28- Secondary Early Release October 2- Teacher Planning Day (No Opt) October 27- Teacher Planning Day (No Opt)
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources And MDCPS Suggestions
Language Arts- LAFS.910.RI.3.8 Science- SC.912.CS-CC.1.1 SC.912.CS-PC.1.1	<i>Are girls and boys judged differently when they post photos online?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Identify examples of teens evaluating one another's photos online. Compare and contrast attitudes toward boys and girls regarding editing, posting, and commenting on personal photos that are posted on social network sites. Analyze broader gender norms and media messages that may frame the way people use and interpret photos on social network sites. 	<u>Domain(s):</u> Academic Development, Social/Emotional Development <u>Mindset Standards:</u> 1, 2, 3, 5, 6 <u>Behavior Standards:</u> <ul style="list-style-type: none"> Learning Strategies: 1, 6, 8, 9 Self-Management Skills: 1, 9, 10 Social Skills: 1, 2, 4, 5, 6, 9 Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 21-22.	Estimated Lesson Time: 45 minutes Suggested Grade-Level: 9 th Grade Materials and Preparation: <ul style="list-style-type: none"> Review the Gender and Digital Life Teacher Backgrounder (High School). Preview the video, "Feelings on Display," and prepare to show it to students. Copy the Video Discussion Guide Student Handout, one for each group of four or five students. Family Resources: <ul style="list-style-type: none"> Send home and post the Boys, Girls, and Media Messages Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 9-12 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 1(C)

Lesson Title: Overexposed: Sexting and Relationships

Value(s) Aligned: Respect and Responsibility

Pacing

August 21-October 26, 2017

September 4, 2017 -Legal Holiday
September 21, 2017 -Teacher Planning Day
September 28- Secondary Early Release
October 2- Teacher Planning Day (No Opt)
October 27- Teacher Planning Day (No Opt)

Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.910.W.1.3 LAFS.910.SL.1.1 Science- SC.912.CS-PC.1.1 SC.912.CS-PC.1.2	<i>What are the risks and responsibilities when you share online in a relationship?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Explore the role of digital technologies in romantic relationships. Analyze risky forms of self-disclosure and their possible consequences. Identify strategies for avoiding sexting while enhancing positive relationships. 	<p>Domain(s): Academic Development, Social/Emotional Development</p> <p>Mindset Standards: 1, 2, 3, 5, 6</p> <p>Behavior Standards:</p> <ul style="list-style-type: none"> Learning Strategies: 1, 6, 8, 9 Self-Management Skills: 1, 2, 3, 4, 7, 9, 10 Social Skills: 1, 2, 3, 5, 6, 8, 9 <p>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 21-22.</p>	<p>Estimated Lesson Time: 45 minutes</p> <p>Suggested Grade-Level: 10th Grade</p> <p>Materials and Preparation:</p> <ul style="list-style-type: none"> Copy the How Should It End? Student Handout, one for each student. Preview the video "Ally's Story- Second Thoughts on Sexting," an abridged version from MTV's Sexting in America: When Privates Go Public, and prepare to play it for students. Note: This video addresses the topic of sexting and does not constitute an endorsement of MTV. If you do not feel comfortable showing material, watch the video, describe the scenario to students, and then have your class complete the lesson based on your description. Optional: Review the Over the Line? Student Handout with vignettes from MTV. <p>Family Resources:</p> <ul style="list-style-type: none"> Send home and post the Digital Relationships Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 9-12 Digital Citizenship Curriculum

Common Sense Grades 9-12 Digital Citizenship Curriculum				Pacing
<p>Year-At-A-Glance Lesson Number: 1(D)</p> <p>Lesson Title: Private Today, Public Tomorrow</p> <p>Value(s) Aligned: Cooperation, Respect and Responsibility</p>				<p>August 21-October 26, 2017</p> <p>September 4, 2017 -Legal Holiday September 21, 2017 -Teacher Planning Day September 28- Secondary Early Release October 2- Teacher Planning Day (No Opt) October 27- Teacher Planning Day (No Opt)</p>
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources And MDCPS Suggestions
<p>Language Arts- LAFS.910.SL.1.1 LAFS.910.SL.1.3</p> <p>Science- SC.912.CS-PC.1.1 SC.912.CS-PC.1.2</p>	<p><i>How can you respect the privacy of others online?</i></p>	<p><i>Students will be able to...</i></p> <ul style="list-style-type: none"> Consider the possible benefits and risks of sharing information online. Recognize the importance of context in posting or viewing online images. Understand what choices they need to make to protect the privacy of others online. 	<p>Domain(s): Academic Development, Career Development, Social/Emotional Development</p> <p>Mindset Standards: 1, 2, 3, 5, 6</p> <p>Behavior Standards:</p> <ul style="list-style-type: none"> Learning Strategies: 1, 2, 6, 8, 9 Self-Management Skills: 1, 2, 3, 4, 7, 9, 10 Social Skills: 1, 2, 4, 5, 6, 8, 9 <p>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 21-22.</p>	<p><i>Estimated Lesson Time: 45 minutes</i></p> <p>Suggested Grade-Level: 10th Grade</p> <p>Materials and Preparation:</p> <ul style="list-style-type: none"> Copy the Unintended Consequences of Sharing Student Handout, one for each student. <p>Family Resources:</p> <ul style="list-style-type: none"> Send home and post the Privacy and Digital Footprints Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 9-12 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 1(E) Lesson Title: Digital Life 102 Value(s) Aligned: Responsibility				Pacing August 21-October 26, 2017 September 4, 2017 -Legal Holiday September 21, 2017 -Teacher Planning Day September 28- Secondary Early Release October 2- Teacher Planning Day (No Opt) October 27- Teacher Planning Day (No Opt)
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.1112.SL.1.1 LAFS.1112.SL.2.4 Science- SC.912.CS-PC.1.2 SC.912.CS-PC.2.4	<i>What is the place of digital media in our lives?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Learn basic statistics about the current digital landscape. Explore the role that media plays in their lives. Reflect on the positive and negative impact digital media has on them and on society. 	Domain(s): Academic Development, Social/Emotional Development Mindset Standards: 1, 2, 3, 5, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 2, 6, 8, 9 Self-Management Skills: 1, 2, 3, 7, 9, 10 Social Skills: 1, 2, 4, 5, 6, 8, 9 <i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 21-22.</i>	Estimated Lesson Time: 45 minutes Suggested Grade-Level: 11 th Grade Materials and Preparation: <ul style="list-style-type: none"> Copy the Got Media Smarts? Student Handout, one for each student. Preview the video "Perspectives on Social Media" and prepare to show it to students. Family Resources: <ul style="list-style-type: none"> Send home and post the Digital Life Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 9-12 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 1(F)				Pacing
Lesson Title: Does it Matter Who Has Your Data?				August 21-October 26, 2017 September 4, 2017 -Legal Holiday September 21, 2017 -Teacher Planning Day September 28- Secondary Early Release October 2- Teacher Planning Day (No Opt) October 27- Teacher Planning Day (No Opt)
Value(s) Aligned: Responsibility				Common Sense Media Additional Resources And MDCPS Suggestions
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	
Language Arts- LAFS.1112.SL.1.1 LAFS.1112.RI.1.1 Science- SC.912.CS-PC.2.4	<i>What are the upsides and downsides of companies collecting your data online?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Recognize that companies collect several types of information about them when they go online. Think critically about the benefits and risks of online tracking and targeting, and of content that is offered based on collected data. Learn strategies for managing what happens with their information online. 	Domain(s): Academic Development, Social/Emotional Development Mindset Standards: 1, 2, 3, 5, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 2, 6, 8, 9 Self-Management Skills: 1, 2, 3, 7, 9, 10 Social Skills: 1, 2, 3, 5, 6, 8, 9 Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 21-22.	Estimated Lesson Time: 45 minutes Suggested Grade-Level: 12 th Grade Materials and Preparation: <ul style="list-style-type: none"> Copy the Same Search Student Handout, one for every four or five students. Review the Same Search Student Handout-Teacher Version. Optional: Preview the videos "Online Targeting and Tracking Animation" and "Husband Sees Wife on Facebook Dating Ad" and prepare to show one of them to your students. Prepare a chart shown on Question 3 of the Same Search Student Handout- Teacher Version, with room to fill in class responses. Family Resources: <ul style="list-style-type: none"> Send home and post Online Security Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 9-12 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 2(A)

Lesson Title: Copyrights and Wrongs

Value(s) Aligned: Citizenship and Pursuit of Excellence

Pacing

October 30, 2017- January 18, 2018

November 10-Legal Holiday
November 22-Teacher Planning Day
November 23- Legal Holiday
November 24-Recess Day
December 25, 2017-January 5, 2018-Recess Days
January 15-Legal Holiday
January 19-Teacher Planning Day

Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
<p>Language Arts- LAFS.910.SL.1.1</p> <p>Science- SC.912.CS-PC.1.3 SC.912.CS-PC.4.2</p>	<p><i>How can I make responsible choices when I use other people's creative work?</i></p>	<p><i>Students will be able to...</i></p> <ul style="list-style-type: none"> Identify the legal and ethical considerations involved in using the creative work of others. Understand the individual's rights and responsibilities as a creator and consumer of content. Practice critical thinking and ethical decision making about the use of creative works. 	<p>Domain(s): Academic Development, Career Development, Social/Emotional Development</p> <p>Mindset Standards: 1, 2, 3, 4, 5, 6</p> <p>Behavior Standards:</p> <ul style="list-style-type: none"> Learning Strategies: 1, 2, 6, 8, 9 Self-Management Skills: 1, 3, 10 Social Skills: 1, 2, 3, 4, 5, 6, 9 <p>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 21-22.</p>	<p>Estimated Lesson Time: 45 minutes</p> <p>Suggested Grade-Level: 9th Grade</p> <p>Materials and Preparation:</p> <ul style="list-style-type: none"> Preview the video "Copyright and Fair Use Animation" and prepare to show it to students. Copy the Mad Men Student Handout, one for each student. Review and print out the Mad Men Student Handout-Teacher Version. <p>Family Resources:</p> <ul style="list-style-type: none"> Send home and post the Plagiarism and Piracy Family Tip sheet (Spanish Version) on the school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 9-12 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 2(B)				Pacing
Lesson Title: Oops! I Broadcast It on the Internet				October 30, 2017- January 18, 2018 November 10-Legal Holiday November 22-Teacher Planning Day November 23- Legal Holiday November 24-Recess Day December 25, 2017-January 5, 2018-Recess Days January 15-Legal Holiday January 19-Teacher Planning Day
Value(s) Aligned: Pursuit of Excellence				
Florida Standards Alignment	Essential Questions	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources And MDCPS Suggestions
Language Arts- LAFS.910.W.1.3 Science- SC.912.CS-PC.1.1 SC.912.CS-PC.1.2 Theatre- TH.912.C	<i>What are the consequences of oversharing online?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Identify some of the benefits of sharing information online. Reflect on the risks of sharing inappropriate information (oversharing) online. Think critically about what they choose to post and share about themselves online. 	Domain(s): Academic Development, Social/Emotional Development Mindset Standards: 1, 2, 3, 5, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 2, 6, 8, 9 Self-Management Skills: 1, 2, 3, 7, 9, 10 Social Skills: 1, 2, 5, 6, 9 Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 21-22.	Estimated Lesson Time: 45 minutes Suggested Grade-Level: 9 th Grade Materials and Preparation: <ul style="list-style-type: none"> Preview the videos "Eva's Story- When Messages Spread" and "Brittney's Story- Posting Something You Regret," and select which one you would like to use in the lesson. Prepare to show the video to students. Copy the Eva's Story Discussion Guide, one for each student, if you are showing students the "Brittney's Story" video. Review the corresponding Video Discussion Guide-Teacher Version. Family Resources: <ul style="list-style-type: none"> Send home and post the Privacy and Digital Footprints Family Tip Sheet (Spanish Version) on the school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 9-12 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 2(C)

Lesson Title: College Bound

Value(s) Aligned: Citizenship and Pursuit of Excellence

Pacing

October 30, 2017- January 18, 2018

November 10-Legal Holiday
November 22-Teacher Planning Day
November 23- Legal Holiday
November 24-Recess Day
December 25, 2017-January 5, 2018-Recess Days
January 15-Legal Holiday
January 19-Teacher Planning Day

Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources And MDCPS Suggestions
Language Arts- LAFS.910.SL.1.1 LAFS.910.W.1.1 Science- SC.912.CS-PC.1.1 SC.912.CS-PC.1.2 SC.912.CS-PC.1.3 SC.912.CS-PC.2.4	<i>How can information you post on the Internet affect your future opportunities?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Learn that they have a public presence online called a digital footprint. Recognize that any information they post online can help or hurt their larger and future opportunities, including their chances for college admission or employment. Consider how to present an authentic and positive image of themselves online. 	<p><u>Domain(s):</u> Academic Development, Career Development, Social/Emotional Development</p> <p><u>Mindset Standards:</u> 1, 2, 3, 4, 5, 6</p> <p><u>Behavior Standards:</u></p> <ul style="list-style-type: none"> Learning Strategies: 1, 4, 6, 8, 9 Self-Management Skills: 1, 2, 9, 10 Social Skills: 1, 2, 3, 5, 6, 8, 9 <p><i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 21-22.</i></p>	<p><i>Estimated Lesson Time: 45 minutes</i></p> <p>Suggested Grade-Level: 10th Grade</p> <p><u>Materials and Preparation:</u></p> <ul style="list-style-type: none"> Preview the video "Abba's Story- Pride in Your Digital Footprint" and prepare to show it to students. Preview the Admissions Packet Student Handout-Teacher Version. Copy the Admissions Packet Student Handout, one for each student. Prepare a list of results for celebrity or other well-known person in a form that all students can see, perhaps an interactive white board or overhead projector. <p><u>Family Resources:</u></p> <ul style="list-style-type: none"> Send home and post the Privacy and Digital Footprints Family Tip Sheet (Spanish Version).

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 9-12 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 2(D)

Lesson Title: Building Community Online

Value(s) Aligned: Citizenship and Pursuit of Excellence

Pacing

October 30, 2017- January 18, 2018

November 10-Legal Holiday
November 22-Teacher Planning Day
November 23- Legal Holiday
November 24-Recess Day
December 25, 2017-January 5, 2018-Recess Days
January 15-Legal Holiday
January 19-Teacher Planning Day

Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources And MDCPS Suggestions
Language Arts- LAFS.910.W.2.4 LAFS.910.W.2.5 LAFS.910.W.2.6 Science- SC.912.CS-PC.1.1 SC.912.CS-PC.1.2	<i>How can websites foster community online?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Observe and analyze the factors that foster positive community, both offline and online. Identify characteristics of websites that excel at creating positive online community. Demonstrate their understanding of how to build positive community online. 	<p>Domain(s): Academic Development, Career Development, Social/Emotional Development</p> <p>Mindset Standards: 1, 2, 3, 4, 5, 6</p> <p>Behavior Standards:</p> <ul style="list-style-type: none"> Learning Strategies: 1, 2, 5, 6, 8, 9 Self-Management Skills: 1, 3, 9, 10 Social Skills: 1, 2, 3, 5, 6, 7, 9 <p><i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 21-22.</i></p>	<p><i>Estimated Lesson Time: 45 minutes</i></p> <p>Suggested Grade-Level: 10th Grade</p> <p>Materials and Preparation:</p> <ul style="list-style-type: none"> Large sheets of drawing paper or butcher paper, several for each group of four or five students, and colored markers. Copy the Design a Community Website Student Handout, one for each student. Browse the following websites listed in the chart Teach 1, such as Facebook, LinkedIn, Wordpress, Twitter, Flickr, YouTube, Goodreads, Yelp, Wikipedia, and Digg. Students will be asked to describe how some of these sites help build community (Note: Make arrangements to get access to sites that might be blocked by the school filter). Be prepared to project or recreate the Sites That Build Community-Blank Version. Read over the Sites That Build Community-Sample Completed Version. <p>Family Resources:</p> <ul style="list-style-type: none"> Send home and post the Connected Culture Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 9-12 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 2(E)

Lesson Title: Rights, Remixes and Respect

Value(s) Aligned: Citizenship and Pursuit of Excellence

Pacing

October 30, 2017- January 18, 2018

November 10-Legal Holiday
November 22-Teacher Planning Day
November 23- Legal Holiday
November 24-Recess Day
December 25, 2017-January 5, 2018-Recess Days
January 15-Legal Holiday
January 19-Teacher Planning Day

Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources And MDCPS Suggestions
Language Arts- LAFS.1112.SL.1.1 Science- SC.912.CS-PC.1.3 SC.912.CS-PC.4.2	<i>What should you consider when you use other people's creative work?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Define the key concepts of inspiration, appropriation, copyright, and fair use and examine how they relate to creative work. Understand the legal and ethical debates that surround using other people's creative work. Consider the perspective of the original creator, potential audiences, and the broader community when using others' materials. 	<p>Domain(s): Academic Development, Career Development, Social/Emotional Development</p> <p>Mindset Standards: 1, 2, 3, 4, 5, 6</p> <p>Behavior Standards:</p> <ul style="list-style-type: none"> Learning Strategies: 1, 2, 6, 8, 9 Self-Management Skills: 1, 2, 3, 10 Social Skills: 1, 2, 5, 6, 9 <p>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 21-22.</p>	<p>Estimated Lesson Time: 45 minutes</p> <p>Suggested Grade-Level: 11th Grade</p> <p>Materials and Preparation:</p> <ul style="list-style-type: none"> Copy the Music Industry Debate Student Handout, one for each student. Click on PDF to open lesson. Preview the opening minute and forty seconds (1:40) of the video, "Everything is a Remix: Part 1: The Song Remains the Same" (www.vimeo.com/14912890) by Kirby Ferguson (2010). You may choose to show only the central section of the video, from 2:26 through 6:30. <p>Family Resources:</p> <ul style="list-style-type: none"> Send home and post the Plagiarism and Piracy Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 9-12 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 2(F)				Pacing
Lesson Title: Collective Intelligence				October 30, 2017- January 18, 2018 November 10-Legal Holiday November 22-Teacher Planning Day November 23- Legal Holiday November 24-Recess Day December 25, 2017-January 5, 2018-Recess Days January 15-Legal Holiday January 19-Teacher Planning Day
Value(s) Aligned: Pursuit of Excellence				
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.1112.W.2.5 LAFS.1112.W.2.6 Science- SC.912.CS-CC.1.2 SC.912.CS-CC.1.5	<i>What are the benefits and drawbacks of people working together to create information online?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Learn about the concept of collective intelligence, and how it works both online and offline. Consider when collective intelligence may be valuable or not. Explore the benefits and drawbacks of working as a team to create new information or products. 	Domain(s): Academic Development, Career Development, Social/Emotional Development Mindset Standards: 1, 2, 3, 4, 5, 6 Behavior Standards: <ul style="list-style-type: none"> Learning Strategies: 1, 2, 4, 5, 6, 8, 9 Self-Management Skills: 1, 3, 10 Social Skills: 1, 2, 5, 6, 9 Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 21-22.	Estimated Lesson Time: 45 minutes Suggested Grade-Level: 12 th Grade Materials and Preparation: <ul style="list-style-type: none"> Copy the MySchool Student Handout, one for each group of four or five students. Preview the PhilaPlace website (www.philaplace.org) and be prepared to explore it with students. Butcher paper, or computers with access to Google Docs (docs.google.com) as high-tech option. Family Resources: <ul style="list-style-type: none"> Send home and post the Wikipedia Family Tip Sheet (Spanish Version) on school website. Note: This lesson focuses on cognitive intelligence, which is best exemplified by projects such as Wikipedia and user reviews on sites such as Yelp. In addition, there are many examples on social activism and civic engagement. These are also ways for people to collaborate on the Web, but they are not the focus of this lesson.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 9-12 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 3(A)

Lesson Title: Turn Down the Dial on Cyberbullying

Value(s) Aligned: Fairness and Kindness

Pacing

January 22, – March 22, 2018

February 15- Secondary Early Release

February 19- Legal Holiday

March 23-Teacher Planning Day

Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources And MDCPS Suggestions
Language Arts- LAFS.910.SL.1.1 LAFS.910.SL.1.3 Science- SC.912.CS-PC.1.1 SC.912.CS-PC.1.2	<i>What factors intensify cyberbullying and online cruelty?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Reflect on the factors that intensify online cruelty and cyberbullying. Identify what targets and upstanders can do when online cruelty occurs. Recognize their own role in escalating or de-escalating online cruelty. 	<p>Domain(s): Academic Development, Social/Emotional Development</p> <p>Mindset Standards: 1, 2, 3, 5, 6</p> <p>Behavior Standards:</p> <ul style="list-style-type: none"> Learning Strategies: 1, 2, 6, 8, 9 Self-Management Skills: 1, 2, 3, 4, 7, 9, 10 Social Skills: 1, 2, 4, 5, 6, 8, 9 <p><i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 21-22.</i></p>	<p><i>Estimated Lesson Time: 45 minutes</i></p> <p>Suggested Grade-Level: 9th Grade</p> <p>Materials and Preparation:</p> <ul style="list-style-type: none"> Preview the videos "Ricardo's Story- Making fun of Others Online" and "Stacey's Story- When Rumors Escalate," and prepare to show them to students. Copy the Dial It Down Student Handout, one for each student. Review the Dial It Down Student Handout-Teacher Version. <p>Family Resources:</p> <ul style="list-style-type: none"> Send home and post the Cyberbullying Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 9-12 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 3(B)

Lesson Title: Becoming a Web Celeb

Value(s) Aligned: Fairness and Kindness

Pacing

January 22, – March 22, 2018

February 15- Secondary Early Release

February 19- Legal Holiday

March 23-Teacher Planning Day

Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources And MDCPS Suggestions
Language Arts- LAFS.910.RI.1.1 LAFS.910.SL.1.1 LAFS.910.SL.1.3 Science- SC.912.CS-PC.1.1 SC.912.CS-PC.1.2	<i>What does it mean to become an Internet Celebrity?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Evaluate the benefits and drawbacks of becoming an online celebrity, using case studies to frame and support their arguments. Identify the different kinds of criticism that men and women receive as they gain public attention, and how this reflects broader gender roles. Discuss the impact that negative comments can have on both their targets and their viewers. 	<p>Domain(s): Academic Development, Career Development, Social/Emotional Development</p> <p>Mindset Standards: 1, 2, 3, 5, 6</p> <p>Behavior Standards:</p> <ul style="list-style-type: none"> Learning Strategies: 1, 6, 8, 9 Self-Management Skills: 1, 2, 3, 4, 9, 10 Social Skills: 1, 2, 4, 5, 6, 8, 9 <p>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 21-22.</p>	<p><i>Estimated Lesson Time: 45 minutes</i></p> <p>Suggested Grade-Level: 10th Grade</p> <p>Student Services Activities:</p> <p>Materials and Preparation:</p> <ul style="list-style-type: none"> Review the Gender and Digital Life Teacher Backgrounder (High School). Preview the video "Rebecca Black Video Case Study" and prepare to show it to students. Copy the Don't Be a Hater Student Handout- one for each student. Review the Don't Be a Hater Student Handout-Teacher Version. <p>Family Resources:</p> <ul style="list-style-type: none"> Send home and post the Boys, Girls, and Media Messages Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 9-12 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 3(C)

Lesson Title: Taking Perspectives on Cyberbullying

Value(s) Aligned: Fairness and Kindness

Pacing

January 22, – March 22, 2018

February 15- Secondary Early Release

February 19- Legal Holiday

March 23-Teacher Planning Day

Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources And MDCPS Suggestions
Language Arts- LAFS.1112.SL.1.1 LAFS.1112.SL.1.3 Science- SC.912.CS-PC.1.1 SC.912.CS-PC.1.2	<i>How does online cruelty affect the people involved?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Articulate why it's important to consider the perspectives of others in online (and offline) communities. Consider the motivations and feelings of all the parties involved in an incident of online cruelty. Draw conclusions about how they should respond when someone is the target of online cruelty. 	<p>Domain(s): Academic Development, Social/Emotional Development</p> <p>Mindset Standards: 1, 2, 3, 5, 6</p> <p>Behavior Standards:</p> <ul style="list-style-type: none"> Learning Strategies: 1, 6, 8, 9 Self-Management Skills: 1, 2, 3, 4, 7, 9, 10 Social Skills: 1, 2, 4, 5, 6, 8, 9 <p>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 21-22.</p>	<p>Estimated Lesson Time: 45 minutes</p> <p>Suggested Grade-Level: 11TH Grade</p> <p>Materials and Preparation:</p> <ul style="list-style-type: none"> Copy the Taking Perspectives Student Handout, one for each student. Review the Taking Perspectives Student Handout- Teacher Version. Preview the video "Friday Night Lights Video Clips" and prepare to show it to students. <p>Family Resources:</p> <ul style="list-style-type: none"> Send home and post the Cyberbullying Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 9-12 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 3(D)				Pacing
Lesson Title: Breaking Down Hate Speech				January 22, – March 22, 2018 February 15- Secondary Early Release February 19- Legal Holiday March 23-Teacher Planning Day
Value(s) Aligned: Fairness and Kindness				
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources And MDCPS Suggestions
Language Arts- LAFS.1112.RI.1.1 LAFS.1112.W.2.4 Science- SC.912.CS-PC.1.1 SC.912.CS-PC.1.2 Theatre- TH.912.C.1	<i>How can you create a community culture in which hate speech is unacceptable, both online and offline?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Recognize hate speech and its impact on individuals, groups, and communities, both online and off. Analyze situations to determine if they constitute hate speech. Create a set of community guidelines for dealing with online and offline hate speech at school. 	<u>Domain(s):</u> Academic Development, Career Development, Social/Emotional Development <u>Mindset Standards:</u> 1, 2, 3, 5, 6 <u>Behavior Standards:</u> <ul style="list-style-type: none"> Learning Strategies: 1, 2, 6, 8, 9 Self-Management Skills: 1, 2, 3, 7, 9, 10 Social Skills: 1, 2, 4, 5, 6, 9 <p>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 21-22.</p>	Estimated Lesson Time: 45 minutes Suggested Grade-Level: 12 th Grade Materials and Preparation: <ul style="list-style-type: none"> Copy the "Hate speech Corrodes Online Games" article excerpt, one for each student (Teach 1: Option A). Preview the video "Library" from MTV's "A Thin Line" campaign (www.athinline.org/videos/61-library) and prepare to show it to students. (Teach 1: Option B). Note: We recommend that you preview the article and video to determine which is most appropriate for your students, and then choose Option A or Option B for Teach 1 accordingly. Additionally, if you feel that you need to build trust in your classroom before discussing these sensitive issues, you may warm up with activities from the following websites: <ul style="list-style-type: none"> Facing History and Ourselves: www.facinghistory.org Teaching Tolerance: www.tolerance.org Anti-Defamation League Curriculum Connection: www.adl.org/education/curriculum_connections Review the article "Confronting Hate Speech Online" from the Anti-Defamation League for useful background about addressing hate speech (www.adl.org/main_internet/hatespeechonline2008.htm) Family Resources: <ul style="list-style-type: none"> Send home and post the Cyberbullying Family Tip Sheet (Spanish Version) on the school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 9-12 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 4(A)

Lesson Title: My Online Code

Value(s) Aligned: Honesty and Integrity

Pacing

April 2, - June 7, 2018

March 26 – 30 Recess Days
April 19- Secondary Early Release
April 20- Teacher Planning Day
May 17- Secondary Early Release
May 28 – Legal Holiday
June 8 – Teacher Planning Day

Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.910.SL.1.1 LAFS.910.SL.2.4 Science- SC.912.CS-PC.1.1 SC.912.CS-PC.1.2 SC.912.CS-PC.1.3	<i>What does it mean to do the right thing online?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Understand the concept of online ethics as it applies to four key areas. Define digital citizenship and identify their online responsibilities. Explore online ethics by analyzing a mock social networking page. 	<p><u>Domain(s):</u> Academic Development, Career Development, Social/Emotional Development</p> <p><u>Mindset Standards:</u> 1, 2, 3, 5, 6</p> <p><u>Behavior Standards:</u></p> <ul style="list-style-type: none"> Learning Strategies: 1, 4, 6, 8, 9 Self-Management Skills: 1, 2, 3, 7, 9, 10 Social Skills: 1, 2, 4, 5, 6, 8, 9 <p><i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 21-22.</i></p>	<p><i>Estimated Lesson Time: 45 minutes</i></p> <p>Suggested Grade-Level: 9th Grade</p> <p><u>Materials and Preparation:</u></p> <ul style="list-style-type: none"> Copy the Judging Jeff's Profile Student Handout- one for each student. Review the Judging Jeff's Profile Student Handout-Teacher Version. <p><u>Family Resources:</u></p> <ul style="list-style-type: none"> Send home and post the Connected Culture Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 9-12 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 4(B)

Lesson Title: Who Are You Online?

Value(s) Aligned: Honesty and Integrity

Pacing

April 2, - June 7, 2018

March 26 – 30 Recess Days
April 19- Secondary Early Release
April 20- Teacher Planning Day
May 17- Secondary Early Release
May 28 – Legal Holiday
June 8 – Teacher Planning Day

Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources and MDCPS Suggestions
Language Arts- LAFS.910.SL.1.1 LAFS.910.SL.1.3 Science- SC.912.CS-PC.1.1 SC.912.CS-PC.1.2		<p><i>Students will be able to...</i></p> <ul style="list-style-type: none"> Reflect on the similarities and differences on how people represent themselves online and offline. Understand that they might choose to show different parts of themselves online, depending on the context and audience. Consider the risks and benefits of assuming different personas online, and think critically about what it means to be genuine in an online context. 	<p>Domain(s): Academic Development, Career Development, Social/Emotional Development</p> <p>Mindset Standards: 1, 2, 3, 5, 6</p> <p>Behavior Standards:</p> <ul style="list-style-type: none"> Learning Strategies: 1, 4 6, 8, 9 Self-Management Skills: 1, 2, 3, 7, 9, 10 Social Skills: 1, 2, 5, 6, 8, 9 <p>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 21-22.</p>	<p>Estimated Lesson Time: 45 minutes</p> <p>Suggested Grade-Level: 10th Grade</p> <p>Materials and Preparation:</p> <ul style="list-style-type: none"> Journals or paper. Preview The New York Times Magazine "Avatar Slideshow" (http://www.nytimes.com/slideshow/2007/06/15/magazine/20070617_AVATAR_SLIDESHOW_5.html) and prepare to show it to students. Preview the video, "Ramon's Story- Being Real Online" and prepare to show it to students. <p>Family Resources</p> <ul style="list-style-type: none"> Send home and post Online Self-Expression Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 9-12 Digital Citizenship Curriculum

<p>Year-At-A-Glance Lesson Number: 4(C)</p> <p>Lesson Title: Retouching Reality</p> <p>Value(s) Aligned: Honesty and Integrity</p>				<p>Pacing</p> <p>April 2, - June 7, 2018 March 26 – 30 Recess Days April 19- Secondary Early Release April 20- Teacher Planning Day May 17- Secondary Early Release May 28 – Legal Holiday June 8 – Teacher Planning Day</p>
Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources And MDCPS Suggestions
<p>Language Arts- LAFS.1112.W.2.4</p> <p>Science- SC.912.CS-PC.1.1 SC.912.CS-PC.1.2</p> <p>Visual Arts- VA.912.C.2</p>	<p><i>What are the creative and ethical aspects of digital photo manipulation?</i></p>	<p><i>Students will be able to...</i></p> <ul style="list-style-type: none"> Consider both the creative benefits and ethical drawbacks of digital photo manipulation. Understand the importance of purpose and context in evaluating digitally edited images. Think critically about how the Internet allows users to both celebrate and regulate our “copy-change-paste” culture. 	<p>Domain(s): Academic Development, Social/Emotional Development</p> <p>Mindset Standards: 1, 2, 3, 5, 6</p> <p>Behavior Standards:</p> <ul style="list-style-type: none"> Learning Strategies: 1, 2, 3, 6, 8, 9 Self-Management Skills: 1, 2, 3, 7, 10 Social Skills: 1, 2, 4, 5, 6, 9 <p>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 21-22.</p>	<p><i>Estimated Lesson Time:</i> 45 minutes</p> <p>Suggested Grade-Level: 11th Grade</p> <p>Materials and Preparation:</p> <ul style="list-style-type: none"> Prepare to project the websites used in the activities so that students can view them as a class, or have students view them on shared computers. Copy the Photo Fuss Part I and Photo Fuss Part II Student Handouts, one for each student. <p>Family Resources:</p> <ul style="list-style-type: none"> Send home and post the Research and Evaluation Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 9-12 Digital Citizenship Curriculum

Year-At-A-Glance Lesson Number: 4(D)

Lesson Title: What's the Big Deal about Internet Privacy?

Value(s) Aligned: Integrity

Pacing

April 2, - June 7, 2018

March 26 – 30 Recess Days
April 19- Secondary Early Release
April 20- Teacher Planning Day
May 17- Secondary Early Release
May 28 – Legal Holiday
June 8 – Teacher Planning Day

Florida Standards Alignment	Essential Question	Lesson Targets	ASCA Domains, Mindset Standards, and Behavior Standards	Common Sense Media Additional Resources And MDCPS Suggestions
Language Arts- LAFS.910.SL.1.1 LAFS.910.SL.2.4 Science- SC.912.CS-PC.1.2	<i>How do websites collect your personal information, and what can you do about it?</i>	<i>Students will be able to...</i> <ul style="list-style-type: none"> Explore the concept of privacy in both a real-world setting and online. Understand how and why companies collect information about visitors to their websites. Learn and use online privacy terms. Learn that websites are required to post privacy policies. 	<p>Domain(s): Academic Development, Career Development, Social/Emotional Development</p> <p>Mindset Standards: 1, 2, 3, 5, 6</p> <p>Behavior Standards:</p> <ul style="list-style-type: none"> Learning Strategies: 1, 6, 8, 9 Self-Management Skills: 1, 3, 7, 9, 10 Social Skills: 1, 2, 5, 6, 8, 9 <p><i>Refer to the ASCA Domains, Mindsets, and Behavior Standards Chart on pages 21-22.</i></p>	<p><i>Estimated Lesson Time: 45 minutes</i></p> <p>Suggested Grade-Level: 9th Grade</p> <p>Materials and Preparation:</p> <ul style="list-style-type: none"> Paper and pens. Copy the What's Private? Student Handout, one for each student. If students will not have access to computers with an Internet connection, print out privacy policies from two websites that students commonly use. Make copies for each pair of students. <p>Family Resources:</p> <ul style="list-style-type: none"> Send home and post Online Security Family Tip Sheet (Spanish Version) on school website.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 9-12 Digital Citizenship Curriculum

Alignment of ASCA Domains, Mindsets and Behavior Standards

ASCA Domains

The ASCA Mindsets and Behaviors are organized in three broad domains: academic, career and social/emotional development. These domains promote mindsets and behaviors that enhance the learning process and create a culture of college and career readiness for all students.

The definitions of each domain are as follows:

Academic Development	Standards guiding school counseling programs to implement strategies and activities to support and maximize each student's ability to learn.
Career Development	Standards guiding school counseling programs to help students 1) understand the connection between school and the world of work and 2) plan for and make successful transition from school to postsecondary education and/ or the world of work and from job to job across the life span.
<u>Social/Emotional Development</u>	Standards guiding school counseling programs to help students manage emotions and learn and apply interpersonal skills.

Category 1: Mindset Standards

School counselors encourage the following mindsets for all students.

Mindset Standards are as follows:

1. Belief in development of whole self, including a health balance of mental, social/emotional and physical well-being.
2. Self-confidence in ability to succeed.
3. Sense of belonging in the school environment.
4. Understanding that postsecondary education and life-long learning are necessary for long-term career success.
5. Belief in using abilities to their fullest to achieve high quality results and outcomes.
6. Positive attitude toward work and learning.

District Pacing Guide for Digital Citizenship School Certification

Common Sense Grades 9-12 Digital Citizenship Curriculum

Alignment of ASCA Domains, Mindsets and Behavior Standards

Category 2: Behavior Standards

Students will demonstrate the following standards through classroom lessons, activities and/or individual/small-group counseling.

Learning Strategies	Self-Management Skills	Social Skills
1. Demonstrate critical-thinking skills to make informed decisions.	1. Demonstrate ability to assume responsibility.	1. Use effective oral and written communication skills and listening skills.
2. Demonstrate creativity.	2. Demonstrate self-discipline and self-control.	2. Create positive and supportive relationships with other students.
3. Use time-management, organizational and study skills.	3. Demonstrate ability to work independently.	3. Create relationships with adults that support success.
4. Apply self-motivation and self-direction to learning.	4. Demonstrate ability to delay immediate gratification for long-term rewards.	4. Demonstrate empathy.
5. Apply media and technology skills.	5. Demonstrate perseverance to achieve long- and short-term goals.	5. Demonstrate ethical decision-making and social responsibility.
6. Set high standards of quality.	6. Demonstrate ability to overcome barriers to learning.	6. Use effective collaboration and cooperation skills.
7. Identify long- and short-term academic goals, career and social/emotional goals.	7. Demonstrate effective coping skills when faced with a problem.	7. Use leadership and teamwork skills to work effectively in diverse teams.
8. Actively engage in challenging coursework.	8. Demonstrate the ability to balance school, home and community activities.	8. Demonstrate advocacy skills and ability to assert self, when necessary.
9. Gather evidence and consider multiple perspectives to make informed decisions.	9. Demonstrate personal safety skills.	9. Demonstrate social maturity and behaviors appropriate to the situation and environment.
10. Participate in enrichment and extracurricular activities.	10. Demonstrate ability to manage transitions and ability to adapt to changing situations and responsibilities.	

Digital Citizenship Program (MDCPS Counselor Resource)

K-2

1.1 GOING PLACES SAFELY

In this Digital Citizenship lesson, students learn they can go to exciting places online, as well as the rules they should follow to remain safe while surfing the internet. Students take a virtual field trip and practice the safety rules.

1.2 A-B-C SEARCHING

In this Digital Citizenship, students learn that directory sites with alphabetical listings offer an easy way to find things on the Internet. They will observe a search as a class, and then perform their own searches on a children's directory site.

1.3 KEEP IT PRIVATE

In this Digital Citizenship lesson, students learn many websites ask for private information and how to responsibly handle such requests. Students identify the kinds of information that are private and create usernames to protect their information.

1.4 MY CREATIVE WORK

In this Digital Citizenship lesson, students learn the basics of crediting creative work. Students discuss the importance of citation and learn to recognize the importance of giving themselves proper credit for their own creative work.

1.5 SENDING EMAIL

In this Digital Citizenship lesson, students learn how to use email to communicate with real people within their schools, families, and communities. Students will understand how emails are transmitted through the Internet.

1.6 UNIT 1 ASSESSMENT (K-2)

This student-facing, interactive assessment provides summative data on student learning from the Unit 1 Digital Citizenship & Literacy lessons to test what information students have retained about being safe, respectful, and responsible online.

2.1 STAYING SAFE ONLINE

In this Digital Citizenship lesson, students will learn to recognize websites that are good and bad, and learn when they need to talk to an adult that they trust before visiting a website.

2.2 FOLLOW THE DIGITAL TRAIL

In this Digital Citizenship lesson, students learn that the information they put online leaves a digital footprint or "trail". Students realize this trail can be big or small, helpful or hurtful, and learn tools to manage their own trail.

2.3 SCREEN OUT THE MEAN

In this Digital Citizenship lesson, students learn children can act like bullies when they're online. They explore what cyberbullying is and what can be done when they encounter it.

2.4 USING KEYWORDS

In this Digital Citizenship lesson, students learn how keyword searching is an effective way to locate information on the Internet. Students identify research goals and learn how to select keywords that produce the best search results.

2.5 SITES I LIKE

In this Digital Citizenship lesson, students explore and rate an informational website for children. Students discover how people's opinions about the quality and usefulness of a site vary.

2.6 UNIT 2 ASSESSMENT (K-2)

This student-facing, interactive assessment provides summative data on student learning from the Unit 2 Digital Citizenship & Literacy lessons to test what information students have retained about being safe, respectful, and responsible online.

3.1 POWERFUL PASSWORDS

In this Digital Citizenship lesson, students find out why people need passwords, learn their benefits, and discover strategies for keeping passwords strong and secure.

3.2 MY ONLINE COMMUNITY

In this Digital Citizenship lesson, students explore the concept of community in both offline and online forms. Students understand how the ability for people to communicate online can unite a community.

3.3 THINGS FOR SALE

In this Digital Citizenship lesson, students examine websites that are designed around a particular product. They will explore various methods of online promotion and learn to identify the different forms of solicitations.

3.4 SHOW RESPECT ONLINE

In this Digital Citizenship lesson, students explore the similarities and differences between in-person and online communication. Students learn how to write clear, respectful emails and discuss the concepts of tone and digital language.

3.6 UNIT 3 ASSESSMENT (K-2)

This student-facing, interactive assessment provides summative data on student learning from the Unit 3 Digital Citizenship & Literacy lessons to test what information students have retained about being safe, respectful, and responsible online.

3rd-5th

1.1 RINGS OF RESPONSIBILITY

In this Digital Citizenship lesson, students learn how to be good digital citizens, examining ways they can be responsible in both their online and offline communities.

1.2 PRIVATE AND PERSONAL INFORMATION

In this Digital Citizenship lesson, students learn the difference between private information and personal information, distinguishing what is safe and unsafe to share online.

1.3 THE POWER OF WORDS

In this Digital Citizenship lesson, students realize that while they are enjoying websites, they may encounter messages that can make them feel angry, hurt, sad, or fearful. Students explore ways to handle cyberbullying appropriately.

1.4 THE KEY TO KEYWORDS

In this Digital Citizenship lesson, students learn strategies to increase the accuracy of their keyword searches. By comparing the number and kinds of sites they obtain in their searches, students make inferences about the effectiveness of searches.

1.5 WHOSE IS IT, ANYWAY?

In this Digital Citizenship lesson, students learn how copying the work of others and presenting it as one's own is called plagiarism. Students learn about circumstances in which it is permissible to use the work of others on the Internet.

1.6 UNIT 1 ASSESSMENT (3-5)

This student-facing, interactive assessment provides summative data on student learning from the Unit 1 Digital Citizenship & Literacy lessons to test what information students have retained about being safe, respectful, and responsible online.

2.1 STRONG PASSWORDS

In this Digital Citizenship lesson, students learn tips for how to create secure passwords, and practice creating them, in order to protect their private information and accounts online.

2.2 DIGITAL CITIZENSHIP PLEDGE

In this Digital Citizenship lesson, students establish group norms to create a positive online community, promoting responsible and respectful digital behavior within their classroom.

2.3 YOU'VE WON A PRIZE!

In this Digital Citizenship lesson, students learn what online spam is and the forms spam can take. Students practice strategies for safely dealing with spam messages.

2.4 HOW TO CITE A SITE

In this Digital Citizenship lesson, students reflect on the importance of citing all sources in their research. Students learn how to write citations for two different types of online sources in Modern Language Association (MLA) style then practice.

2.5 PICTURE PERFECT

In this Digital Citizenship lesson, students will consider how digitally manipulated photos can affect the way people feel about their appearance, and how these alterations are used to sell products.

2.6 UNIT 2 ASSESSMENT (3-5)

This student-facing, interactive assessment provides summative data on student learning from the Unit 2 Digital Citizenship & Literacy lessons to test what information students have retained about being safe, respectful, and responsible online.

3.1 TALKING SAFELY ONLINE

In this Digital Citizenship lesson, students learn that, while people can develop rewarding friendships online, they should be cautious and never reveal private information without asking a trusted adult for permission.

3.2 SUPER DIGITAL CITIZEN

In this Digital Citizenship lesson, students explore what it means to be responsible and respectful in their offline and online communities as a step toward learning how to be good digital citizens.

3.3 PRIVACY RULES

In this Digital Citizenship lesson, students learn that children's websites must protect their private information. They learn to identify these secure sites by looking for their privacy policies and privacy seals of approval.

3.4 WHAT'S CYBERBULLYING?

In this Digital Citizenship lesson, students discuss positive and negative aspects of interacting with others online. They will learn the definition of cyberbullying and compare this to in-person bullying.

3.5 SELLING STEREOTYPES

In this Digital Citizenship lesson, students are introduced to the concept of stereotypes. Students explore the messages they receive regarding differences between boys and girls.

3.6 UNIT 3 ASSESSMENT (3-5)

This student-facing, interactive assessment provides summative data on student learning from the Unit 3 Digital Citizenship & Literacy lessons to test what information students have retained about being safe, respectful, and responsible online.

6th-8th

1.1 DIGITAL LIFE 101

In this Digital Citizenship lesson, students are introduced to the 24/7, socially progressive nature of digital media and technologies. They will gain basic vocabulary and knowledge for discussing the media landscape.

1.2 STRATEGIC SEARCHING

In this Digital Citizenship lesson, students learn how to conduct effective and efficient online searches, using a variety of searching strategies rather than relying on a single source.

1.3 SCAMS AND SCHEMES

In this Digital Citizenship lesson, students learn strategies for guarding against identity theft and scams that try to access their private information online.

1.4 CYBERBULLYING: BE UPSTANDING

In this Digital Citizenship lesson, students learn the difference between being a passive bystander and a brave defender (upstander) of those being picked on in cyberbullying situations.

1.5 A CREATOR'S RIGHTS

In this Digital Citizenship lesson, students are introduced to copyright, fair use, and the rights they have as creators. They will explore the meaning of these terms by authoring their own original creative work.

1.6 UNIT 1 ASSESSMENT (6-8)

This student-facing, interactive assessment provides summative data on student learning from the Unit 1 Digital Citizenship & Literacy lessons to test what information students have retained about being safe, respectful, and responsible online.

2.1 MY MEDIA

In this Digital Citizenship lesson, students examine their digital media habits and the array of media they use on a weekly basis. They will reflect on the role of digital media in their lives and recognize patterns of consumption.

2.2 A CREATOR'S RESPONSIBILITIES

In this Digital Citizenship lesson, students reflect on their responsibilities as creators and users of creative work. Students learn how to correctly credit others work they use and consider the ethical and legal necessity of doing so.

2.3 SAFE ONLINE TALK

In this Digital Citizenship lesson, students will acknowledge the benefits of online talk and messaging, and consider scenarios in which they may feel uncomfortable, or may encounter inappropriate behavior on the Internet.

2.4 WHICH ME SHOULD I BE?

In this Digital Citizenship lesson, students explore alternative online identities, including the ethics of digital exaggeration and deception. Students learn to recognize the benefits and associated risks of alternative online identities.

2.5 GENDER STEREOTYPES ONLINE

In this Digital Citizenship lesson, students explore the concept of gender stereotypes, both online and offline. The lesson examines where stereotypes come from, how people learn them, and why they can be restrictive.

2.6 UNIT 2 ASSESSMENT (6-8)

This student-facing, interactive assessment provides summative data on student learning from the Unit 2 Digital Citizenship & Literacy lessons to test what information students have retained about being safe, respectful, and responsible online.

3.1 TRILLION DOLLAR FOOTPRINT

In this Digital Citizenship lesson, students will learn what a digital footprint is and how the information they share online affects their reputation and personal identity.

3.2 IDENTIFYING HIGH-QUALITY SITES

In this Digital Citizenship lesson, students consider that anyone can publish on the Internet, and therefore, not all sites are equally trustworthy. The class learns how to carefully evaluate sites and decide which ones they can trust.

3.3 THE REALITY OF DIGITAL DRAMA

In this Digital Citizenship lesson, students will analyze generalizations made about men and women in drama shown in online media, reality TV, and even in their own experiences.

3.4 CYBERBULLYING: CROSSING THE LINE

In this Digital Citizenship lesson, students will learn to distinguish between good-natured teasing and cyberbullying. Students explore serious forms of cyberbullying, including: harassment, deception, "flaming," and threats to safety.

3.5 REWORK, REUSE, REMIX

In this Digital Citizenship lesson, students will explore the concept of fair use, apply it to case studies, and create an original work of fair use. Students will learn how to judge whether something is protected by fair use or not.

3.6 UNIT 3 ASSESSMENT (6-8)

This student-facing, interactive assessment provides summative data on student learning from the Unit 3 Digital Citizenship & Literacy lessons to test what information students have retained about being safe, respectful, and responsible online.

9th-12th

1.1 DIGITAL LIFE 102

In this Digital Citizenship lesson, students test their prior knowledge of digital media and learn statistics about media use. Students draw conclusions about the positive and negative ways digital media affects them and how it influences culture.

1.2 OOPS! I BROADCAST IT ON THE INTERNET

In this Digital Citizenship lesson, students are introduced to the benefits of sharing online, as well as the potential risks of exposing inappropriate information.

1.3 COPYRIGHTS AND WRONGS

In this Digital Citizenship lesson, students will explore the legal and ethical dimensions of respecting creative work. Students will explore the basic foundations of legal principles and learn vocabulary related to copyright.

1.4 FEELING ON DISPLAY

In this Digital Citizenship lesson, students explore the pressures many teens face to keep up appearances online. Students discuss the atmosphere of judgment associated with sharing on social networks and the double standards for girls and boys.

1.5 TURN DOWN THE DIAL ON CYBERBULLYING

In this Digital Citizenship lesson, students explore how cruelty can escalate quickly online because people are often anonymous and posts can spread quickly. Students learn about upstanders how they can lessen the effects of online cruelty.

1.6 UNIT 1 ASSESSMENT (9-12)

This student-facing, interactive assessment provides summative data on student learning from the Unit 1 Digital Citizenship & Literacy lessons to test what information students have retained about being safe, respectful, and responsible online.

2.1 MY ONLINE CODE

In this Digital Citizenship lesson, students explore ethical behavior, the concept of ethics online, digital citizenship, and the different levels of online responsibility they have - to themselves, friends, family, and their community.

2.2 WHO ARE YOU ONLINE?

In this Digital Citizenship lesson, students explore how people represent themselves online, and the relationship between online and offline selves. They learn that assuming different personas online carries both benefits and risks.

2.3 BUILDING COMMUNITY ONLINE

In this Digital Citizenship lesson, students examine websites that foster positive community, exploring factors that increase community engagement on the Internet, such as social media messaging and sharing photos, videos, information, or opinions.

2.4 OVEREXPOSED: SEXTING AND RELATIONSHIPS

In this Digital Citizenship lesson, students explore the risks and responsibilities of carrying out romantic relationships in the digital world, brainstorming ways to avoid sexting and use digital technologies responsibly in romantic relationships.

2.5 RISKY ONLINE RELATIONSHIPS

In this Digital Citizenship lesson, students talk about common impressions of "stranger danger". They will learn why the term "online predator" is misleading, and how to identify more realistic forms of inappropriate contact.

2.6 UNIT 2 ASSESSMENT (9-12)

This student-facing, interactive assessment provides summative data on student learning from the Unit 2 Digital Citizenship & Literacy lessons to test what information students have retained about being safe, respectful, and responsible online.

3.1 RIGHTS, REMIXES, AND RESPECT

In this Digital Citizenship lesson, students reflect on the differences between taking inspiration from the creative work of others and appropriating that work without permission. Students review their knowledge of copyright and fair use.

3.2 TAKING PERSPECTIVES ON CYBERBULLYING

In this lesson, students learn about the dynamics of online cruelty and how it affects all of the people involved. Students will discuss what actions they can take when encountering online cruelty in our own lives, including how to be an upstander.

3.3 WHAT'S THE BIG DEAL ABOUT INTERNET PRIVACY?

In this Digital Citizenship lesson, students explore the concept of privacy in everyday life and as it relates to using the Internet. Students learn the kinds of information websites collect and discuss privacy concerns around big data.

3.4 BECOMING A WEB CELEB

In this Digital Citizenship lesson, students reflect on the possibilities and perils of Internet stardom. They analyze the journeys of real "Web celebs," and think critically about the different pressures men and women face in the public eye.

3.5 COLLEGE BOUND

In this Digital Citizenship lesson, students learn that everything anyone posts online becomes part of their "digital footprint". Students consider how footprints can affect college admission and learn how to create positive online presence.

3.6 UNIT 3 ASSESSMENT (9-12)

This student-facing, interactive assessment provides summative data on student learning from the Unit 3 Digital Citizenship & Literacy lessons to test what information students have retained about being safe, respectful, and responsible online.

4.1 PRIVATE TODAY, PUBLIC TOMORROW

In this Digital Citizenship lesson, students reflect on their responsibility to protect the privacy of others when posting information about themselves online. Students consider the unintended consequences of sharing compromising images and media.

4.2 DOES IT MATTER WHO HAS YOUR DATA?

In this Digital Citizenship lesson, students consider the ways websites and companies collect data online and utilize it to personalize content for their users, as well as companies' motivations for doing this.

4.3 BREAKING DOWN HATE SPEECH

In this Digital Citizenship lesson, students learn what hate speech is and see how it affects individuals, groups, and communities. They explore school-wide solutions for addressing these issues and create guidelines for communities on and offline.

4.4 RETOUCHING REALITY

In this Digital Citizenship lesson, students think critically about digital image editing and explore various benefits and drawbacks of photo manipulation. Students consider the impacts that digitally manipulated photos have on different audiences.

4.5 COLLECTIVE INTELLIGENCE

In this Digital Citizenship lesson, students analyze the statement "The whole is better than the sum of its parts," as a springboard to understanding the concepts of synergy and collective intelligence.

4.6 UNIT 4 ASSESSMENT (9-12)

This student-facing, interactive assessment provides summative data on student learning from the Unit 4 Digital Citizenship & Literacy lessons to test what information students have retained about being safe, respectful, and responsible online.

"It will be one of the most eye opening experiences you will ever have."

Dwayne Peace - Retired Police Officer, V.P. of Dare to Care Inc.

PUBLIC & PERMANENTTM

Motivate Responsible Use of Technology & Prevent Digital Abuse!

Date: Oct. 3, 2018

Time: 6:30 – 8:00 pm

WHO:

All Citizens of Miami

WHERE:

TBD

Think a Snapchat Pic
Really Disappears?

Think "Social" Media
is Private?

Believe You Are
Anonymous Online?

Using Apps, the Web &
Social Media?

What Will Your Digital
Footprint & Legacy Be?

KEEPING YOU SAFE ONLINE:

WHAT EVERY PERSON SHOULD KNOW

All attendees will obtain information about:

- Preventing Cyber Cruelty
- PC & Mobile Security
- Permanence of Digital Content
- Public Databases & Digital Transparency
- Preventing Abuse of Current & Future Apps
- Poor Social Media & Oversharing Behaviors
- Many Other Current & Future Cyber Issues

This multi-award winning program will eliminate the myths that Anonymity, Social Privacy and Disappearing Digital Content is possible with digital tools & apps.

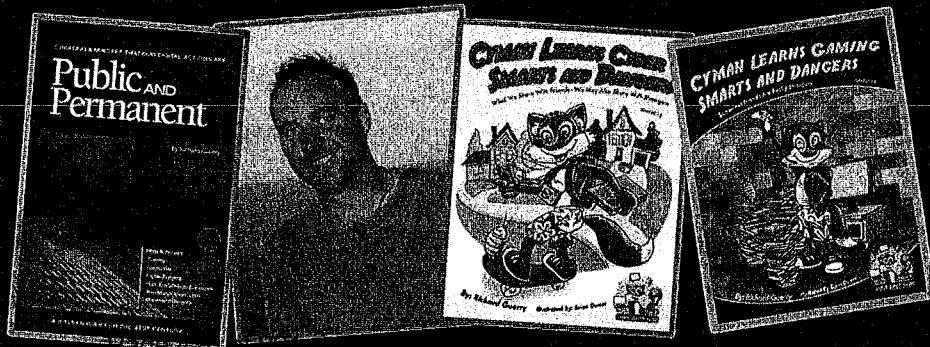
The audience will gain knowledge to promote responsible use of digital tools while also obtaining the wisdom to prevent negative, irresponsible, and malicious digital behaviors and trends.

Richard Guerry is the author of multiple cyber safety books and has been a featured speaker at numerous national & international conferences. He has also appeared as an expert on **Radio Disney**, **CNN**, **FOX**, **CBS**, **MTV's Thin Line Campaign**, as well as in **Parade Magazine** and many local, regional, and international publications.

This Program Received the School Safety Advocacy Council's

- Exemplary School Safety Program Award
- Exemplary School Safety Initiative Award
- National Anti-Bullying Award

** Richard's books will be available for a donation to his nonprofit.*



Learn more at www.IROC2.org

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INVOICE: SBE1003 – 18
Payment Due: October 3, 2018

Event Title: The Course to Digital Consciousness™ Live Event

Event Speaker: Richard Guerri

Event Date: October 3, 2018

Event Rate: \$1,500

1 Day Rental Car: \$57.00

Lodging Oct 3: Host will take care of this

Total Amount Due: \$1,557.00

Any additional financial or service donations are appreciated, but optional.

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**THANK YOU FOR YOUR COMMITMENT TO DIGITAL
SAFETY, RESPONSIBILITY AND AWARENESS!**

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Bullying as an Adverse Childhood Experience (ACE)

ACE, or adverse childhood experience, is a potentially traumatic event that can have negative, lasting effects on a person. For children and youth in situations of prolonged and repeated abuse – like bullying and cyberbullying – the impact can affect their development, the way they interact with others, and how they perform in school. It may also affect mental and physical health.

ACEs and Health

The [Adverse Childhood Experiences Study](#), or ACE Study, asked people to complete a confidential survey during their routine physical exam. The questionnaire asked about childhood experiences and current health and behaviors. The study looked at the effect of adverse experiences on a child, across the lifespan. The study showed that people who had multiple ACEs were, on average, at a much higher risk for serious health issues and a shorter life expectancy – sometimes by decades. This may be due to coping behaviors to ease emotional pain – like substance use and self-injury – that can compromise health. Because of the repeated nature of bullying, it may be experienced as ACEs for those who are bullied. We also know that bullying can cause anxiety, depression, or other mental health concerns that may be treated with medications, even as these drugs can also affect overall health or cause other symptoms or side effects.



Bullying as an Adverse Childhood Experience (ACE)

A child who is bullied may experience negative mental health effects – there may be feelings of sadness, loneliness, and isolation. Physical health can also be affected—sleep disturbance, heart disease, eating disorders and other ailments can last into adulthood. Academic performance and participation may slump and some may retaliate with violence. Bullying is also a risk factor for youth suicide.

Violence is an ACE from any perspective. Children and youth who bully have a higher prevalence of violent fighting, vandalism, and criminal activity. In addition, those who witness others being bullied may experience this as an ACE. Witnesses of bullying have a higher rate of tobacco, alcohol, and drug use. Exposure to physical and emotional violence can result in myriad negative mental health and physical health consequences.

Cyberbullying brings added injury and stress due its immediate, indefinite, viral, and permanent nature. The emotional injury can affect children's view of the world, how they related to people, and where they feel safe and understood.

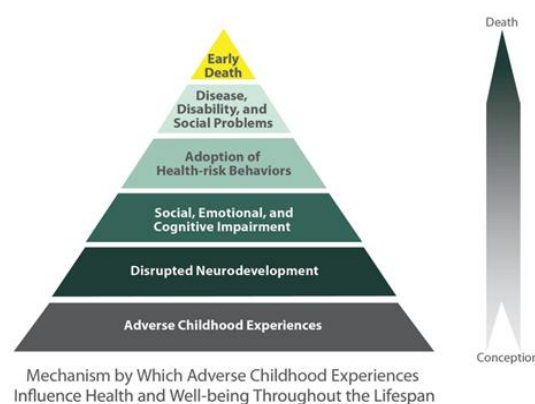


Figure 1 Ace Study Pyramid of ACEs across the Lifespan
www.cdc.gov/violenceprevention/acestudy/about.html

Addressing ACEs and Preventing Bullying

The effects of trauma are cumulative and can affect health across the lifespan. Some strategies to address ACEs and prevent bullying that are used by schools and other programs can be applied to the public health arena:

Trauma-Sensitive Schools – This approach ensures that all school staff – from the principal to the janitor – understands the nature and impact of trauma. A student’s behavior can be a sign that they have been exposed to trauma. This approach recognizes the trauma, responds with compassion and intervention, and avoids certain responses that do more harm than good (such as isolation and suspension). Public health entities can apply this approach with their own staff.

Social-Emotional Learning – Social-emotional learning, or SEL, teaches children at a young age how to name and recognize their feelings and builds skills to manage emotions. This approach provides children the opportunity to work together, understand each other, take responsibility, and to resolve disagreements peacefully. By understanding each other personally, children are less likely to bully or do other unkind acts to each other. If bullying does occur, SEL approaches can be helpful to name what is happening, identify the feelings behind the actions, and to resolve. Healthcare providers can infuse these skills whenever they interact with children.

Mindfulness – Many schools are seeing the benefits of teaching mindfulness – or the skill to become aware of thoughts, emotions, and behavior – to children. Mindfulness is usually goal oriented and guided by teachers. Mindfulness can be a useful skill to students who may be inclined to act out or who have bullied in the past, where they can identify escalating feelings before acting on them. Public health agencies can offer resources on mindfulness to children and families.

Circle Discussions – This approach is used to draw out open discussion, build understanding, and bring about justice when there is unrest. Circles were developed as a means to shift away from punishment to a more collaborative approach to respond to the question: What can we do to make things right? Guided by community-building questions, all children and youth in the class or group are asked to participate, but can decline if they do not want to participate. If bullying occurs, circle discussions can bring the group together to focus on supportive, collaborative, and healthy actions.

Restorative Justice – Restorative Justice programs focus on restoring the relationships and repairing harm. Schools are also using restorative justice as a way to bring all parties together to repair the harm that was done. Like circle discussions, restorative justice moves away from individual punishment to community learning. This approach can be very helpful for children and youth to understand bullying from the perspective of the person being bullied, the person bullying another, and the witnesses. Restorative Justice programs are led by adults who have had considerable professional training and are not a form of peer mediation. Peer mediation or conflict resolution are not recommended to deal with bullying.

While many of these efforts occur in school, they can happen in other places where children and youth come together. Efforts to help children and youth heal, understand, and to work together needs to happen through State and community collaborations, looking beyond education to after school programs, sport activities, summer camps, and social media platforms.

The ACE Study is just one of many examples that underscore the importance of prevention and action. Bullying can be an ACE for children and can have long-lasting effects. State and community collaboration is essential to the health and future of children. By building empathy, social-emotional skills, and trauma-informed communities, bullying can be identified and addressed immediately. Having these preventive practices in place should make bullying less frequent, while affording children and youth skills that they can use throughout life.



Source and Research Limitations

The information discussed in this fact sheet is based on the comprehensive review of bullying research presented in the National Academies of Sciences, Engineering, and Medicine’s report entitled [Preventing Bullying Through Science, Policy, and Practice](#).



This report includes the most up to date research on bullying, but it is important to note that this research has several important limitations. Most of the research is cross-sectional, which means it took place at one point in time. This type of research shows us what things are related to each other at that time, but cannot tell us which thing came first or if one of those things caused the other to occur.

This product was created under Abt Associates, Contract No. HHS250201600025G funded by the Maternal and Child Health Bureau, Health Resources and Services Administration, U.S. Department of Health and Human Services.

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The Consequences of Bullying

It is important for parents and people who work with children and adolescents to understand that bullying can have both short- and long-term effects on everyone involved. While most research on bullying has been about children and adolescents who have been bullied, those who bully others are also negatively impacted, as are those who are both bullied and bully others, and even those who are not directly involved but witness bullying.

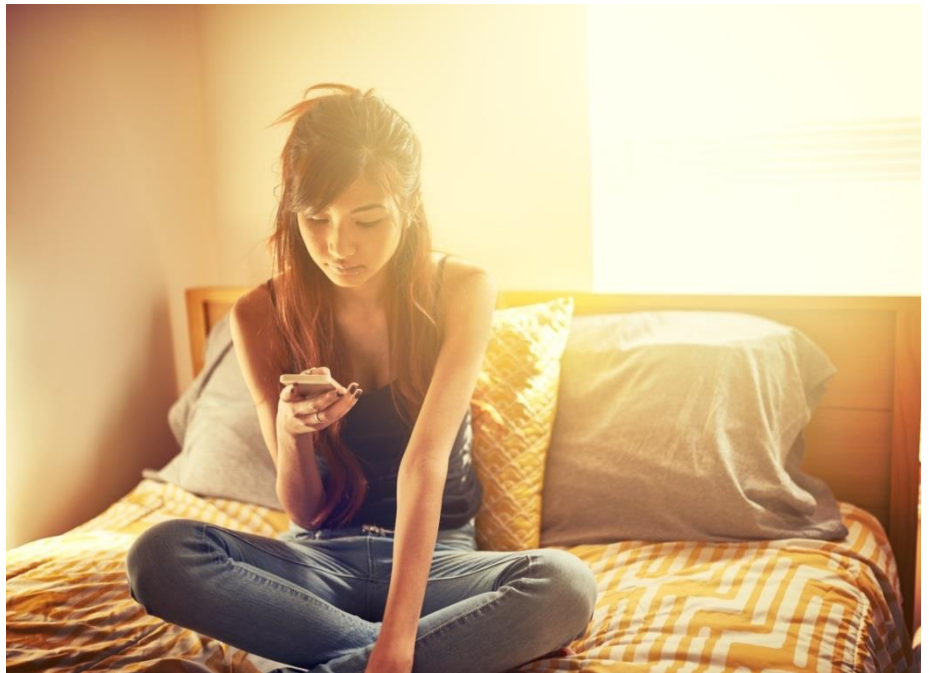
Children Who Have Been Bullied

Research has found that children and adolescents who have been bullied can experience negative psychological, physical, and academic effects.

Psychological Effects

The psychological effects of bullying include depression, anxiety, low self-esteem, self-harming behavior (especially for girls), alcohol and drug use and dependence, aggression, and involvement in violence or crime (especially for boys). While bullying can lead to mental health problems for any child, those who already have mental health difficulties are even more likely to be bullied and to experience its negative effects.

Cyberbullying – bullying that happens with computers or mobile devices – has also been linked to mental health problems. Compared with peers who were not cyberbullied, children who were cyberbullied report higher levels of depression and thoughts of suicide, as well as greater emotional distress, hostility, and delinquency.



Physical Effects

The physical effects of bullying can be obvious and immediate, such as being injured from a physical attack. However, the ongoing stress and trauma of being bullied can also lead to physical problems over time. A child who is bullied could develop sleep disorders – such as difficulty falling asleep or staying asleep – stomachaches, headaches, heart palpitations, dizziness, bedwetting, and chronic pain and somatization (i.e., a syndrome of distressful, physical symptoms that cannot be explained by a medical cause).

Being bullied also increases cortisol levels – a stress hormone – in the body, which typically happens after a stressful event. Stress from bullying can impact the immune system and hormones. Imaging studies show that brain activity and functioning can be affected by bullying, which may help explain the behavior of children who have been bullied.

Bullying and Suicide

Bullying is a risk factor for depression and thinking about suicide. Children who bully others, are bullied, or both bully and are bullied are more likely to think about or attempt suicide than those who are not involved in bullying at all.

Academic Effects

Research has consistently shown that bullying can have a negative impact on how well children and adolescents do in school. It has a negative impact on both grades and standardized test scores starting as early as kindergarten and continuing through high school.

Children Who Bully and Those Who Witness Bullying

Very little research has been done to understand the effects of bullying on children who bully, and those who witness bullying (e.g., bystanders). More research is needed to understand the consequences of bullying on the individuals who bully others, particularly to understand the differences between those who are generally aggressive and those who bully others.

Studies of children who witness bullying usually focus on their role in the bullying situation (e.g., if they backed up the child who bullied, or defended the victim) and why they did or did not intervene. While studies rarely assess the effects of bullying exposure on the witness, some research has found that bullying witnesses experience anxiety and insecurity based on their own fears of retaliation.

Children Who Bully and Are Also Bullied

Children and adolescents who bully others and who are also bullied are at the greatest risk for negative mental and physical health consequences, compared to those who only bully or are only being bullied. These children and adolescents may experience a combination of psychological problems, a negative perception of themselves and others, poor social skills, conduct problems, and rejection by their peer group.

Compared with non-involved peers, those who have bullied others and have also been bullied have been found to be at increased risk for serious mental illness, be at high risk for thinking about and attempting suicide, and demonstrate heightened aggression.

Conclusion

Exposure to bullying in any manner – by being bullied, bullying others, or witnessing peers being bullied – has long-term, negative effects on children. The School Crime Supplement to the National Crime Victimization Survey found that in 2015, about 21 percent of students ages 12-18 reported being bullied at school during the school year. Given the prevalence of youth exposed to bullying across the nation, it is important to understand the consequences of bullying on children and adolescents, how it relates to other violent behaviors and mental health challenges, in order to effectively address them.



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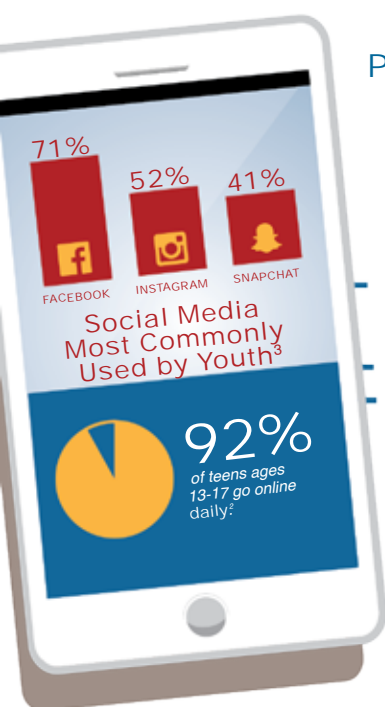
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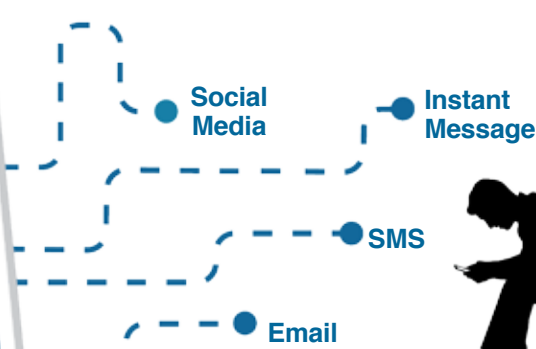
Cyberbullying Facts

WHAT is cyberbullying?

Cyberbullying is bullying that takes place using **electronic technology**, such as chat rooms, instant messaging, social media, or other forms of digital electronic communication¹. With apps and technology changing all the time, unfortunately some will use them as new ways to bully.



Places Where Cyberbullying Occurs



1 in 10 Boys are cyberbullied⁴

1 in 5 Girls are cyberbullied⁴



HOW are kids cyberbullied?⁵

Mean or hurtful comments online 23%

Rumors online 20%

Posted mean names or comments online about me with a sexual meaning 13%

Threatened or hurt me online 12%

Threatened to hurt me through a cell phone text 12%

Posted a mean or hurtful picture of me online 11%

HOW is cyberbullying different from other types of bullying?

- Permanence of Digital information
- Harder to Notice
- Immediate and Persistent



WHAT you can do



Notice



Document



Talk



Report



Support



¹The National Academies Press, *Preventing Bullying Through Science, Policy, and Practice* (Washington, D.C.: 2016), 45. ^{2,3}"Teens, Social Media & Technology Overview 2015," Pew Research Center, accessed August 2017, <http://www.pewinternet.org/2015/04/09/teens-social-media-technology-2015/>. ⁴"Results," Youth Risk Behavior Surveillance System (YRBSS), Centers for Disease Control and Prevention, U.S. Department of Health and Human Services, accessed August 2017, https://www.cdc.gov/healthyyouth/data/yrbs/pdf/2015/ss6506_updated.pdf 2015. ⁵"2016 Cyberbullying Data," Cyberbullying Research Center, accessed August 2017, <https://cyberbullying.org/2016-cyberbullying-data>.

RESEARCH SUMMARY

stopbullying.gov

How Youth Can Protect Themselves from Bullying

Understanding

Youth often ask: “What can I do to help stop bullying?” and “How can I protect myself from being bullied?” These are difficult questions to answer, and sometimes parents, teachers, and principals struggle to address them¹. Findings from some recent studies of new and innovative strategies can help youth to protect themselves from bullying. While considering the important role of parents, educators, and adults at school, this summary covers protective factors to prevent bullying as well as innovative strategies for youth that can reduce the likelihood of being bullied.

Protective Factors

One of the best ways that youth can protect themselves against being bullied is through healthy friendships and positive relationships with classmates². A wealth of research indicates that having a healthy peer network protects against being bullied and also helps reduce the negative effects of being bullied, such as feeling depressed and anxious³. In addition, having positive peer relationships also can increase the likelihood that peer bystanders will step in to intervene and help stop bullying when it occurs⁴.

Research also indicates that having positive relationships with teachers is associated with a reduced risk of being bullied⁵ and that hostile teacher-student relationships are associated with higher levels of bullying⁶. So it is important for youth to seek out and maintain both healthy peer and adult relationships to reduce the likelihood that they will be bullied.



Youth can also reduce their exposure to environments in which bullying frequently occurs such as areas of schools with poor adult supervision or in social media settings where negative and hurtful communication occurs. In those instances where youth are in these environments, they should take extra caution, such as walking between classes with friends or a supportive peer, and protecting their identity online and the information they share electronically.

¹ Yoon, J., Sulkowski, M. L., & Bauman, S. (2016). Teachers' responses to bullying incidents: Effects

² Hong, J. S., & Espelage, D. L. (2012). A review of research on bullying and peer victimization in school: An ecological system analysis. *Aggression and Violent Behavior*, 17, 311-322. doi: 10.1016/j.avb.2012.03.003

³ Salmivalli, C. (2010). Bullying and the peer group: A review. *Aggression and Violent Behavior*, 15, 112-120. doi: 10.1016/j.avb.2009.08.007

⁴ Kärnä, A., Voeten, M., Poskiparta, E., & Salmivalli, C. (2010). Vulnerable children in varying classroom contexts: Bystanders' behaviors moderate the effects of risk factors on victimization. *Merrill-Palmer Quarterly*, 56, 261-282. doi: 10.1353/mpq.0.0052

⁵ Yoon, J. S., & Barton, E. (2008). The role of teachers in school violence and bullying prevention. In *School violence and primary prevention* (pp. 249-275). Springer New York.

⁶ Lucas-Molina, B., Williamson, A. A., Pulido, R., & Pérez-Albéniz, A. (2015). Effects of teacher-student relationships on peer harassment: A multi-level study. *Psychology in the Schools*, 52, 298-315. doi: 10.1002/pits.21822

New and Innovative Strategies

Although research on this topic is emerging, efforts to deflect bullying may also be effective in some situations. Deflecting is doing something to take away the power of bullying and make the behavior less effective. For example, youth with strong social skills can use humor to deflect bullying. One study found that using humor or “telling a joke” was a more effective response to bullying than some of the more typical responses, like pretending not to be bothered, depersonalizing, retaliating, telling the aggressor to stop, appealing to the aggressor’s empathy, walking away, telling an adult at home, telling an adult at school, and telling a friend⁷.

Here are a few ways that have been shown to be effective in responding to bullying and cyberbullying that youth can use:

Specific Strategies Youth Can Use to Deal with Bullying

- Seek assistance from an adult, friend, or classmate when a potentially threatening situation occurs.
- Be assertive (not aggressive, fighting, or teasing back) when possible.
- Use humor to deflect a potential threatening situation.
- Avoid unsafe places or walk away before a potential bullying encounter occurs.
- Agree with or “own” a belittling comment to defuse it.
- Walk with friends or a small group of friendly peers.
- Use positive self-statements to maintain positive self-esteem during an incident.
- Avoid getting emotionally upset when bullying occurs, as this may embolden the person bullying.

Strategies Youth Can Use to Prevent Cyberbullying⁸

- Never accept friend or network requests from unfamiliar people.
- Use the “mom” principle: Do not post or share photographs or movies that you would not be willing to share with your mother, father, or another important caregiver.
- Follow the “forever” principle: Assume that everything you put online will be there forever.
- Follow the “no privacy” principle: Assume that everyone can access information about you in cyberspace.
- Follow the “ex” principle: Would you be okay with your ex-boyfriends or girlfriends having access to content that you are planning to share?
- Block threatening or questionable people from seeing your profile and personal information.
- Do not post provocative, scandalous, or inflammatory remarks online.
- Do not reply to or retaliate against incidents of cyberbullying.
- Regularly change passwords to sites and applications, and immediately delete profiles that have been hacked.
- Avoid sites, networks, and applications that have poor security, provide easy access to personal information, or encourage interactions among strangers.
- Ensure that information is approved before it is posted or shared socially.
- Limit involvement in social networking to a few familiar sites.
- Avoid joining sites that do not have adequate privacy settings.
- Never engage in sexting (sharing pictures or messages that have private sexual content).



Source and Research Limitations

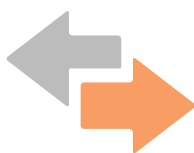
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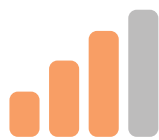
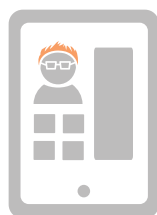
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⁷ Sulkowski, M. L., Bauman, S. A., Dinner, S., Nixon, C., & Davis, S. (2014). An investigation into how students respond to being victimized by peer aggression. *Journal of School Violence*, 13, 339-358. doi: 10.1080/15388220.2013.857344

⁸ Sulkowski, M. L., & Lazarus, P. J. (2017). *Creating safe schools and fostering students’ mental health*. New York, NY: Routledge.



Talking with Kids About Being Online





As First Lady, I want to nurture the most valuable part of our society and our future: children.

As adults, we take responsibility for helping children manage the many issues they face. So what is the best way to protect our kids online? Talk with them. Communicate your values clearly so your kids can make thoughtful decisions when they face tricky situations.



If you have a young person in your life — whether you are a parent or guardian, teacher, police officer, coach, religious or scout leader, relative or friend — I ask you to join me and commit to promoting values such as encouragement, compassion, and respect, both online and offline.

The lessons in this booklet can help kids act thoughtfully and kindly. I hope you will use it to have conversations with children about appropriate conduct online and about using social media responsibly.

The internet — and technology in general — are powerful forces for good. I believe that, together, we can make a real difference in encouraging positive behavior online.

First Lady Melania Trump

People of all ages are:

Communicating online is a way of life, yet it comes with certain risks:

- **Inappropriate conduct**

The online world can feel anonymous. Kids sometimes forget that they're still accountable for their actions.

- **Inappropriate contact**

Some people online have bad intentions. They might be bullies, predators, hackers, or scammers.

- **Inappropriate content**

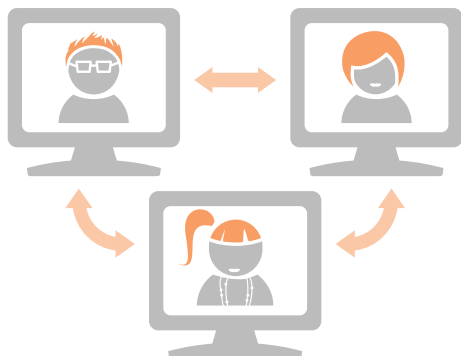
You may be concerned that your kids could find pornography, violence, or hate speech online.

Technology is constantly evolving. So are the risks associated with it. You can reduce these risks by talking to your kids about how they communicate — online and off — and encouraging them to think critically and act in a way they can be proud of.

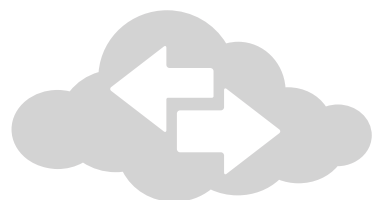
This guide from the Federal Trade Commission covers issues to raise with kids about living their lives online.

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connecting with friends and family online



downloading apps and accessing content



sharing what they're doing — and where they are



sharing photos and videos from mobile devices

building online profiles and reputations



► TALKING TO YOUR KIDS

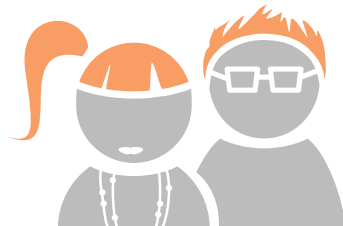
The best way to protect your kids online? Talk to them. While kids value the opinions of their peers, most tend to rely on their parents for help on the issues that matter most.

Start early.

Young kids see their parents using all kinds of devices — and also might be playing games or watching shows on them. As soon as your child starts using a phone, mobile device, or computer, it's time to talk to them about online behavior and safety.

Initiate conversations.

Even if your kids are comfortable approaching you, don't wait for them to start the conversation. Use everyday opportunities to talk to your kids about being online. For example, news stories about cyberbullying or texting while driving can spur a conversation with kids about their experiences and your expectations.



Communicate your expectations.

Be honest about your expectations and how they apply in an online context. Communicating your values clearly can help your kids make smarter and more thoughtful decisions when they face tricky situations. For instance, be specific about what's off-limits — and what you consider to be unacceptable behavior.

Be patient and supportive.

Resist the urge to rush through these conversations with your kids. Most kids need to hear information repeated, in small doses, for it to sink in. If you keep talking with your kids, your patience and persistence will pay off in the long run.

Work hard to keep the lines of communication open, even if you learn your kid has done something online that you find inappropriate.

Listening and taking their feelings into account helps keep conversations afloat. You may not have all the answers, and being honest about that can go a long way.

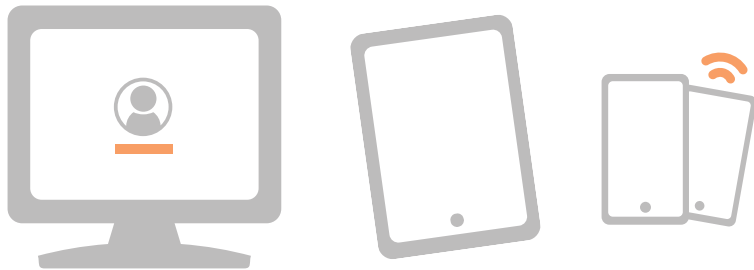
► COMMUNICATING AT DIFFERENT AGES

Young Kids

Supervision is important.

When very young children start using mobile devices or a computer, they should be supervised closely by a parent or caregiver. If little kids aren't supervised online, they may stumble onto content that could scare or confuse them.

When you're comfortable that your young children are ready to explore on their own, it's still important to stay in close touch. You may want to restrict them to sites or apps that you've visited and know to be appropriate — at least in terms of their educational or entertainment value.



Consider parental controls.



If you're concerned about what your kids see online, consider tools with these features:

- **Filtering and blocking.** These tools limit access to certain sites, apps, words, or images. Some products decide what's filtered; others leave that to parents.
- **Blocking outgoing content.** This software prevents kids from sharing personal information online or via email.
- **Limiting time.** This software allows you to limit your kid's time online and set the time of day they can access the internet.
- **Browsers for kids.** These browsers filter words or images you don't want your kids to see.
- **Kid-oriented search engines.** These perform limited searches or filter search results for sites and material appropriate for kids.
- **Monitoring tools.** Software that alerts parents to online activity without blocking access. Some tools record the addresses of websites a child has visited; others provide a warning message when a kid visits certain sites. Monitoring tools can be used with or without a kid's knowledge.
- **Disabling in-app purchases from your device.** These settings can limit or keep kids from making in-app purchases from your device.

Tweens

Tweens need to feel “independent” but not alone as they start exploring on their own. Many 8- to 12-year-olds are adept at finding information online, but they still need guidance to help them understand which sources are trustworthy.

Think about limits.

Consider setting limits on how long and how often they can be online — whether on computers, phones, or other mobile devices. For younger tweens, parental controls can be effective. However, many middle school kids have the technical know-how to get around those controls.



Teens

Teens are forming their own values and beginning to take on the values of their peers. Many are eager to experience more independence from their parents. However, they need to learn how to exercise judgment about being safe online and act in accordance with their family ethic.

Teens have more internet access through mobile devices — as well as more time to themselves — so it isn't realistic for you to try to be in the same room when they're online. They need to know that you and other family members can ask them about what they're doing online.

WHAT CAN YOU DO?

Talk about credibility.

It's important to emphasize the concept of credibility. Even the most tech-savvy kids need to understand that:

- not everything they see on the internet is true
- information or images they share can be seen far and wide
- people online may not be who they appear to be or say they are
- once something is posted online, it's nearly impossible to “take it back”



Talk about manners.

Because they don't see facial expressions, body language, and other visual cues, teens and tweens may feel free to do or say things online that they wouldn't offline. Remind them that real people with real feelings are behind profiles, screen names, and avatars.

Talk about expectations.

When you talk to your kids, set reasonable expectations. Anticipate how you will react if you find out that they've done something online you don't approve of.

If your child confides in you about something scary or inappropriate they've encountered online, try to work together to prevent it from happening again.

► SOCIALIZING ONLINE

Kids share pictures, videos, thoughts, plans, and their whereabouts with friends, family, and sometimes, the world at large. Socializing online can help kids connect with others, but it's important to help your child learn how to navigate these spaces safely.

Oversharing

Some pitfalls that come with online socializing are sharing too much information, or posting pictures, videos, or words that can damage a reputation or hurt someone's feelings.



WHAT CAN YOU DO?

Remind your kids that online actions have consequences.

The words kids write and the images they post have consequences offline.

- **Kids should post only what they're comfortable with others seeing.** Parts of your children's profiles may be seen by a broader audience than you — or they — are comfortable with, even if they use privacy settings. Encourage your kids to think about the language they use online, and to think before posting pictures and videos, or altering photos posted by someone else. Employers, college admissions officers, coaches, teachers, and the police may view these posts.

- **Remind kids that once they post it, they can't take it back.** Even if they delete the information from a site, they have little control over older versions that may be saved on other people's devices and may circulate online. And a message that's supposed to disappear from a friend's phone? There are still ways to save it.

Tell kids to limit what they share.

- **Help your kids understand what information should stay private.** Tell them why it's important to keep some things to themselves. Information like their Social Security number, street address, phone number, and family financial information is private and should stay that way.
- **Talk to your teens about avoiding sex talk online.** Teens who don't talk about sex with strangers online are less likely to come in contact with predators. In fact, researchers have found that predators usually don't pose as children or teens, and most teens who are contacted by adults they don't know find it creepy. Teens should ignore or block them, and trust their gut when something feels wrong.
- **Tell kids it's more than what they post.** Information may be collected and shared even if kids are not posting it. For example, what sites they visit, social media activity, or answers on quizzes may be shared or used for advertising.

Limit access to your kids' profiles.

- **Use privacy settings.** Many social networking sites, chat, and video accounts have adjustable privacy settings, so you and your kids can restrict who has access to kids' profiles. Talk to your kids about the

importance of these settings, and your expectations for who should be allowed to view their profile.

- ▶ **Review your child's friends list.** Suggest that your kids limit online "friends" to people they actually know. Ask about who they're talking to online.

Cyberbullying

Cyberbullying is bullying or harassment that happens online. It can happen in an email, a text message, an online game, or on a social networking site. It might involve rumors or images posted on someone's profile or circulated for others to see.

WHAT CAN YOU DO?

Help prevent cyberbullying.

- ▶ **Talk to your kids about bullying.** Tell your kids that they can't hide behind the words they type and the images they post or send. Bullying is a lose-lose situation: Hurtful messages make the target feel bad, and they make the sender look bad. Often they can bring scorn from peers and punishment from authorities.
- ▶ **Recognize the signs of a cyberbully.** Cyberbullying often involves mean-spirited comments. Check out your kid's social networking pages from time to time to see what you find.

Could your kid be the bully? Look for signs of bullying behavior, such as creating mean images of another kid.



- ▶ **Encourage your kids to speak up.** Cyberbullying usually stops pretty quickly when someone speaks up. If your kids see cyberbullying happening to someone else, encourage them to try to stop it by telling the bully to stop, and by not engaging or forwarding anything. If your kid sees a friend post something thoughtless, encourage them to talk to that friend.

Another way to help stop bullying online is to report it to the site or network where you see it.

What to do about a cyberbully.

- ▶ **Don't react to the bully.** If your child is targeted by a cyberbully, keep a cool head. Remind your child that most people realize bullying is wrong. Tell your child not to respond in kind. Instead, encourage your kid to work with you to save the evidence and talk to you about it. If the bullying persists, share the record with school officials or local law enforcement.
- ▶ **Protect your child's profile.** If your child finds a profile that was created or altered without their permission, contact the site to have it taken down.
- ▶ **Block or delete the bully.** Delete the bully from friends lists or block their user name, email address, and phone number.



▶ USING MOBILE DEVICES

What age is appropriate for a kid to have a phone or a mobile device? That's something for you and your family to decide. Consider your kid's age, personality, maturity, and your family's circumstances.

WHAT CAN YOU DO?

Phones, Features, and Options

Decide on the right options and features.

Your wireless company and mobile phone should give you some choices for privacy settings and child safety controls. Most carriers allow parents to turn off features like web access, texting, or downloading apps. You also can disable in-app purchases so your kid doesn't accidentally rack up huge charges playing their favorite game.

Get smart about smartphones.

Many phones offer web access and mobile apps. If your children are going to use a phone and you're concerned about what they might find online, choose a phone with limited internet access or turn on web filtering.



Get familiar with location-based services.



Many mobile phones have GPS technology installed. Kids with these phones can pinpoint where their friends are — and be pinpointed by their friends. Tell your kids to limit these features so they're not broadcasting their location to the world. Explain that there can be downsides to letting anyone and everyone know where they are. But there also are GPS services (offered by some carriers) that let parents map their kid's location.

Password protect phones.

A password, numeric code, gesture, or fingerprint can lock a phone from intruders. Not only can this prevent “pocket-dialing,” but it also can help keep information and photos from falling into the wrong hands.

Develop Rules

Explain what you expect.

Talk to your kids about when and where it's appropriate to use their phones and other mobile devices. You also may want to establish rules for responsible use. Do you allow calls, texting, or playing games on apps at the dinner table? Do you have rules about cell phone use at night? Should they give you their phones while they're doing homework, or when they're supposed to be sleeping?

Set an example.

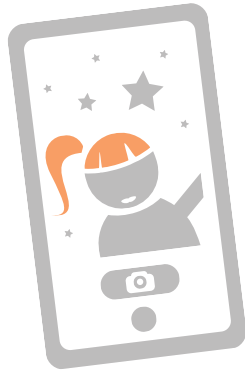
It's illegal to drive while texting or talking on the phone without a hands-free device in most states, but it's dangerous everywhere. Set an example for your kids, and talk to them about the dangers and consequences of distracted driving.

Mobile Sharing and Networking

Socializing and sharing on-the-go can foster creativity and fun, but could cause problems related to personal reputation and safety.

Use care when sharing photos and videos.

Most mobile phones have camera and video capability, making it easy for teens to capture and share every moment. Encourage kids to get permission from the photographer or the person in the shot before posting videos or photos. It's easier to be smart upfront about what media they share than to do damage control later.



Use good judgment with social networking from a mobile device.

The filters you've installed on your home computer won't limit what kids can do on a mobile device. Talk to your teens about using good sense when they're social networking from their phones, too.

Mobile Apps

What should I know about apps?

Apps might:

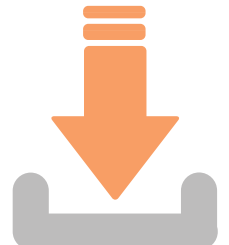
- collect and share personal information
- let your kids spend real money — even if the app is free
- include ads
- link to social media

But the apps might not tell you they're doing it.

WHAT CAN YOU DO?

Here's what you and your kids can do to learn about an app before you download it:

- ▶ look at screen shots
- ▶ read the description, content rating, and user reviews
- ▶ do some research on the developer, including outside reviews from sources you respect
- ▶ check what information the app collects



Can I restrict how my kids use apps?

Before you pass the phone or tablet to your kids, take a look at the settings. You may be able to:

- ▶ **restrict content** to what's right for your kid's age
- ▶ **set a password** so apps can't be downloaded without it, and kids can't buy stuff without it
- ▶ **turn off Wi-Fi and data services** or put the phone in airplane mode so it can't connect to the internet

The best way to keep up with kids' apps is to try them out yourself, and talk to your kids about your rules for buying and using apps.

Texting

Encourage manners.

If your kids are texting, encourage them to respect others. Texting shorthand can lead to misunderstandings. Tell them to think about how a text message might be read and understood before they send it.



Safeguard privacy.

Remind your kids to:

- ▶ ignore texts from people they don't know
- ▶ learn how to block numbers from their cell phone
- ▶ avoid posting their cell phone number online
- ▶ never provide personal or financial information in response to a text

Recognize text message spam.

Help your kids recognize text message spam and explain the consequences:

- it often uses the promise of free gifts — or asks you to verify account information — to get you to reveal personal information
- it can lead to unwanted charges on your cell phone bill
- it can slow cell phone performance

WHAT CAN YOU DO?

Review your cell phone bill for unauthorized charges, and report them to your carrier. Tell your kids:

- ▶ **to delete messages that ask for personal information** — even if there's a promise of a free gift. Legitimate companies don't ask for information like account numbers or passwords by email or text.
- ▶ **not to reply to — or click on — links in the message.** Links can install malware and take you to spoof sites that look real, but that exist to steal your information.

Sexting: Don't Do It

Sending or forwarding sexually explicit photos, videos, or messages from a mobile device is known as "sexting." Tell your kids not to do it. In addition to risking their reputation and their friendships, they could be breaking the law if they create, forward, or even save this kind of message. Teens may be less likely to make a bad choice if they know the consequences.

▶ MAKING COMPUTER SECURITY A HABIT

The security of your computer, phone, and other mobile devices can affect the safety of your online experience — and that of your kids. Malware could allow someone to steal your family’s personal or financial information. Malware is software that can:

- install viruses
- monitor or control your computer use
- send unwanted pop-up ads
- redirect your device to websites you’re not looking for
- record your keystrokes



WHAT CAN YOU DO?

▶ Use security software and keep it updated.

Well-known companies offer plenty of free options. Set the software to update automatically.

▶ Keep your operating system, web browser, and apps up to date.

Hackers take advantage of software that doesn’t have the latest security updates.

▶ If your family’s accounts support multi-factor authentication, consider using it.

Using your password plus another piece of information to log in helps protect your account, even if your password is compromised. The second piece of information could be a code sent to your phone, or a random number generated by an app or token.

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Teaching Kids Computer Security

Talk to your kids about how they can help protect their devices and your family’s personal information.

Create strong passwords, and keep them private.

Take a look at the passwords that you and your kids use. To better protect your accounts, make passwords at least twelve characters that include upper- and lowercase letters, numbers, and symbols. Avoid common words and phrases, or information like your address. Use different passwords for different accounts. That way, if a hacker gets into one account, he can’t get into others.

Don’t provide personal or financial information unless the website is secure.

If you or your kids send messages, share photos, use social networks, or bank online, you’re sending personal information over the internet. Teach your kids: if the URL doesn’t start with **https**, don’t enter any personal information. That “s” means the information you’re sending is encrypted and protected.

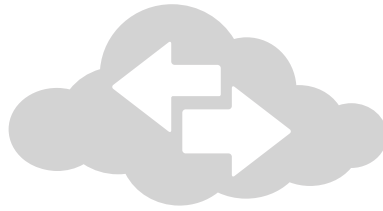


Watch out for “free” stuff.

Free games, apps, music, and other downloads can hide malware. Don’t download anything unless you trust the source. Teach your kids how to recognize reputable sources.

Back up your files regularly.

No system is completely secure. If you or your kids have important files, copy them to an external hard drive or cloud storage. If your computer is attacked by malware, you'll still have access to your files.



Secure your home network.

Your home has a wireless network if you use wireless internet there. Securing that network will protect your family's devices from hackers, along with protecting your personal or financial information.

Here are a few easy steps to secure your network:

- ▶ **Activate encryption.** Encryption scrambles the information you send over the internet into a code so others can't access it. It's the most effective way to secure your network.

Your computer, router, and other equipment must use the same encryption. WPA2 is strongest; use it if you have a choice.
- ▶ **Change your router's pre-set password(s).** Hackers know the default passwords, so change it to something more complex (see password tips on p. 19).
- ▶ **Keep your router up to date.** Just like your other devices, the software on your router needs occasional updates to be secure and effective.

Using Public Wi-Fi Securely

Many public places — like coffee shops, libraries, and airports — offer Wi-Fi hotspots. These hotspots can be convenient, but they're often not secure. That could make it easy for someone else to access your family's online accounts or steal your personal information — including private documents, photos, and passwords.

WHAT CAN YOU DO?

Don't use Wi-Fi to access personal or financial information.

Remind your kids that Wi-Fi is unsecured. That means other users on the network can see what you see and send. Your family's personal information, private documents, login credentials and more could be up for grabs.



The easiest solution? Make it a family policy to save your online shopping, banking, and other personal transactions for when you are on your home network. Then make sure your home network is encrypted. If you're on the go, use your mobile data — and tell your kids to do the same.

Use secure websites.

A secure site will encrypt your information while you are signed in to it — even if the network doesn't. How will your kids know if a site is secure? Tell them to look for **https** in the web address of every page they visit — not just when they log in.

Don't stay permanently signed in to accounts.

Recommend that your kids log out when they've finished using a site.

Phishing Scams

Phishing is when scam artists send texts, emails, or pop-up messages to get people to share their personal and financial information. Scammers use this information to access your accounts, steal your identity, and commit fraud.

WHAT CAN YOU DO?

Here's how you and your kids can avoid getting tricked by scam artists.

- ▶ **Don't reply to texts, emails, or pop-up messages that ask for personal or financial information**, and don't click on any links in the message.
- ▶ **Be cautious about opening any attachments** or downloading any files from emails you receive, regardless of who sent them. Unexpected files may contain viruses that your friends or family members didn't know were there.
- ▶ **Get your kids involved**, so they can develop their scam "antennas" and careful internet habits. Look for teachable moments — if you get a phishing message, show it to your kids to help them understand that things aren't always what they seem.

How to report phishing scams.

Forward phishing emails to **Spam@UCE.gov**. They will be added to a database that law enforcement agencies use to pursue investigations. If you or your kids were tricked by a phishing scam, report it to **FTC.gov/Complaint**.

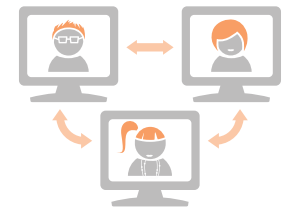
▶ PROTECTING YOUR CHILD'S PRIVACY

As a parent, you have control over the personal information companies collect online from your kids under 13. The Children's Online Privacy Protection Act (COPPA) gives you tools to do that.

The Federal Trade Commission enforces the COPPA Rule. If a site or service is covered by COPPA, it has to get your consent before collecting personal information from your child, and it has to honor your choices about how that information is used.

What is COPPA?

The COPPA Rule was put in place to protect kids' personal information on websites and online services — including apps — that are directed to children under 13. The Rule also applies to a general audience site that knows it's collecting personal information from kids that age.



COPPA requires those sites and services to notify parents directly and get their approval before they collect, use, or disclose a child's personal information.

Personal information in the world of COPPA includes, for example, a kid's:

- name
- phone number or email address
- address
- physical whereabouts
- Social Security number
- photos, videos, and audio recordings of the child
- persistent identifiers, like IP addresses, that can be used to track a child's activities over time and across different websites and online services

How Does COPPA Work?

Let's say your child wants to use features on a site or download an app that collects their personal information. Before they can, you should get a plain language notice about what information the site will collect, how it will use it, and how you can provide your consent.

The notice should link to a privacy policy that's easy to understand. The privacy policy must give details about the kind of information the site collects, and what it might do with the information — say, if it plans to use the information to target advertising to a child, or give or sell the information to other companies. In addition, the policy should tell you how to contact someone who can answer your questions.

Sites and services have some flexibility in how they get your consent. For example, some may ask you to send back a permission slip.

Others may have a toll-free number you can call. If you agree to let the site or service collect personal information from your child, it has a legal obligation to keep it secure.

What Are Your Choices?

- ▶ **Understand the site's information practices.** Start by reading how the company plans to use your child's information.
- ▶ **Be picky with your permission.** Decide how much consent you want to give. For example, you might give the company permission to collect your child's personal information, but not allow it to share that information with others.
- ▶ **Know your rights.** Once you give a site or service permission to collect personal information from your child, you're still in control. As the parent, you have the right to review the information collected about your child. If you ask to see the information, keep in mind that website operators need to make sure you are the parent before providing you access. You also have the right to retract your consent any time, and to have information collected about your child deleted.

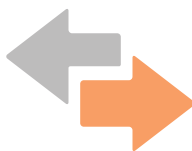
What if it looks like a site or service is breaking the rules?

If you think a site has collected information from your kids or marketed to them in a way that violates the law, report it to the FTC at **FTC.gov/Complaint**.

Want to know more?

The FTC has free resources you can use.

- ▶ Find more about online safety for parents and kids: **FTC.gov/KidsOnline**
- ▶ Order free materials to share: **FTC.gov/Bulkorder**
- ▶ Get scam alerts: **FTC.gov/Scams**
- ▶ Spot a scam? Report it: **FTC.gov/Complaint**



BE BEST

BEBEST.gov

FTC.gov/KidsOnline

To order brochures about keeping kids safe online,
visit **FTC.gov/Bulkorder**.



STOP | THINK | CONNECT™

Anti-Defamation League, Florida Region
No Place for Hate® Training Costs

ADL Programs

PROGRAM	AGE GROUPS	DESCRIPTION	COST
Becoming An Ally: Interrupting Name Calling and Bullying	Elementary, middle or high school students or educators; up to 30 students or educators per training	An interactive program that provides practical opportunities to address name-calling and bullying	\$1,500 (3 hours)
CyberALLY	Middle or high school students; up to 30 students per training	A cyberbullying prevention program that helps students better understand the problem of cyberbullying and how to respond when they experience it or see it happen to others	\$1,500 (3 hours)
Trickery, Trolling & Threats: Understanding and Addressing Cyberbullying	Middle or high school educators; up to 30 educators per training	Increases educators' awareness about the unique features and impact of cyberbullying, and provides strategies for educators to respond effectively to foster an increased culture of e- safety	\$1,500 (3 hours)
General Anti-Bias and Diversity	Elementary, middle or high school students or educators; up to 30 students or educators per training	An individualized program that explores and addresses concepts of prejudice, discrimination, implicit bias, and stereotyping	\$1,500 (3 hours)
Step Up! Assembly Program	Middle school students; grade-wide assembly	Interactive assembly program where students hear honest, painful teen experiences with bigotry, name-calling and bullying, with a call to stand up for a school free from bullying	\$900 (75-90 minutes)

* Costs include co-facilitator fees and mileage costs, training materials, participant workbooks, personnel costs

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 13, 2018

SUBJECT: **DISCUSSION TO CONSIDER CONTINUING THE DIGITAL CITIZEN CODING BOOTCAMP**

HISTORY:

At the October 19, 2016 Commission meeting, Commissioner Aleman introduced the concept of providing a free technology boot camp for low to middle income residents, as well as business owners, interested in improving their technology skills. The suggested concept would model a program currently available to the Liberty City community providing technical expertise, coding, and professional support to those interested in careers in technology industries.

The two proposed Miami Beach Digital Citizens Bootcamp were made available to residents throughout Miami Beach, with classes held over a period of eight weeks in a computer lab at North Shore Park and Youth Center and the City hall IT training room beginning in late January 2018 and ending in May 2018. Each boot camp was limited to twenty-five (25) participants due to space limitations in each computer lab (Flyer Attached).

Participants learned in demand tech skills including the following:

- Programming – introduction to various programming languages and how each are used
- Social Media – leverage different social media channels to increase brand awareness
- Marketing – learn about inbound and outbound marketing and how to achieve results
- Presentation – practice a pitch and learn how to woo potential investors and audience

The below link provides information directly from participants of the North Beach session and provides information on skills learned:

<https://youtu.be/Ou8hNKxSpH8>

The City partnered with EcoTech Visions Foundation, Inc. to provide both series (Agreement Attached). The City also provided free parking (as applicable) at the 1755 Meridian parking garage and security, as classes were held during the weekday evening from 6 pm to 9 pm and on Saturday/Sunday from 9 am to Noon. The cost for the two sessions was \$42,000 (Ecotech), \$351 parking, and security.

ANALYSIS:

Should the City opt to continue the Digital Citizens Coding Bootcamp, other potential providers may be considered. Miami Beach Adult and Community Education Center has provided a proposal (see attached) for consideration. The proposed Coding Boot Camp would include, but not be limited, the below:

CODING BOOT CAMP:

- **Introduction to Hypertext Markup Language (HTML)**
- **Creating web pages using HTML**
- **Design web page elements using cascading style sheets (CSS)**
- **Introduction to JAVA Script**
- **Creating a Wordpress Website**
- **Creating an E-Commerce Website**
- **How to make a Blog**

The class will be offered as follows:

- **First Class: November 1, 2018 - January 29, 2018 - 20 Classes Total – Tuesdays and Thursdays from 6:00pm-9:00pm.**
- **Second Class: February 5, 2019-April 18, 2019 - 20 Classes Total – Tuesdays and Thursdays from 6:00pm-9:00pm.**

The projected number of students per class is 25 with 20 class sessions. Total fee per session is \$4,500. In addition to the \$4,500 per session, the City will fund parking, security, and staff administration. Anticipated total cost for two sessions on the dates above is approximately \$21,000.

CONCLUSION:

Staff is seeking direction on the continued offering of a Digital Citizens Coding Bootcamp for residents and business owners. If recommended for continuation an enhancement request would be submitted as part of the FY 2018/19 budget development process.

ATTACHMENTS:

Description	Type
<input type="checkbox"/> EcoTech Agreement	Memo
<input type="checkbox"/> SFDAAgreement NSPYC Lab	Memo
<input type="checkbox"/> Flyer English	Memo
<input type="checkbox"/> Flyer Spanish	Memo
<input type="checkbox"/> Miami Beach Adult Coding Proposal 7.3.18	Memo

**PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF MIAMI BEACH
AND
ECOTECH VISIONS FOUNDATION, INC.
FOR
DIGITAL CITIZENS CODING BOOTCAMP**

December This Professional Services Agreement ("Agreement") is entered into this 19 day of ~~November~~ 2017 (Effective Date), between the **City of Miami Beach, Florida**, a municipal corporation organized and existing under the laws of the State of Florida, having its principal offices at 1700 Convention Center Drive, Miami Beach, Florida, 33139 (City), and **ECOTECH VISIONS FOUNDATION, INC.**, a Florida Not-for-Profit Corporation, whose address is 670 NW 113 Street, Miami, FL 33168 (Consultant).

**SECTION 1
DEFINITIONS**

Agreement: This Agreement between the City and Consultant, including any exhibits and amendments thereto.

City Manager: The chief administrative officer of the City, with offices at 1700 Convention Center Drive, Miami Beach, FL 33139.

Consultant: For the purposes of this Agreement, Consultant shall be deemed to be an independent contractor, and not an agent or employee of the City.

Services: All services, work, and actions by the Consultant performed or undertaken pursuant to the Agreement.

Fee: Amount paid to the Consultant as compensation for Services.

Risk Manager: The Risk Manager of the City, with offices at 1700 Convention Center Drive, Third Floor, Miami Beach, Florida 33139: telephone number (305) 673-7000, Ext. 6435: and fax number (305) 673-7023.

**SECTION 2
SCOPE OF SERVICES (SERVICES)**

2.1 In consideration of the Fee to be paid to Consultant by the City, Consultant shall provide the work and services described in Exhibit "A" hereto (the Services).

2.2 Consultant's Services, and any deliverables incident thereto, shall be completed in accordance with the timeline and/or schedule in Exhibit "A" hereto.

SECTION 3

TERM

The term of this Agreement (**Term**) shall commence upon execution of this Agreement by all parties hereto, as referenced by the Effective Date on page one (1) of this Agreement, and shall have a term of two (2) months.

Notwithstanding the Term provided herein, Consultant shall adhere to any specific timelines, schedules, dates, and/or performance milestones for completion and delivery of the Services, as same is/are set forth in the timeline and/or schedule referenced in Exhibit "A" hereto.

SECTION 4

FEE

4.1 In consideration of the Services to be provided, Consultant fees shall be compensated on a per workshop session basis, in the amount of \$21,000.00 per bootcamp program not to exceed two (2) bootcamp programs throughout the term of this Agreement. Fees will be paid upon completion of each workshop session on a monthly basis throughout the term of this Agreement. Notwithstanding the preceding, Consultant's compensation during the Term shall not exceed the maximum sum of \$42,000.00.

4.2 INVOICING

Upon receipt of an acceptable and approved invoice, payment(s) shall be made within thirty (30) days for that portion (or those portions) of the Services satisfactorily rendered (and referenced in the particular invoice).

Invoices shall include a detailed description of the Services (or portions thereof) provided, and shall be submitted to the City at the following address:

**Organization Development Performance Initiatives
c/o Dr. Leslie Rosenfeld, Chief Learning and Development Officer
City of Miami Beach
1700 Convention Center Drive – 3rd Floor
Miami Beach, FL 33139**

SECTION 5

TERMINATION

5.1 TERMINATION FOR CAUSE

If the Consultant fails to fulfill in a timely manner, or otherwise violates, any of the covenants, agreements, or stipulations material to this Agreement, the City, through its City Manager, shall thereupon have the right to terminate this Agreement for cause. Prior to exercising its

option to terminate for cause, the City shall notify the Consultant of its violation of the particular terms of this Agreement, and shall grant Consultant 24 hours to cure such default. If such default remains uncured after 24 hours, the City may terminate this Agreement without further notice to Consultant. Upon termination, the City shall be fully discharged from any and all liabilities and duties arising out of, or by virtue of, this Agreement.

Notwithstanding the above, the Consultant shall not be relieved of liability to the City for damages sustained by the City by any breach of the Agreement by the Consultant. The City, at its sole option and discretion, shall be entitled to bring any and all legal/equitable actions that it deems to be in its best interest in order to enforce the City's rights and remedies against Consultant. The City shall be entitled to recover all costs of such actions, including reasonable attorneys' fees.

5.2 TERMINATION FOR CONVENIENCE OF THE CITY

THE CITY MAY ALSO, THROUGH ITS CITY MANAGER, AND FOR ITS CONVENIENCE AND WITHOUT CAUSE, TERMINATE THE AGREEMENT AT ANY TIME DURING THE TERM BY GIVING WRITTEN NOTICE TO CONSULTANT OF SUCH TERMINATION; WHICH SHALL BECOME EFFECTIVE WITHIN THREE (3) DAYS FOLLOWING RECEIPT BY THE CONSULTANT OF SUCH NOTICE. IF THE AGREEMENT IS TERMINATED FOR CONVENIENCE BY THE CITY, CONSULTANT SHALL BE PAID FOR ANY SERVICES SATISFACTORILY PERFORMED UP TO THE DATE OF TERMINATION; FOLLOWING WHICH THE CITY SHALL BE DISCHARGED FROM ANY AND ALL LIABILITIES, DUTIES, AND TERMS ARISING OUT OF, OR BY VIRTUE OF, THIS AGREEMENT.

5.3 TERMINATION FOR INSOLVENCY

The City also reserves the right to terminate this Agreement in the event the Consultant is placed either in voluntary or involuntary bankruptcy or makes an assignment for the benefit of creditors. In such event, the rights and obligations of the parties shall be the same as provided for in Section 5.2.

SECTION 6 INDEMNIFICATION AND INSURANCE REQUIREMENTS

6.1 INDEMNIFICATION

Consultant agrees to indemnify and hold harmless the City of Miami Beach and its officers, employees, agents, and contractors, from and against any and all actions (whether at law or in equity), claims, liabilities, losses, and expenses, including, but not limited to, attorneys' fees and costs, for personal, economic or bodily injury, wrongful death, loss of or damage to property, which may arise or be alleged to have arisen from the negligent acts, errors, omissions or other wrongful conduct of the Consultant, its officers, employees, agents, contractors, or any other person or entity acting under Consultant's control or supervision, in connection with, related to, or as a result of the Consultant's performance of the Services pursuant to this Agreement. To that extent, the Consultant shall pay all such claims and losses and shall pay all such costs and judgments which may issue from any lawsuit arising from such claims and losses, and shall pay all costs and attorneys' fees expended by the City in the defense of such claims and losses, including appeals.

The parties agree that one percent (1%) of the total compensation to Consultant for performance of the Services under this Agreement is the specific consideration from the City to the Consultant for the Consultant's indemnity agreement. The provisions of this Section 6.1 and of this indemnification shall survive termination or expiration of this Agreement.

6.2 INSURANCE REQUIREMENTS

The Consultant shall maintain and carry in full force during the Term, the following insurance:

1. Consultant General Liability, in the amount of \$1,000,000; naming the City of Miami Beach, Florida as an additional insured;
2. Consultant Professional Liability, in the amount of \$200,000; and,
3. Workers Compensation as required pursuant to Florida Statutes (or proof of exemption).

The insurance must be furnished by insurance companies authorized to do business in the State of Florida. All insurance policies must be issued by companies rated no less than "B+" as to management and not less than "Class VI" as to strength by the latest edition of Best's Insurance Guide, published by A.M. Best Company, Oldwick, New Jersey, or its equivalent.

All of Consultant's certificates shall contain endorsements providing that written notice shall be given to the City at least thirty (30) days prior to termination, cancellation or reduction in coverage in the policy.

Certificates of insurance must be submitted to the City's Risk Manager for approval (prior to any work and/or Services commencing) and will be kept on file in the Office of the Risk Manager. The City shall have the right to obtain from the Consultant specimen copies of the insurance policies in the event that submitted certificates of insurance are inadequate to ascertain compliance with required coverage.

The Consultant is also solely responsible for obtaining and submitting all insurance certificates for any sub-consultants.

Compliance with the foregoing requirements shall not relieve the Consultant of the liabilities and obligations under this Section or under any other portion of this Agreement.

The Consultant shall not commence any work and or Services pursuant to this Agreement until all insurance required under this Section has been obtained and such insurance has been approved by the City's Risk Manager.

SECTION 7 LITIGATION JURISDICTION/VENUE/JURY TRIAL WAIVER

This Agreement shall be construed in accordance with the laws of the State of Florida. This Agreement shall be enforceable in Miami-Dade County, Florida, and if legal action is necessary by either party with respect to the enforcement of any or all of the terms or conditions herein, exclusive venue for the enforcement of same shall lie in Miami-Dade County, Florida. By entering into this Agreement, Consultant and the City expressly waive any rights either party may have to a trial by jury of any civil litigation related to or arising out of this Agreement.

SECTION 8

LIMITATION OF CITY'S LIABILITY

The City desires to enter into this Agreement only if in so doing the City can place a limit on the City's liability for any cause of action, for money damages due to an alleged breach by the City of this Agreement, so that its liability for any such breach never exceeds the sum of \$42,000.00. Consultant hereby expresses its willingness to enter into this Agreement with Consultant's recovery from the City for any damage action for breach of contract to be limited to a maximum amount of \$42,000.00.

Accordingly, and notwithstanding any other term or condition of this Agreement, Consultant hereby agrees that the City shall not be liable to the Consultant for damages in an amount in excess of \$42,000.00 for any action or claim for breach of contract arising out of the performance or non-performance of any obligations imposed upon the City by this Agreement.

Nothing contained in this Section or elsewhere in this Agreement is in any way intended to be a waiver of the limitation placed upon the City's liability, as set forth in Section 768.28, Florida Statutes.

SECTION 9

GENERAL PROVISIONS

9.1 AUDIT AND INSPECTIONS

Upon reasonable verbal or written notice to Consultant, and at any time during normal business hours (i.e., 9 AM – 5 PM, Monday through Friday, excluding nationally recognized holidays), and as often as the City Manger may, in his/her reasonable discretion and judgment, deem necessary, there shall be made available to the City Manager, and/or such representatives as the City Manager may deem to act on the City's behalf, to audit, examine, and/ or inspect, any and all other documents and/or records relating to all matters covered by this Agreement. Consultant shall maintain any and all such records at its place of business at the address set forth in the "Notices" section of this Agreement.

9.2 ASSIGNMENT, TRANSFER OR SUBCONSULTING

Consultant shall not subcontract, assign, or transfer all or any portion of any work and/or Services under this Agreement without the prior written consent of the City Manager, which consent, if given at all, shall be in the Manager's sole judgment and discretion. Neither this Agreement, nor any term or provision hereof, or right hereunder, shall be assignable unless as approved pursuant to this Section, and any attempt to make such assignment (unless approved) shall be void.

9.3 PUBLIC ENTITY CRIMES

Prior to commencement of the Services, the Consultant shall file a State of Florida Form PUR 7068, Sworn Statement under Section 287.133(3)(a), Florida Statutes, on Public Entity Crimes with the City's Procurement Division.

9.4 EQUAL EMPLOYMENT OPPORTUNITY

In connection with the performance of the Services, the Consultant shall not discriminate against any employee or applicant for employment because of race, color, national origin, religion, sex, gender identity, sexual orientation, disability, marital and familial status, or age.

9.5 CONFLICT OF INTEREST

The Consultant herein agrees to adhere to and be governed by all applicable Miami-Dade County Conflict of Interest Ordinances and Ethics provisions, as set forth in the Miami-Dade County Code, and as may be amended from time to time; and by the City of Miami Beach Charter and Code (as same may be amended from time to time); both of which are incorporated by reference herein as if fully set forth herein.

The Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirectly, which could conflict in any manner or degree with the performance of the Services. The Consultant further covenants that in the performance of this Agreement, no person having any such interest shall knowingly be employed by the Consultant. No member of or delegate to the Congress of the United States shall be admitted to any share or part of this Agreement or to any benefits arising there from.

SECTION 10 **NOTICES**

All notices and communications in writing required or permitted hereunder, shall be delivered personally to the representatives of the Consultant and the City listed below or may be mailed by U.S. Certified Mail, return receipt requested, postage prepaid, or by a nationally recognized overnight delivery service.

Until changed by notice in writing, all such notices and communications shall be addressed as follows:

TO CONSULTANT: **Ecotech Visions Foundation, Inc.**
 670 N.W. 113 Street
 Miami, FL 33168

TO CITY: **Organization Development Performance Initiatives**
 c/o Dr. Leslie Rosenfeld
 Chief Learning and Development Officer
 1700 Convention Center Drive – 3rd Floor
 Miami Beach, FL 33139

Notice may also be provided to any other address designated by the party to receive notice if such alternate address is provided via U.S. certified mail, return receipt requested, hand delivered, or by overnight delivery. In the event an alternate notice address is properly provided, notice shall be sent to such alternate address in addition to any other address which notice would otherwise be sent, unless other delivery instruction as specifically provided for by the party entitled to notice.

Notice shall be deemed given on the day on which personally served, or the day of receipt by either U.S. certified mail or overnight delivery.

SECTION 11

MISCELLANEOUS PROVISIONS

11.1 CHANGES AND ADDITIONS

This Agreement cannot be modified or amended without the express written consent of the parties. No modification, amendment, or alteration of the terms or conditions contained herein shall be effective unless contained in a written document executed with the same formality and of equal dignity herewith.

11.2 SEVERABILITY

If any term or provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall not be affected and every other term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

11.3 ENTIRETY OF AGREEMENT

The City and Consultant agree that this is the entire Agreement between the parties. This Agreement supersedes all prior negotiations, correspondence, conversations, agreements, or understandings applicable to the matters contained herein, and there are no commitments, agreements, or understandings concerning the subject matter of this Agreement that are not contained in this document. Title and paragraph headings are for convenient reference and are not intended to confer any rights or obligations upon the parties to this Agreement.

11.4 CONSULTANT'S COMPLIANCE WITH FLORIDA PUBLIC RECORDS LAW

Pursuant to Section 119.0701 of the Florida Statutes, if the Consultant meets the definition of "Contractor" as defined in Section 119.0701(1)(a), the Consultant shall:

- a) Keep and maintain public records that ordinarily and necessarily would be required by the public agency in order to perform the service;
- b) Provide the public with access to public records on the same terms and conditions that the public agency would provide the records and at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law;
- c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law; and
- d) Meet all requirements for retaining public records and transfer to the City, at no City cost, all public records created, received, maintained and/or directly related to the performance of this Agreement that are in possession of the Consultant upon termination of this Agreement. Upon termination of this Agreement, the Consultant shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the City in a format that is compatible with the information technology systems of the City.

For purposes of this Article, the term "public records" shall mean all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business of the City.

Consultant's failure to comply with the public records disclosure requirement set forth in Section 119.0701 of the Florida Statutes shall be a breach of this Agreement.

In the event the Consultant does not comply with the public records disclosure requirement set forth in Section 119.0701 of the Florida Statutes, the City may, at the City's sole discretion, avail itself of the remedies set forth under this Agreement and available at law.

[REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

CITY OF MIAMI BEACH
SCOPE OF SERVICES
FOR
ECOTECH VISIONS FOUNDATION, INC.
FOR
DIGITAL CITIZENS CODING BOOTCAMP

I. SCOPE OF WORK METHODOLOGY

ECOTECH VISIONS FOUNDATION, INC. is pleased to submit the proposed methodology to provide the varied bootcamp programs that are a critical component of the City’s Strategic Plan. ECOTECH VISIONS FOUNDATION, INC. shall be responsible for the development of all bootcamp material in conjunction with the City’s Organizational Development Performance Initiatives (ODPI) office and the City’s Procurement department.

GOALS AND OBJECTIVES

Each Digital Citizens Coding Bootcamp Program (Bootcamp Program) is linked to the relevant Key Intended Outcomes (KIOs), mission, vision, and values contained within the City’s Strategic Plan. These required elements are contained in presentation slides and handouts as appropriate.

The following process shall be followed to customize each bootcamp to the City’s needs:

1. **Pre-Bootcamp teleconference:** the ECOTECH VISIONS FOUNDATION, INC. consultant assigned to deliver the Bootcamp participates with a member of the ODPI team to review the course curriculum and its connection to City needs.
2. **Bootcamp delivery:** An ECOTECH VISIONS FOUNDATION, INC. consultant delivers the Bootcamp with course evaluations administered and collected for all participants at the end of the series.
3. **Post-Bootcamp review:** Course evaluations are reviewed post-course in a face-to-face or telephone meeting with the ECOTECH VISIONS FOUNDATION, INC. consultant and an ODPI team member and suggestions and improvements are incorporated in future sessions.

TASK 1.1 – DEFINE GOALS AND OBJECTIVES FOR ALL BOOTCAMP PROGRAMS

A Bootcamp Program will meet two (2) times a week for eight (8) weeks. Weekday sessions will meet from 6:00 pm – 9:00 pm and weekend sessions will meet from 9:00 am – 12:00 pm. There will be two (2) Bootcamp Programs scheduled at separate times for residents and business owners located in the North Beach and South Beach areas of the City of Miami Beach. Bootcamp Program objectives include, but are not limited, to the following:

- Programming – Introductions to various programming languages and how each are used
- Social Media – Leverage different Social Media channels to increase brand awareness
- Marketing- Learn about inbound and outbound marketing and how to achieve results
- Presentation – Practice your pitch and learn how to woo potential investors and your audience

Each Bootcamp will focus on the above objectives.

Subtask 1.1.1 Pre-bootcamp teleconference

The ECOTECH VISIONS FOUNDATION, INC. consultant assigned to deliver the bootcamp participates with a member of the ODPI team to review the course curriculum and its connection to City needs.

Subtask 1.1.2 Develop Bootcamp Materials and Deliverables

Consultant must provide the following materials and deliverables at each class session:

- a) Consultant has represented to the City that he/she has the expertise and ability to successfully organize and execute the Bootcamp Program. Consultant has presented a syllabus attached as Exhibit “B,” which will cover all aspects of a successful program. Consultant understands and agrees that the City’s maximum contribution to the Bootcamp Program shall be as stated in this Agreement.
- b) Consultant is responsible for managing, setting up, and executing the Bootcamp Program each week. City will have no obligation to assist with the planning, development, and execution of the Bootcamp Program beyond the venue.
- c) The Consultant shall contact City’s designee supervising the class/program in the event any problem should arise including but not limited to problems with the facility, staff and enrollees.
- d) The Consultant agrees to provide all resumes of the course instructors prior to start of the course.
- e) Consultant is responsible for hiring a bilingual instructor as needed depending on the residents of the City limits.
- f) Consultant will obtain letter of commitment (Attachment “C”) from each participant and provide to the City designee.

Subtask 1.1.3 Bootcamp delivery

ECOTECH VISIONS FOUNDATION, INC. Consultant delivers the agreed-to Bootcamp Programs within the guidelines and laws of the City of Miami Beach. Each Bootcamp Program is designed to engage participants in learning, dialogue, and application of the concepts learned.

An ODPI staff member introduces sessions and connections are made to the City's Strategic Plan. An ECOTECH VISIONS FOUNDATION, INC. Consultant delivers the Bootcamp with course evaluations administered and collected for all participants.

Subtask 1.1.4 Post-Bootcamp review

Course evaluations are reviewed post-course in a face-to-face or telephone meeting with the ECOTECH VISIONS FOUNDATION, INC. consultant and an ODPI team member and suggestions and improvements are incorporated in future sessions.

II. TIMELINE AND PAYMENT SCHEDULE

The two (2) Bootcamp Programs are delivered to City of Miami Beach residents and business owners as described above with 20-25 Miami Beach residents and business owners attending each session.

ECOTECH VISIONS FOUNDATION, INC. charges \$21,000.00 per Bootcamp Program.

ECOTECH VISIONS FOUNDATION, INC. agrees that the proposed Bootcamp Programs will be delivered within a period of twelve (12) months from the City's issuance of a Notice to Proceed.

Timeline**TASK 1.1 – DEFINE GOALS AND OBJECTIVES: January 1, 2018 – June 30, 2018**

Subtask 1.1.1 Pre-Bootcamp teleconference

Subtask 1.1.2 Develop Bootcamp Materials and Deliverables

Subtask 1.1.3 Bootcamp delivery

Subtask 1.1.4 Post-Bootcamp review

TOTAL SCHEDULED PAYMENTS:**6 Months**

\$21,000.00 per Bootcamp Program for up to two (2) Bootcamp Programs to be held in South (1) and North Beach (1) between January 1, 2018 and June 30, 2018, not to exceed a total of \$42,000.00 for all Bootcamp Programs and subject to City funding availability

Letter of Commitment

The purpose of this letter is to inform you, you have signed up for the Digital Citizens Coding Bootcamp Program (Program) and to establish a level of your commitment for the period of the Program. Because we have many applicants for each Program and a waitlist, we want to ensure that you are dedicated and committed to completing the entire Program and provide best efforts to attend all classes.

Please read below and sign this form to indicate that you understand our expectations and that you will commit to the Digital Citizens Coding Bootcamp Program.

1. You agree to attend each session of the Program for the entire 8 weeks; with reasonable understanding of missing a day or two.
2. You agree that you will make an effort to participate in every activity, group project, and the end-of-the Program presentation.
3. You agree to conduct yourself with dignity and respect towards all participants, the instructor, and administration staff.
4. You agree to give 24hr notice before missing a session; as each session is essential for understanding the coding language.
5. You agree that failing to comply with any of the above will result in cancellation of your participation in the Program and we will provide an opportunity for the next person on the waitlist.

We will make every effort to make this process as fair as possible and to provide you with an enjoyable experience.

Any questions? Call Sir Charles Hill (305) 399-5556 or email: sircharles@ecotechvisions.com.

I agree to all of the points outlined in this Letter of Commitment for the Digital Citizens Coding Bootcamp Program to be held _____.

Print Name

Date

Signature

Phone

Administrative Signature: _____

Date: _____

ORGANIZATION DEVELOPMENT PERFORMANCE INITIATIVES

DATE:	12/12/2017
TO:	Jimmy Morales
FROM:	Dr. Leslie Rosenfeld
SUBJECT:	ECO Tech Professional Services Agreement

Routing

Kathie Brooks	
Alex Denis	

[Handwritten signature]
[Handwritten signature] (EXEMPT TRAINING SUS)

For:

	Information Only
X	Review and approval
X	City Manager's Signature
	Other Signature _____
	Other

Comments:

ECO Tech Professional Services Agreement

Return to:

Leslie Rosenfeld

X7020

Date Needed: ASAP



Occasionally SFDA property may be loaned to various community organizations in support of projects of benefit to the South Florida community or other scholarly activities. Any personnel requesting equipment loans must complete this form.

I hereby acknowledge receipt on loan of twenty (20) laptop computer (the "equipment") beginning on December 15, 2017, from the South Florida Digital Alliance (SFDA) to be used in support of projects directly benefiting the South Florida Community or other scholarly activities. In consideration thereof this loan, I agree that:

I have inspected the item and it appears to be in working order;

- The equipment borrowed will be used by EcoTech Visions Foundation, Inc. for a City of Miami Beach Digital Citizens Coding Bootcamp for residents and business owners in Miami Beach;
- I undertake to return the equipment borrowed on or before the **March 23,, 2018** but also agree that the equipment borrowed may be requested to be returned early;
- I accept full responsibility for the transport both from and to the **SFDA** of the equipment borrowed and agree that the **SFDA** is not responsible for this;
- I shall immediately advise the person in charge of the equipment at the SFDA when I become aware of any damage to or loss of the item or any part of it.
- If the period of the loan extends beyond six months, either within this initial agreement or subsequent extensions, I shall make the equipment available, in a manner as directed by the SFDA and at intervals of not more than six months, to a member of the SFDA to check the existence and condition of the items;
- I will use the equipment only for projects directly benefiting the South Florida Community or other scholarly activities,
- I agree to accept complete responsibility of the item until it is returned.

Equipment loaned by the SFDA includes:

(20) Dell E6410 Laptops with (20) power chargers.

Organization: City of Miami Beach

Contact Name – Jimmy Morales, City Manager

Contact Address – 1700 Convention Center Drive Miami Beach, FL 33139

Contact Email – leslierosenfeld@miamibeachfl.gov

Contact Phone Number - (305) 673-7000 ext. 6923

Other information:

Today's date: _____ 12/8/2017 _____

Anticipated return date: _____ 3/23/2017 _____

Authorized signature from borrowing organization: _____

Printed name of borrower: Jimmy Morales **Phone: number:** (305) 673-7010 9

Description of project or scholarly activity requiring the equipment loan:

Digital Citizens Bootcamp Jan. 22 – March 19, 2018

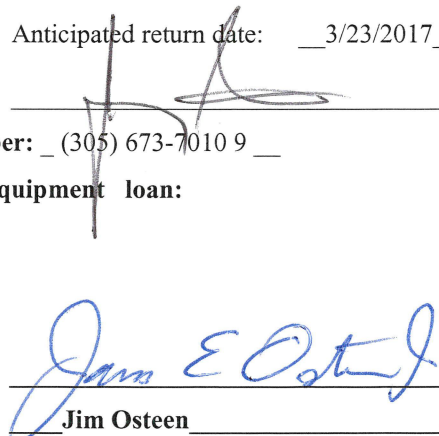
Signature of SFDA Executive Director:

Loaned out by SFDA staff name:

Returned equipment received by SFDA staff name:

of equipment returned:

Date equipment returned:



Jim Osteen

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION

<FREE DIGITAL CITIZEN> <CODING BOOTCAMP>

Miami Beach residents and business owners may enroll in a free 8 week technology bootcamp to improve their technical skills

2 BOOTCAMP SERIES

(25 PARTICIPANTS MAX)

NORTH SHORE YOUTH CENTER

TUESDAY & SATURDAY

JANUARY 22 - MARCH 19

MIAMI BEACH CITY HALL

WEDNESDAY & SUNDAY

MARCH 26 - MAY 20

Mandatory Orientation will take place:

January 16, 2018 at 7PM

Commission Chamber

1700 Convention Center Drive 3rd Floor



<LEARN CODE IN> <EIGHT WEEKS>

Topics that will be covered:

- <\> Introduction to Hypertext Markup Language (HTML)
- <\> Creating web pages using HTML
- <\> Design web page elements using cascading style sheets (CSS)
- <\> Adding external libraries to enhance HTML applications
- <\> Basics of learning how to pitch
- <\> Review, Certificate & Pitch Competition
- <\> Opportunity Quest!

REGISTER BY JANUARY 11, 2018

VISIT: [SNAPSURVEYS.COM/WH/S.ASP?K=151214924805](https://snapsurveys.com/wh/s.asp?k=151214924805)

MIAMIBEACH

<ENTRENAMIENTO DIGITAL > <GRATUITO PARA CUIDADANOS >

Residentes y dueños de negocio en Miami Beach podran inscribirse en un curso tecnológico gratuito de 8 semanas para mejorar sus habilidades técnicas.

**2 SERIES DE
ENTRENAMIENTOS**
(MÁXIMO 25 PARTICIPANTES)
NORTH SHORE YOUTH CENTER
MARTES y SÁBADO
22 DE ENERO - 19 DE MARZO

ALCALDÍA DE MIAMI BEACH
MIÉRCOLES y DOMINGO
26 DE MARZO - 20 DE MAYO

La orientación obligatoria tendra lugar:

16 de Enero del 2018 a las 7PM

Camara de Comisión

1700 Convention Center Drive 3er piso

<APRENDA CÓDIGO>

<EN OCHO SEMANAS>

Temas que serán cubiertos:

<\> Introducción a Marcas
de Hipertexto (HTML)

<\> Crear páginas web
usando HTML

<\> Diseñar elementos de páginas web
usando hojas de estilos
en cascada (CSS)

<\> Agregar librerías externas para
mejorar aplicaciones de HTML

<\> Lo básico de aprender como
presentar

<\> Analisis, certificación y
competencia de presentaciones

<\> Búsqueda de oportunidad!



INSCRÍBASE ANTES DEL 11 DE ENERO DEL 2018

VISITE: [SNAPSURVEYS.COM/WH/S.ASP?K=151214924005](https://snapsurveys.com/wh/s.asp?k=151214924005)

MIAMI BEACH

Miami Beach Adult and Community Education Center

1424 Drexel Avenue, Miami Beach, Florida 33139

Main Office: (305)531-0451 | Fax: (305)531-2352



COURSE DESCRIPTION

Miami Beach Adult and Community Education Center is partnering with the City of Miami Beach to offer residents and business owners a 20 session Coding Boot Camp Part I and a 20 session Coding Boot Camp Part II to improve their technical skills. The class will meet twice a week (Tuesdays and Thursdays from 6:00 PM to 9:00 PM).

CODING BOOT CAMP I

Date: November 01, 2018 - January 29, 2019 (20 Sessions)

Part I (6 Sessions):

- Introduction to Hypertext Markup Language (HTML)
- Creating web pages using HTML

Part II (6 Sessions):

- Design web page elements using cascading style sheets (CSS)
- Introduction to JAVA Script

Part III (6 Sessions):

- Creating a Wordpress Website
- Creating an E-Commerce Website
- How to make a Blog

Part IV (2 Sessions):

- Student Presentation (Final Product)

CODING BOOT CAMP II

Date: February 05, 2019 – April 18, 2019 (20 Sessions)

Part I (6 Sessions):

- Introduction to Hypertext Markup Language (HTML)
- Creating web pages using HTML

Part II (6 Sessions):

- Design web page elements using cascading style sheets (CSS)
- Introduction to JAVA Script

Part III (6 Sessions):

- Creating a Wordpress Website
- Creating an E-Commerce Website
- How to make a Blog

Part IV (2 Sessions):

- Student Presentation (Final Product)

Each camp will cover the following:

- ❖ Introduction to Hypertext Markup Language (HTML)
- ❖ Creating web pages using HTML
- ❖ Design web page elements using cascading style sheets (CSS)
- ❖ Introduction to JAVA Script
- ❖ Creating a Wordpress Website
- ❖ Creating an E-Commerce Website
- ❖ How to make a Blog
- ❖ Student Presentation (Final Product)

CLASS FEE(S)

Cost to City of Miami Beach:

- Coding Boot Camp I: \$4500 (Session 1)
- Coding Boot Camp II: \$4500 (Session 2)

PARTICIPANT(S)

- Participants will receive syllabus for the class
- Participants must have an active email to receive course handouts electronically. Participants will receive two electronic files (A Flash drive is required) if email is not an option due to storage space limitations.
- Participants will receive handouts of various exercises covered in class.
- Participants will receive an assignment that can be individually worked on as a method to reinforce lessons covered in class.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 13, 2018

SUBJECT: **DISCUSSION REGARDING AN EDUCATION COMPACT COORDINATOR POSITION**

ANALYSIS:

This enhancement is being requested to create a new part-time position within the Organizational Development Performance Initiatives department to assist in meeting the increasing demands of the city for educational enhancements. A part-time position will cost approximately \$45,000 annually including salary, social security, and FICA alternative for Year 1 including computer costs.

CONCLUSION:

If recommended by the Committee, this enhancement will be considered as part of the FY 18/19 budget development process.

ATTACHMENTS:

Description	Type
☐ Commission Item C4M	Memo
☐ Part-time Education Compact Position	Memo

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Jimmy L. Morales, City Manager
DATE: May 16, 2018

SUBJECT: REFERRAL TO FINANCE AND CITYWIDE PROJECTS COMMITTEE TO
DISCUSS AN EDUCATION COMPACT COORDINATOR POSITION.

RECOMMENDATION

Refer the item to FCWPC for further review and discussion.

ANALYSIS

On January 8, 2008, the City entered into an Education Compact (the "Compact" Attachment A) with Miami-Dade County Public Schools (M-DCPS). Developed with significant community input, the Compact reflects the desire of the Miami Beach community to support excellence in its schools and an investment in the overall enhancement of education for its residents. The Compact currently addresses and supports the following priority areas:

- Teacher Recruitment/Retention;
- Communication;
- Parental Involvement/Family Support/Youth and Community Engagement;
- Health and Well-Being;
- Student Achievement;
- Safety; and
- Technology.

In Resolution No. 2015-28997, the City Commission directed the Administration to expand the Compact to address the following areas: Early Learning; Extracurricular/Choice Offerings; and Afterschool Programming.

Since then, the City has entered into many contracts with M-DCPS and other organizations several educational initiatives reflected on the chart attached (Attachment B)

The City supports excellence in education in the City's public schools recognizing it is an investment in the overall enhancement of education for residents. Enhanced student achievement includes a seamless curriculum of advanced studies through the International Baccalaureate (IB) Program, from Pre-Kindergarten through twelfth grade. To date, approximately \$936,000 has been expended for application fees, professional development for teachers, and other youth related activities including dual enrollment, Nurse Initiative, Common Threads, and LCSW Mental Health Services (not including Voluntary Pre-K), for an approximate additional \$383,000 for the first three years.

With the Commission prioritization of education initiatives, the department requires an individual to

support Education Compact Initiatives and other education Commission priorities (Attachment C). This position will report to the Chief Learning and Development Officer. The position will collaborate with other agencies in identifying gaps of services/programs which will prepare children and youths for their future. This position will be responsible for developing, organizing, administering, and monitoring, the implementation of designated educational initiatives, programs, and services, in order to ensure that the educational needs of the city are met. The number of educational initiatives approved for implementation by Commission has exceeded the capacity of the current service levels within Organizational Development (Chief Learning Officer). Adding this position would allow for more comprehensive educational performance research to be conducted and for more educational program funding to be identified and obtained. Additionally, in 2018 alone, the following educational initiatives were approved and implemented requiring after-hour presence and weekend staff presence: Technology Coding Citizens Bootcamp and Drug Prevention/Intervention Series. In April 2018, Commission approved six additional education initiatives not currently part of the Education Compact with an expected implementation date of August 2018: After-school enrichment (Fienberg), after-school enrichment (Biscayne), reading interventionists (South Point, Fienberg, North Beach, Biscayne, Nautilus), math interventionists (Nautilus and Miami Beach Senior), additional mental health professionals at all public schools and college prep program at Miami Beach Senior.

CONCLUSION

Based on additional education related programs and initiatives, the addition of an Education Compact Coordinator should be considered to provide immediate support for prioritized educational initiatives to be implemented in August 2018. The budgetary impact of creating an Education Compact Coordinator for the rest of this fiscal year is \$15,000 (rounded; assuming July 1st start date with no expected health costs within this fiscal year due to the probationary period for new employees). The year 2 impact would be \$80,303.

KEY INTENDED OUTCOMES SUPPORTED

Achieve Educational (K-12) Excellence

Legislative Tracking

Organizational Development Performance Initiatives

Sponsor

Commissioner John Elizabeth Aleman

ATTACHMENTS:

Description

- ▢ Attachment A - Education Compact
- ▢ Attachment B - Six Year Enhancement Summary Education
- ▢ Attachment C - Education Coordinator Position Description Draft
- ▢ Attachment - Agreements for Audit

AN EDUCATION COMPACT BETWEEN MIAMI-DADE COUNTY PUBLIC SCHOOLS AND THE CITY OF MIAMI BEACH

Following the blueprint established by the formation of the Education Compacts between Miami-Dade County Public Schools (District), and other local general purpose governments, the District and the City of Miami Beach (City), will now partner to bring together each organization's collective resources for the greater benefit of both the students and the citizens of Miami Beach. Located on a barrier island in Miami-Dade County, the City, incorporated in 1915, encompasses approximately 7.1 square miles and is home to 6 District facilities including South Pointe Elementary, Fienberg Fisher Elementary, North Beach Elementary, and Biscayne Elementary, Nautilus Middle, and Miami Beach Senior High. With a population of over 93,000, it is the destination of over 7 million tourists annually and the hub of the County's hospitality and tourism industry.

In recognition of the fact that *It Takes...* the commitment of the District and the City to raise academic achievement, and recognizing the importance placed on education by the residents of Miami Beach, the District and City seek to codify an Education Compact to build on existing programs and innovative ideas which will enhance the lifelong educational opportunities for the entire community. Therefore, through this agreement we will strive to meet the educational needs of each child and enhance the learning opportunities for all. This Compact was developed with significant community input and reflects the desire of the Miami-Beach community to support excellence in their schools and an investment in the overall enhancement of education for its residents. It is recognized by the District and the City that this Compact represents goals and objectives which are consistent with the long term strategic plans of each entity and it is understood that as such goals and objectives evolve the terms of this Compact may also be modified over time.

The areas of focus in this collaboration include: teacher recruitment and retention; enhanced communication of educational and community events; family/parental involvement in education; community/business engagement, enhanced student health and well-being; improved student achievement; school safety; and technology access. The initial major activities, intended outcomes, and measures associated with each of these major focus areas are outlined below.

Teacher Recruitment/Retention

Activities:

- The District and the City will collaborate to develop a supplemental incentive program for teacher recruitment/retention in Miami Beach schools. The City component of the program will focus on encouraging incentives which may include discounts, mentoring, training, and tickets to public events. Mentoring and training opportunities will be least disruptive to school staffing needs, with schools providing coverage (as applicable) for staff to participate. The District will provide support for the City program which may include but not be limited to invitations to participate in District recruitment events and posting of City sponsored incentives on the District's recruitment webpage.

- The District will make available to the City all instructional staff recruitment and retention statistics and data for Miami Beach schools and districtwide which is considered public information.
- The District will make available to the City all survey data pertaining to teacher satisfaction levels (in particular key drivers for recruitment and retention) on a regular basis, segregated by each Miami Beach school where possible.
- The City will support the District's efforts, those of other stakeholder groups and districtwide initiatives that address the housing needs of teachers and non-instructional staff. In the event the City develops a program to provide workforce housing and/or housing support for "essential personnel," the inclusion of public school teachers and/or other public educational personnel will be explored.

Key Intended Outcomes:

- Maintain teacher recruitment and retention at or above districtwide levels.
- Increase teacher satisfaction rates for City of Miami Beach schools.
- Enhance access to workforce and affordable housing.

Measures:

- Number and percent of Miami Beach school staff participating in various incentive programs provided by the City;
- Number and percent of Miami Beach school staff participating in mentoring and training opportunities sponsored by the City;
- Percent of Miami Beach school and District school personnel that indicate they agree or strongly agree that they like working at their 'Miami Beach' school;
- Miami Beach school instructional personnel retention rate compared to districtwide retention rate; and
- Miami Beach school instructional personnel vacancy rate compared to districtwide vacancy rate.
- Number of instructional personnel utilizing workforce housing options available through the City

Communication

Activities:

- The City will work with the District to disseminate information related to educational opportunities and activities by placing information in strategically located kiosks.
- Collaborate to enhance education-related communication to the City's residents by developing an education page to be included in City's website with links to the Beach schools, providing access to the City's cable TV programming, and space in the City's newsletters and magazines in order to disseminate information on Miami Beach's schools.
- The City will work with the District to support a Student Expo that will highlight Beach school offerings and student achievements.
- The City and the District will endeavor to collaborate on legislative agendas in support of public education.
- Provide regular briefings of the School Board and City Commission regarding the status of the implementation of this Compact and other issues of interest.

Key Intended Outcome:

- Increase community access to Miami Beach school and District information.

Measures:

- Number of District legislative priorities supported by the City; and
- Number of educationally-related articles/ads disseminated through City- sponsored communication methods (magazines, newspaper, television).

Parental Involvement/Family Support/Youth and Community Engagement

Activities:

- The District will make available to the City all parent satisfaction survey data on a regular basis, segregated by Miami Beach schools where possible, and the City may conduct similar surveys with the assistance of the District, including findings on key drivers for satisfaction, subject to any approvals which may be required from the District's Research Review Committee.

- The City will work with the District to foster local business support for education, including the implementation of employee programs which encourage parent participation in schools. As an example, the City will encourage local businesses to model the City's commitment to parental involvement by developing an employee policy that would allow for employee release time to participate in designated early release day parent/teacher conferences (max. 3 per year) and would provide access to computers for employees for the purpose of accessing the District's Parent Portal to obtain information regarding the employees' children's academic progress. The District will provide confirmation form for employee participation in parent/teacher conferences.
- Through The Parent Academy (TPA), interested City personnel will be provided with training by the District regarding use of the District's newly launched Parent Portal and other electronic resources available through the District .
- The District will focus on Miami Beach parents by creating a City-based model of TPA using City facilities and other community sites.
- The District will support the City's Service Partnership (service program that partners community agencies) via participation in the governing board, provision of referrals to the program as appropriate, recruitment of students for employment opportunities, and assistance in the collection of qualitative data to measure success, subject to parental consent.

Key Intended Outcomes:

- Ensure Community access to educational information.
- Increase accessibility to family/individual support services.

Measures:

- Parent satisfaction rates for each Miami Beach school;
- Number of hours provided by City for City employees to attend teacher conferences, etc.;
- Number of parents from Miami Beach schools attending Parent Academy programs; and
- Percent of students referred by school personnel to the Service Partnership that obtain employment.

Health and Well-Being

Activities:

- The District will maintain health clinics (nurse practitioners and/or registered nurses) at Fienberg Fisher Elementary, Biscayne Elementary, Nautilus Middle School and Miami Beach Senior High School, subject to continued available funding, and will work with all Miami Beach schools to coordinate visits from the Health Connect on Wheels service (as available) or similar service to schools and/or Miami Beach recreation centers.
- The District and the City will collaborate to deliver information regarding health and wellness education, prevention and intervention strategies regarding nutrition, physical activity levels, and health maintenance in accordance with the District's Wellness Initiative.
- The City will explore the development of a middle school-level afterschool program. The District will collaborate with the City by assisting with the recruitment of students, including providing space within District-owned facilities as needed, and exploring expanded transportation options for participating students.
- District will explore the expansion of full-time nurse practitioners and/or registered nurses at schools without health clinics, subject to available funding.

Key Intended Outcome:

- Increased health and well-being of students.

Measures:

- Percent of Miami Beach schools scheduled for Health Connect Mobile provider (or similar service) August through June;
- Number of Health Connect on Wheels mobile unit visits (or similar service) to non-clinic Beach schools and recreation centers; and
- Number of schools with health clinics (Nurse practitioners and/or registered nurses) through School Health Connect and/or equivalent

Student Achievement

Activities:

- The District will make available to the City all student survey data on a regular basis, segregated by Miami Beach schools where possible, and the City may conduct similar surveys with the assistance of a District Educational Evaluation single point of contact, including findings on student ratings of self-esteem and sense of community. All research is subject to approval by the M-DCPS Research Review Committee.

- The District will identify and pursue implementation of best practice strategies to increase the graduation rate at Miami Beach Senior High School (MBSHS).
- The City will work with the District toward the creation of an internship initiative with Miami Beach City government to provide internship opportunities (as appropriate) to MBSHS students based on parameters within the District's Secondary School Reform plan.
- The City will work with the District to support the creation of a speaker's bureau for Miami Beach schools to provide teachers with access to speakers on specialized topics.
- The District will encourage the greater use of school facilities after-hours to support community based programming for youth.
- The District will explore avenues to enhance counseling and teacher-to-student ratios.
- The City will negotiate where possible culture/arts contracts to include access to programs by schools. The District will provide a dedicated Curriculum Coordinator staffed to the feeder pattern to arrange for arts/culture utilization during school hours and after-school hours and alignment to curriculum. Currently available City cultural offerings for students include access to programs at the Bass Museum, Botanical Garden, Byron Carlyle, Colony Theater, Fillmore at the Jackie Gleason, Wolfsonian, Convention Center, Jewish Museum, 10th Street Auditorium, Little Acorn Theater, Arts in Public Places, New World Symphony Campus (TBD), and various festivals/events.
- The City will support the small learning academies at the Miami Beach Senior High School by providing City advisory board participants no more than once a month and the District will provide training to City staff related to interdisciplinary teaching/learning teams, relevant curriculum/instruction, inclusive programs/practices, continuous program improvement, and building community support. Anticipated academies at Miami Beach Senior High School may include, but not be limited to Business, Management, and Administration, Hospitality and Tourism, Information Technology, Public Service and Security, Visual and Performing Arts, Communication and Digital Media, Marine and Environmental Science, Foreign Language and Humanities, International Baccalaureate, Scholars Academy, and Education and Training Services.

- The City and District will collaborate to implement an International Baccalaureate (IB) program within the Miami Beach feeder pattern. The City agrees that it will provide funding for the implementation at Miami Beach Senior High School and Nautilus Middle School in an amount not to exceed \$155,000, and for Fienberg-Fisher Middle Years Program in an amount not to exceed \$ 68,000. The implementation of the IB program with the Miami Beach feeder pattern is as follows:
 - The District will immediately initiate the application process for the International Baccalaureate Program (IBO Diploma Program) at Miami Beach Senior High School (MBSHS) by submitting the Interested Schools Form (October 2007), Consultant Request Form (if applicable by November 2007), Application A (March 1, 2008), Application B (June 1, 2008), Site Visit (Fall 2008), and Authorization (Spring 2009).
 - The City will assist the District in discussing funding or other support from the Miami Beach Chamber of Commerce or other appropriate organizations for annual fees, teacher training, Diploma Program (DP) Coordinator supplement, exam registration (per student), per subject exam fee/shipping, and books .
 - The City will provide resources for the IBO Diploma program rollouts including funding for the feasibility study (if applicable), application A, application B, and professional development costs including registration, travel and expenses for instructional staff as applicable prior to full implementation of the program at MBSHS.
 - The District will immediately initiate the application process for the International Baccalaureate Middle Years Program (IBO Middle Years Program) at Nautilus Middle School (NMS) by submitting the Interested Schools Form (October 2007), Application A (May 1, 2008), Application B (June 1, 2009), Authorization (Fall 2010), and Evaluation (Spring 2014).
 - The City will assist the District in discussing funding or other support from the Miami Beach Chamber or other appropriate organizations for annual fees, teacher training, Area of Interaction (AOI) Leaders supplements, Middle Years Program (MYP) Coordinator supplement, books, and extra teaching periods supplements (as applicable).
 - The City will provide resources for the IBO Middle Years program rollouts including funding for the feasibility study (if applicable), Application A, Application B, and professional development costs including registration, travel and expenses for instructional staff as applicable prior to full implementation of the program at NMS.
 - The District will immediately initiate the application process for the International Baccalaureate Middle Years Program (IBO Middle Years Program) at Fienberg Fisher grades 6-8 by submitting the Interested Schools Form, Application A, Application B, Authorization, and Evaluation.

- The City will provide resources for the IBO Middle Years program rollouts at Fienberg Fisher 6-8 including funding for the feasibility study (if applicable), Application A, Application B, and professional development costs including registration and travel expenses for instructional staff as applicable prior to full implementation of the program at Fienberg Fisher grades 6-8.
- The District and City will pursue the development of an IB program at the elementary school levels over the next 2 years, including development of implementation funding requirements. Funding requirements will be presented to the City Commission for approval. Further, as part of the feasibility review for the implementation of a Primary Years IB program, the District and the City will reach out to its neighboring cities including the Town of North Bay Village and Bay Harbor Islands in consideration of the location of the schools within their borders.
- The City and District will seek to collaborate on grant development opportunities in order to maximize the pool of available resources to serve the City's schools and residents. Types of grants pursued will include, but not be limited to those supporting student academic achievement, literacy, physical activity and fitness, social skills building, family involvement, and health and well-being.

Key Intended Outcomes:

- Increased academic support and achievement.
- Increase academic enrichment. Pursue collaborative grants to support youth academic needs and academic support citywide. Increased number of graduates exposed to external experiential activities including meaningful mentorships and/or internships.

Measures:

- Percent of high school students graduating who entered Miami Beach High in the 9th grade year;
- Number and percent of high school target population participating in City-sponsored internship program;
- Number of high quality internship opportunities made available to the Miami Beach students by the City;
- Number of City employees that are registered mentors and providing services to Miami Beach students;
- Number of speaker hours provided by City 'experts' to schools on specialized topics in support of the speaker's bureau;
- Allocation per fulltime equivalent student;
- Number of students enrolled in the IB program by school;
- Number of Miami Beach schools receiving a state accountability grade of A or B;
- Number of attendees by school to City-sponsored/supported cultural activities during school hours and after-school hours;

- Number of City management staff actively participating in School of Business and Technical Arts, School of Creative Arts, and School of Liberal Arts smaller learning academies in advisory board roles;
- Number of grants and amount of funding secured through collaborative efforts to obtain grants supporting youth and public education; and
- Number of students completing a City-sponsored internship.

Safety

Activities:

- The District and City each will designate a Police Department liaison to coordinate security and safety related activities for Miami Beach schools and to explore joint training opportunities for personnel involved with safety issues at all Miami Beach schools.

Key Intended Outcome:

- Improve safety and/perceptions of safety at schools in City.

Measures:

- Parent, student and District perception ratings for school safety.

Technology

Activities:

- To the extent the City maintains a free WiFi network Citywide; the City will provide free WiFi access to support home access throughout the community and will provide access to discounted computer equipment to all residents; helping to reduce the digital divide.
- The District and City will collaborate to identify additional avenues for student access to technology and the District will provide opportunities for technology training at school sites for parent(s)/guardian(s).

Key Intended Outcome:

- Improve youth and parent access to technology.

Measures:

- Number of Miami Beach homes with technology enabling youth to access WiFi; and
- Number of opportunities for technology training at school sites for parent(s)/guardian(s).

The adoption of this Education Compact between the City of Miami Beach and M-DCPS establishes a pact to continually strive to promote excellence and relevance in education in the City's schools and community at large by joining forces for the greater benefit of both the students and the citizens of Miami Beach.

The City and the District agreed that any more favorable position provided in any other District Education compact will be offered to the City of Miami Beach for consideration.

IN WITNESS WHEREOF, the Parties have caused this Education Compact to be executed in their names by their duly authorized officers and the corporate seals to be affixed all as of the day and year first above written.

WITNESSETH we have set our hands and seals hereto on this 16th of January, 2008.

THE SCHOOL BOARD OF MIAMI-
DADE COUNTY, FLORIDA

BY: 

Name: Rudolph F. Crew
Title: Superintendent/Designee
THE SCHOOL BOARD OF MIAMI-
DADE COUNTY, FLORIDA

BY: 

Name: Agustin J. Barrera
Title: Chair, School Board

ATTEST:

BY: 

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

BY: 

Name: Julie Ann Rico
Title: School Board Attorney

BY: 

Name: Perla Tabares Hantman
Title: Vice Chair, School Board

CITY OF MIAMI BEACH, FLORIDA

BY: 

Name: Jorge Gonzalez
Title: City Manager

BY: 

Name: Matti H. Bower
Title: Mayor

ATTEST:

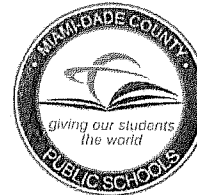
BY: 

Title: City Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

BY: 

Name: Jose Smith
Title: City Attorney



MIAMI BEACH

6 YEAR SUMMARY OF ENHANCEMENTS/ADDITIONS

Department	Fund	2012/13 Enhancements/ Additions	2013/14 Enhancements/ Additions	2014/15 Enhancements/ Additions	2015/16 Enhancements/ Additions	2016/17 Enhancements/ Additions	2017/18 Enhancements/ Additions
Organizational Development & Performance Improvement							
The results of the assessments are used to monitor the impacts of recently implemented initiatives to target areas for future improvements, and assure the quality of services. Each quarter 90 four (4) hour assessments are conducted 7 days a week to provide a statistically valid sampling (1,440 hours annually). There are 4 four hour shifts Sunday – Thursday and 6 four hour shifts Friday and Saturday. Outsourcing will eliminate the need to utilize city personnel to conduct these ongoing assessments	General			36,000			
Create an Employee Suggestion program	General			15,000			
Coordinate and host an IB professional workshop for instructional staff at Nautilus Middle School and Miami Beach Senior High School	General			94,000			
Anti-Defamation League (added mid-year FY 17 and added to FY2017/18 CSL as directed by the Finance Committee at the July 10, 2017 meeting) (mid-year)	General					4,000	
Common Threads (added mid-year FY 17 and added to FY2017/18 CSL as directed by the Finance Committee at the July 10, 2017 meeting) (mid-year)	General					19,000	
FIU Dual Enrollment Expansion <i>(previously funded from Education Compact Fund in FY15 & FY16. Enhanced level of service in FY17)</i> (mid-year)	Special Revenue					62,000	
Miami-Dade College Dual Enrollment -added to FY2017/18 CSL as directed by the Finance Committee at the July 10, 2017 meeting (previously funded from Education Compact Fund in FY16. Enhanced level of service in FY17)	General					28,000	
Nurse Enhancement Initiative (added mid-year FY 17 and added to FY2017/18 CSL as directed by the Finance Committee at the July 10, 2017 meeting) (previously funded from Education Compact Fund in FY15 & FY16) (mid-year)	General					16,000	
Nurse Initiative - Behavioral Health	General					54,000	
VPK Program - Year 3 (\$253,000 added mid-year in FY16 for year 1 in Education Compact Fund)	Special Revenue					141,000	
VPK Program - One VPK class at Biscayne Elementary at \$35,000 with MDCPS funding the remaining 50% (FY18 VPK program cost decreased by 106k) (mid-year)	Special Revenue						(106,000)
Substance Abuse Workshops (mid-year)	General						3,000
Extracurricular activities for Fienberg Fisher and Biscayne (mid-year)	Special Revenue						60,000
Reading Tutoring (mid-year)	Special Revenue						50,000
Math Tutoring (mid-year)	Special Revenue						20,000
Mental Health (mid-year)	Special Revenue						60,000
College Prep Program / Materials (mid-year)	General						12,500

6 YEAR SUMMARY OF ENHANCEMENTS/ADDITIONS

Department	Fund	2012/13 Enhancements/ Additions	2013/14 Enhancements/ Additions	2014/15 Enhancements/ Additions	2015/16 Enhancements/ Additions	2016/17 Enhancements/ Additions	2017/18 Enhancements/ Additions
Total		-	-	145,000	-	324,000	99,500

EDUCATION COMPACT INITIATIVES COORDINATOR

Job Code: ____

Class Code: N/A

Bargaining Unit: Unclass.

FLSA Code: N/A

Grade: u17

NATURE OF WORK

This is professional and supervisory work coordinating and overseeing the City of Miami Beach's Educational Initiatives and Educational Compact. Work involves working closely with City committees, MDCPS and other agencies identifying gaps of services/programs which will prepare children and youth for their futures. Actively works with community based organizations, private/public companies, etc. and recruits or builds relationships for future and current programs. Supervision is exercised over subordinate personnel, consultants, contractors, and agencies involved in carrying out the daily activities of such services/programs and ensure that the work is accomplished in accordance with established procedures and agreements. Work involves the consistent exercise of judgment and discretion in its performance. Reports to the Chief Learning Development Officer/Department Director.

ILLUSTRATIVE EXAMPLES OF ESSENTIAL DUTIES

- Assesses educational needs and develops, organizes, administers, and monitors the implementation of designated initiatives, programs and services
- Monitors the quality of services and effectiveness provided by programs/services
- Researches and solicits in order to develop and maintain programs and initiatives
- Promotes, identifies, and obtains funding for educational programs designated for children/youth
- Monitors the performance of contracted entities ensuring compliance with programs, and contracts
- Formulates and revises policies and procedures relating to, but not limited to the programs
- Conducts research, analyzes, and prepares reports
- Conducts on-site visits to review programs, and employees / consultants / contractors job performance
- Establishes and maintains contacts with MDCPS and other agencies
- Promotes citizen engagement and leads innovative projects to strengthen and empower children/youths/families knowledge on educational programs available
- Develops a wide variety of presentation materials, media and resources and makes presentations to companies and organizations on programs and services available to assist children/youths and their families
- Maximizes resources and achieves goals for assigned programs by collaborating activities and efforts with public and private agencies
- Develops, and maintains an evaluation system to assess the effectiveness of programs
- Implements new outcome measures pertaining to the performance of such programs, and monitors and tracks the outcomes of programs
- Schedules and attends community meetings related, but not limited to education initiatives
- Participates on committees and task forces organized by local government agencies, and may facilitate and lead the work of committees as necessary
- Assists with the preparation of annual budget for the division, programs, and services
- Ensures that all expenditures are in accordance with contracts, City, State, and Federal Guidelines
- Performs other related duties as assigned

EDUCATION COMPACT INITIATIVES COORDINATOR

MINIMUM REQUIREMENTS

- Bachelor's degree in Education, Public or Business Administration, or a closely related field, and considerable experience (5-7 years) identifying, establishing or monitoring educational programs or services. Some (2-3 years) must have been at a supervisory level.

KNOWLEDGE, SKILLS AND ABILITIES

- Knowledge of the use of modern office equipment, including computers and job related software programs
- Knowledge of business English, spelling and business arithmetic
- Ability to understand and follow written and verbal instructions
- Ability to communicate effectively both verbally and in writing
- Ability to establish and maintain effective working relations with other employees, City officials and the general public
- Ability to analyze complex policy/process/procedure issues, develop solutions and to formulate alternatives for presentation to superiors
- Ability to formulate and conduct a research program to identify specific problems or issues, followed by the ability to appropriately analyze and formulate solutions

PHYSICAL REQUIREMENTS/WORK ENVIRONMENT

- The work is typically performed in an office, sitting at a desk or table, while intermittently standing or stooping, walking, kneeling, reaching, carrying and climbing
- Physical capability to effectively use and operate various items of office related equipment, such as, but not limited to computer terminal and hand held electronic device

SUPERVISION RECEIVED

- Reporting to the Chief Learning and Development Officer/Department Director who reviews work, as needed, for conformity with established administrative and departmental practices and procedures and achievement of performance objectives
- Specific assignments are received from the Chief Learning and Development Officer/Department Director in the Office of Organization Development Performance Initiatives

SUPERVISION EXERCISED

- None

EDUCATION COMPACT INITIATIVES COORDINATOR

*The information herein is not all inclusive and may change at the discretion of the Human Resources Department

Job Description Approval:

Human Resources Director: _____ Date: _____
Michael Smith

Assistant City Manager: _____ Date: _____
Kathie G. Brooks

City Manager: _____ Date: _____
Jimmy L. Morales

FY18 Agreements & Upcoming FY19 Agreements for Organizational Development Performance Initiatives

FY18

Company	Description	Amount	Expiration Date
Adobe/Dell	E-Learning platform and licenses	\$ 17,375.63	May 2018
Sollah	Tag video library for e-Learning	\$ 34,190.50	September 2019
North Bay Village / Bay Harbor / Bal Harbour / Surfside	Nurse initiative	\$ 15,400.00	July 2018
MB Chamber	Nurse initiative	\$ 53,600.00	July 2018
Meridian Planners	Agenda planners	\$ 20,195.40	September 2018
ADL	No place for hate program	\$ 3,750.00	September 2018
FIU/MDCPS	Dual enrollment	\$ 62,000.00	June 2018
MDC/MDCPS	Dual enrollment	\$ 28,000.00	June 2018
Common Threads	Cooking for a healthier life program	\$ 19,000.00	September 2018
Eco tech	Coding bootcamp	\$ 42,000.00	June 2018
Family Recovery Specialists	Substance abuse prevention	\$ 3,000.00	June 2018
MDCPS/IB	International Baccalaureate	\$ 50,000.00	Budgeted but not Executed
MDCPS	Substitute teacher incentive program for Nautilus Middle	\$ 3,000.00	Budgeted but not Executed
Total		\$ 351,511.53	

FY19

TBD	After school activities	\$ 60,000.00
TBD	Reading tutors	\$ 50,000.00
TBD	Math tutors	\$ 20,000.00
Children's Trust	Mental health expansion	\$ 60,000.00
Prepworks	College prep	\$ 12,500.00
Adobe/Dell	E-Learning platform and licenses	\$ 17,375.63
Sollah	Tag video library for e-Learning	\$ 34,190.50
North Bay Village / Bay Harbor / Bal Harbour / Surfside	Nurse initiative	\$ 15,400.00
MB Chamber	Nurse initiative	\$ 53,600.00
Meridian Planners	Agenda planners	\$ 20,195.40
ADL	No place for hate program	\$ 3,750.00
FIU/MDCPS	Dual enrollment	\$ 62,000.00
MDC/MDCPS	Dual enrollment	\$ 28,000.00
Common Threads	Cooking for a healthier life program	\$ 19,000.00
MDCPS/IB	International Baccalaureate	\$ 50,000.00
MDCPS	Substitute teacher incentive program for Nautilus Middle	\$ 3,000.00

Eco tech	Coding bootcamp	\$ 42,000.00
Total		\$ 551,011.53

FY2018/19 OPERATING BUDGET ENHANCEMENT REQUEST	
ENHANCEMENT NAME	Part-time Education Compact Initiatives Coordinator
BUDGET YEAR	FY2018/19
DURATION	Recurring
PKDTYPE (EFFICIENCIES, REDUCTIONS, ENHANCEMENTS)	This enhancement is being requested to create a new part-time position within the Organizational Development Performance Initiatives department to assist in meeting the increasing demands of the city for educational enhancements.
KIO (KEY INTENDED OUTCOME)	Coordinate and oversee the City's Education Compact Initiatives
Program (PROGRAM BUDGETING)	Education
DESCRIP (DESCRIPTION)	Fund a part-time position at approximately \$44,000 annually including salary, social security, and FICA alternative for Year 1. Computer costs of \$1,000 were also included in Year 1, bringing the combined total for Year 1 to \$45,000.
JUSTIFY (JUSTIFICATION, INCLUDING PROGRAM IMPACT)	With the increase in education initiatives, the department requires an individual to support Education Compact Initiatives and other education Commission priorities and to work closely with the Chief Learning and Development Officer and other agencies identifying gaps of services/programs which will prepare children and youths for their futures. The position will require the building of relationships for future and current programs. The position will also be responsible for assessing educational needs and developing, organizing, administering, and monitoring the implementation of designated initiatives, programs and services; monitoring the quality of services and effectiveness provided by programs/services; researching, and soliciting in order to develop and maintain programs and initiatives; promoting, identifying, and obtaining funding for educational programs designated for children/youth; monitoring the performance of contracted entities ensuring compliance with programs, and contracts; formulating and revising policies and procedures relating to, but not limited to the programs; conducting research, analyzing, and preparing reports; conducting on-site visits to review programs, and employees / consultants / contractors job performance; establishing and maintaining contacts with MDCPS and other agencies; promoting citizen engagement and leading innovative projects to strengthen and empower children/youths/families knowledge on educational programs available; developing a wide variety of presentation materials, media and resources and making presentations to companies and organizations on programs and services available to assist children/youths and their families; maximizing resources and achieving goals for assigned programs by collaborating activities and efforts with public and private agencies; developing, and maintaining an evaluation system to assess the effectiveness of programs; implementing new outcome measures pertaining to the performance of such programs, and monitoring and tracking the outcomes of programs; scheduling and attending community meetings related, but not limited to education initiatives; participating on committees and task forces organized by local government agencies, and may facilitate and lead the work of committees as necessary; assisting with the preparation of annual budget for the division, programs, and services; ensuring that all expenditures are in accordance with contracts, City, State, and Federal Guidelines; performing other related work as required.
YEAR 1 IMPACT	45,000.00
COMMENTS (DESCRIPTION)	

FY2018/19 OPERATING BUDGET ENHANCEMENT REQUEST			
Enhancement Name		Education Compact Initiatives Coordinator	
Requested Position		Education Compact Initiatives Coordinator	
Pay Grade		H17	
Salary Range			
		Year 1 Cost (FY 2018/19)	Year 2 Cost (FY 2019/20)
000111	Salary	\$41,000.00	42,000.00
000161	Pension (Approximately 25% of Salary)		
000162	Health		
000165	Medicare (1.45% of Salary)	1,000.00	1,000.00
000166	FICA Alternative	2,000.00	2,000.00
000331	Computer	1,000.00	-
000673	Vehicle	-	-
000674	Machinery and Equipment	-	-
TOTAL		45,000.00	45,000.00
Description:			
Fund a part-time position at approximately \$44,000 annually including salary, social security, and FICA alternative for Year 1. Computer costs of \$1,000 were also included in Year 1, bringing the combined total for Year 1 to \$45,000.			

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 13, 2018

SUBJECT: **DISCUSSION REGARDING CONSIDER THE PARKS AND RECREATIONAL FACILITIES
ADVISORY BOARD MOTIONS REGARDING AN AQUATIC CENTER AND BASEBALL
FIELD OPTIONS FOR NORTH SHORE PARK**

HISTORY:

At the May 2, 2018 Parks and Recreational Facilities Advisory Board meeting, the following motions were made and unanimously passed (Exhibit A), pertaining to the building, funding and location of an aquatic center in the City of Miami Beach, and the need for baseball fields and active use space:

MOTION #3: The Parks and Recreational Facilities Advisory Board strongly supports and realizes the value of building an aquatic center located in proximity to other sports activities to allow for synergy and that such site could be the 72nd Street Lot, Flamingo Park or the Scott Rakow Youth Center and further motions that money be set aside in the GO Bond and for that money to be portable to accommodate a location once identified.

MOTION #4: The Parks and Recreational Facilities Advisory Board motions that staff completes a rendering with cost estimates of placing the aquatic center and associated parking garage at the Scott Rakow Youth Center and Flamingo Park.

MOTION #5: The Parks and Recreational Facilities Advisory Board motions to explore the feasibility of the baseball field options for North Shore Park as discussed at the Board meeting and attached to this motion and to ask the Transportation Department to evaluate where potential pick-ups and drop-offs can be accommodated given the design in addition to exploring a pedestrian bridge from the 72nd Street lot across Harding Avenue.

At the June 6, 2018 Commission meeting, a discussion to consider the Parks and Recreational Facilities Advisory Board's ("Board") motions regarding an aquatic center and baseball field options for North Shore Park was referred to the Finance and Citywide Projects ("FCWP") Committee.

ANALYSIS:

AQUATIC CENTER

The topic of the need and location for an aquatic center in Miami Beach has been at the forefront of many of the advisory board meetings. The Board has identified this as a top priority and had previously passed a motion on the specifications of the aquatic center to include, at a minimum, a 50 x 25-meter pool with amenities and space considerations (Exhibit B).

Most recently, at their May 30, 2018 meeting, the Board unanimously passed another motion supporting the aquatic center at the 72nd Street Lot location as follows:

MOTION: The Parks and Recreational Facilities Advisory Board agrees that we support making the park space identified for the 72nd Street Sports Complex for active multipurpose use. Additionally, we support the aquatic center at its proposed location at the 72nd Street Sports Complex. (Exhibit C)

BASEBALL FIELD OPTIONS – NORTH SHORE PARK

Similarly, much discussion has ensued with the Board on the need for baseball fields and active use space as programming activities and participant numbers continue to rise. Creative suggestions for adding baseball fields at North Shore Park have been explored by the Board prompting the motion at the May 2, 2018 Parks and Recreational Facilities Advisory Board meeting.

At the June 8, 2018 FCWP meeting, there was discussion on consideration for the baseball field at North Shore Park as it relates to the project budget and scope of the 72nd Street civic complex, and the optimization of reconfiguring the current baseball field from 2 fields into 4. It was also recommended to include the reconfiguration of the baseball field as part of the funding mechanism of the 72nd Street project including the transit needs of the Youth Center.

FUNDING

Presently there is a project concept, but no design or feasibility study. The Office of Capital Improvement Projects (CIP) needs to review the concept to ensure all needs can be met on the site. To complete this study, CIP would need a funding allocation of \$50,000 to engage a design team, and vet the project concept and construction feasibility.

CONCLUSION:

Discussion, direction and possible funding on the aquatic center and baseball field options for North Shore Park.

ATTACHMENTS:

Description	Type
❑ Exhibit A– LTC 249-2018 May 2, 2018 Parks Advisory Board Motions	Memo
❑ Exhibit B – Attachment to March 8, 2018 LTC – Parks & Recreational Facilities Board Motions – “Ideal Aquatic Center & Additional Space Consideration”	Memo
❑ Exhibit C – LTC 312-2018 May 30, 2018 Parks Advisory Board Motions	Memo

MIAMI BEACH

OFFICE OF THE CITY MANAGER

NO. LTC #

249-2018

LETTER TO COMMISSION

TO: Mayor Dan Gelber and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: May 3, 2018

SUBJECT: **PARKS & RECREATIONAL FACILITIES ADVISORY BOARD MOTIONS**

The purpose of this Letter to Commission (LTC) is to inform the Mayor and Commission of the five motions passed by the Parks and Recreational Facilities Advisory Board at its meeting on May 2, 2018:

MOTION 1:

The Parks and Recreational Facilities Advisory Board motions to favorably recommend a term extension of six months at the completion of the scheduled construction projects at the Miami Beach Tennis Center for Van Daalen Tennis, LLC. to include the amendments made to the agreement as discussed at our Board meeting.

Motion Made by: Jonathan Fryd

Motion Seconded by: David Berger

Motion Passes: 11-0 (Motion Passes)

Members In Favor: Wil Martinez, Dana Turken, Sean Smith, Eliane Soffer Siegel, Robert Gonzalez, David Berger, Carolina Jones, Jonathan Fryd, Stephanie Rosen, Lori Nieder and Paul Stein

MOTION 2:

The Parks and Recreational Facilities Advisory Board motions to approve both plans presented by the Capital Improvements Projects office regarding the design of the restroom and café project for the Miami Beach Tennis Center, but have a preference for the option labeled SKA-04-A attached to this motion.

Motion Made by: Jonathan Fryd

Motion Seconded by: Sean Smith

Motion Passes: 11-0 (Motion Passes)

Members In Favor: Wil Martinez, Dana Turken, Sean Smith, Eliane Soffer Siegel, Robert Gonzalez, David Berger, Carolina Jones, Jonathan Fryd, Stephanie Rosen, Lori Nieder and Paul Stein

MOTION 3:

The Parks and Recreational Facilities Advisory Board strongly supports and realizes the value of building an aquatic center located in proximity to other sports activities to allow for synergy and that such site could be the 72nd Street Lot, Flamingo Park or the Scott Rakow Youth Center and further motions, that money be set aside in the GO Bond and for that money to be portable to accommodate a location once identified.

Motion Made by: Jonathan Fryd

Motion Seconded by: David Berger

Motion Passes: 11-0 (Motion Passes)

Members In Favor: Wil Martinez, Dana Turken, Sean Smith, Eliane Soffer Siegel, Robert Gonzalez, David Berger, Carolina Jones, Jonathan Fryd, Stephanie Rosen, Lori Nieder and Paul Stein

MOTION 4:

The Parks and Recreational Facilities Advisory Board motions that staff complete a rendering with cost estimates of placing the aquatic center and associated parking garage at the Scott Rakow Youth Center and Flamingo Park.

Motion Made by: Wil Martinez

Motion Seconded by: Stephanie Rosen

Motion Passes: 11-0 (Motion Passes)

Members In Favor: Wil Martinez, Dana Turken, Sean Smith, Eliane Soffer Siegel, Robert Gonzalez, David Berger, Carolina Jones, Jonathan Fryd, Stephanie Rosen, Lori Nieder and Paul Stein

MOTION 5:

The Parks and Recreational Facilities Advisory Board motions to explore the feasibility of the baseball field options for North Shore Park as discussed at the Board meeting and attached to this motion and to ask the Transportation Department to evaluate where potential pick-ups and drop-offs can be accommodated given the design in addition to exploring a pedestrian bridge from the 72nd street lot across Harding Avenue.

Motion Made by: Sean Smith

Motion Seconded by: Dana Turken

Motion Passes: 9-0 (Motion Passes)

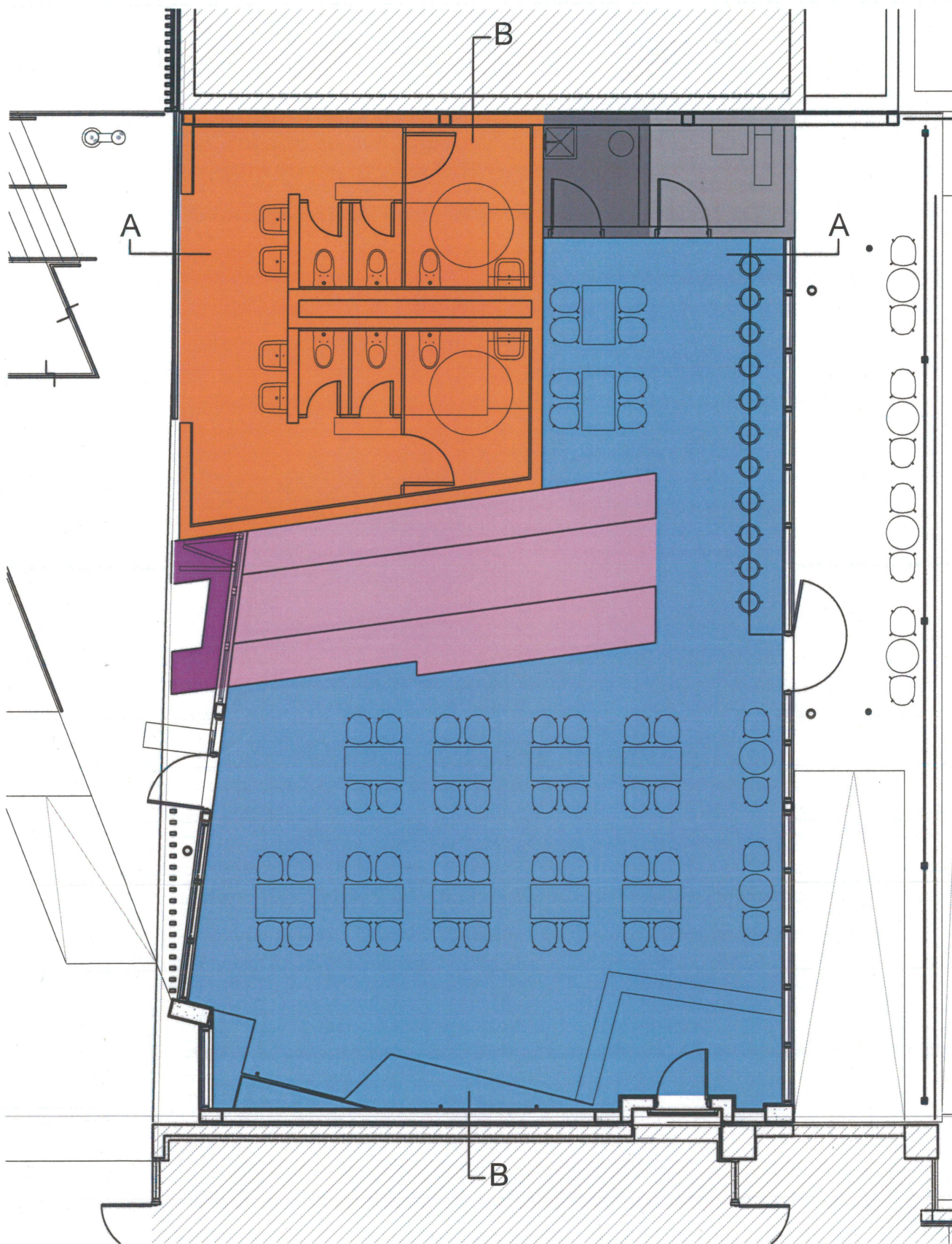
Members In Favor: Wil Martinez, Dana Turken, Sean Smith, Robert Gonzalez, David Berger, Carolina Jones, Stephanie Rosen, Lori Nieder and Paul Stein

Members Absent: Jonathan Fryd and Eliane Soffer Siegel

Attachment

JLM/EC/JR/CQ





SKA-04-A
2018 0502

■ BATHROOMS

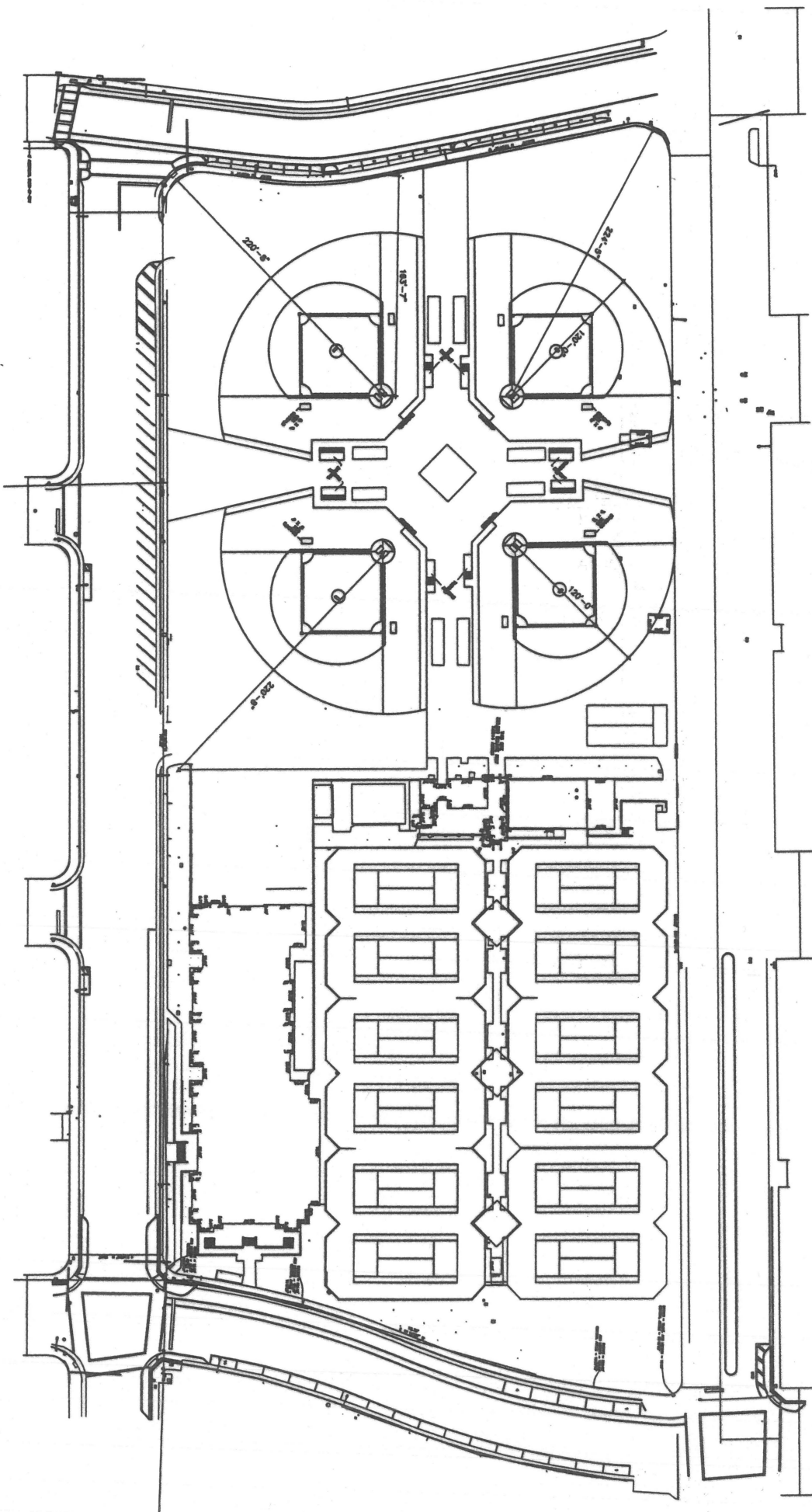
■ KITCHEN

■ JANITOR

■ CAFE

■ OUTDOOR
SERVING

■ ELECTRICAL



Ideal Aquatic Center

Programming Precedes Design

USES				
Sports	Competitive Swimming	Water Polo	Diving	Synchronized Swimming
Recreation	Learn to Swim	Senior Fitness	Therapy/ Rehab	Scuba Classes
Auxiliary Uses	Fire/ PD/ Ocean Rescue	Gym	Gymnastic Center/	Special Event Rentals
Pool Requirements				
50x25 Pool	10 lanes	7- 12ft depth	2 moveable bulkheads	Diving Well: Spring boards
25x25 Rec Pool	8 lanes	3.5- 4 ft depth	Ramp or sloped entry for kids/ ADA	Moveable floor floor option
Therapy Pool/ Hot tub	Railings	Steps or ramp	Lift entrance	

Additional Space Considerations

- * Seating: (Athlete and Spectators)
 - Min 300-500,
 - Locker room showers vs Spectator Restrooms vs family/ ADA
- * Staff Offices
- * Gym, Gymnastic center for divers
- * Rehab/ Stretch/ Multi use
- * Meeting Room/ Class room
- * Storage- sports equipment/ pool Pool pumps and chemicals
- * Party room or rental space
- * Pro Shop/ Concession

MIAMI BEACH

OFFICE OF THE CITY MANAGER

NO. LTC # **312-2018**

LETTER TO COMMISSION

TO: Mayor Dan Gelber and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: June 1, 2018

SUBJECT: **PARKS & RECREATIONAL FACILITIES ADVISORY BOARD MOTIONS**

The purpose of this Letter to Commission (LTC) is to inform the Mayor and Commission of the three motions passed by the Parks and Recreational Facilities Advisory Board at its meeting on May 30, 2018:

MOTION 1:

The Parks and Recreational Facilities Advisory Board agrees that we support making the park space identified for the 72nd Street Sports Complex for active multipurpose use. Additionally, we support the aquatic center at its proposed location at the 72nd Street Sports Complex.

Motion Made by: Lori Nieder

Motion Seconded by: Stephanie Rosen

Motion Passes: 9-0 (Motion Passes)

Members In Favor: Wil Martinez, Dana Turken, Sean Smith, Robert Gonzalez, Carolina Jones, Jonathan Fryd, Stephanie Rosen, Lori Nieder and Paul Stein

Members Present by Phone: David Berger

Members Not Present for Motion: Eliane Soffer Siegel

MOTION 2:

The Parks and Recreational Facilities Advisory Board motions that the 82nd to 83rd Street West Lot be considered for a multipurpose sports field.

Motion Made by: Sean Smith

Motion Seconded by: Carolina Jones

Motion Passes: 9-0 (Motion Passes)

Members In Favor: Wil Martinez, Dana Turken, Sean Smith, Robert Gonzalez, Carolina Jones, Jonathan Fryd, Stephanie Rosen, Lori Nieder and Paul Stein

Members Present by Phone: David Berger

Members Not Present for Motion: Eliane Soffer Siegel

MOTION 3:

The Parks and Recreational Facilities Advisory Board motions to include a skate pump track (all wheels track) near the current skate park on 82nd Street and to make the pop-up skate park permanent.

Motion Made by: Sean Smith

Motion Seconded by: Carolina Jones

Motion Passes: 7-0 (Motion Passes)

Members In Favor: Wil Martinez, Sean Smith, Robert Gonzalez, Carolina Jones, Stephanie Rosen, Lori Nieder and Paul Stein

Members Present by Phone: David Berger

Members Not Present for Motion: Eliane Soffer Siegel, Dana Turken and Jonathan Fryd

JLM/ECU


MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 13, 2018

SUBJECT: **DISCUSSION TO CONSIDER PERMANENTLY IMPLEMENTING THE CAT VOLUNTEER BADGING SYSTEM AND AN EXTENSION OF THE FEEDING STATION PILOT**

HISTORY:

Following the recommendation of the Neighborhood/Community Affairs Committee at its May 19, 2017 and July 28, 2017 meetings, to find an alternate, suitable and proper location to conduct cat surgeries; to consider allowing a pilot program to install environmentally friendly feeding stations; to provide formal registration and credentialing for registered volunteers, and to install educational signage by feeding stations, the City Commission made a motion to approve this item via resolution No. 2017-29993 at its September 25, 2017 meeting (Attachment 1).

In October of 2017, the City, in partnership with SoBe Cats Spay & Neuter, Inc., began a pilot program incorporating log-like feeding station placements. The program utilized City-designed signs and also registered volunteers to track and monitor cat colonies while providing fresh water and food to draw community cats away from high-traffic areas inside North Beach Oceanside Park between 87th Street and 79th Street and Allison Park between 67th Street and 64th Streets. The cost for the pilot program over a six month period is \$3,000. This includes 22 log planters, signage, badges and retrofitting of the feeding stations by City Staff. Expanding the program to an additional 100 feeding stations would result in an annual budget increase of approximately \$10,000. Expanding the program City-wide would require a progressive implementation as this program relies heavily on volunteers.

In light of positive feedback from staff and community members, this item has been referred to the Finance and Citywide Projects Committee (Attachment 2) to consider a permanent implementation of the credentialing for registered cat feeders citywide, additional feeding station areas, as well as an extension of the current pilot program.

CONCLUSION:

The following is presented to the members of the Finance and Citywide Projects Committee for discussion and further direction.

ATTACHMENTS:

Description		Type
	Attachment 1	Memo
	Attachment 2	Memo

RESOLUTION NO. 2017-29993

A RESOLUTION ACCEPTING THE RECOMMENDATION OF THE NEIGHBORHOOD/COMMUNITY AFFAIRS COMMITTEE AT ITS MAY 19TH AND JULY 28TH, 2017 MEETINGS, TO FIND AN ALTERNATE, SUITABLE AND PROPER LOCATION TO CONDUCT CAT SURGERIES; AND TO CONSIDER ALLOWING A PILOT PROGRAM TO INSTALL ENVIRONMENTALLY FRIENDLY FEEDING STATIONS; TO PROVIDE FORMAL REGISTRATION AND CREDENTIALING FOR REGISTERED VOLUNTEERS, AND TO INSTALL EDUCATIONAL SIGNAGE BY FEEDING STATIONS.

WHEREAS, PetSmart Charities, Inc. currently provides the City of Miami Beach grant support to fund facilities and a management partnership from The Cat Network, Inc., to deliver a comprehensive community cat trap-neuter-return (TNR) program entitled "Project CatSnip;" and

WHEREAS, the City's goal is to develop a program that: is community-wide in scope; effective in humanely reducing the local community cat population by educating the public about the need to sterilize their pets and strays; provide access to low-cost spay/neuter services for stray, homeless and abandoned cats; help members in their efforts to place adoptable cats in loving homes; and advocate non-lethal population control via natural attrition and humane public policy; and

WHEREAS, SOBE Cats Spay and Neuter, Inc. is a non-profit [501(c)(3)] organization that provides volunteer trappers for The Cat Network, Inc.'s Project CatSnip, which volunteers dedicate their time for the spay and neuter cause. Community cats are retrieved from key locations once a month by staffers beginning on a Friday night. Cats are then transported to the Log Cabin Nursery located on Collins Avenue, where sterilization surgeries are performed on Saturday mornings. Once the surgery is performed, the cats are housed overnight during the recovery phase. On Sunday mornings, volunteers and City staffers release the cats back to their originating locations; and

WHEREAS, Project CatSnip will be issuing credentials to registered community volunteers, cat feeders, and trappers in order to identify their role in the City, and as such, discourage feeding by untrained individuals, who may create unwanted litter and even attract cats to undesired locations; and

WHEREAS, during the next six (6) months, SOBE Cats Spay and Neuter, Inc., and the City of Miami Beach will be facilitating a pilot program consisting of the installation of environmentally-friendly feeding stations at key locations with its appropriate signage, where registered volunteer feeders will be able to provide fresh water and clean food to draw the cats at these locations and away high-traffic areas; and

WHEREAS, North Shore Open Space Park and Allison Park will be targeted for the pilot program, for the six (6) month period, beginning September 1, 2017 and ending March 1, 2018, in the hope of the successful execution of the pilot program, and hopefully, to develop the pilot into a program that could later be expanded into other needy areas of our City; and

WHEREAS, one feeding station will be provided for each cat colony in the pilot program inside North Shore Open Space Park between 87th Street and 79th Street and Allison Park between 67th Street and 64th Street; and

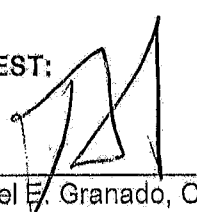
WHEREAS, at its May 19th meeting, the Neighborhoods/Community Affairs Committee (NCAC) heard a discussion by SOBE Cats Spay and Neuter, Inc. (SOBE Cats). They reiterated the need for continued financial support from the City, to provide spay and neuter services for community cats. Additionally, three (3) items to be considered: a pilot program to allow the installation of environmentally friendly feeding stations at key locations; to provide formal registration and credentialing for registered volunteers; and to installation of educational signage by feeding stations. A motion was made by the Committee to have Public Works work with SOBE Cats to determine the proper locations and reprove that the pilot program will work. The item was also to be brought back to the Finance and Citywide Project Committee to have a discussion about possible future funding and implications; and

WHEREAS, at its July 28, 2017 meeting, the NCAC held a discussion regarding the relocation of the Log Cabin Nursery to a new site, for the purpose of cat spay and neuter surgeries. It was noted that there is a City-owned building located at the North West corner of Collins Avenue and 83rd Street (8300-8310 Collins Avenue), which could be used for this purpose. The concern, however, was that the trailer office may be too small to conduct the surgeries, and maintain the cats overnight while they recuperate. The Committee made a motion to have the Public Works Department find an alternate, suitable and proper location to conduct cat surgeries.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, the Mayor and City Commission, accepting the recommendation of the Neighborhood/Community Affairs Committee at its May 19th and July 28th, 2017 meetings, to find an alternate, suitable and proper location to conduct cat surgeries; and to consider allowing a pilot program to install environmentally friendly feeding stations, provide formal registration and credentialing for registered volunteers, and install educational signage by feeding stations.

PASSED AND ADOPTED this 25 day of September, 2017.

ATTEST:


Rafael E. Granado, City Clerk


Philip Levine, Mayor

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION


City Attorney

8/31/17
Date

T:\AGENDA\2017\9 - September\Public Works\resolution Indian creek drive quilt claim deeds and easement to 23 street revised 9.17.2017.docx

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Jimmy L. Morales, City Manager
DATE: September 13, 2017

SUBJECT: A RESOLUTION ACCEPTING THE RECOMMENDATION OF THE NEIGHBORHOOD/COMMUNITY AFFAIRS COMMITTEE AT ITS MAY 19TH AND JULY 28, 2017 MEETINGS, TO FIND AN ALTERNATE, SUITABLE AND PROPER LOCATION TO CONDUCT CAT SURGERIES; AND TO CONSIDER ALLOWING A PILOT PROGRAM TO INSTALL ENVIRONMENTALLY FRIENDLY FEEDING STATIONS; TO PROVIDE FORMAL REGISTRATION AND CREDENTIALING FOR REGISTERED VOLUNTEERS, AND TO INSTALL EDUCATIONAL SIGNAGE BY FEEDING STATIONS.

RECOMMENDATION

The Administration recommends approving the Resolution.

ANALYSIS

PetSmart Charities, Inc. currently provides the City of Miami Beach grant support to fund facilities and a management partnership from The Cat Network, Inc., to deliver a comprehensive community cat trap-neuter-return (TNR) program entitled "Project CatSnip".

The City's goal is to develop a program that: is community-wide in scope; effective in humanely reducing the local community cat population by educating the public about the need to sterilize their pets and strays; provide access to low-cost spay/neuter services for stray, homeless and abandoned cats; help members in their efforts to place adoptable cats in loving homes; and advocate non-lethal population control via natural attrition and humane public policy.

SOBE Cats Spay and Neuter, Inc. is a non-profit [501(c)(3)] organization that provides volunteer trappers for The Cat Network, Inc.'s Project CatSnip, which volunteers dedicate their time for the spay and neuter cause. Community cats are retrieved from key locations once a month by staffers beginning on a Friday night. Cats are then transported to the Log Cabin Nursery located on Collins Avenue, where sterilization surgeries are performed on Saturday mornings. Once the surgery is performed, the cats are housed overnight during the recovery phase. On Sunday mornings, volunteers and City staffers release the cats back to their originating locations.

Project CatSnip will be issuing credentials to registered community volunteers, cat feeders, and ~~trappers in order to identify~~ their role in the City, and as such, discourage feeding by untrained individuals, who may create unwanted litter and even attract cats to undesired locations.

During the next six (6) months, SOBE Cats Spay and Neuter, Inc., and the City of Miami Beach will be facilitating a pilot program consisting of the installation of environmentally-friendly feeding stations at key locations with its appropriate signage, where registered volunteer feeders will be able to provide fresh water and clean food to draw the cats at these locations and away from high-traffic areas.

North Shore Open Space Park and Allison Park will be targeted for the pilot program, for the six (6) month period, beginning September 1, 2017 and ending March 1, 2018, in the hope of the successful execution of the pilot program that could later be expanded into other needy areas of the City.

One feeding station will be provided for each cat colony in the pilot program inside North Shore Open Space Park between 87th Street and 79th Street and Allison Park between 67th Street and 64th Street.

At its May 19, 2017 meeting, the Neighborhoods/Community Affairs Committee (NCAC) heard a discussion by SOBE Cats Spay and Neuter, Inc. (SOBE Cats). They reiterated the need for continued financial support from the City, to provide spay and neuter services for community cats. Additionally, three (3) items to be considered: a pilot program to allow the installation of environmentally friendly feeding stations at key locations; to provide formal registration and credentialing for registered volunteers; and the installation of educational signage by the feeding stations. A motion was made by the Committee to have Public Works work with SOBE Cats to determine the proper locations. The item was also to be brought back to the Finance and Citywide Project Committee to have a discussion about possible future funding and implications.

At its July 28, 2017 meeting, the NCAC held a discussion regarding the relocation of the Log Cabin Nursery to a new site, for the purpose of cat spay and neuter surgeries. It was noted that there is a City-owned building located at the North West corner of Collins Avenue and 83rd Street (8300-8310 Collins Avenue), which could be used for this purpose. The concern, however, was that the trailer office may be too small to conduct the surgeries, and maintain the cats overnight while they recuperate. The Committee made a motion to have the Public Works Department find an alternate, suitable and proper location to conduct cat surgeries. The current proposed location is the 79th Street lot adjacent to the Ocean Rescue facility.

CONCLUSION

The Administration recommends approving the Resolution

Legislative Tracking

Public Works

ATTACHMENTS:

Description

- ❑ attachments 1-4
- ❑ UPDATED RESO

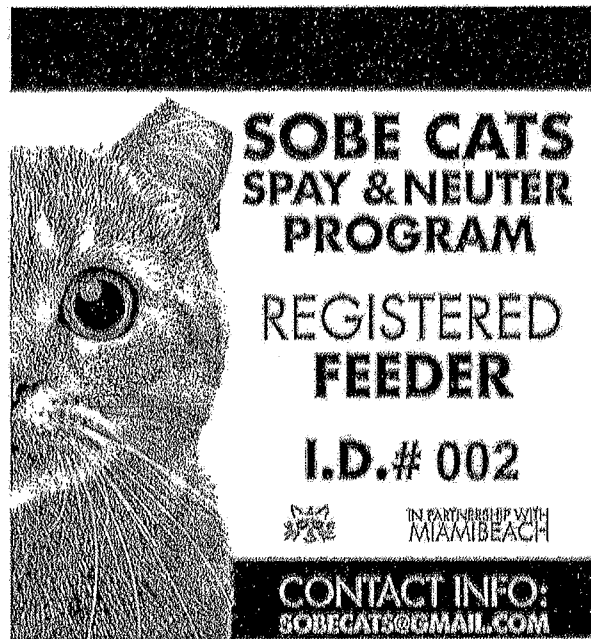


Photo 1 – Registered Feeder Badge

Registered feeder/trapper badges will have an I.D. number that will identify the feeder as being trained and working in coordination with the Miami Beach Police Department and Code Compliance Departments.

SOBE Cats Spay and Neuter, Inc. will properly train and keep records of all the registered volunteer feeders. Code Compliance Officers, Park Rangers and police officers will have information concierge cards to pass out to non-registered feeders that list the following guidelines to which all must adhere to:

1. Must be a registered feeder
2. Feeding is allowed directly on the ground; however,
3. Feeders must clean up after every feeding
4. No excessive amounts of food will be served
5. No Styrofoam containers will be used; and
6. Water containers must be clean and changed daily

Should litter be left behind by any non-registered feeder, Code Compliance officers, Park Rangers or police officers have authority to issue a litter fine per the proposed revision to the City of Miami Beach Municode Litter Violation Sec. 46-92. The goal is to have all non-registered feeders throughout Miami Beach registered by the City within a period of 1 year. All registered volunteer feeders caught littering by the Code Compliance Department, the Park Rangers or the Police Department will be reported to SOBE Cats Spay and Neuter, Inc. for re-training. After the volunteer feeder has been re-trained three times, his or her badge will be revoked.

ATTACHMENT 2

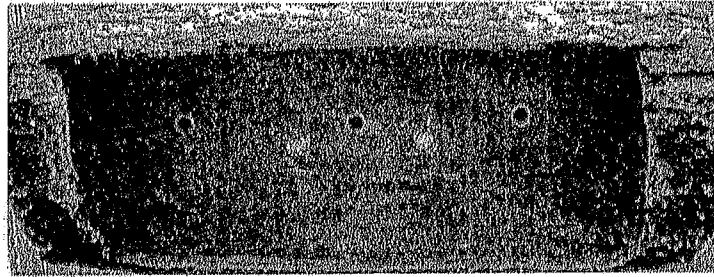


Photo 2 -- Feeding Station

The log-like feeding stations will be located as inconspicuously as possible inside the dune areas for the designated cat colonies; they will be installed just inside the dune ropes so the registered volunteer feeders can place the water and food from outside the ropes, without entering the dunes.

ATTACHMENT 3

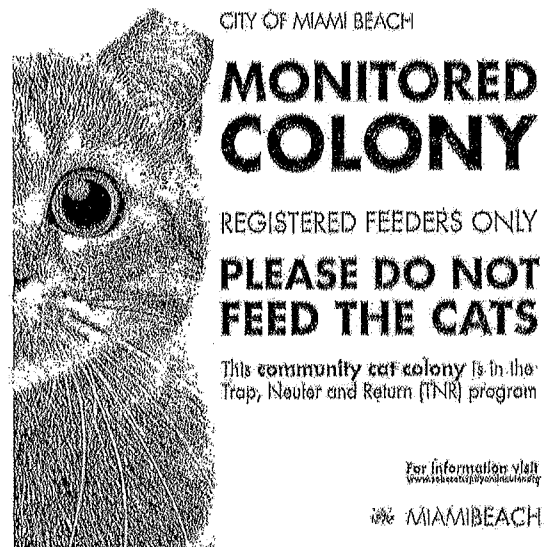
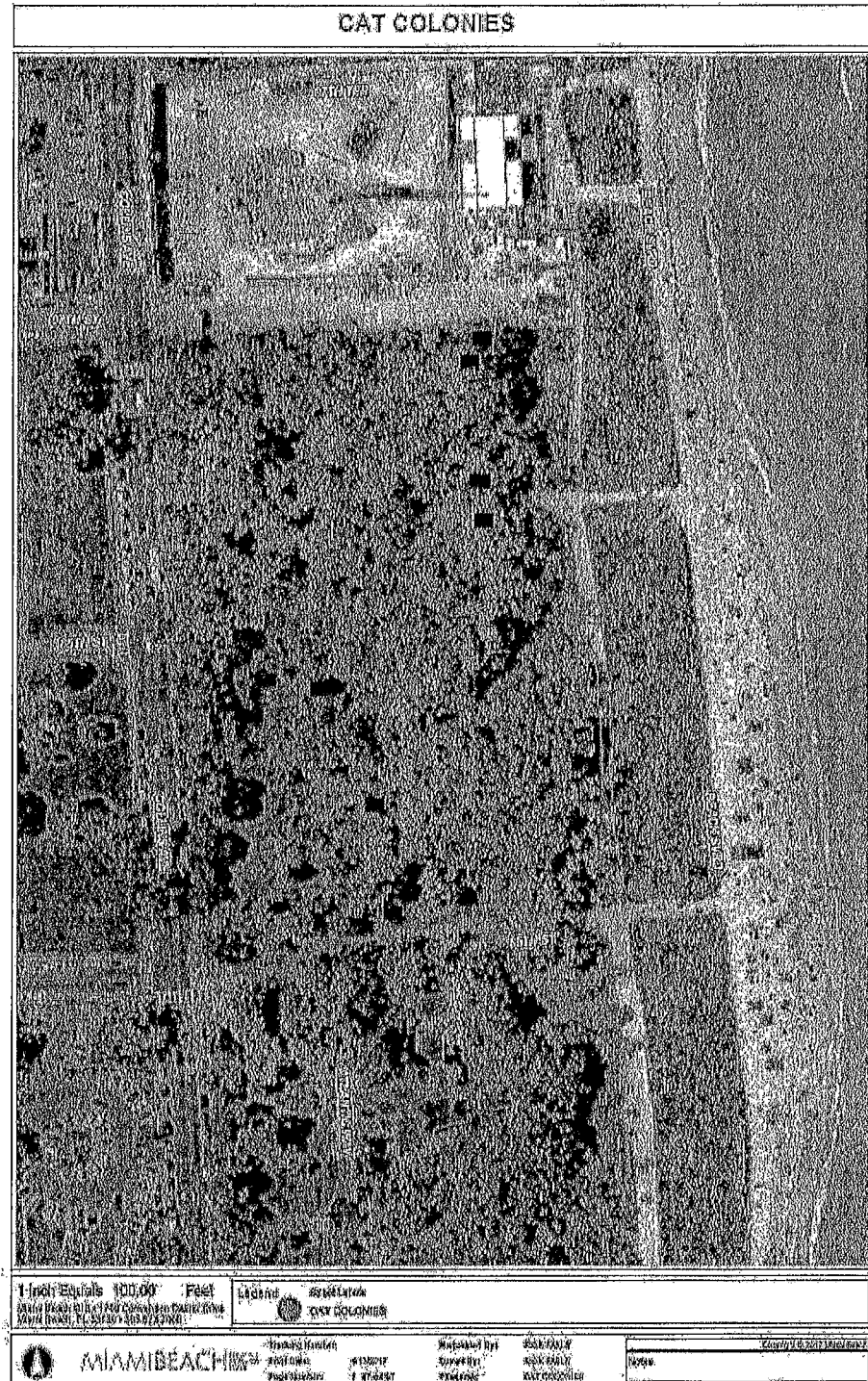
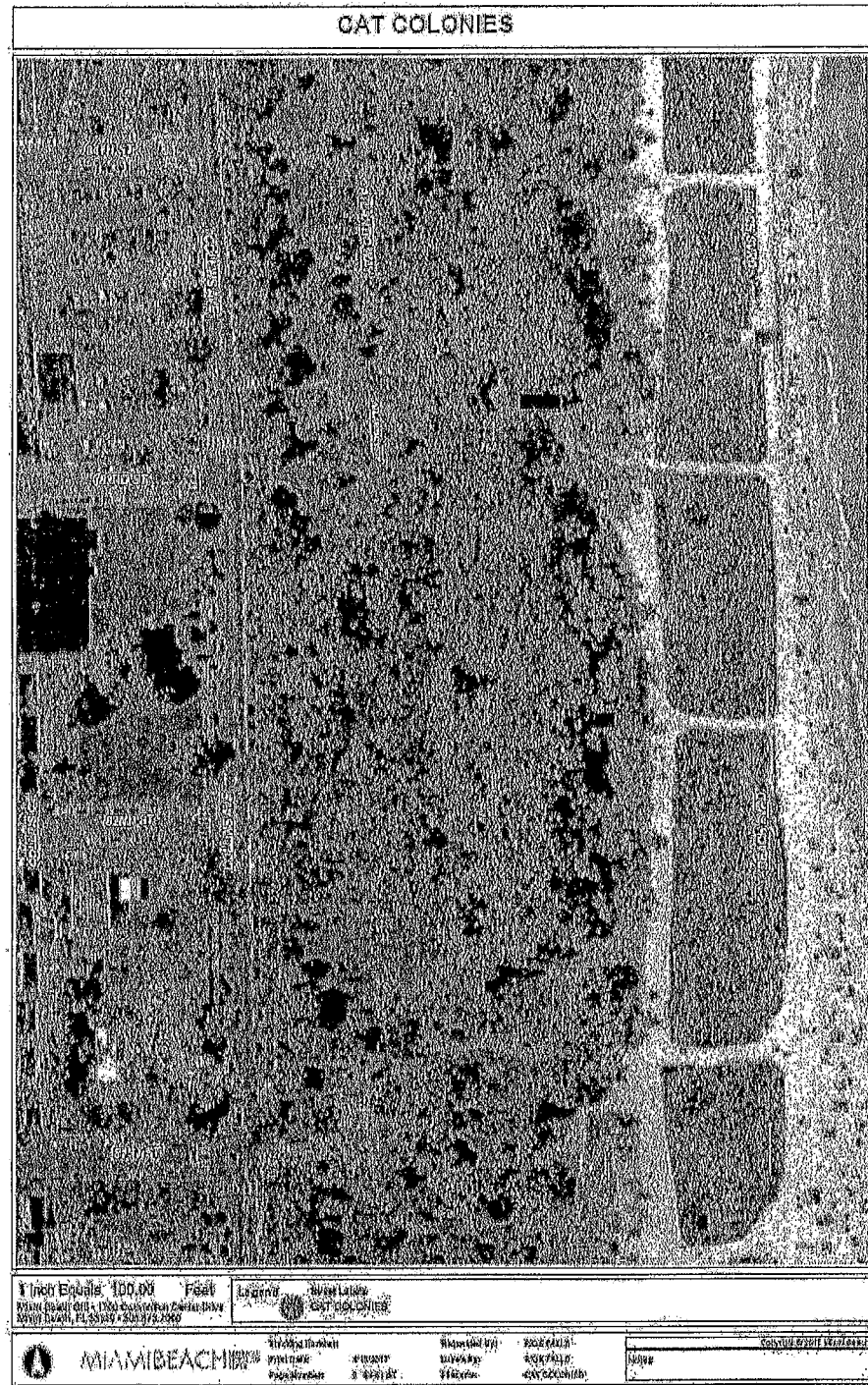


Photo 3 –Signage

Minimal signage, will be placed in key locations discouraging random cat feeding by residents and visitors and alerting residents and tourists of the on-going TNR program.



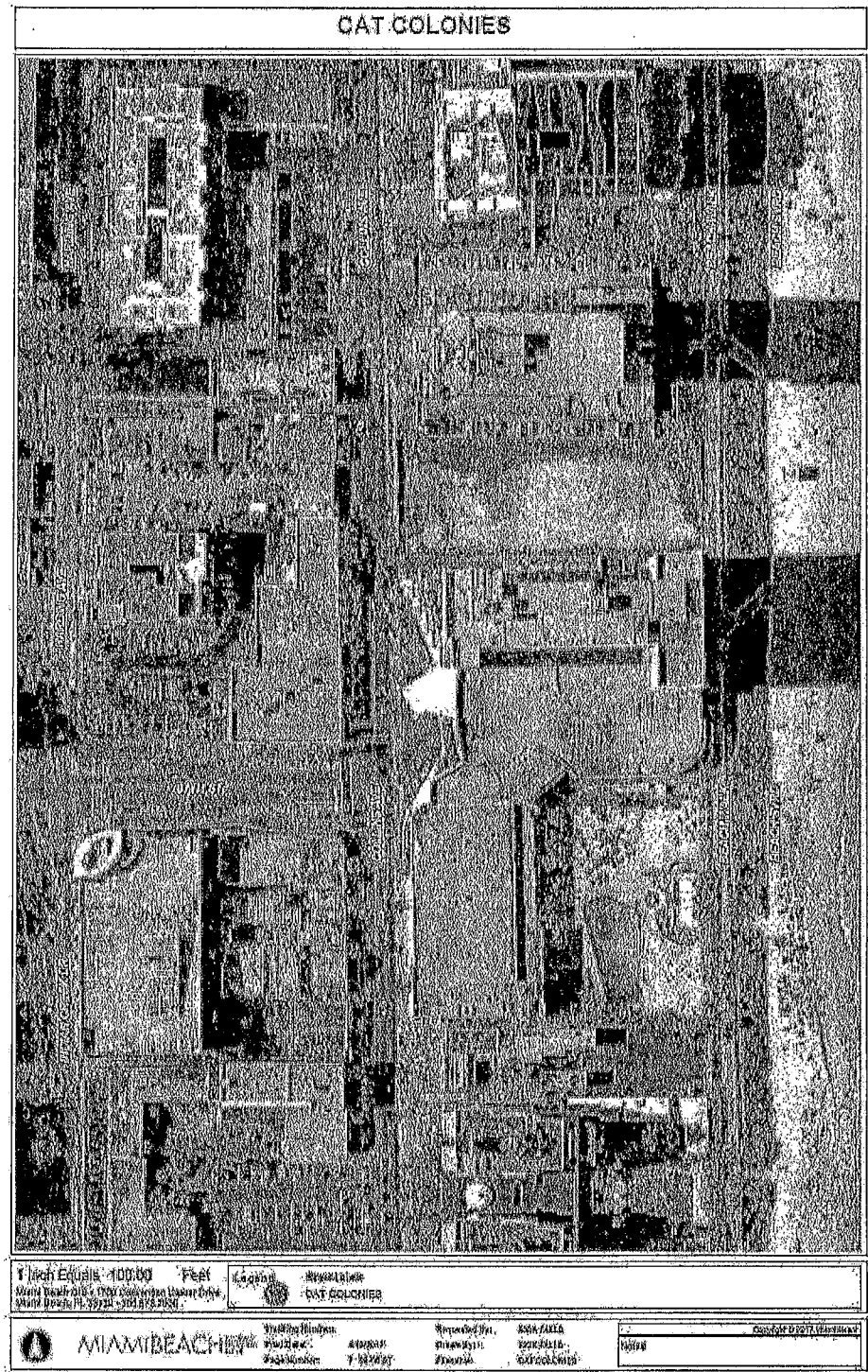
Map of North Shore Open Space Park 2 of 3



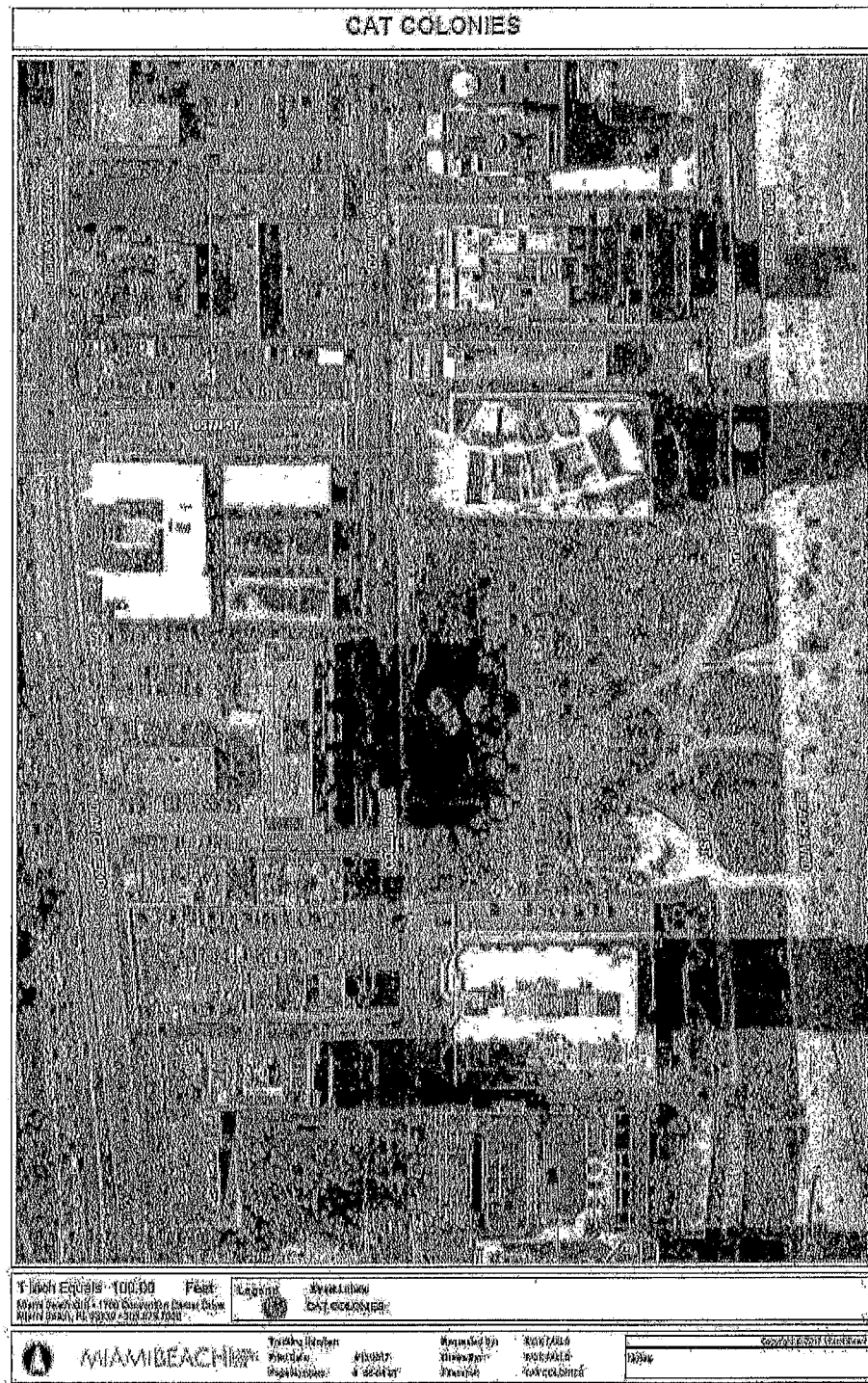
Map of North Shore Open Space Park 3 of 3



Map of Allison Park 1 of 2



Map of Allison Park 2 of 2



September 25, 2017

C7 R A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING AND AUTHORIZING THE CITY TO ACCEPT IN-KIND SPONSORSHIP IN THE AMOUNT OF \$2,700 FROM WHOLE FOODS MARKET IP. L.P., FOR SIX (6) OF THE CITY'S SUSTAINABILITY EMPLOYEE WORKSHOPS ORGANIZED BY THE ENVIRONMENT AND SUSTAINABILITY DEPARTMENT.

Marketing and Communications

ACTION: Resolution 2017-29992 adopted. Tonya Daniels to handle.**September 25, 2017**

C7 S A RESOLUTION ACCEPTING THE RECOMMENDATION OF THE NEIGHBORHOOD /COMMUNITY AFFAIRS COMMITTEE AT ITS MAY 19TH AND JULY 28, 2017 MEETINGS, TO FIND AN ALTERNATE, SUITABLE AND PROPER LOCATION TO CONDUCT CAT SURGERIES; AND TO CONSIDER ALLOWING A PILOT PROGRAM TO INSTALL ENVIRONMENTALLY FRIENDLY FEEDING STATIONS; TO PROVIDE FORMAL REGISTRATION AND CREDENTIALING FOR REGISTERED VOLUNTEERS, AND TO INSTALL EDUCATIONAL SIGNAGE BY FEEDING STATIONS.

Public Works
Commissioner John Alemán**ACTION: Resolution 2017-29993 adopted. Eric Carpenter to handle.****September 25, 2017**

C7 T A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING THE ASSIGNMENT AND ASSUMPTION OF SHOWTURF, LLC'S INTEREST IN THREE (3) AGREEMENTS BETWEEN THE CITY AND SHOWTURF, LLC. (ASSIGNOR), FOR THE LEASE OF GOLF COURSE TURF MAINTENANCE EQUIPMENT FOR THE MIAMI BEACH GOLF COURSE, PURSUANT TO INVITATION TO BID (ITB) NO. 38-10/11; FOR THE LEASE OF GOLF COURSE TURF MAINTENANCE EQUIPMENT FOR THE NORMANDY SHORES GOLF COURSE, PURSUANT TO INVITATION TO BID (ITB) NO. 45-11/12; AND FOR THE LEASE OF GOLF COURSE TURF MAINTENANCE EQUIPMENT FOR BOTH, THE MIAMI BEACH GOLF COURSE AND NORMANDY SHORES GOLF COURSE, PURSUANT TO INVITATION TO BID (ITB) NO. 2016-149-ND, TO EFE, INC. (ASSIGNEE), AS THE SUCCESSOR-IN-INTEREST BY ACQUISITION; AND FURTHER AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE THE CONSENT TO ASSIGNMENT AND ASSUMPTION OF AGREEMENTS IN THE FORM ATTACHED TO THIS RESOLUTION.

Procurement

ACTION: Resolution 2017-29994 adopted. Alex Denis to handle.

Commission Committee Assignments - C4 L

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Commissioner John Elizabeth Aleman
DATE: May 16, 2018

SUBJECT: REFERRAL TO THE FINANCE AND CITYWIDE PROJECTS COMMITTEE TO CONSIDER PERMANENTLY IMPLEMENTING THE CAT VOLUNTEER BADGING SYSTEM AND AN EXTENSION OF THE FEEDING STATION PILOT.

ANALYSIS

Please place on the May 16, 2018 agenda, a referral to the Finance and Citywide Projects Committee to consider the permanent implementation of the cat volunteer feeder badging system and an extension of the feeding station pilot program.

Following the recommendation of the Neighborhood/Community Affairs Committee on July 28, 2017 to install environmentally friendly cat feeding stations, educational signage and to provide formal registration and credentialing for registered volunteer cat feeders, in October of 2017, the City in partnership with SoBe Cats Spay & Neuter, Inc. began a pilot program. The program incorporated log-like feeding station placement, utilized appropriate City-designed signs and registered volunteers to track and monitor cat colonies by providing fresh water and food to draw community cats away from high-traffic areas inside North Beach Oceanside Park between 87th Street and 79th Street and Allison Park between 67th Street and 64th Street.

In light of positive feedback from staff and community members regarding the registration and the visible badging of the volunteers, I would like to request the permanent implementation of the credentialing for registered cat feeders citywide.

Additionally, due to a long delay in the marketing of the program (placed on our City websites, bus shelter signs, posters, public service announcement for trolleys, social media, local government television and movie theater PSAs) and a slow start to the placement of the feeders fueled by trial-and-error installation and vandalism events, in order to have ample time to accurately evaluate its success I would also like to request an extension of the feeding station placement component.

As there is a necessary length of time for the cats to become accustomed to a new feeding location and taking advantage of the marketing strategy now in place, it may also prove beneficial to implement the pilot to additional specific areas of Miami Beach plagued with community cat concerns.

I would also like to highlight the interest surrounding communities including the cities of Surfside, North Bay Village, Boca and West Palm Beach have shown in our initiative with considerations to implement in their own municipalities.

For additional information, please contact my office at extension 6437.

Legislative Tracking

Commissioner John Elizabeth Aleman

11:09:45 a.m.

C4 L REFERRAL TO THE FINANCE AND CITYWIDE PROJECTS COMMITTEE TO CONSIDER PERMANENTLY IMPLEMENTING THE CAT VOLUNTEER BADGING SYSTEM AND AN EXTENSION OF THE FEEDING STATION PILOT.

Commissioner John Elizabeth Alemán

ACTION: Item referred. Item separated by Commissioner Góngora. **John Woodruff to place on the Committee Agenda. Roy Coley to handle.**

City Clerk's Note: At 11:09:45 a.m. Commissioner Góngora returned items C4 B, C4 C, C4 D, C4 E, C4 F, C4 G, C4 H, C4 K, C4 L, C4 M, C4 N, C4 P, C4 Q, C4 S, C4 T, C4 X, C4 Z, C4 AA, C4 AB, C4 AE, and C4 AS to the Consent Agenda. Motion made by Commissioner Alemán to approve items listed above; seconded by Commissioner Góngora. Voice vote: 7-0.

11:09:45 a.m.

C4 M REFERRAL TO FINANCE AND CITYWIDE PROJECTS COMMITTEE TO DISCUSS AN EDUCATION COMPACT COORDINATOR POSITION.

Organizational Development Performance Initiatives
Commissioner John Elizabeth Alemán

ACTION: Item referred. Item separated by Commissioner Góngora. **John Woodruff to place on the Committee Agenda. Dr. Rosenfeld to handle.**

City Clerk's Note: At 11:09:45 a.m. Commissioner Góngora returned items C4 B, C4 C, C4 D, C4 E, C4 F, C4 G, C4 H, C4 K, C4 L, C4 M, C4 N, C4 P, C4 Q, C4 S, C4 T, C4 X, C4 Z, C4 AA, C4 AB, C4 AE, and C4 AS to the Consent Agenda. Motion made by Commissioner Alemán to approve items listed above; seconded by Commissioner Góngora. Voice vote: 7-0.

11:09:45 a.m.

C4 N REFERRAL TO THE FINANCE AND CITYWIDE PROJECTS COMMITTEE TO REVIEW THE CITY'S STORMWATER MANAGEMENT BUDGET.

Commissioner Mark Samuelian

ACTION: Item referred. Item separated by Commissioner Góngora. **John Woodruff to place on the Committee Agenda. Roy Coley and John Woodruff to handle.**

City Clerk's Note: At 11:09:45 a.m. Commissioner Góngora returned items C4 B, C4 C, C4 D, C4 E, C4 F, C4 G, C4 H, C4 K, C4 L, C4 M, C4 N, C4 P, C4 Q, C4 S, C4 T, C4 X, C4 Z, C4 AA, C4 AB, C4 AE, and C4 AS to the Consent Agenda. Motion made by Commissioner Alemán to approve items listed above; seconded by Commissioner Góngora. Voice vote: 7-0.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 13, 2018

SUBJECT: **DISCUSSION REGARDING THE RECOMMENDATION OF THE NEIGHBORHOOD/COMMUNITY AFFAIRS COMMITTEE TO FUND A ONE (1) YEAR PILOT PROJECT WITH CAMILLUS HOUSE, INC. TO CONDUCT SPECIALIZED OUTREACH TO MENTALLY ILL HOMELESS PERSONS, AS AN ENHANCEMENT IN THE FY 2018/2019 BUDGET**

HISTORY:

The Neighborhood/Community Affairs Committee (NCAC) recommended a referral to the Finance and Citywide Projects Committee (FCWPC) of this item for consideration as a budget enhancement for FY 2018/19. The item was originally recommended to the Mayor and Commission by the Committee on the Homeless.

ANALYSIS:

Camillus House, a shelter provider contracted by the City, submitted a budget proposal for a pilot project addressing the 10 chronically homeless individuals discussed at the Committee on the Homeless. The proposed attached budget for the pilot project is \$91,572.

The Camillus House pilot project would engage a team of five employees comprised of:

- Project Supervisor
- Psychiatric Advanced Registered Nurse Practitioner (ARNP)
- SOAR Case Manager (a person to assist with disability benefits' applications for the clients)
- Case Manager (to assist with care coordination, housing, benefits and other services)
- Medical Assistant (providing medical and data entry support to the ARNP)

As directed by the Committee on the Homeless and endorsed by the Neighborhood/Community Affairs Committee, City staff has identified program measures to help determine the efficacy of the pilot program. Suggested measures include:

- - Document the targeted encounters engaging clients at least twice weekly;
 - Provide medication administration as medically needed;
 - Use of Homeless Management Information System (HMIS) database to track client contacts, services, referrals and placements;
 - Provide written acknowledgement of receipt of City referrals to program;
 - Provide a determination on City referrals and develop engagement strategy, to include (as applicable and appropriate) housing and service plans, within five (5) business days of client assessment;
 - Conduct case staffing with City staff at least once a month; and

- Provide outcome measures and client determinations quarterly with a final report at the end of the one-year pilot project.

CONCLUSION:

If approved, this item would require a budget enhancement for FY 18/19.

ATTACHMENTS:

Description		Type
	Pilot Project Budget	Memo

PROJECT DESCRIPTION: Project Lazarus - City of Miami Beach Expansion
PROJECT TYPE: Outreach
POPULATION FOCUS: Individuals

		<u>[A] Funded by M/Beach</u>		<u>Notes</u>
	<u>Unit Cost</u>	<u>FTEs</u>	<u>Budget (\$)</u>	
Salaries				
Project Supervisor	58,240	0.10	\$ 5,824.00	10% of the Program Supervisor for Administrative
Psych. Advanced Registered Nurse Practitioner	94,000	0.10	\$ 9,400.00	10% of Psych ARNP for psychiatric & medical evaluation
SOAR Case Manager	40,000	0.05	\$ 2,000.00	5% of SOAR case manager for processing of SSI/SSDI applications
Case Manager.....	35,000	1.00	\$ 35,000.00	1 FTE Case Manager for care coordination: housing, benefits and social services referral to support services
Medical Assistant	33,000	0.05	\$ 1,650.00	0.05% of MA - medical and data entry support to the Psyche ARNP
Subtotal salaries		1.30	\$ 53,874	
Benefits and payroll taxes				
	<u>%</u>			All benefits calculated at Camillus actual costs for full time employees
Social Security tax	6.20%		\$ 3,340.19	
Medicare tax	1.45%		781	
Unemployment tax (on first \$7,000 only)	5.40%		491	
Workers Compensation	1.78%		959	
Health insurance	\$701.97/mo.		10,951	
Life, disability and long-term care	1.65%		889	
403b	3.00%		1,212	
Subtotal benefits and payroll taxes			\$ 18,624	
Other expenses				
Food service costs			1,800	\$150 per month for snack items
Direct support			5,000	lab dx, medications, personal supplies, relocation, medical
Licenses and fees				
Transportation			2,000	gas, oil, tires, repairs, etc.
Supplies/Program expenses			1,200	
Subtotal other expenses			\$ 10,000	
Subtotal expenses			\$ 82,498	
Admin @ 11 % of total grant amount (last approved federal indirect			\$ 9,075	finance, executive oversight CEO/COO, overhead
Total Expenses			\$ 91,572	

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 13, 2018

SUBJECT: **DISCUSSION REGARDING AMENDING THE MANAGEMENT AGREEMENT
BETWEEN THE CITY OF MIAMI BEACH AND LIVING ARTS TRUST, INC. D/B/A O
CINEMA**

HISTORY:

The City of Miami Beach (City) and Living Arts Trust, Inc. d/b/a O Cinema (O Cinema) are parties to a management agreement dated October 24, 2014 (Management Agreement), for the management and operation of a portion of the Byron Carlyle Theatre, located at 500 71st Street, Miami Beach, Florida (Theatre). The basic terms and conditions of the Management Agreement are as follows:

Premises: The Theatre building consists of approximately 28,000 square feet. The western portion of the building, primarily consisting of four auditoriums, is in poor condition, including damage from flooding, mold, and electrical deficiencies, and is unsuitable for use and currently vacant. The eastern portion of the building, consisting of approximately 18,000 SF, consists of approximately 10,647 SF occupied by O Cinema, approximately 3,996 SF of vacant office space retained by the City and approximately 3,345 SF of common area. (a For purposes of the agreement, O Cinema occupies 72% of the Theatre building while the City retains 28%.The vacant office space retained by the City is in poor condition, including damage from flooding, mold, and electrical deficiencies, and would require significant improvements and repairs to be suitable for occupancy.

Initial Term: Sixty-one (61) months, commencing October 1, 2014 and ending October 31, 2019

Renewal Options: City's option to renew with single or multi-year terms, not to exceed a total of 5 years, by providing O Cinema with not less than 365 days written notice prior to the expiration date, or not less than ninety (90) days written notice prior to the expiration of a renewal term

Permitted Uses: a) Primary Use as a Motion Picture Theater; b) Secondary (Ancillary) Uses include: i) live theatrical entertainment venue (not as a dance hall or entertainment establishment), ii) private rentals for individual and group events and receptions and iii) corporate events and receptions; c) Food and Beverage Concession including beer and wine and d) "Film-Centric" Merchandising Shop

Base Use Fee: Years 1-3: \$2,500 annually. Beginning Year 4: the greater of \$5,000 annually, or 10% of Net Ticket and Net Concession Revenue, increased by 1% annually

Operating Expenses: O Cinema is responsible for all maintenance and repairs of the Facility, including janitorial expenses and 72% of the utilities.

Capital Contribution: The City is responsible for all major repairs and capital improvements. In addition to

the Base Use Fee above, beginning Year 4 (October 1, 2017), the agreement stipulates that O Cinema shall contribute \$2,500 annually to help defray the City's cost of capital repairs and replacements, as detailed in the chart below.

Benchmarks: O Cinema is required to achieve the following: 1) operate 5 days a week, 48 weeks a year; 2) minimum 500 events/screenings per year; 3) minimum 10,000 visitors per year, increasing 5% each year; 4) market O Cinema as part of annual budget of no less \$50,000 per year and 5) provide residents discounted, quality offerings at a 10% discount at least 12 times per year or a minimum of one film screening per month.

ANALYSIS:

On June 25, 2018, Kareem Tabsch, Co-Director of O Cinema, sent an email to Commissioner Arriola requesting the City's support and assistance in the management of the Facility, attached hereto as Attachment 1 (O Cinema Request Letter).

Specifically, O Cinema requested the City's support by amending the Management Agreement in the following three areas:

1. City to waive the base use fees and revisit annual benchmarks;
2. City to provide support in the ongoing maintenance and repairs of HVAC, septic, sewer, life safety systems, roof and elevator; and
3. City to provide support in covering utility costs of operating the Facility.

Additionally, O Cinema is requesting a subsidy to assist in creating low-cost/free programs for children, families and seniors. Lastly, O Cinema is requesting a two year extension to the Management Agreement (currently expiring October 31, 2019).

Payments From O Cinema

The chart below illustrates the annual amounts paid to the City by O Cinema over the initial 3.5 years of the agreement.

Expenses Incurred by the City

Property Management has provided a work order history for the past five years at the facility, attached hereto as Attachment 2 (Work Order History). The costs associated with these work orders range from approximately \$5,000 to \$47,000 annually. Additionally, Property Management has provided a summary of capital renewal and replacement projects since 2001 in the amount of \$1,465,592, attached hereto as Attachment 3 (CR&R Projects). Property Management is currently evaluating the projected annual maintenance and repair expenses for the facility. For FY17/18, O Cinema has budgeted approximately \$5,500 for the maintenance and repairs of the facility. This is likely inadequate to properly maintain the facility in an acceptable manner and the cost to the City would likely be significantly higher. By comparison, Miami New Drama has budgeted \$50,000 for maintenance and repairs at the Colony Theatre for FY18/19.

Current Condition of Facility

At the April 13, 2016 Commission meeting, the Mayor and City Commission discussed interior flooding at the facility. Property Management contracted with Douglas Woods and Associates, Inc. (structural engineers) to perform a condition assessment. The Commission memorandum and condition assessment report are attached hereto as Attachment 4 (April 13, 2016 Commission Memo). Douglas Woods recommended three options to address flooding in the restrooms (the lowest lying areas of the O Cinema premises). None of the options would address other building areas from king tide flooding or from tidal surge. Additionally, if major renovations were to be considered, and if the cost of such renovations were to exceed 50% of the value of the existing building, then the entire building would have to be brought into compliance with current FEMA design criteria. In Douglas Woods' opinion, such an extensive renovation would be as or more expensive than constructing a new building.

The Commission recommended in favor of demolishing the building and moving forward with the redevelopment of the site in conjunction with the North Beach Master Plan.

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In December 2017, VFA, Inc. provided a Requirement List Report, attached hereto as Attachment 5. The report concluded the facility would require approximately \$1.4 Million of improvements over the next four years, however the major issues outlined in the April 13 Commission Memo are not addressed in this \$1.4 million.

O Cinema Default of Management Agreement

On December 26, 2017, the City issued a Notice of Default to O Cinema for failure to comply with the terms and conditions of the Management Agreement. As contained in the Notice of Default, O Cinema failed to:

1. obtain the requisite State license for the sale of beer and wine for consumption on premises;
2. remit City of Miami Beach resort taxes;
3. remit Florida sales tax to the Department of Revenue; and
4. satisfy the City's insurance requirements under the Agreement.

On January 26, 2018, O Cinema provided a response to the City's Notice of Default and made several assertions regarding the various defaults. On March 8, 2018, the City provided a Notice of Failure to Cure Defaults, attached hereto as Attachment 6, advising O Cinema the City disagreed with several of their assertions, the default cure period had expired and the City was placing O Cinema in default of the Management Agreement. On March 9, 2018, the City Manager issued a Letter to Commission (LTC) informing the Mayor and City Commission of the status of the Management Agreement.

On March 20, 2018, the City Manager and City staff met with representatives from O Cinema and discussed the default of the Management Agreement. The City agreed to extend, for a period of six (6) months (on or before September 21, 2018), the time for O Cinema to cure the remaining defaults, including, but not limited to, ceasing all illegal sales of alcohol and registering for, and becoming current on all Florida sales tax obligations. On April 12, 2018, the City issued to O Cinema a Notice of 6-Month Extension to Cure, attached hereto as Attachment 7.

On June 22, 2018, O Cinema provided a response letter to the City, attached hereto as Attachment 8 (O Cinema Response Letter), disputing various aspects of the meeting. O Cinema advised the City they had obtained a sales tax certificate number and represented they would be deemed in compliance once the State provided the final documentation to O Cinema. O Cinema did not provide the sales tax certificate number or any documentation of such, as requested by the City in the April 12 letter. O Cinema advised the City, while they have every intention of obtaining an alcohol license, they are under no obligation to do so. O Cinema did not provide any documentation of its efforts, if any, in this regard. Lastly, O Cinema referenced a more recent issue which arose subsequent to the default, regarding the rental of the Facility for church services and the requirement to pay a percentage of the rental revenue to the City as part of the Base Use Fee. On July 5, 2018, the City provided a response to O Cinema, attached hereto as Attachment 9, advising them they remain in default of the agreement and requesting additional information regarding the rental of the facility for church services.

CONCLUSION:

At this time, O Cinema is within the 6 month extension to cure the default and the City will continue to work with them to achieve compliance with the Management Agreement.

Based on staff's understanding, the financial impact of approving O Cinema's request would result in an annual reduction in revenue of at least \$26,000 annually (\$21,000 utilities reimbursement and \$5,000 Minimum Base Use Fee). Additionally, the cost of assuming responsibility for all maintenance and repairs of the facility is currently being evaluated by Property Management; however, based on the Colony Theatre, could be in the amount of \$50,000. Lastly, O Cinema has requested an annual subsidy of \$100,000, which would be reduced by the cost of utilities incurred by the City (\$100,000-\$22,000=\$78,000 net subsidy).

The Administration seeks direction regarding O Cinema's request to amend the Management Agreement. If recommended by the City, the increased costs would be considered as an enhancement during the FY 2018/19 budget development process.

ATTACHMENTS:

Description	Type
□ Attachment 1 - O Cinema Request Letter	Memo
□ Attachment 2 - Work Order History	Memo
□ Attachment 3 - CR&R Reports	Memo
□ Attachment 4 - April 13, 2016 Commission Memo	Memo
□ Attachment 5 - Requirement List Report	Memo
□ Attachment 6 - Notice of Failure to Cure Defaults	Memo
□ Attachment 7 - Notice of 6-Month Extension to Cure	Memo
□ Attachment 8 - O Cinema Response Letter to City	Memo
□ Attachment 9 - City Response Letter to O Cinema	Memo
□ Updated memo	Memo

Chiroles, Erick

From: Kareem Tabsch <kareem@o-cinema.org>
Sent: Monday, June 25, 2018 9:37 AM
To: Ricky Arriola
Cc: Chiroles, Erick
Subject: followup on Fridays meeting

To: Comm. Arriola & Mr. Chiroles

Dear Ricky & Erick,

Thank you so much for taking the time to meet and discuss our concerns and vision for O Cinema Miami Beach. It is our great privilege to be a cultural beacon for the residents and visitors of North Beach. We're proud of our role in improving resident quality of life and making a positive economic impact in the area through our continuous, daily programming of the Byron-Carlyle Theater. The outpouring of support from the community has been thrilling and speaks directly to the value and vitality we bring. We want to build on that.

As discussed, we are in need of the city's support and assistance in the management of the facility so that we may continue to best serve the community.

We'd like to ask for the city's support in the following three areas:

- Amend our Management Agreement to waive the base use fees & revisit annual benchmarks.
- City support in providing the ongoing maintenance and repairs of HVAC, Septic, Sewer, safety systems, roof, & elevator.
- City support in covering utility costs of operating the facility.

In addition, to these specific items, we discussed an annual subsidy to support and expand our programming and activation at the facility. In particular, financial support will assist us in creating low-cost/free programs for children, families, and seniors. Also, we discussed a two-year extension to our current management agreement (which is currently set to end in Oct 2019.)

We hope that we can make our relationship with the city a true partnership where the cultural vitality of North Beach and the residents' quality of life guides our collaboration. With over 26,000 annual visitors and programs that have brought the best in independent film to our community, including collaborations with organizations like Sundance and the Miami Film Festival, O Cinema has taken an underutilized community asset and made into a thriving, neighborhood cultural center. We need your help to ensure we can continue to serve this community of which we're so proud to be a part of.

Many Thanks,

Kareem Tabsch

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WorkOrderId	Actual Finish	Total Cost	Instructions
139573			Byron Carlyle Theater---PREVENTIVE MAINTENANCE---Roof drain cleaning.
139114	03/26/2018 12:00	\$ 250	Byron Carlyle Theater---Annual fire sprinkler inspection.
135894	03/22/2018 10:07	\$ 31	Byron Carlyle Theater---Install both roof access ladders.
133771	02/20/2018 12:00	\$ 4,306	Byron Carlyle Theater---Repair the exterior marquee neon lighting. Budget Code: 011-9505-000676-90-410-593-0
132589	01/29/2018 03:46	\$ 2,314	Byron Carlyle Theater---Install both roof access ladders.
130246	11/2/2017 10:12	\$ 918	Byron Carlyle Theater--- Clear roof debris and unclog the drain on lower roof accessible through mechanical room on second floor.
128482	09/20/2017 11:40	\$ 55	Byron Carlyle Theater --- A-1 LOCKS. Replace the locks to match the rest of the building.
127483	09/29/2017 05:17	\$ 239	BYRON CARLYLE.--- HVAC preventive maintenance.
127055	08/8/2017 11:04	\$ 359	Byron Carlyle Theater --- Trouble shooting fire Alarm of the pump control.
126968	07/19/2017 03:36	\$ 678	Byron Carlyle Theater -- Clean out Auditorium of theater.
126965	08/18/2017 07:31	\$ 1,317	BYRON CARLYLE.--- HVAC preventive maintenance.
126452	07/27/2017 02:32	\$ 3,242	Byron Carlyle Theater --- A-1 LOCKS. Replace the locks to match the rest of the building.
126285	07/18/2017 12:00	\$ 120	Byron Carlyle Theater -- Preventive Maintenance. Check out the downstairs bathroom located on the west side of the building to make sure it is fully functioning and in good working order.
126248	07/14/2017 12:00	\$ 798	Byron Carlyle Theater -- Repair RTU #2.
126156	07/27/2017 12:00	\$ 324	BYRON CARLYLE.--- HVAC preventive maintenance.
126144	07/17/2017 01:14	\$ 1,770	Byron Carlyle Theater --- Unclog drains.
126014	07/6/2017 10:30	\$ 911	Byron Carlyle --- Check the HVAC.
125961	08/18/2017 04:43	\$ 160	Byron Carlyle Theater -- Remove graffiti.
125705	07/18/2017 11:09	\$ 120	Byron Carlyle Theater --- Jose Izquierdo to install signs around Byron on Thursday.
125576	07/18/2017 11:00	\$ 619	Byron Carlyle Theater -- Clean out Auditorium of theater.
125530	06/27/2017 08:48	\$ 80	Byron Carlyle Theater -- Remove shopping cart.
125521	07/18/2017 10:57	\$ 160	Byron Carlyle Theater ---- Final clean up of the empty spaces and pick up the man lift.
121878	03/3/2017 08:28	\$ 2,273	BYRON CARLYLE THEATER --- Repair Marquee lights.
121588	02/27/2017 11:21	\$ 1,016	Byron Carlyle Theater - 500 71st St --- Repair the wall in the ladies' restroom.
119291	12/14/2016 04:33	\$ 142	BYRON CARLYLE THEATER - 500 71st St. -- Repair Temporary Lighting.
118782	01/12/2017 02:51	\$ 399	Byron Carlyle Theater - 500 71st St -- Repair the wall in the ladies' restroom.
118350	11/22/2016 01:22	\$ 798	Byron Carlyle Preventive Maintenance - Replace WO# 92737--
117780	11/4/2016 05:12	\$ 282	BYRON CARLYLE THEATER - 500 71st St -- Check battery for the Handicap Door Button. The button to open the doors only works from the inside, but not on the outside.
117779	11/10/2016 04:32	\$ 270	BYRON CARLYLE THEATER - 500 71st St. -- Inspect Marquee Lights (lights to the marquee are no longer clicking on, as well as the lights behind "BYRON" letters).
117778	11/14/2016 10:33	\$ 1,466	BYRON CARLYLE THEATER - 500 71st St. -- A/C vent is dripping water into the theater (above the door onto the balcony).
116428	09/30/2016 03:27	\$ 936	MOVING FURNITURE FROM PUBLIC WORKS TO BYRON CARLYLE BACK TO PUBLIC WORKS
116039	09/30/2016 11:17	\$ 324	MOVING OF TABLES AND CHAIRS THAT WERE BROUGHT TO CITY HALL 1ST FLOOR CONFERENCE ROOM FROM BYRON CARLYLE STORAGE.
113931	09/30/2016 11:17	\$ 90	BYRON CARLYLE ROOF REPAIR
109757	05/15/2016 09:04	\$ 646	MOVING 8 CUBICLES PANELS TO BYRON CARLYLE, TO CREATE SPACE FOR NEW HIRE AT PROPERTY MANAGEMENT - CHARGE TO BUDGET CODE 302-2851-000676
105569	04/13/2016 08:20	\$ 242	Please check restrooms at the Byron Carlyle Theater.
104632	01/24/2016 05:42	\$ 5,607	Pump out the in the Byron Carlyle Theater.
103025	10/18/2015 05:14	\$ 10,080	Contract Services \$7,245 & \$2,835 to repair water leak at Byron Carlyle
95169	05/17/2015 01:57	\$ 801	Byron Carlyle Theater
94211	04/24/2015 10:36	\$ 2,190	Please open a ticket to the Maintenance Shop to repair the rodent's entrances to the building at the Byron Carlyle. Read below for more info
94030	05/17/2015 03:25	\$ 141	Please open a ticket to the maintenance shop to seal the gaps under all our doors at the Byron Carlyle, this is an access point for the rodents and bugs.
93608	09/30/2015 11:17	\$ 135	CHECK LIGHTS AT THE BYRON CARLYLE THEATER.
93378	04/19/2015 01:53	\$ 506	Byron Carlyle - a/c not working
91262	02/22/2015 04:47	\$ 1,250	MOVING 8 CUBICLES PANELS TO BYRON CARLYLE, TO CREATE SPACE FOR NEW HIRE AT PROPERTY MANAGEMENT - CHARGE TO BUDGET CODE 302-2851-000676
90336	03/23/2015 08:32	\$ 4,172	SIGN INSTALLATION FOR BYRON CARLYLE -
89936	09/30/2015 11:27	\$ 600	Byron Carlyle - For R&D Contractor
89669	01/25/2015 03:12	\$ 1,672	Byron Carlyle
88977	12/9/2014 11:37	\$ 5,700	Byron Carlyle Beam Waterproofing INV # 2511027367 PO# 025755 - 307-6265-000342 - Credit 325
87528	12/14/2014 11:08	\$ 3,484	Byron Carlyle
87517	11/7/2014 11:15	\$ 1,500	Byron Carlyle
86729	10/20/2014 03:17	\$ 138	Byron Carlyle
85413	09/25/2014 10:31	\$ 1,756	Byron Carlyle Theater
85141	09/19/2014 09:07	\$ 2,900	Byron Carlyle Theater
85129	09/30/2014 02:20	\$ 4,722	Byron Carlyle
84918	09/11/2014 12:34	\$ 521	Please make a work order for the Electricians they need to check the float switches for the Lift Station at Byron Carlyle Theater.
84368	09/15/2014 02:17	\$ 17,188	Byron Carlyle - Electrical repairs needed
83352	08/12/2014 01:12	\$ 2,248	TROUBLE SHOOT THE POWER TO THE PUMPS FOR THE LIFT STATIONS AT THE BYRON CARLYLE THEATER
83041	08/24/2014 04:15	\$ 3,080	Byron Carlyle Theater- Facility Assessment VFA Invoice 23036
80019	07/14/2014 11:40	\$ 1,140	unclog the sanitary line at the Byron Carlyle Theater
80017	05/30/2014 09:33	\$ 945	Please open a work order for BCT, to replace a broken sheetrock wall located by Dressing and Bathrooms, west side of Theater.
79375	05/16/2014 10:44	\$ 261	Byron Carlyle Theatre
78576	04/20/2014 12:00	\$ 2,000	Byron Carlyle Theatre Maintenance
67855	09/24/2013 08:46	\$ 104	BYRON CARLYLE THEATRE 71ST ST - PAINTING EXTERIOR WALLS GRAFFITI
66341	08/20/2013 08:12	\$ 275	BYRON CARLYLE THEATER - REPAINT OVER GRAFFITI WALLS AND DOORS
63135	09/30/2013 12:00	\$ 520	A portion of the exterior of the west facade of the Byron Carlyle Theater is damaged. I don't know what caused it, but please send someone to inspect and advise
61096	06/16/2013 12:00	\$ 61	Byron Carlyle - General repairs & maintenance
59216	04/10/2013 09:40	\$ 1,545	CITY MANAGER OFFICE - REMOVE MISCELLANEOUS FURNITURE AND TAKE TO BYRON CARLYLE.
57098	03/24/2013 03:45	\$ 99	Please make a work order for the Electricians they need to repair the bare wires that are exposed inside the Byron Carlyle Theater
55907	02/7/2013 09:52	\$ 2,360	BYRON CARLYLE THEATER REPAIR ROOF
55413	02/25/2013 02:02	\$ 122	Please make a work order for the Electricians they need to repair the bare wires that are exposed inside the Byron Carlyle Theater
53519	01/13/2013 12:00	\$ 1,815	Please make a work order for the Electricians they need to repair the bare wires that are exposed inside the Byron Carlyle Theater
		\$ 109,294	

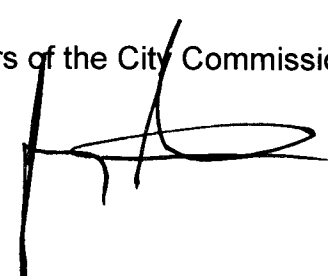
<u>Fiscal Year</u>	<u>Asset</u>	<u>Project Description</u>	<u>Account #</u>	<u>Budget</u>	<u>Status</u>
2001	BYRON CARLYLE	Partial Roof Replacement and HVAC	301-2316-00000676	\$ 282,345	
2003-2004	BYRON CARLYLE	Theatre Renovations	161-6235-000676	\$ 128,196	Completed
2003-2004	BYRON CARLYLE	Sound Concepts - Stage Rigging Miami Stagecraft - Theatre Lighting	132-5820-000346	\$ 192,730	Completed
2003-2004	BYRON CARLYLE	Theatre Renovations	303-2316-000676	\$ 433,775	Completed
2011	BYRON CARLYLE	Replacement of Stage and House A/C Units.	125-6969-000356	\$ 132,000	Completed
2013	BYRON CARLYLE	Replace Lobby AC at Byron Carlyle Theater (verify completion)	125-6968-000356 / 125-6968-000350	\$ 82,500	Completed
2014	BYRON CARLYLE THEATER	Exterior and Roofing - Repair spalling stucco, seal joints, waterproof and paint building and roofing.		\$ 77,765	Completed
2014	BYRON CARLYLE THEATER	Exterior and Roofing - Repair		\$ 93,884	Completed
2014	BYRON CARLYLE THEATER	Beam signange		\$ 5,700	Completed
2014	BYRON CARLYLE THEATER	ADA Lift Repair		\$ 3,351	Completed
2014	BYRON CARLYLE THEATER	Cleaning and garbage removal		\$ 4,350	Completed
2015	BYRON CARLYLE THEATER	Door Repair		\$ 3,571	Completed
2017	BYRON CARLYLE THEATER	Painting of front of Byron	011-9505-000676-90-410-593-00-00-00	\$ 4,955	Completed
2017	BYRON CARLYLE THEATER	Replacement of Condenser	011-9505-000676-90-410-593-00-00-00	\$ 6,797	Completed
2017	BYRON CARLYLE THEATER	Replacement of Doors	011-9505-000676-90-410-593-00-00-00	\$ 5,695	Completed
2017	BYRON CARLYLE THEATER	Replacement of access ladders	011-9505-000676-90-410-593-00-00-00	\$ 3,667	Completed
2017	BYRON CARLYLE THEATER	Replacement of marquee lights	011-9505-000676-90-410-593-00-00-00	\$ 4,310	Completed
TOTAL				\$ 1,465,592	

MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor Philip Levine and Members of the City Commission

FROM: Jimmy L. Morales, City Manager 

DATE: April 13, 2016

SUBJECT: **A DISCUSSION REGARDING INTERIOR FLOODING AT THE BYRON CARLYLE THEATER.**

BACKGROUND

In September 2015, O Cinema notified the City of excessive flooding in the interior low areas of the Byron Carlyle Theater. Initial investigation of the flooding indicated the water was penetrating the facility through the slab, which coincided with the king tide cycle. The City's Property Management Division contracted with Douglas Woods and Associates, Inc. (structural engineers) to provide a condition assessment, a copy of the report is attached for your reference.

In order to address the water intrusion from the floor slab, the following options should be considered:

1. **Raise Existing Restroom Floor:** This can only be accomplished if there is sufficient headroom to the structure above. If possible, this would require a complete demolition and reconstruction of the restrooms. Such construction would be fairly expensive.
2. **Abandon Existing Restrooms and Reconstruct Restrooms Elsewhere:** If an area is available elsewhere, at the main ground-floor level, new restrooms could be constructed. Such new restrooms, however, would still likely be well below the current Design Flood Elevation (DFE). The abandoned restroom area would also still be subject to flooding with its negative effects.
3. **Demolish Existing Restrooms and Reconstruct with "Dry-Floodproofed" Construction:** It is allowed to "dry-floodproof" non-residential uses. In the case of the present location of the restrooms, dry-floodproofing would require a complete demolition of the existing non-structural construction in the area. It would also require removal of the existing concrete floor slab. It would also likely require removal of existing masonry walls around the restroom area and replacement with appropriately reinforced concrete or masonry walls. The floor slab would need to be replaced with a structurally reinforced concrete slab capable of resisting the DFE flood. Tension piles (to resist upward loads) would also be required at some spacing. The new slab and all perimeter walls

up to the DFE would need to be waterproofed. Any openings below the DFE would need to be protected with appropriately designed flood panels. Sanitary drain pipes would need to be equipped with backflow preventers to prevent reverse flow through the pipes into the space. It would also be prudent to provide an automatic sump pump.

None of the options discussed above would protect other building areas from king tide flooding or from tidal surge associated with hurricanes as the building itself is below base flood elevation requirements. Therefore, consideration should also be given to redevelopment of the site.

Long range planning efforts with the community in North Beach have identified the number one goal of developing a vibrant commercial district with shopping, restaurants, culture and entertainment to serve the needs of North Beach residents. The area bounded by 72 Street, Collins Avenue, 69 Street and Indian Creek Drive/Dickens Avenue was selected to be the "Town Center" due to its centralized location, high density CD-3 zoning and relatively pedestrian-friendly streets (compare 71 Street with one lane of traffic in each direction to Collins Ave with three lanes of one-way traffic or Normandy Village with 6 lanes of traffic). Two retail market reviews have demonstrated the capacity of the population to support several hundred thousand square feet of new retail development. Yet with no existing base of quality retail stores to build from, it has been recognized that significant planning and public investment would be required to attract the desired mix of private investment.

The North Beach Town Center Plan, adopted July 2007, identifies a wide range of strategies to attract new development to the Town Center. Long term uses of the Byron are being considered by Dover Kohl as part of their Master Planning efforts. Staff has considered the need for a commercial anchor and civic use needs, as well as the development potential available on the site beyond what is utilized by the existing building. The Byron Carlyle Theater property was also identified as an important piece of the Town Center redevelopment strategy because of the location, size, public ownership and potential to provide a cultural anchor. Indeed, the purchase and renovation of the theater was intended for economic development purposes, as well as to assist the local talent by providing a venue for rehearsal, performances, office space, and to ensure that once established, the arts would be able to remain in a rejuvenated North Beach. However, for the Byron Carlyle Theater to succeed in this role, other supporting elements of the plan would need to be in place. Nonetheless, there continues to be much discussion regarding the use of the Byron Carlyle and its role in the revitalization of the 71st Street corridor.

If the City Commission would like to seriously consider redeveloping the site, the Administration will draft a solicitation for consideration and issuance. In light of the report's findings, the Administration is seeking direction from the City Commission.

JLM/KGB/MAS

T:\AGENDA\2016\April\TCED\Byron Carlyle Flooding Discussion.docx

LIMITED CONDITIONS ASSESSMENT REPORT

RELATIVE TO INTERIOR FLOORING

AT

**BYRON CARLYLE THEATER
500 71ST STREET
MIAMI BEACH, FLORIDA**

MARCH 4, 2016

**PREPARED BY:
DOUGLAS WOOD ASSOCIATES, INC.**

**DOUGLAS WOOD
ASSOCIATES, INC.**

**LIMITED CONDITIONS
ASSESSMENT
REPORT RELATIVE TO
INTERIOR FLOORING**

**BYRON CARLYLE THEATER
500 71ST STREET
MIAMI BEACH, FLORIDA**

**DOUGLAS WOOD
ASSOCIATES, INC.**
STRUCTURAL ENGINEERS

March 4, 2016

INTRODUCTION

General

As requested, we have conducted a limited assessment of the present conditions relative to interior floor flooding at the Byron Carlyle Theater, located at 500 71st Street in Miami Beach, Florida.

Purpose

The purpose of this investigation was to provide a general assessment of the present conditions and causes of the periodic floor flooding and to comment on how these conditions may relate to future use and renovation.

Scope

This investigation includes only the reported periodic floor flooding issue. No other issues were investigated or considered.

Roofing, insect infestations (including termites and other wood-destroying insects), mechanical, plumbing and electrical systems, environmental issues (including radon, mold and ground contamination) and hazardous materials (including lead paint and asbestos) are not included in the scope of this assessment.

METHODOLOGY AND LIMITATIONS

Our investigation of existing conditions was primarily conducted as follows:

- Visual Observations
 - o Significant portions of this building are presently occupied. Architectural finishes remain in place throughout much of the interior and all of the exterior of the building. Therefore, direct observation of structural materials was limited to a few restricted views.

- Review of Documents: The City made available to us a copy of a report prepared by C3TS, dated January, 2006. This report included a few architectural drawings from the original construction.

Calculations were not performed to verify the adequacy of the original design and construction of the existing systems for this building. Douglas Wood Associates assumes no responsibility for the design or construction of this existing building. The findings presented in this report do not imply any warranty on the performance or Building Code conformance of the existing structural systems.

In the absence of observations to the contrary, we have assumed that the existing building systems were properly designed, permitted, constructed and approved in accordance with the building code and general design and construction practices in effect at the time of construction. Also, while we performed observations of the existing structural systems, our observations were limited by the scope of this investigation, by time constraints and by what could be readily observed in the existing building.

GENERAL DISCUSSION

In general, this building could be considered to have withstood the “test of time” and therefore, to have structural systems that were generally adequate for their intended purposes. However, it must be recognized that the building codes, standards, methods, products and practices of the time this building and subsequent modifications were made vary considerably from those of today. Therefore, it should be remembered that there are many aspects of the existing structural systems which do not conform to today’s standards, practices and codes.

The Byron Carlyle Theater was originally constructed in 1968. FEMA flood plain requirements were not in effect at the time this building was constructed.

The preponderance of scientific evidence indicates that mean sea levels have been rising in the past century and that the rate of sea level rise is accelerating. Local data indicates that mean sea level in South Florida has risen in the range of four to six inches since the Byron Carlyle Theater was originally constructed. Predictions of future sea level rise vary, but again, the preponderance of evidence leads to predictions of continued and accelerated sea level rise.

Existing Site Conditions Relative to Structural Issues

Environmental Influences **Hurricanes**

All of South Florida is vulnerable to hurricanes. Tidal flooding due to wind-induced surge due to hurricanes is a possibility, and a definitive likelihood over a long period of time.

Flooding

Floods are possible in most of the coastal regions of South Florida. According to Miami-Dade County's website, this building is located within a FEMA AE-8 flood zone. If future additions and/or renovations have a construction cost (accumulated over a five year period) exceeding 50% of the concurrent construction cost value of the existing building, the building would need to be brought into compliance with the concurrent FEMA flood design requirements.

This assessment did not include verification of existing floor and exterior grade elevations. Current flood design criteria places the Design Flood Elevation (DFE) at the Base Flood Elevation (BFE) plus 1.0 foot. At this time, we do not know the existing floor elevations. We assume, however, that most or all of the existing ground floor level is likely well below the DFE.

OBSERVATIONS RELATIVE TO REPORTED FLOOR FLOODING

Observations/Investigation

The writer visited the building on two occasions. The first visit was arranged to coincide with a predicted time of relatively high tide. The time of the actual site visit was close to, but did not coincide with the peak of high tide, and it was close to but did not coincide with the peak of the king tide cycle experienced in October of 2015. Therefore, the writer did not observe worst of conditions. Nonetheless, tidal flooding of the streets around the theater was occurring at the time of the visit. Interior floor flooding was also occurring in the low areas of the interior floor. The writer observed approximately two inches of standing water in the restroom area (east end of building) and similar amounts at the low points of the presently unused auditoriums in the western portion of the building.

The writer conducted a brief telephone interview with the current theater manager. The manager reported that up to a "few inches" of water accumulated on the floor of the eastern restrooms at high tide during the past king tide cycle of October, 2015. The manager reported that portable pumps were used to lower the water level in the restroom area during periods of flooding. The manager also reported that he observed tidal flooding in the streets around the theater up to the curbs, but not onto/over the sidewalks.

The main lobby entrance to the theater is at the top of the back-of-sidewalk elevation. There is an interior ramp inside the main doors, and the main lobby floor is a few inches higher than the sidewalk. In the southeast area of the lobby, there are steps up to the upper auditorium seating level and steps down to the public restrooms. The floor of the restroom is approximately 2'-1/2 feet lower than the main lobby level. In the absence of specific survey elevations and high water elevations, it appears that the floor of the restroom area and the low points of the unused auditoriums on the west side of the building are significantly below the observed high water elevations during the king tide cycle in October, 2015.

EVALUATIONS

Based on our visual observations and based on the verbal report from the current building manager, it appears that the restroom area at the east end of the building and the low points of the west side auditoriums regularly flooded around high tides during the cycle of king tides this past October, 2015. Water depths up to a few inches were reported. Tidal flooding in the adjacent streets up to the sidewalk curbs was reported. Based on our observations, it appears that the restroom area floor and the low points of the west side auditoriums are significantly below the high tide elevation during the cycle of king tides this past October, 2015. The drawings for the original construction also indicate a storage area, mechanical room and electrical room in the southeast corner of the building to be below exterior grade elevation (but several inches higher than the restroom area floor).

The 2006 report by C3TS indicates that the ground floor is a concrete slab on ground. Assuming this to be true, it would not have been designed to prevent water seepage under hydrostatic pressure, and it would not have been designed to resist hydrostatic pressure. Assuming a four-inch thick concrete slab and ignoring the requirement for a factor of safety, a ground water elevation depth of just five to six inches above the floor could be expected to rupture the existing slab.

The preponderance of scientific evidence predicts continued sea level rise, at an accelerated rate of rise, for the foreseeable future. Therefore, it should be expected that the flooding experienced to date will become deeper and more frequent. Other lower floor areas within the building may soon be affected. This investigation is limited to structural concerns, but obviously, the City should also take into account other issues arising from floor flooding such as possible contamination, mold growth, corrosion, rot, and electrical system safety issues.

If it is desired to address only the restroom area at this time, one might consider the following options:

1. **Raise Existing Restroom Floor**

If there is sufficient headroom to the structure above, one might consider raising the existing restroom. To accomplish this, however, would require casting say a six-inch thick concrete topping on the floor. This, in turn, would essentially require a complete demolition and reconstruction of the restrooms. Such construction would be fairly expensive. In addition, the raised level of floor may soon be below groundwater elevations.

2. **Abandon Existing Restrooms and Reconstruct Restrooms Elsewhere**

If an area is available elsewhere, at the main ground-floor level, new restrooms could be constructed. Such new restrooms, however, would still likely be well below the current Design Flood Elevation (DFE). The abandoned restroom area would also still be subject to flooding with its negative effects. Therefore, it would be appropriate to raise the restroom floor with concrete topping to prevent flooding. An appropriate vapor barrier or waterproofing system should be included to prevent water vapor migration into the space.

Again, of course, as sea level rises, the low floor level will eventually become subject to flooding again.

3. Demolish Existing Restrooms and Reconstruct with "Dry-Floodproofed" Construction

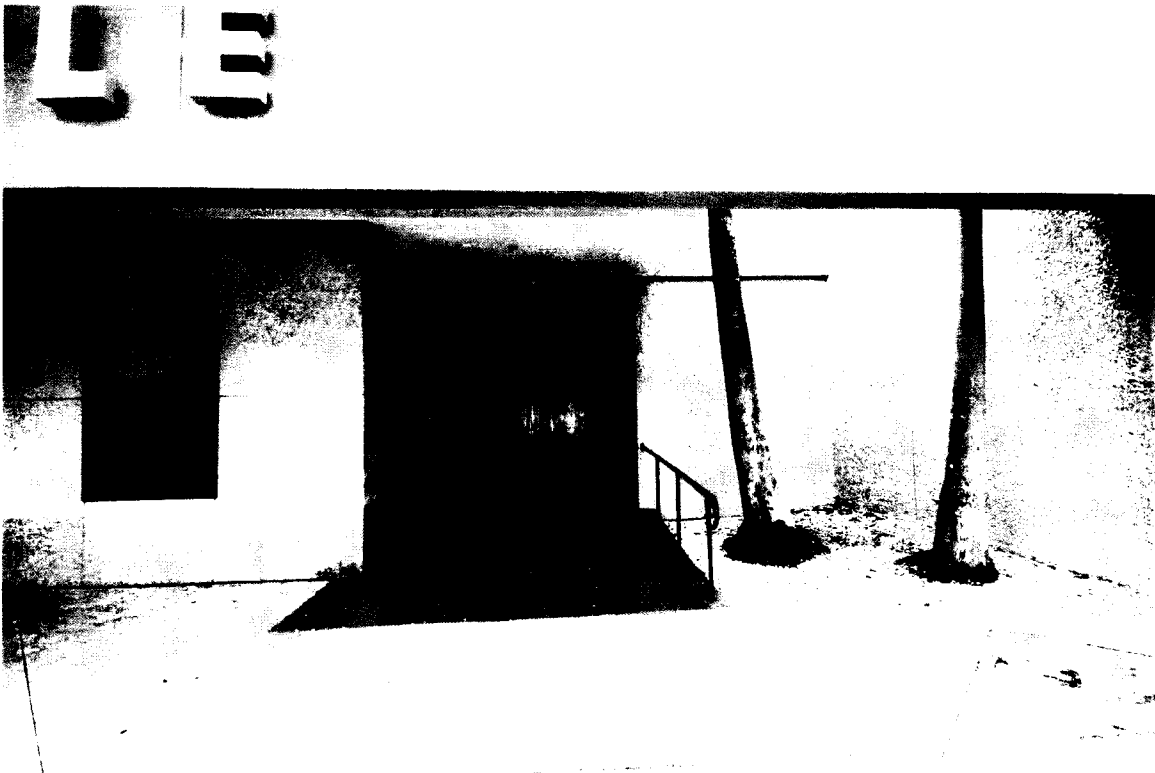
It is allowed to "dry-floodproof" non-residential uses. In the case of the present location of the restrooms, dry-floodproofing would require a complete demolition of the existing non-structural construction in the area. It would also require removal of the existing concrete floor slab. It would also likely require removal of existing masonry walls around the restroom area and replacement with appropriately reinforced concrete or masonry walls. The floor slab would need to be replaced with a structurally reinforced concrete slab capable of resisting the DFE flood. Tension piles (to resist upward loads) would also be required at some spacing. The new slab and all perimeter walls up to the DFE would need to be waterproofed. Any openings below the DFE would need to be protected with appropriately designed flood panels. Sanitary drain pipes would need to be equipped with backflow preventers to prevent reverse flow through the pipes into the space. It would also be prudent to provide an automatic sump pump.

None of the options discussed above would protect other building areas from king tide flooding or from tidal surge associated with hurricanes.

If major renovations of the building were to be considered, and if the construction cost of such renovations (accumulated over a five-year period) were to exceed 50% of the concurrent construction cost value of the existing building, current regulations require that the entire building be brought into compliance with current FEMA design criteria. This would require all floors to either be raised to the DFE (currently +9.0 N.G.V.D.). If any floor areas remained below the DFE, they would need to be dry-floodproofed as described above for the restrooms. Obviously, this would be relatively costly. This would also result in lower ceiling heights and possible reconfiguration/raising of existing second floor areas. Raising or reconstruction of the ground floor would likely require the complete replacement of interior construction. Given the likely cost of such work, it would be prudent to enhance other existing structural system to provide greater hurricane resistance. In our opinion (in the absence of a detailed study), it would seem that such an extensive renovation would be as or more expensive than constructing a new building.



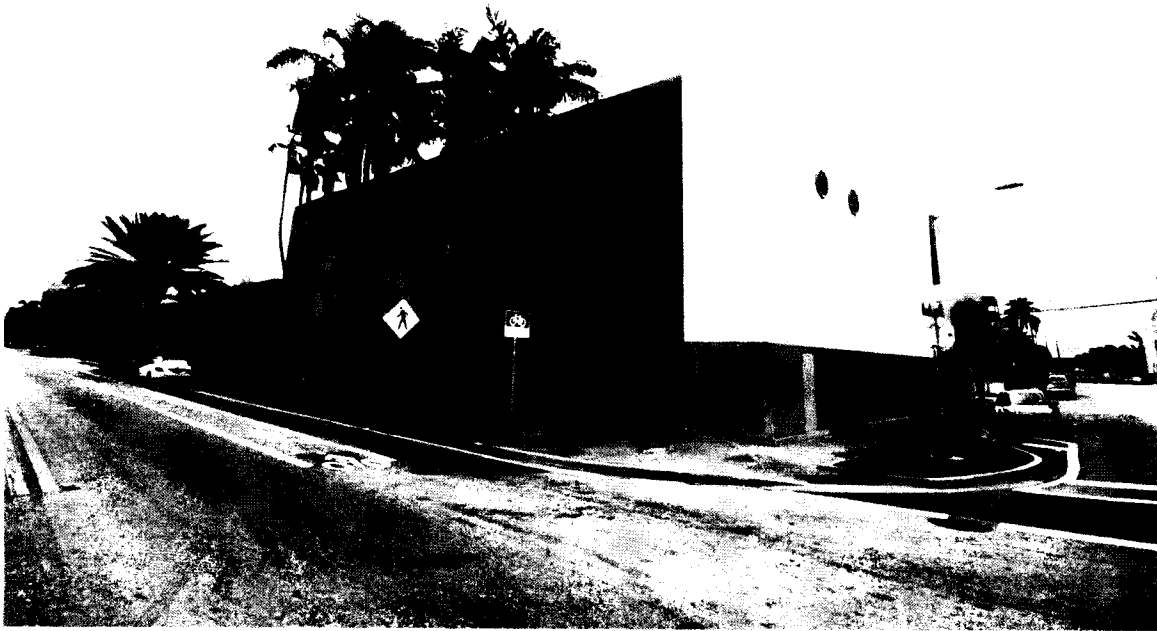
PHOTOGRAPH NO. 1
NORTHEAST CORNER OF BUILDING
(NOTE STREET, SIDEWALK & DOOR ELEVATIONS. NOTE PROXIMITY OF STREET DRAINS)



PHOTOGRAPH NO. 2
NORTH SIDE EXIT DOORS

WWW.DOUGLASWOODS.B.B

5040 N.W. 7TH STREET, SUITE 820, MIAMI, FLORIDA 33134, T: (305) 461 - 3450



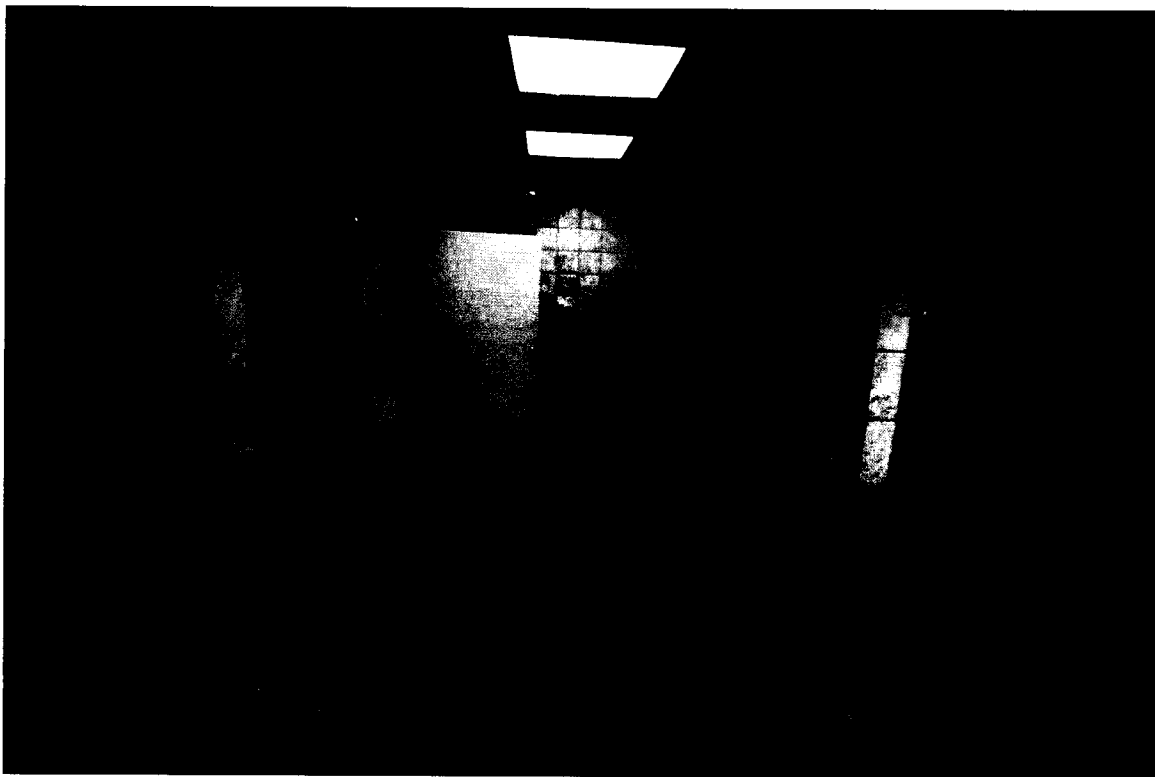
PHOTOGRAPH NO. 3
NORTHWEST CORNER OF BUILDING
(NOTE STREET, SIDEWALK & DOOR ELEVATIONS. NOTE PROXIMITY OF STREET DRAINS)



PHOTOGRAPH NO. 4
SOUTHWEST CORNER OF BUILDING
(NOTE SIDEWALK AND DOOR ELEVATION)



PHOTOGRAPH NO. 5
NORTH SIDE EXIT DOOR
(NOTE THRESHOLD ELEVATION RELATIVE TO SIDEWALK)



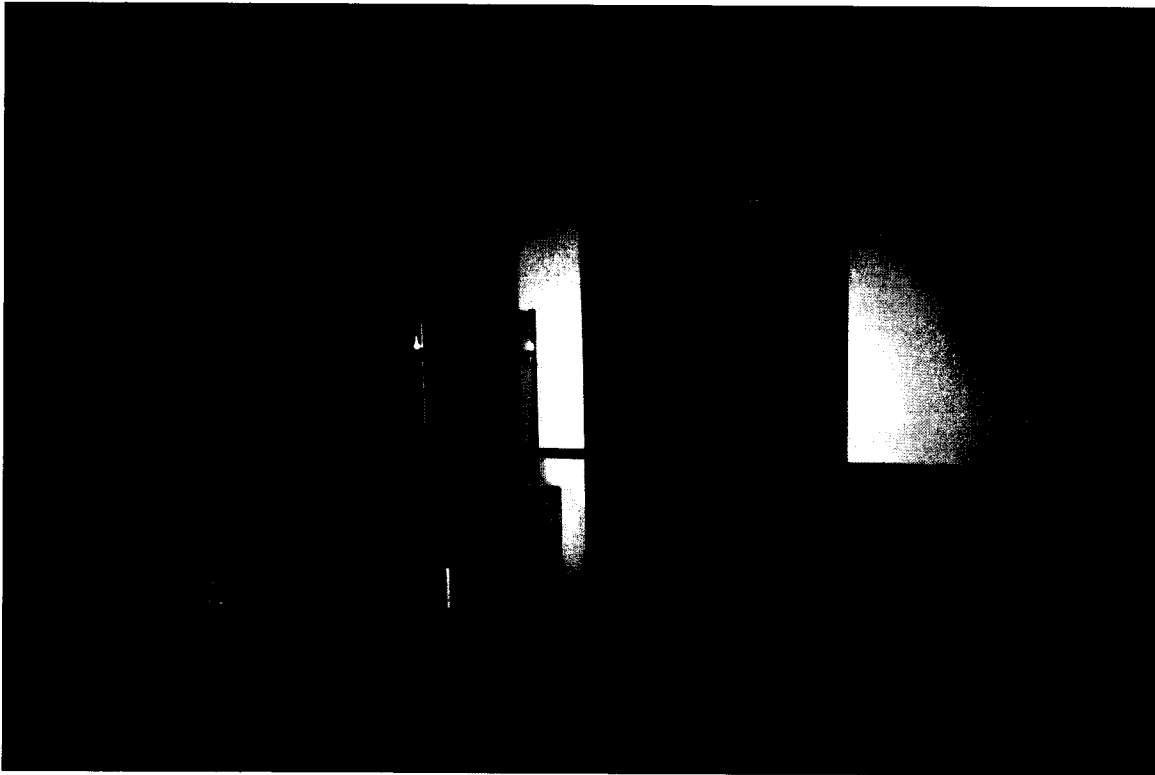
PHOTOGRAPH NO. 6
(EXISTING RESTROOM)



PHOTOGRAPH NO. 7
(EXISTING RESTROOM)



PHOTOGRAPH NO. 8
STEPS FROM LOWER RESTROOM UP TO LOBBY



PHOTOGRAPH NO. 9
STEPS FROM LOBBY DOWN TO RESTROOM (& UP TO UPPER AUDITORIUM)



PHOTOGRAPH NO. 10
MAIN LOBBY
(SLIGHT RAMP UP FROM SIDEWALK-LEVEL ENTRY DOORS)

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Requirement List Report By Priority

Region Name: CITY OF MIAMI BEACH

Campus Name: City Buildings - 2017 Assessment

Asset Name: Byron Carlyle Theater-18

Reporting Currency : USD

Prime System : All

Requirement Priority : All

Requirement Category : Beyond Useful Life

Requirements Included: All

Priority	Requirement Name	Requirement Category	Prime System	System Group	Action Year	Action Date	Finish Date	Status	Linked System	Requirement Cost
0 - Due within 12 Months	ACT System - Old Renewal	Beyond Useful Life	C3030 - Ceiling Finishes	Interior Construction and Conveyance	2007	Sep 11, 2007		Open	ACT System - Old	29,775
0 - Due within 12 Months	Access Ladder Renewal	Beyond Useful Life	E10 - Equipment	Equipment	2014	Jun 16, 2014		Open	Access Ladder	2,297
0 - Due within 12 Months	VCT 4 - Average Renewal	Beyond Useful Life	C3020 - Floor Finishes	Interior Construction and Conveyance	2014	Jun 16, 2014		Open	VCT 4 - Average	23,050
0 - Due within 12 Months										55,122



Requirement List Report By Priority

Priority	Requirement Name	Requirement Category	Prime System	System Group	Action Year	Action Date	Finish Date	Status	Linked System	Requirement Cost
1- Due 13-24 Months	Carpeting 2 - High Quality Renewal	Beyond Useful Life	C3020 - Floor Finishes	Interior Construction and Conveyance	2016	Jun 16, 2016		Open	Carpeting 2 - High Quality	195,600
1- Due 13-24 Months	Emergency Battery Pack Lights Renewal	Beyond Useful Life	D5092 - Emergency Light and Power Systems	Electrical System	2016	Jun 16, 2016		Open	Emergency Battery Pack Lights	22,945
1- Due 13-24 Months	Fire Alarm System Renewal	Beyond Useful Life	D5030 - Communications and Security	Electrical System	2016	Jun 16, 2016		Open	Fire Alarm System	173,468
1- Due 13-24 Months	GWB Walls - Standard - Old Theaters Renewal	Beyond Useful Life	C1010 - Partitions	Interior Construction and Conveyance	2016	Jun 16, 2016		Open	GWB Walls - Standard - Old Theaters	68,800
1- Due 13-24 Months	Metal Pipe Railings Renewal	Beyond Useful Life	B2015 - Balcony Walls and Handrails	Exterior Enclosure	2016	Jun 16, 2016		Open	Metal Pipe Railings	5,668
1- Due 13-24 Months	Package Electrically Heat and AC - 3 Ton Renewal	Beyond Useful Life	D3050 - Terminal and Package Units	HVAC System	2016	Jun 16, 2016		Open	Package Electrically Heat and AC - 3 Ton	58,746
1- Due 13-24 Months	Painted Finish - Average Renewal	Beyond Useful Life	C3010 - Wall Finishes	Interior Construction and Conveyance	2008	Sep 11, 2008		Open	Painted Finish - Average	53,750



Requirement List Report By Priority

Priority	Requirement Name	Requirement Category	Prime System	System Group	Action Year	Action Date	Finish Date	Status	Linked System	Requirement Cost
1- Due 13-24 Months	Telephone System Renewal	Beyond Useful Life	D5030 - Communications and Security	Electrical System	2016	Jun 16, 2016		Open	Telephone System	49,203
1- Due 13-24 Months	^^^Exhaust - Restroom Renewal	Beyond Useful Life	D3040 - Distribution Systems	HVAC System	2016	Jun 16, 2016		Open	^^^Exhaust - Restroom	75,987
1- Due 13-24 Months										704,167
10 - All Other	ACT System - New Renewal	Beyond Useful Life	C3030 - Ceiling Finishes	Interior Construction and Conveyance	2021	Sep 11, 2021		Open	ACT System - New	39,700
10 - All Other										39,700
2- Due 25-36 Months	LAN System Renewal	Beyond Useful Life	D5030 - Communications and Security	Electrical System	2017	Jun 16, 2017		Open	LAN System	70,375
2- Due 25-36 Months	Modified Bitumen Renewal	Beyond Useful Life	B30 - Roofing	Exterior Enclosure	2017	Jun 16, 2017		Open	Modified Bitumen	139,721
2- Due 25-36 Months	Raised Wood Paneling Renewal	Beyond Useful Life	C3010 - Wall Finishes	Interior Construction and Conveyance	2009	Sep 11, 2009		Open	Raised Wood Paneling	9,228



Requirement List Report By Priority

Priority	Requirement Name	Requirement Category	Prime System	System Group	Action Year	Action Date	Finish Date	Status	Linked System	Requirement Cost
2- Due 25-36 Months	Roof Hatch Renewal	Beyond Useful Life	B3022 - Roof Hatches	Exterior Enclosure	2017	Jun 16, 2017		Open	Roof Hatch	1,502
2- Due 25-36 Months	Swinging Doors - 3 x 7 HM - Rated Renewal	Beyond Useful Life	C1020 - Interior Doors	Interior Construction and Conveyance	2017	Jun 16, 2017		Open	Swinging Doors - 3 x 7 HM - Rated	149,489
2- Due 25-36 Months										370,315
3 - Due 36-48 Months	Domestic Water Distribution	Beyond Useful Life	D2020 - Domestic Water Distribution	Plumbing System	2018	Jun 16, 2018		Open	Domestic Water Dist Complete	43,578
3 - Due 36-48 Months	Lighting - Exterior - HID Wall Packs Renewal	Beyond Useful Life	D5020 - Lighting and Branch Wiring	Electrical System	2018	Jun 16, 2018		Open	Lighting - Exterior - HID Wall Packs	5,967
3 - Due 36-48 Months	Sanitary Waste System Renewal	Beyond Useful Life	D20 - Plumbing	Plumbing System	2018	Jun 16, 2018		Open	Sanitary Waste System	184,295
3 - Due 36-48 Months										233,840



Requirement List Report By Priority

Priority	Requirement Name	Requirement Category	Prime System	System Group	Action Year	Action Date	Finish Date	Status	Linked System	Requirement Cost
5 - Due 61-72 Months	Drinking Fountains Renewal	Beyond Useful Life	D2010 - Plumbing Fixtures	Plumbing System	2019	Jun 16, 2019		Open	Drinking Fountains	5,103
5 - Due 61-72 Months										5,103
6 - Due 73-84 Months	Exit Signs - Average Density Renewal	Beyond Useful Life	D5092 - Emergency Light and Power Systems	Electrical System	2020	Jun 16, 2020		Open	Exit Signs - Average Density	17,074
6 - Due 73-84 Months										17,074
Byron Carlyle Theater-18										1,425,321

MIAMIBEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, FL 33139, www.miamibeachfl.gov

Jimmy L. Morales, City Manager
Tel: 305-673-7010, Fax: 305-673-7782

March 8, 2018

Living Arts Trust, Inc. d/b/a O Cinema
2401 Swanson Avenue
Miami, Florida 33133

Sent Via US Certified Mail Return Receipt:
70151730000182951437

Senen Garcia, Esq.
2665 S. Bayshore Drive, Ste. 220
Coconut Grove, FL 33133

Sent Via E-Mail (Senen@sgarcialaw.com)

Re: Notice of Failure to Cure Defaults Under Management Agreement between the City of Miami Beach ("City") and Living Arts Trust, Inc. d/b/a O Cinema ("O Cinema"), dated October 24th, 2014 ("Agreement"), for the management and operation of a portion of the Byron Carlyle Theater located at 500 71 Street, Miami Beach, Florida 33141

Dear Mr. Garcia:

We are in receipt of your correspondence dated January 26, 2018 in response to the City's Notice of Default dated December 26, 2017 ("Notice of Default"). Put simply, the City is disappointed by the response and O Cinema's failure to cure the defaults outlined in the Notice of Default.

The City disagrees with several assertions made in O Cinema's correspondence regarding its obligations at the Byron Carlyle Theater ("Facility"). In the Notice of Default, the City outlined four separate events of default, **all of which could have reasonably been cured within the thirty (30) day cure period, which expired on February 21, 2018.**¹

Based on O Cinema's failure to cure the numerous defaults within the cure period, the City hereby places **O Cinema on notice that the cure period has expired** and that O Cinema is now in default of its Agreement with the City, for the reasons as set forth below.

1. Failure to Remit Florida Sales Tax, in violation of Sections 5.3.13 and 19 of the Agreement.

¹ The City delivered the Notice of Default to O Cinema by email, in addition to delivering the Notice of Default by certified mail to the address O Cinema provided in Section 32 of the Agreement. On Jan. 22, 2018, the City received a "return to sender" delivery notification, because the addressee had moved and left no forwarding address. Pursuant to Section 32 of the Agreement, as the Notice of Default was "deemed duly served if mailed by registered or certified mail," the Notice of Default was deemed duly served on January 22, 2018, the date of the return of service (even though O Cinema and its counsel had actual notice well before then). Accordingly, the 30 day notice period therefore expired **February 21, 2018.**

As a threshold consideration, it is inconceivable that O Cinema has still failed to remit Florida sales tax to the state despite the City placing O Cinema on notice of its failure to do **since 2014**. Since the inception of this Agreement, O Cinema has failed to register with the Florida Department of Revenue to remit applicable sales taxes. In its response to the City's Notice of Default, O Cinema acknowledges that it is required to collect and remit sales tax on concession revenues, and has failed to do so. O Cinema has similarly acknowledged its obligation to collect and remit sales tax to the State since as early as August 31, 2017, during a meeting with staff from the City's Office of Internal Audit. **O Cinema's failure complete its registration with the Florida Department of Revenue and remit applicable sales taxes within the 30 day cure period is a default of O Cinema's obligations as set forth in Sections 5.3.13 and 19 of the Agreement.**

Specifically, Section 5.3.13 of the Agreement required, and O Cinema has failed, to properly and timely "act as a collection agent for the City on sales taxes from operation of the Facility and remit to the State of Florida such sales taxes." To this end, the remittance of applicable sales taxes to the Florida Department of Revenue is a default that was capable of being cured within a 30 day cure period. Indeed, this is a basic obligation of any business, and it is difficult to comprehend how O Cinema could have permitted this to even become an event of default, much less fail to cure after the City's audit and a formal Notice of Default from the City.

Accordingly, the failure to remit applicable taxes to the State of Florida is a default under the Agreement and O Cinema has failed to cure despite more than thirty (30) days written notice from the City.²

2. Failure to Remit City Resort Taxes, in violation of Sections 4.2.1(c)(vi) and 19 of the Agreement.

The City disagrees with O Cinema's assertion that it is somehow exempt from remitting resort taxes collected from the general public for food and beverage sales at the Facility. As you are aware, O Cinema must "collect and remit resort taxes to the City, as required pursuant to Section 102-306 of the City Code" (and Section 4.2.1(c)(vi) of the Agreement).

To begin with, the City disagrees with any assertion (nor did O Cinema provide any legal authority for the proposition), that the operation of a food and beverage concession, incidental to O Cinema's charitable purpose of promoting and exhibiting films, is itself a charitable non-profit activity that would somehow exempt O Cinema from complying with the requirement to collect resort taxes from the general public on sales of food and beverage items.

Further, resort taxes are not "imposed upon" O Cinema in connection with its nonprofit charitable activities. Rather, resort taxes are only to be required and imposed upon *patrons*

² Separately, O Cinema claims it is exempt from sales tax on its film admission or ticket sales pursuant to Section 212.04(2)(a)(2) of the Florida Statutes, which provides for an exemption from sales tax for "dues, membership fees, and admission charges imposed by not-for-profit sponsoring organizations." Notwithstanding this assertion, whether or not true, O Cinema has yet to register with the State to pay applicable sales taxes (which at a minimum includes sales taxes on concession revenues), much less obtain an informal or formal opinion from the Department of Revenue with respect to any purported exemption for any portion of its operations.

who purchase food and beverage services at the Facility. O Cinema's obligation, pursuant to Section 102-309 of the City Code and its Management Agreement with the City, is to collect and remit resort taxes at the time of sale.

Moreover, the City's Office of Internal Audit has observed that O Cinema has already collected taxes collected from the general public. The City submits that there is no exemption available under the law that would permit O Cinema to falsely represent to its customers that it was charging them a tax, or which would permit O Cinema to actually collect monies from its customers under such fraudulent pretenses, when in fact O Cinema merely intended to keep those funds for itself on the basis of any purported exemption from the very same tax it collected from its patrons.

Again, O Cinema's complete disregard of the Agreement and City Ordinances to remit resort taxes it has already collected from its patrons, serves as a separate ground for termination of the Agreement.

3. Failure to Obtain the Requisite Licenses for the Sale of Alcohol, in violation of Sections 4.2.1(c)(v) and 19 of the Agreement.

In your January 26, 2018 response, you asserted that "O Cinema is in the process of obtaining a license for the sale of wine and beer" and that since the City's Notice of Default, "sales of wine and beer have ceased."

The sale or service of any alcoholic beverages, at any time, without a license, is an event of default under Sections 4.2.1(c)(v) and 19 of the Agreement. Moreover, since City's Notice of Default, O Cinema has not provided the City with any evidence of appropriate licensure to permit any beer or wine to be served at the Facility.

Notwithstanding City's notice to O Cinema to cease and desist from the sale or service of alcoholic beverages at the Facility, and notwithstanding O Cinema's assertion that sales of wine and beer have ceased, it appears that O Cinema continue to serve or sell alcoholic beverages at an advertised "mimosa" event on February 11, 2018, in violation of Sections 4.2.1(c)(v) and 19 of the Agreement.³

O Cinema's complete disregard of its obligations under Florida law and the City Code with respect to the sale or service of alcoholic beverages, is a separate default under the Agreement.

4. Failure to Satisfy the City's Insurance Requirements, in violation of Section 14 of the Agreement

The City disagrees with your assertion that O Cinema has maintained uninterrupted insurance coverage satisfying the established amounts required by the Agreement, including lapses that were noted on policy coverage dates for the past three years, including current Insurance Policy

³ Based on the foregoing event, O Cinema was cited by the City of Miami Beach's Code Enforcement Division, for violating Section 6-2(a) of the City Code. A copy of Miami Beach's Code Enforcement Violation: CC2018-04824 is attached as Exhibit "A".

Living Arts Trust, Inc. d/b/a O Cinema
Senen Garcia, Esq.
March 8, 2018
Page 4

BAK-366651-1, which became effective on November 17, 2017 (following the expiration of Policy BAK-1009832 16 days prior on November 1, 2017).

Further, with respect to the current certificate, the Products–Completed Operations Aggregate coverage limit is listed as \$1,000,000, whereas Section 14.1 of the Agreement requires a minimum of \$2,000,000. The cure period has expired and O Cinema has yet to satisfy its contractual obligation to maintain the specific insurance coverages required by the Agreement.

Conclusion

Based on O Cinema's failure to cure the numerous defaults set forth above within the cure period, the City hereby places **O Cinema on notice that the cure period has expired and O Cinema is in material default of its Agreement with the City.** I intend to advise the City Commission of the status of this matter, and hereby reserve all rights and remedies available to the City under the Agreement and Florida law. By separate notice to O Cinema, I intend, in the next few weeks, to advise O Cinema of the remedies the City will exercise in connection with the foregoing defaults.

Should you have any questions, please do not hesitate to contact Mark Milisits, Asset Manager, at 305-673-7193.

PLEASE GOVERN YOURSELF ACCORDINGLY.

Sincerely,



Jimmy L. Morales
City Manager

cc: Eva Silverstein, Director of Tourism, Culture and Economic Development (via E-mail only)
Mark Milisits, Asset Manager (via E-mail only)

MIAMIBEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, FL 33139, www.miamibeachfl.gov

Jimmy L. Morales, City Manager
Tel: 305-673-7010, Fax: 305-673-7782

April 12, 2018

Senen Garcia, Esq.
2665 S. Bayshore Drive, Ste. 220
Coconut Grove, FL 33133

Sent Via US Certified Mail

Return Receipt No. 70171450000227391926

Living Arts Trust, Inc. d/b/a O Cinema
2401 Swanson Avenue
Miami, Florida 33133

Re: Notice of 6-Month Extension to Cure: Management Agreement between the City of Miami Beach ("City") and Living Arts Trust, Inc. d/b/a O Cinema ("O Cinema"), dated October 24th, 2014 ("Agreement"), for the management and operation of a portion of the Byron Carlyle Theater located at 500 71 Street, Miami Beach, Florida 33141 (the "Property")

Dear Mr. Garcia:

As you are already aware, O Cinema and the City met on March 20, 2018 to discuss O Cinema's defaults under the Agreement and the efforts O Cinema was undertaking to rectify the same. The City and O Cinema discussed extending the cure period for six-months beginning on the date of the March 20, 2018 meeting, subject to certain terms and conditions.

Accordingly, this shall serve as notice to O Cinema that the City shall extend the time for O Cinema to cure all of its defaults under the Agreement **on or before September 21, 2018**, which defaults include, but are not limited to, ceasing all illegal sales of alcohol at the Property, registering for Florida Sales Tax, and becoming current on all Florida Sales Tax obligations, which extension to cure shall be subject to O Cinema's acceptance of the terms and conditions below:

1. On or before April 30, 2018, O Cinema shall deliver to the City all relevant evidence or documentation to date related to O Cinema's efforts to register for Florida Sales Tax and pay the required Florida Sales Tax related to O Cinema's operations at the Property. Additionally, O Cinema shall provide the City with monthly updates, due on the 15th of each subsequent month, providing evidence of O Cinema's ongoing efforts to register and pay for all Florida Sales Tax up until the expiration of the cure period on September 21, 2018.

2. O Cinema shall immediately cease the illegal sale or distribution of alcoholic beverages at the Property. On or before April 30, 2018, O Cinema shall deliver to the City all relevant evidence or documentation to date related to O Cinema's efforts to obtain an alcohol license for the Property. O Cinema shall provide the City with monthly updates, due on the 15th of each subsequent month, providing the City with evidence of O Cinema's ongoing efforts to obtain a valid alcoholic beverage license for the Property.

3. O Cinema shall not commit any additional breach of any of the terms or conditions of the Agreement.

O Cinema shall remain in default of the Agreement until such time that O Cinema cures all of its defaults under the Agreement within the cure period discussed above. O Cinema's failure to comply with the terms and conditions discussed above or its failure to cure the defaults within the cure period, on or before **September 21, 2018**, shall result in the City's option to exercise its right to terminate the Agreement, for cause. O Cinema hereby agrees that the foregoing notice and extension of cure period is without waiver of any of the City's rights under the Agreement, and accordingly, the City reserves all rights.

If the foregoing is in accordance with the terms discussed, please execute where indicated below.

AGREED AND ACCEPTED THIS ____ DAY OF April, 2018.

Living Arts Trust, Inc. d/b/a O Cinema

By: _____

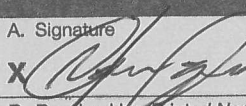
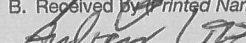

Name:

Title:

Sincerely,


Jimmy L. Morales
City Manager

cc: Eva Silverstein, Director of Tourism, Culture and Economic Development (via E-mail only)
Mark Milisits, Asset Manager (via E-mail only)
Jason Jacobson, Assistant City Attorney II

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none">■ Complete items 1, 2, and 3.■ Print your name and address on the reverse so that we can return the card to you.■ Attach this card to the back of the mailpiece, or on the front if space permits.		<p>A. Signature  <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)  C. Date of Delivery 4/16/18</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
1. Article Addressed to:			
Senen Garcia, Esq. 2665 S. Bayshore Drive, Suite 220 Cocoanut Grove, FL 33133			
 9590 9402 3106 7166 5618 80			
2. Article Number (Transfer from service label) 7017 1450 0002 2739 1926		3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery	
PS Form 3811, July 2015 PSN 7530-02-000-9053		Page 559 of 921 Domestic Return Receipt	

SENT VIA: ELECTRONIC MAIL AND U.S. CERTIFIED MAIL

June 22, 2018

Mark Milisits
City of Miami Beach
1700 Convention Center Drive
Miami Beach, FL 33139

SUBJECT: RESPONSE TO THE LETTER DATED APRIL 12 FROM THE CITY OF MIAMI BEACH (THE “CITY”) AND REGARDING CERTAIN COMMUNICATION THAT TOOK PLACE REGARDING THE RENTAL ORGANIZED BY LIVING ARTS TRUST, INC. D/B/A O CINEMA (“O CINEMA)

Dear Mr. Milisits,

On or around June 1, 2018, the O Cinema directors communicated with your colleagues at the City to address some issues brought by the City regarding the meeting that took place on March 20, 2018, the letter dated April 12, the use of Byron Carlyle Theater by a particular non-profit entity, and the Management agreement.

As you recall, the March 20th meeting discussed the default of the management agreement. The result from said meeting were as follows:

- Six month extension for O Cinema to come into compliance with the management agreement
- Future compliance with the management agreement
- Obtaining registration of the sales tax, resort tax and compliance with the state
- Ceasing all beverage and wine until/unless a alcohol license was acquired
- Amending the management agreement to allow for future compliance with specific emphasis on the milestones

A letter dated April 12, 2018 was sent out apparently to summarize the March 20th meeting. In the letter were additional demands that were inconsistent with the discussion of the March 20th meeting such as providing monthly updates due on the 15th of each month and seemingly requiring O Cinema to obtain an alcohol license despite no requirement existing in the management agreement for such act. Furthermore, it was never mentioned these amendments would need to be made as a condition of the extension to cure the default under the management agreement. This letter also omitted any mention of the agreed upon amendments to the management agreement, which included updates to the benchmarks. Finally, the letter requested a signature, which was never discussed at the March 20th meeting.

It should be noted, O Cinema has since obtained sales a tax certificate number and will be deemed in compliance with the state once the state provides the final documentation to O Cinema. Furthermore, while O Cinema has every intention of obtaining an alcohol license, they are under no obligation to do so.

In addition to the discussions regarding the default, you requested that O Cinema either discontinue its once-monthly rental of the Byron Theatre to Casa de Jesus (“Casa”) on the basis Casa’s use of the Byron Theater was in violation of the zoning for the building, or obtain a variance to allow this use to continue.

First, it should be noted the management agreement permits rental of the premises as per Section 4.2.1(b)(ii). Additionally, it should be noted Casa has previously rented the Byron-Carlyle Theater on multiple occasions, prior to O Cinema managing the facility. In fact, Casa leased the premises directly from the City when the City was in charge of the Byron-Carlyle Theater’s management. Please see the attached letter from the Pastor Ezequiel Fattore as well as photographs from the events held there.

Casa’s use of the facility is the same as it was when Casa leased the facility directly from the City. Their current activities are consistent with the activities that took place when the City was managing the Byron-Carlyle Theater. As these activities were previously permissible when the City was renting the Byron-Carlyle Theater to Casa, we assume they are still permissible now that O Cinema is managing the venue. One would presume O Cinema’s managing of the building would make it more permissible considering O Cinema is not a government entity.

O Cinema has a healthy and strong relationship with Casa that has led to Casa hosting their monthly events at the facility; and O Cinema is not inclined to end the relationship when the precedent set by the City is that this rental is a completely acceptable use of the facility. In fact, one could argue that Casa has an even longer standing relationship with the Byron-Carlyle Theater due to long history of using the premises. As a partner in good faith and representative of the City and as managers of the building, O Cinema does not want to break agreements or create undue hardship for its renters and fellow community members, who have already scheduled events in the space and put significant financial resources into their event plans (such as purchasing new musical equipment especially for their performances at the theater, and committed advertising dollars in their community toward these events).

If the City were to attempt to limit O Cinema’s ability to rent the facility to Casa, when the City has done this exact same thing, it would seem as though the City is attempting to unfairly limit O Cinema’s ability to generate revenue.

If you could provide to O Cinema any documentation that allowed the City to lease the premises previously to Casa, it would be most helpful. O Cinema does not believe a variance would be required in this case, given the nature of the activities previously mentioned, but if one is, we may assume the City already obtained one given the previous rentals conducted by the City. In fact, if the City already obtained a variance, then it should already be in place and needing to perform any redundant process would be unnecessary. O Cinema is eager to continue its relationship with Casa, a large and popular Miami Beach church that serves the North Beach community, and fulfill the terms of their agreement with them.

Regarding the management agreement, employees of the City have recently claimed to O Cinema directors that revenue earned by rentals is owed to the City as part of the use fee O

Cinema pays to the City as a percentage of ticket sales and concessions. Upon carefully reviewing the management agreement, O Cinema respectfully disagrees with this claim. According to the relevant portions of Section 6.1(b)&(c) of the management agreement, the use fee only requires that O Cinema pay the City 10% of all **Net Ticket Revenues** and **Net Concession Revenues** generated at the facility per year starting with the 4th year of the Management Agreement with 1% increments not to exceed 20% of the Net Ticket Revenues and Net Concession Revenues.

When determining the Net Ticket Revenues and Net Concession Revenues for the purposes of the use fee, the Management Agreement states Net Ticket Revenues are defined as, “all box office revenues, inclusive of ticket sales” and Net Concession Revenues are defined as “merchandise sales, equipment rentals, food service and concession revenues.”

“Revenues generated from separate agreements with O Cinema pertaining to the Facility; sponsorship revenues; interest revenues; rentals, and advertising sales” are not considered part of Net Concession Revenues.

Thus, rentals do not fall in the category of Net Ticket Revenues, or Net Concessions Revenues.

It should be noted on May 30, Justin Karr wrote to Vivian Marthell that, “Page 4 of the Agreement includes ‘any and all revenues of every kind or nature derived from promoting, operating and managing the Facility, including, but not limited to revenues from merchandise sales, equipment rentals, food service and concession revenues (collectively “Concession Revenues”).’ However, what Mr. Karr referred to was the section of the agreement that provides a working definition of “Operating Revenues.” Operating Revenues is not what O Cinema is required to base its Use Fee on that it pays to the City. Hence, this is not an accurate description of the compilation of the Use Fee paid by O Cinema.

As they've shown repeatedly, my client is committed to ensuring compliance with the management agreement. It is their wish we can find quick remedies to these issues quickly that will not impede their ability to conduct business, generate revenue and best serve the community.

Thank you for your time and I await your response.

Sincerely,

Senen Garcia, Esq.

Encl.

MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, FL 33139, www.miamibeachfl.gov

Jimmy L. Morales, City Manager
Tel: 305-673-7010, Fax: 305-673-7782

July 5, 2018

Senen Garcia, Esq.
2665 S. Bayshore Drive, Ste. 220
Coconut Grove, FL 33133

Sent Via US Certified Mail
Return Receipt No. 70151730000182951468

Living Arts Trust, Inc. d/b/a O Cinema
2401 Swanson Avenue
Miami, Florida 33133

Re: Management Agreement between the City of Miami Beach ("City") and Living Arts Trust, Inc. d/b/a O Cinema ("O Cinema"), dated October 24th, 2014 ("Agreement"), for the management and operation of a portion of the Byron Carlyle Theater located at 500 71 Street, Miami Beach, Florida 33141 (the "Property")

Dear Mr. Garcia:

This shall serve as the City of Miami Beach's response to your letter dated June 22, 2018 where you discuss (1) O Cinema's default of the Agreement; (2) O Cinema's rental to Casa de Jesus ("Casa") and (3) rental revenue as part of use fee. Below is the City's response.

1. O Cinema's Default and Opportunity to Cure

To be clear, the City's position remains unchanged. O Cinema remains in default of the Agreement until it has cured all defaults on or before September 21, 2018, and in the meantime, O Cinema remains obligated to provide the City with monthly cure updates. Despite this, the City remains willing to work with O Cinema through its defaults of the Agreement and only seeks O Cinema's progress, cooperation and communication. The purpose of the City's April 12, 2018 letter to O Cinema was merely to provide the City with a mechanism to receive ongoing updates regarding O Cinema's headway in overcoming its defaults of the Agreement.

Despite your assertion to the contrary, O Cinema providing assurances of its steps to cure its defaults was discussed at the meeting between O Cinema and the City on March 20, 2018. This request appears warranted because it has been over 3 months since this meeting and O Cinema has yet to provide any documentation of its progress in curing its defaults under the Agreement.

Your letter alluded to the fact that O Cinema has obtained a Florida tax certificate number; please provide this to the City together with any documentation related your assertion that O Cinema will be "deemed in compliance with the state once the state provides the final documentation to O Cinema."

Additionally, related to the City's request to receive updates on O Cinema's progress on obtaining an alcohol license, you are correct that O Cinema is not contractually obligated

to acquire an alcohol license. However, the City is not demanding that O Cinema obtain this license, rather the City is merely seeking O Cinema's progress in obtaining same, a condition that was discussed in our meeting.

Accordingly, please provide the documentation requested in the City's April 12, 2018 letter to verify O Cinema's progress in curing the defaults. O Cinema's ongoing failure to provide this documentation will result in the City seeking its available remedies under the Agreement.

2. O Cinema's Rental to Casa de Jesus

City staff is currently reviewing this matter to identify and verify whether this rental to Casa is in violation of the Agreement, the City's Code of Ordinances and the City's Land Development Regulations. In that regard, can you provide us with more information on Casa's use of the space, including the events held at the space by Casa and the length of time of Casa's use, to assist the City's staff in this determination.

In the meantime, I will have staff research the circumstances which may have allowed the City to lease the premises previously to Casa. However, please note that previous rentals of the space do not play a factor in terms of what is considered an allowable, main permitted use or conditional use under the City Code or the City's Land Development Regulations.

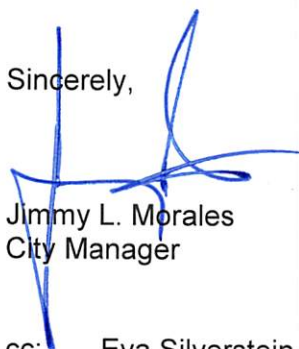
3. Rental Revenue as Part of Use Fee

We will review the terms of the Agreement regarding O Cinema's obligation to pay a percentage of private rental revenue and provide a response once we have reached a determination.

Conclusion

Notwithstanding the outcome of items 2 and 3 above, O Cinema remains in default of the Agreement and is obligated to provide the City with relevant documentation demonstrating efforts to cure O Cinema's default on or before September 21, 2018. We look forward to receiving the requested items.

Sincerely,



Jimmy L. Morales
City Manager


cc: Eva Silverstein, Director of Tourism, Culture and Economic Development (via E-mail only)
Mark Milisits, Asset Manager (via E-mail only)
Jason Jacobson, Assistant City Attorney II

MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager 

DATE: July 13, 2018

SUBJECT: **UPDATE TO THE** DISCUSSION REGARDING AMENDING
THE MANAGEMENT AGREEMENT BETWEEN THE CITY
OF MIAMI BEACH AND LIVING ARTS TRUST, INC. D/B/A
O CINEMA

Below is a revised memorandum highlighting some clarifications regarding O Cinema. Additions to the memo are bold and underlined herein.

HISTORY

The City of Miami Beach (City) and Living Arts Trust, Inc. d/b/a O Cinema (O Cinema) are parties to a management agreement dated October 24, 2014 (Management Agreement), for the management and operation of a portion of the Byron Carlyle Theatre, located at 500 71st Street, Miami Beach, Florida (Theatre). The basic terms and conditions of the Management Agreement are as follows:

Premises: The Theatre building consists of approximately 28,000 square feet. The western portion of the building, primarily consisting of four auditoriums, is in poor condition, including damage from flooding, mold, and electrical deficiencies, and is unsuitable for use and currently vacant. The eastern portion of the building, consisting of approximately 18,000 SF, consists of approximately 10,647 SF occupied by O Cinema, approximately 3,996 SF of vacant office space retained by the City and approximately 3,345 SF of common area. (a For purposes of the agreement, O Cinema occupies 72% of the Theatre building while the City retains 28%.The vacant office space retained by the City is in poor condition, including damage from flooding, mold, and electrical deficiencies, and would require significant improvements and repairs to be suitable for occupancy.

Initial Term: Sixty-one (61) months, commencing October 1, 2014 and ending October 31, 2019

Renewal Options: City's option to renew with single or multi-year terms, not to exceed a total of 5 years, by providing O Cinema with not less than 365 days

written notice prior to the expiration date, or not less than ninety (90) days written notice prior to the expiration of a renewal term

Permitted Uses: a) Primary Use as a Motion Picture Theater; b) Secondary (Ancillary) Uses include: i) live theatrical entertainment venue (not as a dance hall or entertainment establishment), ii) private rentals for individual and group events and receptions and iii) corporate events and receptions; c) Food and Beverage Concession including beer and wine and d) "Film-Centric" Merchandising Shop

Base Use Fee: Years 1-3: \$2,500 annually. Beginning Year 4: the greater of \$5,000 annually, or 10% of Net Ticket and Net Concession Revenue, increased by 1% annually

Operating Expenses: O Cinema is responsible for all maintenance and repairs of the Facility, including janitorial expenses and 72% of the utilities.

Capital Contribution: The City is responsible for all major repairs and capital improvements. In addition to the Base Use Fee above, beginning Year 4 (October 1, 2017), the agreement stipulates that O Cinema shall contribute \$2,500 annually to help defray the City's cost of capital repairs and replacements, as detailed in the chart below.

Benchmarks: O Cinema is required to achieve the following: 1) operate 5 days a week, 48 weeks a year; 2) minimum 500 events/screenings per year; 3) minimum 10,000 visitors per year, increasing 5% each year; 4) market O Cinema as part of annual budget of no less \$50,000 per year and 5) provide residents discounted, quality offerings at a 10% discount at least 12 times per year or a minimum of one film screening per month.

ANALYSIS

On June 25, 2018, Kareem Tabsch, Co-Director of O Cinema, sent an email to Commissioner Arriola requesting the City's support and assistance in the management of the Facility, attached hereto as Attachment 1 (O Cinema Request Letter).

Specifically, O Cinema requested the City's support by amending the Management Agreement in the following three areas:

1. City to waive the base use fees and revisit annual benchmarks;
2. City to provide support in the ongoing maintenance and repairs of HVAC, septic, sewer, life safety systems, roof and elevator; and
3. City to provide support in covering utility costs of operating the Facility.

Additionally, O Cinema is requesting a subsidy to assist in creating low-cost/free programs for children, families and seniors. Lastly, O Cinema is requesting a two

year extension to the Management Agreement (currently expiring October 31, 2019).

Payments from O Cinema

The chart below illustrates the annual amounts paid to the City by O Cinema over the initial 3.5 years of the agreement.

<u>Year</u>	<u>Utilities</u>	<u>Base Use Fee</u>	<u>Capital Contribution</u>
FY 14/15	\$ 22,841.20	\$ 2,500.00	-
FY 15/16	\$ 20,590.03	\$ 2,500.00	-
FY 16/17	\$ 21,245.12	\$ 2,500.00	\$ 2,500.00
FY 17/18 (6 mos.)	\$ 9,040.85	\$ 2,500.00*	\$ 1,250.00

* Pending True-up

Expenses Incurred by the City

Property Management has provided a work order history for the past five years at the facility, attached hereto as Attachment 2 (Work Order History). The costs associated with these work orders range from approximately \$5,000 to \$47,000 annually. Additionally, Property Management has provided a summary of capital renewal and replacement projects since 2001 in the amount of \$1,465,592, attached hereto as Attachment 3 (CR&R Projects). Property Management is currently evaluating the projected annual maintenance and repair expenses for the facility. For FY17/18, O Cinema has budgeted approximately \$5,500 for the maintenance and repairs of the facility. This is likely inadequate to properly maintain the facility in an acceptable manner and the cost to the City would likely be significantly higher. By comparison, Miami New Drama has budgeted \$50,000 for maintenance and repairs at the Colony Theatre for FY18/19. **It should be noted that Miami New Drama receives an annual City subsidy for the operation and maintenance of the Colony Theater and that O Cinema currently receives no financial support from the City for the operation of the Byron-Carlyle Theater.**

Current Condition of Facility

At the April 13, 2016 Commission meeting, the Mayor and City Commission discussed interior flooding at the facility. Property Management contracted with Douglas Woods and Associates, Inc. (structural engineers) to perform a condition assessment. The Commission memorandum and condition assessment report are attached hereto as Attachment 4 (April 13, 2016 Commission Memo). Douglas Woods recommended three options to address flooding in the restrooms (the lowest lying areas of the O Cinema premises). None of the options would address other building areas from king tide flooding or from tidal surge. Additionally, if major renovations were to be considered, and if the cost of such renovations were to exceed 50% of the value of the existing building, then the

entire building would have to be brought into compliance with current FEMA design criteria. In Douglas Woods' opinion, such an extensive renovation would be as or more expensive than constructing a new building. The Commission recommended in favor of demolishing the building and moving forward with the redevelopment of the site in conjunction with the North Beach Master Plan.

In December 2017, VFA, Inc. provided a Requirement List Report, attached hereto as Attachment 5. The report concluded the facility would require approximately \$1.4 Million of improvements over the next four years, however the major issues outlined in the April 13 Commission Memo are not addressed in this \$1.4 million.

O Cinema Default of Management Agreement

On December 26, 2017, the City issued a Notice of Default to O Cinema for failure to comply with the terms and conditions of the Management Agreement. As contained in the Notice of Default, O Cinema failed to:

1. obtain the requisite State license for the sale of beer and wine for consumption on premises: **as per O Cinema, pursuit of this application is currently on hold;**
2. remit City of Miami Beach resort taxes: **O Cinema is current with its obligation to remit resort taxes;**
3. remit Florida sales tax to the Department of Revenue: **O Cinema now represents that it has entered into a payment plan arrangement with the State;** and
4. satisfy the City's insurance requirements under the Agreement: **O Cinema is now in compliance with the City's insurance requirements.**

On January 26, 2018, O Cinema provided a response to the City's Notice of Default and made several assertions regarding the various defaults. On March 8, 2018, the City provided a Notice of Failure to Cure Defaults, attached hereto as Attachment 6, advising O Cinema the City disagreed with several of their assertions, the default cure period had expired and the City was placing O Cinema in default of the Management Agreement. On March 9, 2018, the City Manager issued a Letter to Commission (LTC) informing the Mayor and City Commission of the status of the Management Agreement.

On March 20, 2018, the City Manager and City staff met with representatives from O Cinema and discussed the default of the Management Agreement. The City agreed to extend, for a period of six (6) months (on or before September 21, 2018), the time for O Cinema to cure the remaining defaults, including, but not limited to, ceasing all illegal sales of alcohol and registering for, and becoming current on all Florida sales tax obligations. On April 12, 2018, the City issued to O Cinema a Notice of 6-Month Extension to Cure, attached hereto as Attachment 7.

On June 22, 2018, O Cinema provided a response letter to the City, attached hereto as Attachment 8 (O Cinema Response Letter), disputing various aspects of the meeting. **O Cinema has now provided a sales tax certificate number to the City** and represented they would be deemed in compliance once the State provided the final documentation to O Cinema. ~~O Cinema did not provide the sales tax certificate number or any documentation of such, as requested by the City in the April 12 letter.~~ **O Cinema has represented they were in the process of obtaining an alcohol license and now represents that this process is on hold.** O Cinema advised the City, while they have every intention of obtaining an alcohol license, they are under no obligation to do so. O Cinema did not provide any documentation of its efforts, if any, in this regard. **The City acknowledges that O Cinema is under no obligation to obtain an alcohol license as long as no alcohol is sold or served on the premises.** Lastly, O Cinema referenced a more recent issue which arose subsequent to the default, regarding the rental of the Facility for church services and the requirement to pay a percentage of the rental revenue to the City as part of the Base Use Fee. On July 5, 2018, the City provided a response to O Cinema, attached hereto as Attachment 9, advising them they remain in default of the agreement and requesting additional information regarding the rental of the facility for church services. **Currently, O Cinema has ceased all sales of beer and wine, is current with its obligation to remit City resort taxes, and has further provided documentation that it is currently in compliance with the City's insurance requirements.**

CONCLUSION

At this time, O Cinema is within the 6 month extension to cure the default and the City will continue to work with them to achieve compliance with the Management Agreement.

Based on staff's understanding, the financial impact of approving O Cinema's request would result in an annual reduction in revenue of at least \$26,000 annually (\$21,000 utilities reimbursement and \$5,000 Minimum Base Use Fee). Additionally, the cost of assuming responsibility for all maintenance and repairs of the facility is currently being evaluated by Property Management; however, based on the Colony Theatre, could be in the amount of \$50,000. Lastly, O Cinema has requested an annual subsidy of \$100,000, which would be reduced by the cost of utilities incurred by the City (\$100,000-\$22,000=\$78,000 net subsidy).

The Administration seeks direction regarding O Cinema's request to amend the Management Agreement. If recommended by the City, the increased costs would be considered as an enhancement during the FY 2018/19 budget development process.

Attachments:

- 1 O Cinema Request Letter
- 2 Work Order History
- 3 CR&R Projects
- 4 April 13, 2016 Commission Memo
- 5 Requirement List Report
- 6 Notice of Failure to Cure Defaults
- 7 Notice of 6-Month Extension to Cure
- 8 O Cinema Response Letter to City
- 9 City Response Letter to O Cinema

JLM/KGB/ES/MMM

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MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 13, 2018

SUBJECT: **DISCUSSION REGARDING SPONSORING MIAMI BEACH GAY PRIDE 2019**

HISTORY:

The Gay Business Development Ad Hoc Committee was created in 2008, with the first initiative being the creation of the event known as Miami Beach Gay Pride.

Miami Beach Gay Pride, Inc. is a Florida non-for-profit corporation that produces free, safe, quality mass-appeal events that are open to all, and that include the Gay Pride Parade, Festival, Expo, and other adjunct, officially sanctioned Miami Beach Gay Pride events.

Miami Beach Gay Pride has produced nine successful years of the event on Miami Beach, with an estimated 100,000 guests attending annually.

ANALYSIS:

The Miami Beach Gay Pride event is planned for April 2 - 8, 2019 on Lummus Park Beach between 11th -- 14th Streets.

The organizers are requesting the City waive the following fees:

Application fee	\$250
Permit fee	\$500
Vehicle Beach Access Passes	\$5,250
Square Footage fees	\$10,911
Lummus Park User fee	\$8,577.25
Police Administrative fees	\$5,405

The fee waiver total amount requested is **\$30,893.25**

Additionally, the event organizers are requesting that the City assist with coverage of the following fees and costs which cannot legally be waived, and would therefore require coverage from another area of City funds.

\$3,600 -- Buyout of Parking Permits weekend of Pride (cannot legally be waived; were waived in error in 2018 and had to be covered from other sources of funding)

\$2,880 -- Street sweepers/cleaners (Sanitation Department direct costs)

\$20,056.50 -- Police direct costs (cannot be waived)

\$14,625 -- Fire & Emergency Rescue direct costs (cannot be waived)

Third party vendor costs:

Sunshine Tents & Event Rentals Permits - **\$5,532.75**

MasterSound - Electrical and Structural Permits - (\$850x2) **\$1,700**

Barricade costs -- **\$25,000** (currently subsidized by the City in the amount of \$10,000; event producer is requesting a \$15,000 increase in grant subsidy)

AAA banners -- request to subsidize; no amount provided.

The grand total of direct costs and expenses requested as above to be covered by City funds totals **\$73,394.25, in addition to a to be determined funding subsidy for banners..** The request was received via email, and is attached herein as Exhibit A.

Pursuant to the new special event funding guidelines set forth in Ordinance 2018-4171, the City Commission, on July 2, 2018, referred this discussion item for consideration to the Finance and Citywide Projects Committee ("FCWCP") to be heard at the FCWCP July 13, 2018 meeting.

Pursuant to recent direction from FCWCP, and as approved by the full Commission on July 2, 2018, fee waivers in the amount of \$25,000 or more will constitute a City sponsorship and will therefore require a sponsorship agreement to be put in place, detailing event deliverables, public benefit, and sponsor recognition among other items.

Pursuant to Sec. 12-7(a) of Chapter 12 (Arts, Culture and Entertainment) of the City Code, any request for City Sponsorship of an event shall only be considered through the City Commission's annual budget process. All other requests for City sponsorship, pursuant to 12-7(b) shall require "(I) an advisory recommendation of the Finance and Citywide Projects Committee; and (ii) by a five-sevenths (5/7th) vote, of the City Commission," and 12-7(c) states that 'in considering approval of a Sponsorship for an event, "the City Commission may consider (i) whether the event organizer has exercised good-faith diligent efforts to apply for grant funding that may be available from the City's Visitor and Convention Authority ("CVA" or Cultural Arts Council ("CAC"); (ii) the Event organizer's history and performance in delivering quality Events, (iii) any benefits being directly provided to the general public with respect to the Event, such as free or discounted tickets to persons residing in the City of Miami Beach, seniors, veterans, or member of disadvantaged groups; (iv) whether the event is accessible to the general public (either as a ticketed eVent or otherwise); (v) the demonstrable economic impacts associated with the Event; (vi) the demonstrable media commitments secured by the Event organizer for the Event; or (vii) the efforts undertaken by the Event organizer to mitigate any quality of life impacts associated with the Event, including noise, littering, traffic or parking impacts associated with an Event."

Although the ordinance is not effective until October 2018, the event consideration for sponsorship would meet the guidelines in the following manner:

1. Has the event applied for CAC or VCA? **In this case, the event has not applied for CAC or VAC sponsorship.**
2. How many years has the event been active on Miami Beach? **In this case, the event has been active for 9 years.**
3. Does the event generate significant room nights on Miami Beach? **This event does not demonstrate audited room nights on Miami Beach.**
4. What is the public benefit provided by the event? **The event is open and free to the public.**

If approved, the sponsorship would be formalized through a sponsorship agreement.

CONCLUSION:

The Administration is seeing direction from the FCWPC on whether the sponsorship request should be considered for an enhancement as part of the FY 2018/19 budget development process.

ATTACHMENTS:

Description	Type
<div data-bbox="151 155 180 184">  </div> <div data-bbox="224 155 444 184">Gay Pride Email Request</div>	Memo
<div data-bbox="151 191 180 220">  </div> <div data-bbox="224 191 506 220">Mami Beach Gay Pride Request</div>	Other

See below. Let me know when you have time to discuss.

Best,
Erick Chiroles

Aide to Commissioner Arriola
City of Miami Beach

----- Forwarded message -----

From: "Scott Bader" <scott@gaybizmiami.com>
Date: Wed, Jun 13, 2018 at 3:57 PM -0400
Subject: Miami Beach Gay Pride Expense Waivers/Planning for 2019
To: "Chiroles, Erick" <ErickChiroles@miamibeachfl.gov>, "Dave Cook" <ed@miamibeachgaypride.com>, "phx329@aol.com Horwich" <phx329@aol.com>

Erick,

Thank you for speaking with me today. As I mentioned, we are looking to secure our previously waived/expenses and request some additional items.

As one of the largest free gay prides in the US, we have become an international event and each year as we grow our expenses continue to grow with our total expenses in 2018 totaling \$653,945. We are thrilled by the support we have received from the city and are pleased by the economic impact we have on the local community and are requesting some additional assistance to continue to be a free pride and to invest and expand in areas that will bring additional people to the city during the week of the festival.

Below is a listing of the current fees/expenses waived by the City of Miami Beach.

Miami Beach Gay Pride Expense/Fee Waivers

2017 and before approved by the City of Miami Beach

\$250.00 - Application Fee

\$500.00 - Permit Fee

\$5,250.00 - Vehicle Beach Access Passes

\$10,911.00 - Sq. Ft. Fees

\$8,577.25 - Lummus Park User Fee

\$5,405.00 - Police & Fire Admin Fees

Approved by the Commission for 2018

\$3,600.00 – Buyout of Parking Permits weekend of Pride

Total Existing Waived fees = \$34,473.25

Below is an additional item(s) we would like waived.

Street sweepers/cleaners \$2,880, let me know if you need the invoices and I can request those.

Below are some permit fee items we didn't speak about over the phone that the city charges our tent and sound company, and then those companies pass along to us. Not sure because this is a third party that the fee could be waived but this would be wonderful as well.

Sunshine Tents & Event Rentals Permits - \$5,532.75
MasterSound - Electrical and Structural Permits - (\$850x2) \$1,700.

Grant:

We currently receive a \$10,000 grant from the city to apply against our barricade expenses that was supposed to originally be \$20,000 but due to a clerical error was left out of the budget. Attached is a report of our barricade expenses (\$26,920) and we would like to request the grant be increased from \$10,000 to \$25,000 (\$15,000 increase) but would take any increase that can be accommodated. We are looking for ways to offset the barricade expense.

Marketing:

We don't have pricing yet, but would like to have street banners up 5 weeks out on Alton, Washington and Ocean (to market to the LGBTQ visitors here for Winter Party Festival). We are working with AAA banners to determine what that would be but any assistance would be appreciated. I am purely guessing,

Paramedics/Police:

Each year we see an increase in our police and paramedic expenses. If I understand correctly this is a different budget? We would like to potentially discuss what the process is for addressing some of these expenses. Police \$20,056.50, and Paramedics \$14,625.00

Please let me know of any questions and we greatly appreciate your support and of Commissioner Arriola. We want to make sure

Scott

--

Scott Bader
Director of Membership and Engagement
[305-673-4440](tel:305-673-4440)
www.gaybizmiami.com

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1130 Washington Ave.
1st Floor North
Miami Beach, FL, 31339
ed@miamibeachgaypride.com

June 20th, 2018

Commissioner Arriola,

As one of the largest free gay prides in the US, we have become an international event and each year as we grow our expenses continue to grow with our total expenses in 2018 totaling \$653,945. We are thrilled by the support we have received from the city and are pleased by the economic impact we have on the local community and are requesting some additional assistance to continue to be a free pride and to invest and expand in areas that will bring additional people to the city during the week of the festival.

Below is a listing of the current fees/expenses waived by the City of Miami Beach. We want to ensure that these previously waived fees continue to be in the future.

\$250.00 - Application Fee
\$500.00 - Permit Fee
\$5,250.00 - Vehicle Beach Access Passes
\$10,911.00 - Square Footage Fees
\$8,577.25 - Lummus Park User Fee
\$5,405.00 - Police & Fire Admin Fees
\$3,600.00 - Buyout of Parking Permits weekend of Pride

Total Current Waived fees = \$34,473.25

2 years ago, we began receiving an annual \$10,000 grant from the City of Miami Beach to apply against our barricade expenses. The original grant amount was to be \$20,000 but due to a clerical error was left out of the budget but we were still able to get the current \$10,000 annually. Last year our barricade expenses totaled \$26,920 and we would like to request the grant be increased from \$10,000 to \$25,000 (\$15,000 increase) to offset barricade expenses which we expect to grow again in 2019 as we expand our festival.

There is \$7,232.75 in permit fees and \$37,561.50 in city services (Paramedics/Police/Sweepers) that we understand cannot be waived and are asking the city to consider becoming a sponsor of Pride. Enclosed are 2 sponsorship options for your review and consideration to offset some of these permit fees and city services. Sponsorship gives the City additional visibility and is of great support to our organization.

Please let me know of any questions, we greatly appreciate your support and are already planning another amazing Pride next April 1-7, 2019!

Scott Bader
Vice-Chair, Miami Beach Gay Pride



MIAMIBEACH

City of Miami Beach Diamond Sponsorship \$35,000 Cash Donation

- Main Stage:
 - Permanent logo placement
 - Rotating logo on LED screen
- Marketing:
 - Name recognition/logo on promotional materials including social media, Facebook, Twitter and Instagram
 - Logo/link in website (on partnership page)
 - 1 rotating web banner ad: for 2017 Pride, we had 130,862 unique visitors, 176,628 sessions and 290,638-page views
 - 2 dedicated email blasts to our 4,600+ subscribers (individuals and corporations)
 - 2 dedicated Facebook posts to our 44,600+ followers
 - 2 dedicated Instagram posts to our 4,000+ followers
 - 1 full-page, full color preferred ad placements in digital and print Pride Guide: 10,000 guides will be distributed in South Florida approximately 3 weeks before Pride
 - Name recognition/logo on Pride Step & Repeat banners
 - Opportunity to donate one pre-approved item for the 500 VIP gift bags
- Parade:
 - 1 preferred placement parade entry
 - Formal grand-stand recognition: special recognition by our Emcee who will personally recognize you from the grand stand stage when your parade entry passes by

- 4 Pre-parade exclusive (invitation only) media event tickets for the pre-parade International Media Reception for Grand Marshals, international media and large donors
- Festival:
 - Two 10' X 10' tented area placements including 2- 6ft tables and 4 chairs with electricity
- VIP Passes:
 - 12 Sponsor passes which include:
 - Invitation to VIP Event on Friday, April 5
 - Access to the Festival VIP lounge on Saturday, April 6 and Sunday, April 7
 - Sunday grand stand seating: located directly across from grand stand stage, you will be able to enjoy the 90+ parade participants as they pass by





City of Miami Beach Platinum Sponsorship **\$45,000 Cash Donation**

- Main Stage:
 - Permanent logo placement
 - Rotating logo on LED screen
 - Opportunity for city representative to participate in opening ceremonies (non-campaigning) on Sunday, April 7
 - Opportunity to display city imagery and branding on LED screen
- Marketing:
 - Opportunity for city representative to participate in VIP Gala (non-campaigning) on Friday, April 5
 - Opportunity for city representative to participate in pre-parade International Media Reception (non-campaigning) on Sunday, April 7
 - Opportunity for city representative to speak at post-pride appreciation event (non-campaigning)
 - Logo on PSA's (commitment must be made by November 1st, 2018)
 - Name recognition/logo on promotional materials including social media, Facebook, Twitter and Instagram
 - 1 rotating web banner ad: for 2017 Pride, we had 130,862 unique visitors, 176,628 sessions and 290,638-page views

- Logo on 200+ volunteer shirts
- 3 dedicated email blasts to our 4,600+ subscribers (individuals and corporations)
- 4 Facebook posts to our 46,000+ followers
- 4 Instagram post to our 4,100+ followers
- 2 full-page, full color ad placements in digital and print Pride Guide: 10,000 guides that will be distributed in South Florida approximately 3 weeks before Pride
- Name recognition/logo on Pride Step & Repeat banners
- Opportunity to donate one pre-approved item for the 500 VIP gift bags
- Parade:
 - 1 preferred placement parade entry
 - Formal grand-stand recognition: special recognition by our Emcee who will personally market your company from the grand stand stage when your parade entry passes by
 - 8 Pre-parade exclusive (invitation only) media event tickets for the pre-parade International Media Reception for Grand Marshals, international media and large donors
- VIP Passes:
 - 18 Sponsor passes which include:
 - Invitations to VIP Event on Friday, April 5
 - Access to VIP lounge on Saturday, April 6 and Sunday, April 7
 - Sunday reserved grand stand seating: located directly across from grand stand stage, you will be able to enjoy the 90+ parade participants as they pass by





MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 13, 2018

SUBJECT: **DISCUSSION REGARDING FUNDING FOR AQUA FOUNDATION/AQUA GIRL
LGBTQ EVENT IN SEPTEMBER 2018**

HISTORY:

Aqua Foundation for Women identifies and targets the needs of the LBT women's community and develops initiatives designed to incentivize our community to fulfill them.

Touted as the largest women's week celebration in the country, Aqua Girl is a popular annual fundraiser benefiting South Florida's LGBT community. All proceeds from Aqua Girl benefit the Aqua Foundation for Women, a not-for-profit organization that funds lesbian, bisexual, and transgender wellness and equality in South Florida through grants, scholarships, and initiatives.

ANALYSIS:

The Aqua Foundation/Aqua Girl LGBTQ event is planned for September 27 -- October 1, 2018 in various venues throughout Miami Beach, including The National Hotel as the host hotel. All events take place inside private property and are ticketed events. This year marks the 18 year anniversary of the event, which attracts approximately 2,000-3,000 guests annually.

The organizers are requesting the City sponsor the event in the amount of \$35,000 to cover the costs of production, marketing, and event logistics for a pool party at The National.

Due to the timing of this year's event, the organizers were unable to apply for VCA funding, and are therefore looking to the City to step in to fill the funding gap.

Pursuant to the new special event funding guidelines set forth in Ordinance 2018-4171, the City Commission, on July 2, 2018, referred this item for consideration to the Finance and Citywide Projects Committee ("FCWCP") during the FCWCP July 13, 2018 meeting.

Pursuant to Sec. 12-7(a) of Chapter 12 (Arts, Culture and Entertainment) of the City Code, any request for City Sponsorship of an event shall only be considered through the City Commission's annual budget process. All other requests for City sponsorship, pursuant to 12-7(b) shall require "(I) an advisory recommendation of the Finance and Citywide Projects Committee; and (ii) by a five-sevenths (5/7th) vote, of the City Commission," and 12-7(c) states that 'in considering approval of a Sponsorship for an event, "the City Commission may consider (i) whether the event organizer has exercised good-faith diligent efforts to apply for grant funding that may be available from the City's Visitor and Convention Authority ("CVA" or Cultural Arts Council ("CAC"); (ii) the Event organizer's history and performance in delivering quality Events, (iii) any benefits being directly provided to the general public with respect to the Event, such as free or discounted tickets to persons residing in the City

of Miami Beach, seniors, veterans, or member of disadvantaged groups; (iv) whether the event is accessible to the general public (either as a ticketed event or otherwise); (v) the demonstrable economic impacts associated with the Event; (vi) the demonstrable media commitments secured by the Event organizer for the Event; or (vii) the efforts undertaken by the Event organizer to mitigate any quality of life impacts associated with the Event, including noise, littering, traffic or parking impacts associated with an Event."

Although the ordinance is not effective until October 2018, the event consideration for sponsorship would meet the guidelines in the following manner:

1. Has the event applied for CAC or VCA? **In this case, the event has not applied for CAC or VAC sponsorship.**
2. How many years has the event been active on Miami Beach? **In this case, the event has been active for 18 years.**
3. Does the event generate significant room nights on Miami Beach? **This event does not demonstrate audited room nights on Miami Beach.**
4. What is the public benefit provided by the event? **The event does not provide a public benefit.**

CONCLUSION:

The Administration is seeking direction from the FCWPC on a potential sponsorship request; additionally should the request be recommended and approved by the full Commission, a budget amendment for FY 2018/19 would be required, and funding identified.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 13, 2018

SUBJECT: **DISCUSSION TO CONSIDER THE AUDIT COMMITTEE MOTION REGARDING
ADDING AN INSPECTOR GENERAL INTERNAL AUDIT FUNCTION POSITION**

ANALYSIS:

Discussion at Committee.

ATTACHMENTS:

Description	Type
☐ Commission Referral C4B	Memo

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Commissioner John Elizabeth Aleman
DATE: June 6, 2018

SUBJECT: REFERRAL TO THE FINANCE AND CITYWIDE PROJECTS COMMITTEE TO
CONSIDER THE AUDIT COMMITTEE MOTION REGARDING ADDING AN
INSPECTOR GENERAL INTERNAL AUDIT FUNCTION POSITION.

ANALYSIS

Please place on the May 16, 2018 City Commission agenda, a referral to the Finance and Citywide Projects Committee to consider the Audit Committee motion communicated via LTC 248-2018 regarding the addition of an Inspector General internal audit function position.

At their May 2, 2018 Audit Committee meeting, the committee members passed the following motion:

1. Motion made by Ronald Starkman
Motion seconded by Deede Wheithorn

Motion Text:

Giving the emphasis on the elimination of fraud, waste, and abuse; in addition to the creation of the Inspector General function; and, after careful review of the risk assessment matrix, and current workload in the Internal Audit Department causes immediate concern, the Audit Committee strongly recommend that a minimum of one additional position be added to Internal Audit function to focus on contract compliance which should be revenue neutral to the City.

Motion Passage: Votes 5-0

For additional information, please contact my office at extension 6437.

Legislative Tracking

Commissioner John Elizabeth Aleman

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 13, 2018

SUBJECT: **DISCUSSION TO CONSIDER THE CREATION OF A COMMUNICATIONS
BUDGET FOR THE CITY'S RESILIENCY PROGRAM**

HISTORY:

Community outreach for large construction or infrastructure projects are handled through either an in-house public information specialist or a contracted communications agency. The Office of Capital Improvements, handling the majority of these projects, has two in-house positions and manages the contracting to outside agencies. Public Works also has one public information position.

ANALYSIS:

Typically, after a project is in the design phase, the community outreach would begin. As a project that is touched by many departments, our Resiliency Program has had a few public information specialists, contracted by Capital Improvements and all of the media, both national and international, have been handled by the Marketing and Communications team. In addition to the local outreach efforts, our resiliency program has received international coverage, some accurate and some inaccurate.

The team from ULI gave recommendations in their presentation, which included going big on the Rising Above brand. The creation of a budget that is dedicated to creating and disseminating educational information, both to our residents as well as the world, would help to combat negative press - both locally and nationally and positively affect other areas of the city such as tourism and property values.

Following the recommendations from ULI, The program would focus heavily on proactive communications and building trust with our residents, businesses and visitors. This would also help to create a cohesive message across all areas of the City.

CONCLUSION:

This item is presented to the Finance and Citywide Projects Committee for discussion and direction.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 13, 2018

**SUBJECT: DISCUSSION REGARDING THE REVIEW OF THE CITY'S STORMWATER
MANAGEMENT BUDGET**

HISTORY:

The City adopted the 2011 Stormwater Management Master Plan (SWMMP) by resolution 2012-28068. This plan is intended to be a guide for improving the City's stormwater management system performance for a 20 year planning horizon, with considerations of potential sea level rise over 20 years for storm water infrastructure and 50 years for seawall heights.

ANALYSIS:

On February 12, 2014, the City adopted Resolution 2014-28499, which approved the recommendation of The Flooding Mitigation Committee to amend the SWMMP so as to modify the design criteria for a "tailwater elevation" to be increased from 0.5 FT-NAVD to 2.7 FT-NAVD for all tidal boundary conditions.

On May 11, 2016, the Mayor and City Commission adopted Ordinances 2016-4009, amending Chapter 54 of the City Code entitled "Floods" to define City of Miami Beach Freeboard, and modify how grade elevation and height are defined due to flooding and climate change.

On June 8, 2016, the Mayor and City Commission adopted Resolution 2016-29454 which amended the SWMMP to incorporate AECOM's, the City's stormwater consultant, recommendations to modify the level of service design storm, future crown of road, and seawall height.

At its April 23, 2014 meeting, the City Commission approved Resolution 2014-28580 accepting the recommendations of the Mayor's Blue Ribbon Panel on Flooding and Sea Level Rise to design and implement the upgrade of the City's storm drainage system to meet the new design criteria set by the City Commission with a potential estimated cost of \$400 million and with the completion time of 3 to 5 years.

At its May 20, 2014 meeting, the Finance and Citywide Projects Committee (FCWPC) presented the funding strategy for this program, and recommended the issuance of three separate \$100 million stormwater tranches. The first bond was issued in July, 2015, the second bond was issued in December, 2017, and the third bond issuance is anticipated in fiscal year 2022.

An Engineer's Report is required and included in the bond documents that are assembled for the issuance of a municipal utility revenue bond. The report represents the official statement with regards to the City's stormwater system including the proposed projects to provide a comprehensive solution to meet the increasing performance, permitting and regulatory requirements.

The planned improvements identified in the Series 2015 Bond Engineer's Report were tabulated and totaled \$431,941,516. The planned improvements identified in the Series 2017 Bond Engineer's Report totaled \$658,940,087. The increased total reflects changes made to the SWWMP between the two reports.

Initially, not all of the neighborhoods were programed to receive complete reconstruction of the neighborhood stormwater management system, as the program was focused on the extremely low lying and most vulnerable areas. Between July 2015 and December 2017 varying directives from the Flood Mitigation Committee, the Blue Ribbon Panel on Flooding and Sea Level Rise, other consultants, as well as the City Commission refined (and continues to refine) the program. As these refinements were made over that time period, a more detailed cost estimate was developed based upon, among other factors: 1) detailed stormwater models were developed for each of the neighborhoods within the City and as such a more detailed cost estimate was able to be developed, 2) more areas of the City are now contemplated to be served by the public infrastructure (i.e. instead of the traditional standard of the road rights-of way plus a 25-foot wide strip on either side, the stormwater system is currently being designed for half of any waterfront lot and the entirety of all interior lots), 3) construction costs (unit costs) utilized in the initial cost estimate have been updated to more accurately reflect actual unit costs being charged by Contractors working within the City limits as opposed to "regional" values, and 4) the concept of a firm installed capacity and mechanical redundancy for areas served by pumping systems increases the size and/or number of pumping units.

It is important to note that, the cost estimates reflected in the 2015 and 2017 engineer's reports, and the reports themselves are/were based on AECOM's understanding of the stormwater program at that time, and in the case of the 2017 report, the then standard 5-year / 24-hour design storm consisting of a 24-hour rainfall of 7.5 inches, and neither includes the costs associated with the installation of permanent generators.

As the Stormwater Management Master Plan continues to be refined, the total cost of the city wide improvements will also be adjusted. Additional factors that effect the total cost include increases in construction and material costs as well as permitting requirements.

ATTACHMENTS:

Description	Type
<input type="checkbox"/> Commission Memorandum on Referral to FCWPC (May 16)	Other
<input type="checkbox"/> AECOM Engineer's Report 2017	Other
<input type="checkbox"/> AECOM Engineer's Report 2015	Memo
<input type="checkbox"/> Stormwater Document - 4_11_17	Other
<input type="checkbox"/> ULI Final Scope Letter	Other

MIAMIBEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Commissioner Mark Samuelian
DATE: May 16, 2018

SUBJECT: REFERRAL TO THE FINANCE AND CITYWIDE PROJECTS COMMITTEE TO REVIEW THE CITY'S STORMWATER MANAGEMENT BUDGET.

ANALYSIS

The City's stormwater management program budget continues to increase dramatically and there appears to be a lack of clarity on the total cost. When comparing March 17th, 2017 budget estimates (\$400 million or more), and the December 4, 2017 AECOM's report (\$659 million), the difference is an increase of \$259 million (approximately 65%) in less than a year. In addition, an April 18th, 2018 letter provided to the Urban Land Institute (ULI) lists total costs as anywhere between \$500-\$600 million. In order to ensure an effective stormwater program, it is important that the total cost be identified and consistent. As it stands, these costs continue to rise and fluctuate, so it is important that the finance committee be informed on the following:

- Budget and related documents for the \$400 million figure cited on March 17th, 2017 (see attached stormwater document)
- Budget and related documents for the \$659 million budget provided in the AECOM report on December 4, 2017 (see attached AECOM report)
- Budget and related documents for the \$500 - 600 million budget provided on the ULI letter, on April 18, 2018 (see attached ULI letter)
- Detailed accounting of the variances between the budgets
- Funding sources for the current budget
- Additional planned stormwater capital expenditures, if any, (eg. more sea walls)
- Planned operating cost increases related to capital expenditures
- Reporting and oversight processes in place
- Proposed new reporting and oversight processes

Legislative Tracking

Commissioner Mark Samuelian

ATTACHMENTS:**Description**

- AECOM Engineer's Report
- Stormwater Document-4/11/17
- ULI Final Scope Letter

CITY OF MIAMI BEACH, FLORIDA

Engineer's Report for the Stormwater Revenue and Revenue Refunding Bonds, Series 2017



December 4, 2017

FINAL

Prepared by



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December 4, 2017

Mr. John Woodruff
Chief Financial Officer
City of Miami Beach, Florida
1700 Convention Center Drive
Miami Beach, Florida 33139

Subject: Engineer's Report for the City of Miami Beach, Florida
Stormwater Revenue and Revenue Refunding Bonds, Series 2017

Dear Mr. Woodruff,

AECOM has prepared this letter report to present pertinent engineering information for the Official Statement relating to the issuance by the City of Miami Beach, Florida (City) of its Stormwater Revenue and Revenue Refunding Bonds, Series 2017 (Series 2017 Bonds). The Series 2017 Bonds are being issued to finance continued construction of improvements to the stormwater systems throughout the City as begun with proceeds from the City's Stormwater Revenue Bonds, Series 2000 (Series 2000 Bonds), Stormwater Revenue Bonds, Series 2011A (Series 2011 Bonds), and Stormwater Revenue Bonds, Series 2015 (Series 2015 Bonds).

This Engineer's Report contains information prepared by AECOM relative to the City's stormwater system as developed and proposed in part by the 2011 City of Miami Beach Citywide Comprehensive Stormwater Master Plan prepared by CDM Smith Inc. (2011 SWMP) and makes reference to both the 2011 SWMP and the 1997 Comprehensive Stormwater Management Program Master Plan prepared by CH2M Hill (1997 SWMP) in combination with various Basis of Design Reports developed by other engineering consultants and current basin studies being prepared by AECOM. Since 2014 AECOM has evaluated over 30 individual neighborhoods to determine the number and size of required pumping systems, and drainage improvements, and is in process of preparing an updated SWMP.

Subsequent to adoption of the 2011 SWMP, the City implemented policy changes related to flood mitigation, drainage and roadway Level of Service (LOS) to maintain flood protection while taking into account sea level rise, king tide events, and increased rainfall depth, intensity and distribution. AECOM evaluated the prior reports and studies and has updated the citywide master stormwater model to evaluate areas deficient in LOS. Based on this analysis, it was determined that the drainage designs contained within the 2011 SWMP were inadequate to serve the City's needs.



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In addition, as a result of the predicted increase in groundwater levels resulting from sea level rise, the City has implemented a working policy to (over time) reduce and/or eliminate the use of exfiltration trenches, gravity drainage wells and stormwater injection wells due to concerns over reliability and decreasing capacity, which further modified the 2011 SWMP drainage designs.


Various aspects of the City's stormwater system are included in this Engineer's Report in the following format:

- Introduction
- Public Works Department and Stormwater System Development
- Stormwater System, and
- Capital Improvements

It is the intent of this Engineer's Report to identify proposed projects that will provide comprehensive solutions for improving the City's stormwater management system performance for the next 50 years. Appropriate consideration has been given to water quality of the Biscayne Bay and Operation and Maintenance (O&M) of an expanded system. The presented capital improvements allow the City's stormwater systems to meet the increasing performance, permitting and regulatory demands while modernizing the existing system to meet the drainage and roadway level of service desired by the City of Miami Beach.

Respectfully submitted;

AECOM


December 4, 2017

Thomas F. McGowan, PE
Project Manager

Florida License #44742
FPBE & BPR #8115

SEAL

1. Introduction

1.1 Background

The City of Miami Beach (the “City”) has experienced tidal flooding for many years. The tidal flooding has been severe during higher than average tides experienced in the spring and the fall of each year. The fall high tides are the highest tides of the year, and are also known as the King Tides. Tidal flooding occurs when the Biscayne Bay water surface elevation rises sufficiently to backflow into the City’s stormwater management system and up through the stormwater inlet grates, flooding the roadway curb and gutter. During some high tide events, the tidal flooding can overtop the roadway curb and gutter and sidewalks, filling the streets of the City with salt water. Tidal flooding poses a threat to public health and safety and inconveniences the public. The flooding has caused major damage to structures and killed lawns and landscaping. In addition, tidal flooding saturates the base structure of roadways, causing deterioration and failure of roadways prior to their expected useful design life.

AECOM has prepared this letter report to present pertinent engineering information for the Official Statement relating to the issuance by the City of its Stormwater Revenue and Revenue Refunding Bonds, Series 2017 (the “Series 2017 Bonds”). Proceeds of the Series 2017 Bonds will provide funds, together with other available funds, to (i) pay the costs of certain capital improvements to the Stormwater Utility as described in the Bond Resolution (the “Series 2017 Project”), (ii) refund a portion of the City’s outstanding Stormwater Revenue Bonds, Series 2011A (the “Series 2011A Bonds”) and the Stormwater Revenue Refunding Bonds, Series 2011B (the “Series 2011B Bonds” and together with the Series 2011A Bonds, the “Refunded Bonds”), and (iii) pay costs of issuance of the Series 2017 Bonds, and refunding of the Refunded Bonds.

The Series 2017 Bonds are being issued to finance continued construction of the improvements to the stormwater utility system owned and operated by the City together with any improvements and any Separate Systems (as defined in the hereinafter defined Resolution) consolidated with the Stormwater Utility pursuant to the Resolution (the “Stormwater Utility”), as begun with proceeds from the City’s Stormwater Revenue Bonds, Series 2000 (the “Series 2000 Bonds”), Stormwater Revenue Bonds, Series 2011A (the “Series 2011 Bonds”), and Stormwater Revenue Bonds, Series 2015 (the “Series 2015 Bonds”). The City authorized AECOM to prepare an Engineer’s Report in support of the City’s planned issuance of approximately \$300 million of Stormwater Revenue Bonds in order to complete the upgrades to the City’s Stormwater Utility (the Stormwater Program). The Series 2017 Bonds will be issued to provide \$100 million of proceeds for such a purpose to finance current fiscal year projects and those anticipated to be constructed over the next two (2) years.

In July 2008, CDM Smith Inc. (CDM Smith) was retained by the City to perform a Stormwater Rate Study projecting annual revenue requirements for Fiscal Years 2009 through 2014, including operating expenses, existing and prospective debt service, administrative fees, depreciation/renewal and replacement requirements, and capital expenditures.



In 2015, AECOM and City Staff reviewed and updated the Stormwater Rate Study and made recommendations to increase stormwater utility rates in support of the Series 2015 Bonds. The City's current stormwater utility rates are in effect based on recommendations from the 2015 updated Rate Study. The City recently retained Public Resource Management Group, Inc. (PRMG) to further update the Stormwater Rate Study. On October 1, 2016, the City raised the stormwater utility rates in anticipation of the issuance of the Series 2017 Bonds. No additional increase in rates is required, or anticipated to support the issuance of the Series 2017 Bonds. In addition, on October 18, 2017 the City passed Ordinance No. 2017-4145 indexing the stormwater utility rates to the Consumer Price Index, (CPI), effective for all billings after October 1, 2017 and adjusted at the beginning of each Fiscal Year.

This Engineer's Report presents the results of an updated analysis, and describes the organization and management of the City's Public Works Department and the specific responsibilities of the Stormwater Utility (as defined in City Resolution No. 2000-24127 adopted by the City on October 18, 2000, as amended and supplemented (the "Bond Resolution") authorizing issuance of stormwater revenue bonds). This report outlines the City's stormwater service areas, facilities, operations and Capital Improvement Program ("CIP").

In July 2014, the City retained AECOM to evaluate the Citywide Comprehensive Stormwater Management Master Plan prepared by CDM Smith (2011 SWMP) to analyze and update its stormwater management practices, infrastructure, funding, and regulatory policies. In this capacity, AECOM has analyzed, reviewed and assessed various aspects of the Stormwater Utility infrastructure, management, operations and finances.

This Engineer's Report contains information prepared by AECOM relative to the City's Stormwater Utility, as developed and proposed in part by the 2011 SWMP. This Engineer's Report makes reference to both the 2011 SWMP and the 1997 Comprehensive Stormwater Management Program Master Plan prepared by CH2M Hill, (1997 SWMP), in combination with various Basis of Design Reports developed by other engineering consultants and basin studies prepared by AECOM. In addition to AECOM's analysis and update, these previously developed reports and studies provide AECOM the means of assessing the technical merit for the issuance of the Series 2017 Bonds.

1.2 Study Assumptions

Information utilized in preparation of this report relies upon information provided by the City and other parties as well as basin studies prepared by AECOM. AECOM has not independently verified all of the supplied information. However, the information follows general trends of the City related to the management of its stormwater infrastructure. AECOM has no reason to believe the supplied information is not valid for this report, yet no assurances are made with respect thereto. Specific assumptions used in this report are presented throughout the course of this report and are provided to clarify the basis of analysis.

2. Public Works Department and Stormwater System Development

2.1 Description of the Existing Stormwater System

The City is a highly urbanized coastal community located in southeast Florida and is a major economic resource to the region. The Stormwater Utility covers approximately 4,200 acres, as shown in **Figure 1**, and is bounded by the Atlantic Ocean and the environmentally sensitive Biscayne Bay Aquatic Preserve, which is also an Outstanding Florida Water (“OFW”). The area has relatively low-lying topography that is bisected by intracoastal waterways, a subtropical climate with high intensity rainfall, significant tidal influence, limited soil storage for infiltration, high amounts of impervious area, and limited available surface storage. These factors have all contributed to historical, and have the potential to contribute to future, severe rainfall and tidal flooding.

Tidal events can cause both flooding and erosion. The City is comprised of a series of islands and has a perimeter of seawalls around the island system. Topographic elevations range from approximately 10 feet referenced to North American Vertical Datum of 1988 (feet-NAVD) to 0.0 feet-NAVD, and much of the City’s stormwater infrastructure and roads lie at or below 6 feet-NAVD. Low street gutter elevations range as low as 0.5 feet-NAVD.

The City’s Stormwater Utility is tidally influenced and consists of approximately 341 City maintained outfalls served by swales, inlets, storm drains, culverts, bridges, gravity and pumped recharge wells, exfiltration systems, channels, canals, pump stations, and retention/detention storage systems.

The City is one of 33 municipalities that entered into an Interlocal Agreement (“ILA”) with Miami-Dade County in 1993, authorizing Miami-Dade County to be the lead permittee in submitting a National Pollutant Discharge Elimination System (“NPDES”) Stormwater Permit Application. One condition of the ILA requires the City to develop a stormwater master plan that is consistent with Miami-Dade County’s Master Plan.

The City’s stormwater system currently operates under Florida Department of Environmental Protection (“FDEP”) Municipal Separate Storm Sewer System (MS4) Permit No. FLS000003-003, which adheres to the federal NPDES requirements of the Clean Water Act. The MS4 Permit for the Stormwater Utility was scheduled to expire on June 20, 2016. An application to renew the permit was timely filed and the current permit remains in effect until the new permit is issued. A draft of the new permit has been issued, and is currently being advertised for public comment. It is expected that the new permit will be issued before the end of December 2017. As recorded in the City’s stormwater Geographic Information System (GIS) database, the stormwater infrastructure in place includes approximately 4,852 stormwater inlets, 8,398 conduits (gravity pipes and force mains), 2,675 manholes, 35 pumping stations, and 341 stormwater outfalls.



In addition, the City has 11 pump stations under construction which are anticipated to be placed into operation in early 2018 and an additional 3 in final design or currently under contract to construct. Of the 35 pumping stations, 4 pump stations were constructed by the Florida Department of Transportation (“FDOT”), but are operated and maintained by the City. This does not include the several private, County, and State owned pump stations and outfalls within the City limits.

2.2 Administration and Staffing

The City is organized under the Commission-Manager form of government. The governing body of the City is the City Commission, which establishes policies for proper administration of the City. The City Commission is composed of seven members, including the Mayor. The Mayor and Commissioners are elected to their offices by an at-large vote of the citizens, and the Vice-Mayor is chosen by majority vote of all members of the City Commission. Six Commissioners serve staggered four year terms, and the Mayor serves a two year term. The City Commission appoints a City Manager to act as administrative head of the City. The City Manager serves at the pleasure of the City Commission, carries out its policies, directs the operations of the City and has the power to appoint or remove heads of all departments.

Figure 2 presents the organizational chart for the City’s Public Works Department. The Public Works Department is responsible for the operation and maintenance of the facilities of the stormwater system. Eric T. Carpenter, PE is the Public Works Director/Assistant City Manager, and is assisted by two (2) Assistant Public Works Directors.

The Assistant Public Works Director and Director of the City’s Infrastructure Division of the Public Works Department, Roy Coley, is responsible for the daily operations of the stormwater system. The Infrastructure Director oversees Operation and Maintenance (“O&M”) and minor construction of the following:

- Sewer collection system
- Water distribution system
- Stormwater collection and disposal system
- Pump stations
- Water metering

The Infrastructure Director also oversees warehouse operations.

Other Public Works Department Divisions are overseen by the Assistant Public Works Director, Jay Fink, PE who reports to the Public Works Director. The City Engineer, Bruce Mowry, Ph.D., PE, is responsible for the daily operations of these divisions. These Department Divisions provide the following services:

- Planning and Engineering of the following:
 - Sewer collection system
 - Water distribution system
 - Water Metering
 - Stormwater collection and disposal system

- Pump stations
- Right-of-Way permitting and enforcement
- Elevator Inspection
- Geographic Information Systems (GIS)

There are two (2) more divisions that fall under the Public Works Department and they are the Sanitation Division and the Greenspace Management Division. The Sanitation Division is managed by Al Zamora, and the Greenspace Management Division is managed by Rodney Knowles.

The Public Works Department is supported by other departments within the City. The City Manager's office provides managerial and administrative guidance. The Finance Department performs the utility billing function. The Procurement Department performs several functions including, among others: handling requests for payment of invoices received by the Public Works Department; advertising and awarding of all construction contracts; handling all requests for proposals for engineering consultants and contracts; and facilitating purchases of required equipment. The Office of Budget and Performance Improvements (OBPI) approves all spending requests and allocates funding for all water, wastewater and stormwater operations. The Fleet Maintenance and Property Management Department performs vehicle fleet maintenance and building maintenance, respectively. The Human Resources Department handles all personnel functions. The Capital Improvement Project Office provides planning, design review, fiscal and construction management services of major City capital projects.

The City bills monthly for water, wastewater, stormwater, and sanitation services on the same bill. There are four billing cycles each month. The prioritization of applying payments is first to stormwater, second to sanitation, third to wastewater, and last to water.

Payments are due within twenty one (21) days from the date of the bill. A one and one-half percent (1.5%) penalty is added to all charges on the bills if not paid within the twenty one (21) days.

Customers for whom a check has been returned by the bank are notified to replace their check with cash, cashier's check or money order within five days. For returned checks, the customer's account will be charged a minimum of \$25.00 or five percent of the amount of the check, whichever is greater.

The charges for utility services constitute a lien against the premises and become effective and binding as such lien from the date upon which the account becomes due, unpaid and in arrears. Liens accrued as set out in the City Code are of the same dignity as liens acquired by virtue of the City Charter, whereby an interest rate of ten percent accrues to such delinquent accounts.

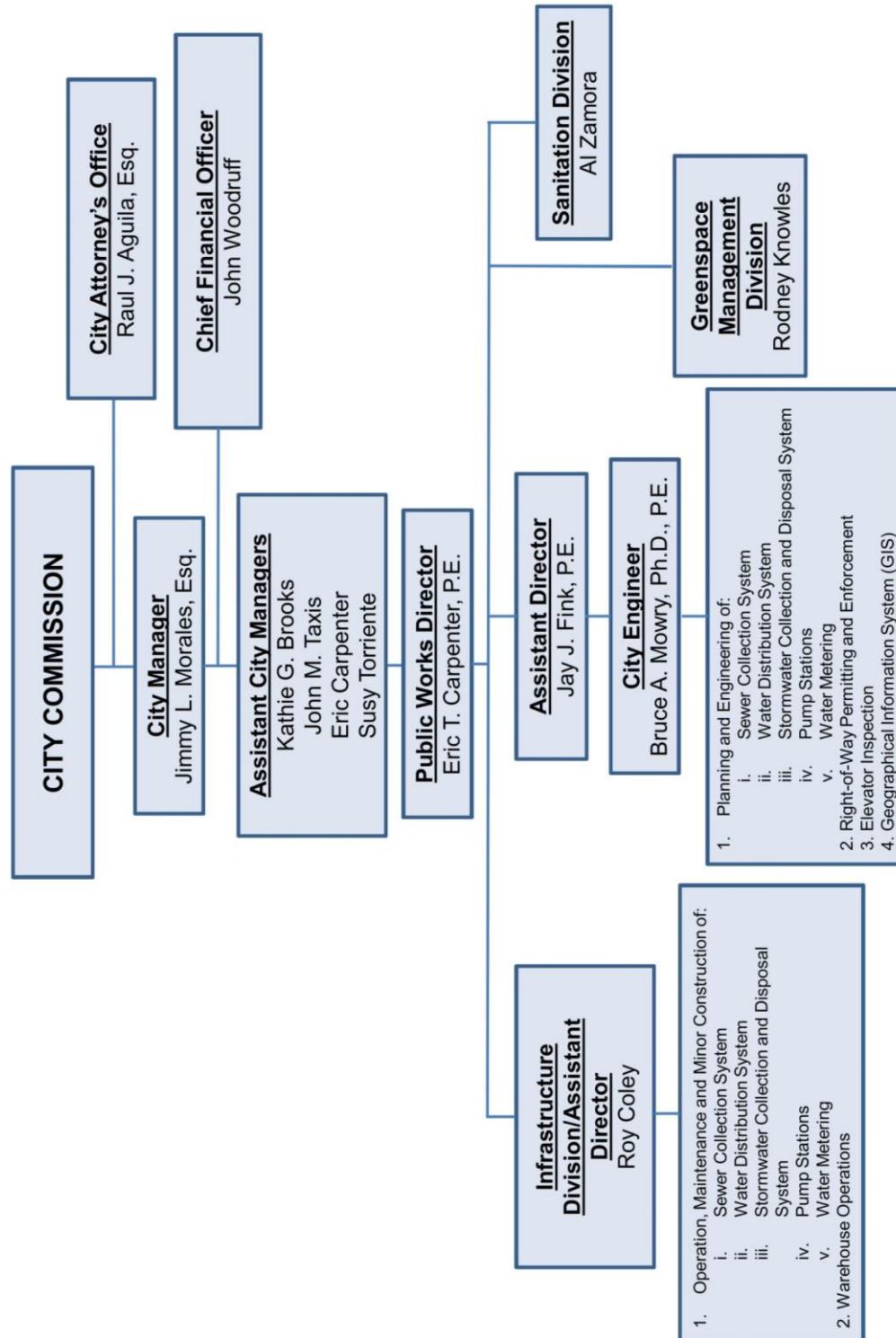


Figure 2

City of Miami Beach, Florida
Organizational Chart for City's Stormwater System

3. Stormwater System

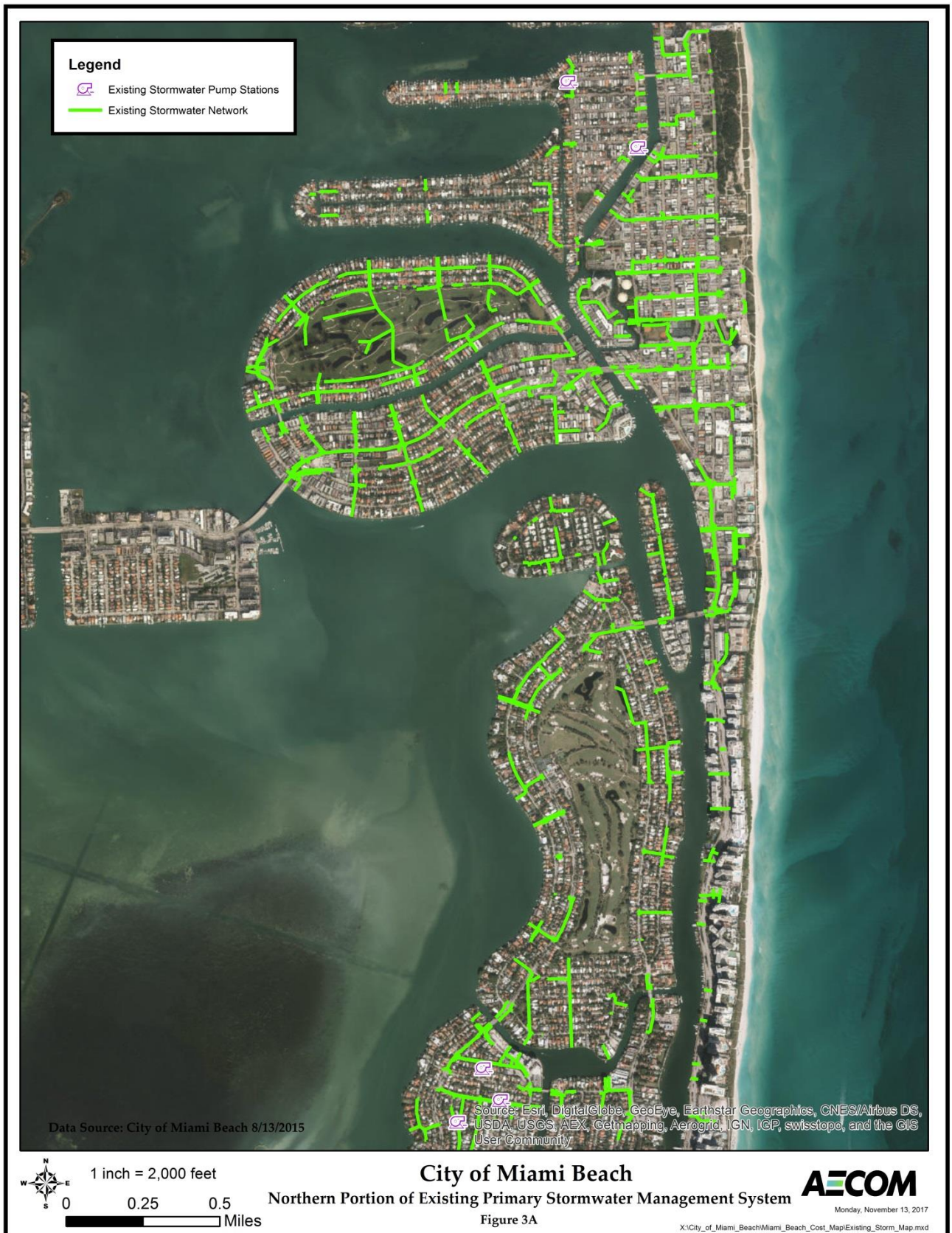
3.1 System Description

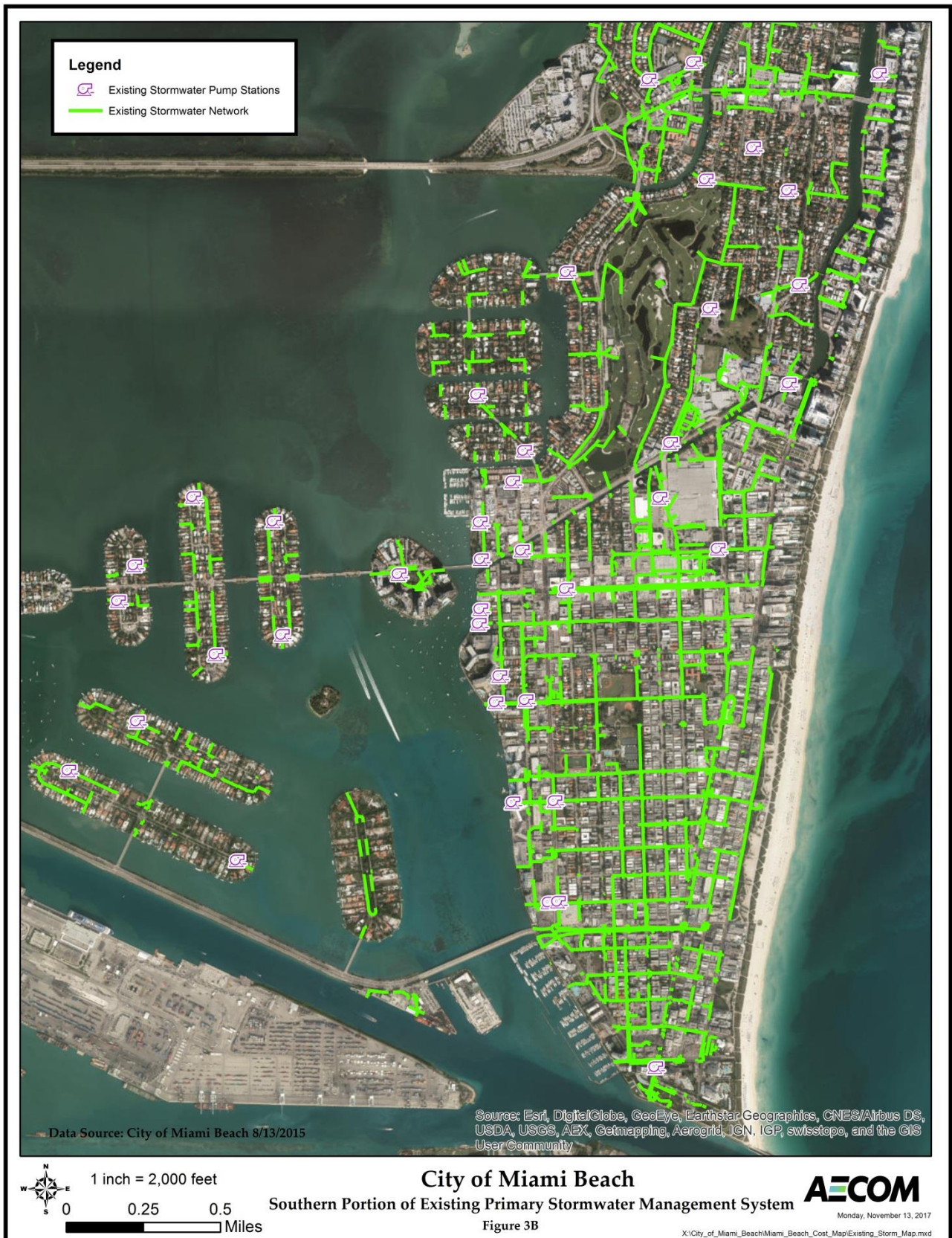
In 1903, the United States Army Corps of Engineers (“USACE”) dredged the first opening to the Atlantic Ocean, cutting through mangrove swamps at the shipping channel known as Government Cut. The dredging project allowed for a safer, more direct access to the Port of Miami.

Through the 1900s, Miami Beach was dredged and built; the beach, on the east side, is the highest part of the City. The west side, along West Avenue, is the lowest. The majority of the storm drainage was constructed between the 1930s and 1960s during the City’s initial population booms. Generally, the drainage system flows by gravity from east to west, where water drains into Biscayne Bay or one of its tributary waterways.

As development has expanded within the City and green areas have transitioned into developed land, some of the natural phenomena that occur in a tidally influenced community have been exacerbated. Under present day conditions, when the Bay is at high tide or groundwater conditions, the City experiences flooding. During storm events, flooding occurs due to excess runoff as well as the inundation of the stormwater network by tidal backflow, elevated groundwater and rainfall. **Figure 3** shows the general layout of the City’s Primary Storm Water Management System (“PSMS”) which was evaluated as part of the 2011 SWMP.

The existing Stormwater Utility facilities are inadequate in many areas of the City. In most areas, the existing Stormwater Utility is based on development patterns and groundwater and coastal conditions of the 1930s and 1960s, and has localized improvements to address flooding issues. Those systems constructed between the 1930s through 1960s have served their design life. Due to age, development, and updated regulatory requirements, the overall system requires upgrades to improve both stormwater quality and conveyance.







The City's stormwater master plan is reviewed and evaluated approximately every five years, with portions of the plan updated as determined to be necessary during such review and evaluation. The City conducts a comprehensive analysis and update of its stormwater master plan approximately every ten to fifteen years to address any remaining deficiencies within the Stormwater Utility and any changes that have occurred, or are expected to occur, in permitting and regulatory requirements.

Capital improvement projects identified as part of the 1997 SWMP were funded from the proceeds of the Series 2000 Bonds and revenues from the Stormwater Enterprise Fund for the highest priority flooding areas. The completion of the capital improvements from the 1997 SWMP has improved the performance and operation of the Stormwater Utility in several areas. The 1997 SWMP identified 34 drainage basins as high priority basins. The Capital Improvement Program ("CIP") originally presented in the 1997 SWMP identified proposed projects by stormwater basin number. In the 2011 SWMP, these improvements were grouped together and reclassified as neighborhood projects or by general community. The purpose of these improvements is to provide a higher Level of Service (LOS) as defined by improved flood protection and control of pollutant loading in the Stormwater Utility.

Subsequent to the adoption of the 2011 SWMP, the City has implemented policy changes related to flood mitigation and drainage and roadway LOS to maintain flood protection while taking into account sea level rise, king tide events, and increased rainfall depth, intensity and distribution. On June 8, 2016 the City passed Resolution number 2016-59454 to amend the 2011 SWMP based on recommendations made by AECOM. As such, the existing drainage designs contained within the 2011 SWMP were determined to be inadequate to serve the City's needs. In addition, as a result of the predicted increase in groundwater levels resulting from sea level rise, the City has implemented a working policy to, over the next ten to fifteen years, reduce and/or eliminate the use of exfiltration trenches, gravity drainage wells and stormwater injection wells due to concerns over reliability and decreasing capacity. This condition warranted further modifications to the 2011 SWMP drainage designs. The City has undertaken an intensive review of its building and zoning codes to evaluate and develop solutions to these issues, and over the next year will continue its plan for phased implementation of the revised code.

As such, the drainage components of the neighborhood improvements contemplated in the 2011 SWMP have been re-evaluated based on Sea Level Rise and higher groundwater conditions. **Figures 4A and 4B** depicts the areas of the City lying below an elevation of 2.2 feet-NAVD. These areas will be inundated during normal high tide with the adopted 50-Year Sea Level Rise of 1.50 feet. With a projected Mean High Water at 1.50 feet, NAVD and a normal high tide cycle of 0.70 feet, the water level in the Biscayne Bay would be at 2.20 feet, NAVD. At these elevated Bay and groundwater levels, gravity drainage systems and conventional best management practices will not function, thereby necessitating the changes to the 2011 SWMP drainage designs currently being developed by the City. Since 2014 AECOM has evaluated over 30 individual neighborhoods to determine the number and size of required pumping systems, and drainage improvements, and is in process of preparing an updated SWMP.



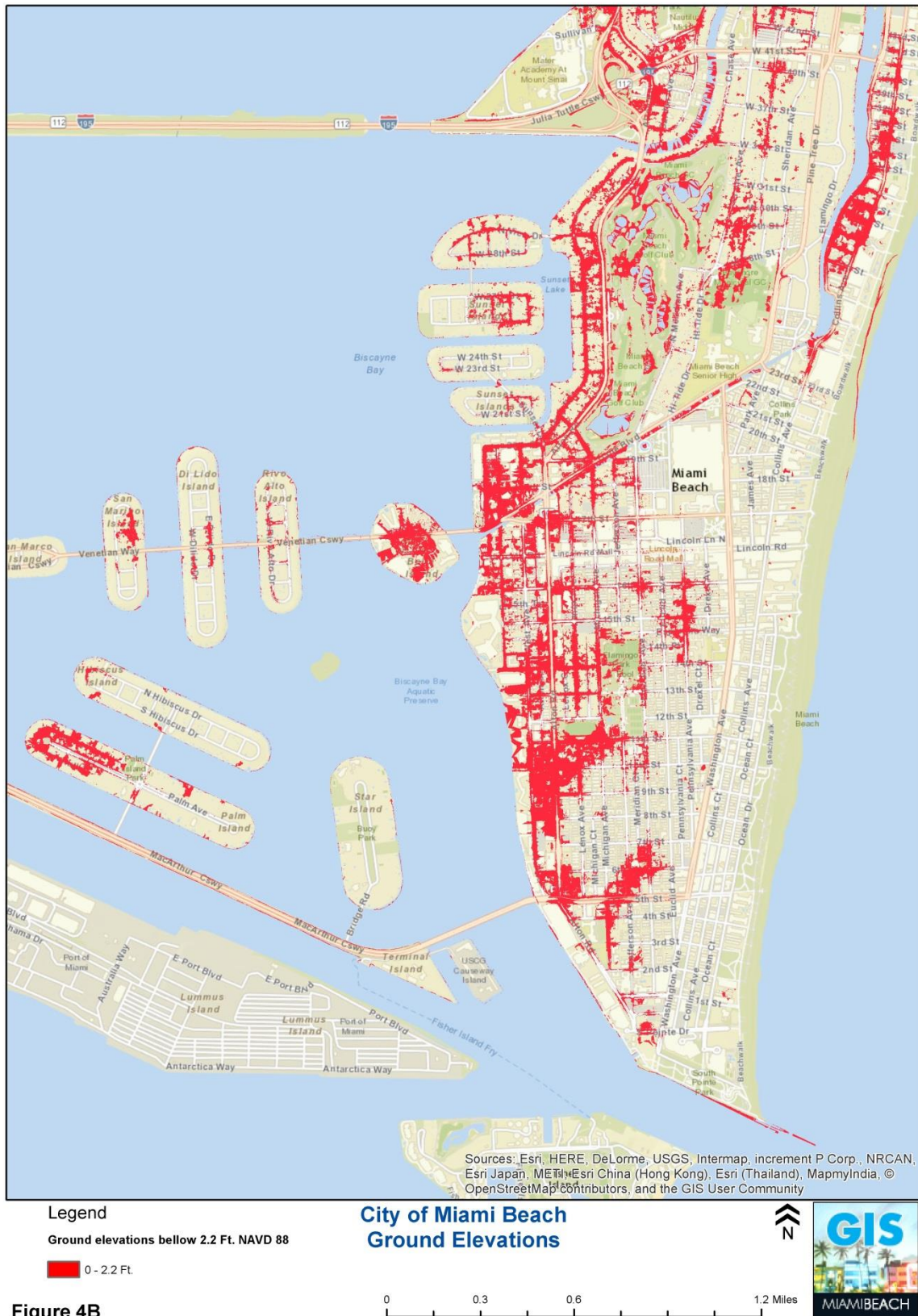


Figure 4B

3.2 Permitting Requirements

The City's Stormwater Utility is regulated by federal, state, and local agencies. Therefore, any modifications or improvements to the City's stormwater system need to be developed within the following regulatory and permitting framework.

3.2.1 Federal

The following is a summary of the federal agencies with which coordination either has been conducted, or will require coordination to implement the Stormwater Program.

3.2.1.1 *United States Environmental Protection Agency (US EPA)*

The US EPA was mandated by Congress through Section 405 of the Water Quality Act of 1987 to promulgate a National Pollutant Discharge Elimination System ("NPDES") permitting program for municipal stormwater discharge. The City is a co-permittee with Miami-Dade County and coordinates on this program for compliance.

The US EPA has delegated the NPDES permitting authority to the FDEP. During the development of the 2011 SWMP, the US EPA was in the process of updating the MS4 permit program, which is the permit program applicable to the Stormwater Utility. The new rule contained additional requirements for the Best Management Practices ("BMPs") and documentation on their performance. The 2011 SWMP included the potential future needs of those requirements and the pending numeric nutrient criteria ("NNC") for all discharges. Since then, FDEP has updated its rules for the MS4 permit program and has implemented the new rules to be followed and requirements to be met as each MS4 permit is updated. The MS4 Permit for the Stormwater Utility was scheduled to expire on June 20, 2016, but it has been extended until such time as a new permit is issued. A draft of the new permit has been issued, and is currently being advertised for public comment. It is expected that the new permit will be issued before the end of December 2017. The City is in the process of updating its permit compliance procedures and will have all requirements in place prior to the issuance of the MS4 permit.

3.2.1.2 *Federal Emergency Management Agency (FEMA)*

FEMA's mission is to support citizens and first responders to natural disasters to ensure that as a nation we work together to build, sustain, and improve our capability to prepare for, protect against, respond to, recover from, and mitigate all hazards. The Robert T. Stafford Disaster Relief and Emergency Assistance Act, PL 100-707, signed into law November 23, 1988, amended the Disaster Relief Act of 1974, PL 93-288. This Act constitutes the statutory authority for most Federal disaster response activities. FEMA regulates riverine (stormwater) and coastal (tidal) floodplains and floodways under the National Flood Insurance Program. CDM Smith used tools developed by FEMA to identify and quantify flood risks, including Flood Insurance Studies, Flood Insurance Rate Maps, and the HAZUS Program (a nationally applicable standardized methodology that contains models for estimating potential losses from earthquakes, floods and hurricanes) coupled with the models of the City's PSMS to estimate structural and economic damage costs from the 2- through 100-year design storm events. This information is contained within the 2011 SWMP.

Coordination with FEMA allows for the support of flood map revisions and communication of economic impacts in a manner recognized by the Federal government for cost-benefit comparisons. The improvements identified in the City's Stormwater Program and timing for their implementation are in accordance with (or are more comprehensive or aggressive than) what is currently required, or expected to be required under FEMA regulations.

3.2.1.3 United States Army Corps of Engineers (USACE)

The United States Army Corps of Engineers ("USACE") is the primary federal agency that develops guidance parameters for civil infrastructure design consideration for projects impacting environmentally sensitive water and OFW, like the Biscayne Bay.

A nationwide permit ("NWP") from the USACE is required when up to one-half acre of waters of the United States (e.g. Biscayne Bay or its tributary canals) are impacted, and the USACE requires that original grades are restored to the site after completion of construction. Under the NWP program a pre-construction notification ("PCN") submittal is required. The Regional Conditions and General Condition for NWP require that the PCN include the following information:

- A map of the entire corridor including a delineation of all wetlands and waters of the United States within the corridor.
- An alternative analysis which addresses the selection of an alternative which avoids and minimizes wetland impacts to the maximum extent practicable.
- For all submerged utility lines across navigable waters of the United States, a location map and cross-sectional view showing the utility line crossing from bank to bank is required. In addition, the location and depth of the Federal Project Channel shall be shown in relation to the proposed utility line. In general, all utility lines shall be buried at least 6 feet below the authorized bottom depth of the Federal project channel and at least 3 feet below the bottom depth in all subaqueous areas.
- A delineation of affected special aquatic sites, including wetlands, vegetated shallows (e.g., submerged aquatic vegetation, seagrass beds). This work must be conducted between April 1 and September 30 due to the growth season of aquatic vegetation.

In general, permitting coordination with USACE is required when modifications to stormwater outfalls or seawalls result in impacts to OFW, as previously discussed. However, many of the projects to be funded under the Capital Improvement Program are exempt from Federal permitting. More localized impacts are permitted at the State and local level. These permits are typically obtained during the detailed design process for each project.

3.2.2 State

The following is a summary of the state agencies with which coordination was conducted in preparation of the 2011 SWMP.

3.2.2.1 South Florida Water Management District (SFWMD)

The SFWMD has responsibilities for stormwater management under F.A.C. Chapters 40E-4, 40E-40 and 40E-400 through issuance of an Environmental Resource Permit (ERP).

In 2013, the Statewide ERP Rule (Chapter 62-330, F.A.C.) was adopted, unifying the ERP rules for the State. The SFWMD regulates surface water management under F.A.C. Chapters 40E-40 and 40E-41. In addition, its responsibilities include regulation of dredge and fill activities. Since the SFWMD has jurisdiction, their criteria and standards will be used as guidelines for conceptual planning of both water quality and quantity improvements. These guidelines are provided in the South Florida Water Management District ERP Information Manual 2014.

3.2.2.2 Florida Department of Environmental Protection (FDEP).

The FDEP regulates environmental programs in the State of Florida and has been delegated NPDES MS4 permit authority; therefore, it is responsible for implementing the stormwater element of the Federal Municipal NPDES Program as part of the FDEP's Wastewater Facility and Activities Permitting program. The stormwater element of the NPDES program is mandated by the Clean Water Act (CWA) Section 402(p). Authorized by Section 403.0885, Florida Statutes (F.S.), the FDEP's federally approved NPDES stormwater program is set out in various provisions within Chapters 62-4, 62-620, 62-621 and 62-624 of the Florida Administrative Code (F.A.C.). Chapter 62-624, F.A.C. specifically addresses MS4 permit requirements.

The City is one of the 33 entities authorized for stormwater discharge under the comprehensive Miami-Dade County NPDES MS4 permit (Permit Number FLS000003-003), was scheduled to expire on June 20, 2016, but it has been extended until such time as a new permit is issued. A draft of the new permit has been issued, and is currently being advertised for public comment. It is expected that the new permit will be issued before the end of December 2017. The City is authorized to discharge to waters of the state per the approved Stormwater Management Program effluent limitations, monitoring requirements, and other provisions as set forth in this permit. The City has actively been fulfilling the requirements of the permit related to its existing outfalls. These efforts are documented in annual reports submitted by the City to the FDEP. The City is currently in compliance with these requirements.

The FDEP also regulates underground injection control permits for wells (gravity recharge wells and pumped injection wells).

3.2.3 Local – Miami Dade County Department of Regulatory and Economic Resources (DRER).

DRER regulates various environmental permitting for the construction or modification of stormwater-related infrastructure in Miami-Dade County such as coastal construction, dewatering, wetlands, wells, and stormwater. Specifically for stormwater management, DRER requires a Class II permit for related stormwater improvement projects and outfalls. The City has obtained the required permits for improvements to the Stormwater Utility that are under construction, or are already completed and expects the timely acquisition of additional permits required for the Series 2017 Project.

3.2.4 Pending Federal and State Regulations

Over the last few years, three significant related water quality and stormwater regulation issues have emerged that will likely impact the City in the near future. They are:

- The ongoing Total Maximum Daily Load (TMDL) program by FDEP.
- The Numeric Nutrient Criteria (NNC) Rule approved by FDEP.
- US EPA NPDES MS4 Rule revisions

3.2.4.1 FDEP TMDL Program

The TMDL program is required by the Clean Water Act to identify the maximum allowable loads for all sources to impaired waters and also identify the load reductions to achieve the designated use(s). The FDEP leads this effort working with local stakeholders, including water management districts, cities, counties, and private interests.

The TMDL program works to develop a scientifically sound database of information and calibrated and validated hydrology, hydraulic and water quality models to identify the TMDL, build on pollutant load reduction goals, support the load allocation and reduction process, and establish the foundation for evaluations of management practices to improve water quality. Based on these efforts, it is the most watershed-specific information for informed decisions for water quality and water environmental health. Enforcement would be through NPDES permitting for domestic wastewater, industrial wastewater and MS4 stormwater outfalls.

The draft of the TMDL program for the Biscayne Bay was originally planned for July 2010, but is currently on hold with no scheduled completion date. This program could ultimately lead to a Basin Management Action Plan (BMAP) that would require the City to complete retrofits to reduce nutrient loads to Biscayne Bay. These pending requirements for enhanced Best Management Practices (BMPs) to reduce flooding and protect and improve water quality are discussed in the 2011 SWMP.

The improvements comprising the Series 2017 Project are currently being designed to include BMPs to reduce flooding and improve water quality consistent with those that are likely to be required in the BMAP for the Biscayne Bay.

3.2.4.2 US EPA Numeric Nutrient Rule

In 1998, the US EPA produced the National Strategy for the Development of Regional Nutrient Criteria, requiring the US EPA to produce nutrient criteria guidance documents by 2000. It also required states that have narrative nutrient criteria to develop NNC.

The State of Florida Numeric Nutrient Criteria Development Plan (FDEP, March 2009), prepared by the FDEP describes Florida's plan for development of regional NNC via the use of a technical advisory committee ("TAC"). The TAC first met in January of 2001 and has met more than 25 times since its formation. Its membership consists of scientists and practitioners who have experience related to lake, river and/or estuarine water quality, members from local government, engineering and scientific consultants, university representatives and environmental interests. With the FDEP staff providing facilitation and technical resources, the TAC addressed lake and riverine nutrients initially and later turned to estuarine NNC in June of 2008.



Environmental interests in Florida filed a complaint in the U.S. District Court in July 2008 (amended in January 2009), alleging that the US EPA had failed to perform its “non-discretionary duty” to set NNC for Florida according to section 304(a) of the Clean Water Act.

In January 2009, the US EPA issued a statement that, for the State of Florida (and only Florida), new or revised nutrient criteria are necessary to meet the requirements of the Clean Water Act. In December 2009, the US EPA entered into a consent decree with the environmental plaintiffs, requiring the US EPA to issue draft NNC for flowing streams and lakes in Florida in January 2010 and for estuaries in January 2011.

On January 14, 2010, the US EPA proposed a rule entitled “Water Quality Standards for the State of Florida’s Lakes and Flowing Waters.” With this rule, the US EPA proposed water quality standards in the State of Florida that would set a series of numeric limits on the amount of phosphorus and nitrogen, also known as “nutrients,” that would be allowed in Florida’s lakes, rivers, streams, springs and canals.

After several public hearings, on April 22, 2011, the FDEP submitted a petition to the US EPA requesting the US EPA to withdraw its January 2009 determination that NNC are necessary in Florida, repeal Federal rulemaking completed in November 2010 to establish such criteria for inland lakes and streams, and refrain from proposing or promulgating any further NNC. The petition outlined the FDEP's plans to undertake its own rulemaking for nutrient criteria for state waters. The projected rulemaking schedule called for a Notice of Rule Development in June 2011, a rule development and public outreach process through the summer and early fall of 2011, and adoption of a final rule in January 2012, followed by a legislative ratification process under Florida law. The US EPA supported the FDEP's commitment to recommence its rulemaking efforts for both inland and estuarine waters. The US EPA recognized that states have the primary role in establishing and implementing water quality standards for their waters.

On September 29, 2011, the FDEP published a draft of the proposed rule in the Florida Administrative Code (F.A.C.), titled Chapter 62-302 regarding nutrient standards. The rule was then presented to the Florida Environmental Regulation Commission (ERC), the Florida Legislature, and the Governor, who signed House Bill (HB) 7051, ratifying the proposed rule. There was a challenge to the rule that was filed by the public interests environmental law organization, Earthjustice. However an administrative law judge upheld the state’s proposed new water quality rules on June 7, 2012.

On November 30, 2012, the US EPA announced its approval of the FDEP’s NNC. However, the US EPA also proposed additional regulations that would apply the US EPA’s criteria to those waters not covered by the FDEP’s NNC, such as urban storm water conveyances, open ocean waters, and many estuaries where the FDEP Total Maximum Daily Loads (TMDLs) have already been adopted. Since the US EPA developed NNC on waters not covered by the FDEP’s NNC, the US EPA and the FDEP entered into an agreement on March 15, 2013, known as “Path Forward”, to develop a plan for the FDEP to develop NNC for the remaining waterbodies before the US EPA’s deadline of September 30, 2013.

Since the agreement, the FDEP adopted a NNC Implementation Document on April 23, 2013; adopted criteria for additional estuaries on June 20, 2013; and produced a report titled, “Status of Efforts to Establish Numeric Interpretations of the Narrative Nutrient Criterion for Florida Estuaries and Current Nutrient Conditions of Unimpaired Waters”. This report was submitted to the Governor as required by the “Path Forward” agreement and Chapter 2013-71, Laws of Florida, on August 1, 2013.

On September 24, 2013, a hearing was held on the US EPA’s motion to approve the Florida regulations. On January 7, 2014, the US District Court granted the US EPA’s motion to modify the consent decree between the US EPA and various environmental organizations. The action allows the US EPA’s approval of the FDEP’s plan for NNC regulations in Florida to move ahead, and denies the environmental parties’ motion to enforce the original consent decree.

Earthjustice filed a motion on March 6, 2014 to appeal Judge Hinkles’ order allowing the US EPA to modify the consent decree to conform it to the “Path Forward” agreement between the FDEP and the US EPA. On April 2, 2014, the US EPA filed to withdraw their proposed rule on NNC in Florida and on June 20, 2014, Earthjustice and other environmental groups filed their initial appeal of Judge Robert Hinkle’s order allowing the US EPA to accept the FDEP’s plan for NNC in Florida.

Neither the US EPA nor the FDEP have NNC for South Florida waterbodies, especially canals. The FDEP drafted the “South Florida Canal Aquatic Life Study” and presented the study to stakeholders on November 1, 2012. This study proposes to perform a comprehensive assessment of South Florida canals and the aquatic life associated with those canals. The objectives of the study are:

- Assess aquatic life in South Florida canals;
- Determine interrelationships between aquatic life in canals and other variables that affect aquatic life;
- Evaluate the differences in conditions for South Florida canals; and
- Collect information that can be used to guide management decisions.

Eventually, this study will be used to determine if NNC are necessary for these waterbodies. As of the Implementation of Florida’s Numeric Nutrient Standards, April 2013 document, the South Florida region does not have a numeric nutrient threshold and will need to meet the narrative criterion as it applies in paragraph 62-302.530(47)(b), FAC.

There are many opinions on what the effect of the US EPA NNC will be on the State of Florida public stormwater discharges. At a minimum, additional BMPs will be needed to address nutrient removal from urban stormwater sources. The BMP treatment train concepts as presented in the 2011 SWMP are applicable to this water quality rule while also providing flood control and stormwater harvesting benefits. The improvements comprising the Series 2017 Project are currently being designed and permitted with water quality BMPs that meet or exceed existing regulatory requirements and anticipated additional requirements.

3.2.4.3 SFWMD and FDEP Unified Statewide Stormwater Treatment Rule

The SFWMD and the FDEP have been working with various groups in southwest Florida over the last ten years in the development of supplemental water quality criteria for Environmental Resource Permits (“ERPs”) in order to better protect water quality. These supplemental criteria would give credit for additional non-traditional BMPs and encourage stormwater reuse while controlling the average annual volume of discharge and nutrients to historic (pre-development) levels.

The FDEP has been working to extend these criteria to a unified statewide rule that considers variations in hydrology and physical characteristics across Florida. If adopted as currently drafted, this rule would exempt retrofits for stormwater systems that provide some load reduction, such as stormwater master plan projects with water quality BMP features. The rule is currently on hold, and there is no way to determine with any reasonable degree of certainty when, or if, a unified statewide rule will be adopted, or if adopted, in what form the rule will be adopted.

3.2.4.4 US EPA NPDES MS4 Revisions

As discussed above, the US EPA has updated the MS4 permit program and the update contains additional requirements for BMPs and documentation on their performance and costs. The improvements comprising the Series 2017 Project are currently being designed and are expected to be permitted with water quality BMPs that meet or exceed existing regulatory requirements and the anticipated additional requirements.

3.3 Facility Evaluation

The 2011 SWMP identifies stormwater improvements for implementation in several high priority drainage basins, as defined by the 1997 SWMP. The design and construction of these improvements are already underway and many of them have been completed. Factors used in the prioritization of the drainage basins in the 1997 SWMP were pollutant loading, pollutant concentration, flooding potential, citizen complaints, and ranking by City staff. As part of the 2011 SWMP, surface water hydrologic and hydraulic modeling was performed using the US EPA Stormwater Management Model (SWMM) to estimate and evaluate flooding LOS and alternative solutions to meet LOS. The CDM Smith Watershed Management Model (WMM) was used to perform surface water quality and BMP evaluations. Both are public domain tools that are widely used for stormwater master planning applications.

Model parameter estimates were checked for validity during actual storm and tidal events throughout the year 2010, as practical. Investigations; including photo-archive retrievals, field visits, photography in combination with flood depth measurements and discussions with City staff were performed as part of the validation stage. Storm event rainfall data was retrieved from City rain gages and tidal data was retrieved from the National Oceanic and Atmospheric Administration.



AECOM was tasked in 2014 with revising the US EPA SWMM model to determine areas deficient in LOS under the City's current standards and to suggest modifications to the drainage designs contained within the 2011 SWMP to better achieve the current LOS standards. AECOM is responsible for confirming the necessity of the previously proposed projects as well as planned improvements and the degree by which the basin's LOS is being achieved, as defined by the current City LOS standards.

3.4 Utility Billing

A stormwater utility fee is assessed against each property in the City based on existing City utility accounts, application for service, and Miami-Dade County Tax Assessor property information or other ownership records.

Each account is assigned a number of equivalent residential units ("ERU") that are used to determine the stormwater fee. The ERU is the estimated average horizontal impervious area of residential developed property per dwelling unit. This estimated average is calculated by dividing the total estimated impervious area of four residential categories (single family, mobile home, multi-family and condominium) by the estimated total number of dwelling units. For the City, one ERU is equal to 791 square feet. For the purpose of the Stormwater Utility, the minimum number of ERUs per dwelling unit is one.

The City had maintained a steady ERU rate from 2003 to 2008 of \$5.80 per month. In recent years the City has faced significant increases in expenditures for construction of projects, as well as operation and maintenance of current Stormwater Utility infrastructure. As a result, in 2008, CDM Smith provided recommendations to support proper funding to expand, operate and maintain the Stormwater Utility, make debt service payments and maintain coverage requirements. A series of Stormwater Utility rate adjustments were recommended, which resulted in an ERU rate of \$9.06 per month until FY 2014. The City raised the ERU rate to \$16.67 per month on October 1, 2014 to finance the issuance of the Series 2015 Bonds. On October 1, 2016, in anticipation of the issuance of the Series 2017 Bonds, the City raised the ERU rate to \$22.67 per month. The fee is structured as a flat rate for all residential customers. In addition, on October 18, 2017 the City passed Ordinance No. 2017-4145 indexing the stormwater utility rates to the CPI effective for all billings after October 1, 2017. As a result, the ERU rate is expected to increase each Fiscal Year and, as of October 1, 2017, the rate increased from \$22.67 to \$23.30 per month.

To receive water, sewer, and stormwater services from the City, property owners fill out an application for water service at the City's Finance Department and pay a deposit according to an established schedule. The Finance Department is responsible for preparing and issuing one itemized bill for water, sewer, stormwater, and garbage disposal (except for commercial accounts) services provided by the City. Those services are billed on a monthly basis.

Stormwater Utility fees may be reduced by 50 percent for properties within the City that meet one of the following criteria:

- The property is subject to a valid NPDES permit.

- The property is served by a private disposal system meeting State, County, and City criteria.
- A portion of the property is served by a private disposal system meeting State, County, and City criteria. The fee reduction only applies to that portion of the property served by the system.

To date, no Stormwater Utility customer has requested, or has been granted such a reduction.

The fees collected by the City with respect to the Stormwater Utility, including investment earnings, are deposited in the Stormwater Enterprise Fund and used for planning, constructing, financing, and operating and maintaining the Stormwater Utility and the infrastructure of the stormwater management system. The Stormwater Enterprise Fund tracks the operations, capital expenditures, and revenues of the Stormwater Utility.

The City has streamlined and improved the system that was in place to capture ERU changes in the review and approval of construction plans. The resulting method enhances communication and coordination of the several City departments included in the Stormwater Utility billing process, such as Public Works, OBPI and Finance.

4. Capital Improvements

4.1 Planned Improvements

The 1997 SWMP identified 34 drainage basins as high priority basins. The CIP originally presented in the 1997 SWMP identified proposed projects by stormwater basin number. In the 2011 SWMP, improvements were reclassified and are now grouped together by the neighborhood or general community where the improvements will be made. The capital improvement projects listed below are a combination of active projects pre-defined by the 1997 SWMP, project-specific Basis of Design Reports, and projects identified as part of the 2011 SWMP. In addition, since 2014 AECOM has evaluated over 30 individual neighborhoods to determine the number and size of required pumping systems, and drainage improvements, and is in process of preparing an updated SWMP. At present, 57 additional pumping stations, including one additional redundant pump and power unit per pumping station are proposed.

In most instances, the stormwater improvements were coordinated with components of the City's Neighborhood Right-of-Way projects. Such projects included improvements to other neighborhood utilities, such as water, sewer, streetscape, and street lighting. Emphasis was given to avoid re-entering a neighborhood which had recently completed neighborhood improvements.

The purpose of these improvements is to provide a higher LOS defined as improved flood protection and control of pollutant loading in the stormwater system.

The amount of funding to be derived from the City's issuance of stormwater revenue bonds is calculated as the additional monies needed to construct additional water management features above and beyond those already included in the capital budget for the neighborhood projects.

The improvements consist of one or a combination of the following:

- Repair, replace, and/or install curbs and gutters,
- Reconstruct and/or raise streets and sidewalks,
- Repair, replace, and/or install collection systems, catch basins and manholes,
- Construct pumping stations and water quality treatment devices, and
- Repair or upgrade existing outfalls (inclusive of tidal backflow prevention devices).

The projects listed below will provide comprehensive solutions for improving the City's stormwater management system performance for the next 50 years. Appropriate consideration has been given to the water quality of Biscayne Bay and the operation and maintenance of an expanded stormwater management system. The presented capital improvements allow the Stormwater Utility systems to meet increasing performance, permitting and regulatory demands while modernizing the existing system to meet the LOS desired by the City.

The projects listed below are identified for funding under the Stormwater Program. The total cost of the Stormwater Program is estimated to be \$658,940,087. The unfunded portion of the Stormwater Program is estimated to be \$500,882,768. It is expected that the proceeds from the Series 2017 Bonds will fund \$100 million of these projects. Summaries of the estimated program cost by neighborhood are shown in tabular format in **Figure 5**, and graphically in **Figure 6**.



Figure 5: Proposed Stormwater Bond Projects

Location Name	Engineer Projected Cost	Appropriated or Spent Fund	Funds Required	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	Future	Sub-Total for Each Project
Allison Island North	\$ 6,154,321	\$ -	\$ 6,154,321	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,154,321	\$ 6,154,321
Belle Isle	\$ 4,550,621	\$ -	\$ 4,550,621	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,550,621	\$ 4,550,621
Biscayne Beach	\$ 20,445,421	\$ -	\$ 20,445,421	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,445,421	\$ 20,445,421
Biscayne Point	\$ 13,266,321	\$ -	\$ 13,266,321	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,266,321	\$ 13,266,321
Central Bayshore	\$ 8,213,400	\$ 250,000	\$ 7,963,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,963,400	\$ 7,963,400
Central Bayshore South	\$ 11,439,456	\$ 11,439,456	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Center	\$ 42,527,421	\$ 2,300,000	\$ 40,227,421	\$ -	\$ -	\$ -	\$ 40,227,421	\$ -	\$ -	\$ 40,227,421
Middle North Bay	\$ 13,227,421	\$ -	\$ 13,227,421		\$ 13,227,421	\$ -	\$ -	\$ -	\$ -	\$ 13,227,421
Nautilus	\$ 29,236,421	\$ -	\$ 29,236,421	\$ -	\$ -	\$ -	\$ -	\$ 19,236,421	\$ 10,000,000	\$ 29,236,421
Flamingo Park	\$ 119,208,242	\$ 7,500,000	\$ 111,708,242	\$ -	\$ -	\$ -	\$ -	\$ 55,854,121	\$ 55,854,121	\$ 111,708,242
Indian Creek Parkway	\$ 14,717,121	\$ 5,500,000	\$ 9,217,121	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,217,121	\$ 9,217,121
La Gorce (Upper North Bay)	\$ 40,627,421	\$ -	\$ 40,627,421	\$ 40,627,421	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,627,421
La Gorce Island	\$ 9,104,921	\$ -	\$ 9,104,921	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,104,921	\$ 9,104,921
Orchard Park	\$ 13,688,421	\$ -	\$ 13,688,421	\$ -	\$ -	\$ 5,000,000	\$ -	\$ -	\$ 8,688,421	\$ 13,688,421
Normandy Isle South	\$ 42,009,721	\$ -	\$ 42,009,721	\$ -	\$ -	\$ -	\$ -	\$ 21,004,861	\$ 21,004,861	\$ 42,009,721
Normandy Shores	\$ 29,147,027	\$ -	\$ 29,147,027	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,147,027	\$ 29,147,027
North Shore	\$ 40,627,421	\$ -	\$ 40,627,421	\$ -	\$ -	\$ 15,000,000	\$ 25,627,421	\$ -	\$ -	\$ 40,627,421
Park View Island	\$ 4,759,121	\$ -	\$ 4,759,121	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,759,121	\$ 4,759,121
South Pointe (1st & 5th Street)	\$ 25,249,121	\$ 473,200	\$ 24,775,921	\$ 705,181	\$ 11,682,780	\$ 12,387,961	\$ -	\$ -	\$ -	\$ 24,775,921
Star Island	\$ 6,032,621	\$ -	\$ 6,032,621	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,032,621	\$ 6,032,621
Sunset Harbour	\$ 16,783,824	\$ 16,783,824	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sunset Island #1	\$ 5,319,421	\$ -	\$ 5,319,421	\$ -	\$ -	\$ -	\$ -	\$ 5,319,421	\$ -	\$ 5,319,421
Sunset Island #2	\$ 7,446,121	\$ -	\$ 7,446,121	\$ -	\$ -	\$ -	\$ -	\$ 7,446,121	\$ -	\$ 7,446,121
Town Center	\$ 20,110,421	\$ -	\$ 20,110,421	\$ -	\$ -	\$ 20,110,421	\$ -	\$ -	\$ -	\$ 20,110,421
West Avenue/ Bay Road	\$ 42,017,672	\$ 42,017,672	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SCADA and PLC	\$ 1,237,500	\$ -	\$ 1,237,500	\$ 1,237,500	\$ -	\$ -	\$ -	\$ -		\$ 1,237,500
SUB-TOTAL	\$ 587,146,920	\$ 86,264,152	\$ 500,882,768	\$ 42,570,102	\$ 24,910,201	\$ 52,498,382	\$ 65,854,842	\$ 108,860,945	\$ 206,188,298	\$ 500,882,768
Under Construction / Completed										
Lower North Bay Road	\$ 5,025,128	\$ 5,025,128	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sunset Island 3 and 4	\$ 6,520,000	\$ 6,520,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Venetian Islands	\$ 20,516,285	\$ 20,516,285	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Palm & Hibiscus Islands	\$ 32,161,390	\$ 32,161,390	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Central Bayshore Bid Pak A	\$ 2,815,776	\$ 2,815,776	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Citywide Tidal Flooding Mitigation - Ph 1	\$ 2,544,588	\$ 2,544,588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Drainage Hot Spots	\$ 2,210,000	\$ 2,210,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	\$ 658,940,087	\$ 158,057,319	\$ 500,882,768	\$ 42,570,102	\$ 24,910,201	\$ 52,498,382	\$ 65,854,842	\$ 108,860,945	\$ 206,188,298	\$ 500,882,768

Tranche #	Funding requirements
Tranche 2	\$ 42,570,102
Tranche 3	\$ 24,910,201
Tranche 3	\$ 78,125,803
Tranche 4	\$ 149,088,366
Future Revenue Stream	\$ 95,963,903
Future Revenue Stream	\$ 110,224,395

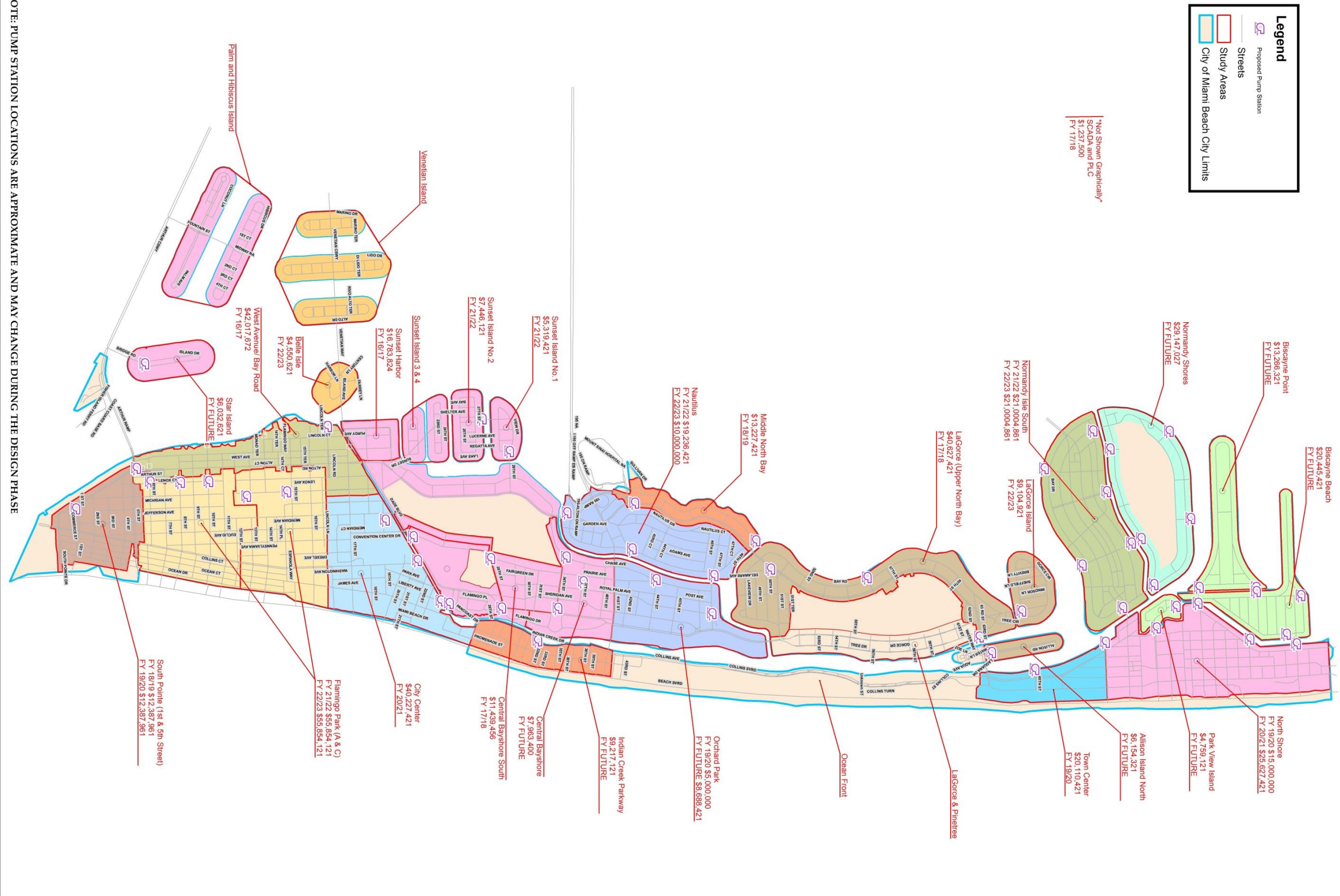


NOTE: PUMP STATION LOCATIONS ARE APPROXIMATE AND MAY CHANGE DURING THE DESIGN PHASE



City of Miami Beach
5 Year Storm Water Master Plan

Figure 6





Allison Island North – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$6,154,321

Belle Isle – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$4,550,621

Biscayne Beach – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, 6) Convert existing pumping stations discharge piping from injection wells and add force mains to new outfall, and 7) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$20,445,421

Biscayne Point – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, 6) Convert existing pumping stations discharge piping from injection wells and add force mains to new outfall, and 7) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$13,266,321



Central Bayshore – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, 6) Convert existing pumping stations discharge piping from injection wells and add force mains to new outfall, and 7) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$8,213,400

Central Bayshore South – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$11,439,456

City Center – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$42,527,421

Middle North Bay – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$13,227,421



Nautilus – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, 6) Convert existing pumping stations discharge piping from injection wells and add force mains to new outfall, and 7) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$29,236,421

Flamingo Park – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$119,208,242

Indian Creek Parkway – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$14,717,121

LaGorce (Upper North Bay) – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$40,627,421



LaGorce Island – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$9,104,921

Orchard Park – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$13,688,421

Normandy Isle South – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$42,009,721

Normandy Shores – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$29,147,027



North Shore – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$40,627,421

Park View Island – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$4,759,121

South Pointe (1st & 5th Street) – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, 6) Convert existing pumping stations discharge piping from injection wells and add force mains to new outfall, and 7) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$25,249,121

Star Island – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$6,032,621



Sunset Harbour – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$16,783,824

Sunset Island #1 – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$5,319,421

Sunset Island #2 – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$7,446,121

Town Center – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$20,110,421



West Avenue/ Bay Road – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, 6) Convert existing pumping stations discharge piping from injection wells and add force mains to new outfall, and 7) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$42,017,672

SCADA & PLC

The purpose of the project improvements is to install an all-inclusive Supervisory Control and Data Acquisition (SCADA) package that includes engineering, design, integration and installation of a radio-based, internet accessible SCADA system. The SCADA system will be for remote monitor and control of potable water storage tanks, drinking water pumping stations, wastewater pumping stations, stormwater pumping stations, and all associated monitoring stations (flow, pressure, etc.). There are currently 33 stormwater pumping stations operated by the CMB that will be a part of the overall project. The installation will provide the ability to reduce operating costs, while improving performance and reliability. The estimated project cost reflects only the stormwater related portions of the overall project.

Estimated Project Cost: \$1,237,500

4.2 Improvements under Construction

Lower North Bay Road – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost to Completion: \$5,025,128

Sunset Islands 3 & 4 – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost to Completion: \$6,520,000



Venetian Islands – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost to Completion: \$20,516,285

Palm & Hibiscus Islands – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost to Completion: \$32,161,390

Central Bayshore Neighborhood Bid Pak A – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system, and reduce reliance on gravity or pressurized drainage (injection) wells. The improvements consist of one or a combination of the following: 1) Construct additional stormwater collection system piping to interconnect existing pipe networks, 2) Construct water quality treatment devices, 3) Convert pumping stations discharge piping from injection wells and add force mains to new outfall, and 4) Construct new outfall and/or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost to Completion: \$2,815,776

Citywide Tidal Flooding Mitigation Phase 1- Improvements

The purpose of the project improvements is to prevent the backflow of water from the Biscayne Bay into the City's stormwater management system and up through the stormwater inlet grates flooding the roadway curb and gutter. This tidal flooding poses a threat to public health and safety, inconveniences the public, and has caused major damage to structures, and killed lawns and landscaping. In addition, tidal flooding saturates the base structure of roadways causing failure of roadways prior to their expected useful design life. This project consists of the installation of backflow prevention valves (aka "Tideflex" valves) on a majority of the PSMS outfalls to the Biscayne Bay and in the lowest lying areas of the City.

Estimated Project Cost to Completion: \$2,544,588

Drainage Hot Spots- Improvements

This project will provide localized stormwater improvements that address drainage “hot spots” within the City. The project will provide funding to allow City staff to design, contract for, and implement solutions to limited areas of the City which are within the definition of the projects approved by the City Commission in the Resolution authorizing issuance of the Series 2015 Bonds, but not incorporated into other neighborhood improvement projects identified in the Stormwater Program.

Estimated Project Cost to Completion: \$2,210,000

5. Conclusions and Recommendation

AECOM has made the following conclusions with respect to the stormwater system during the course of preparing this Engineer’s Report:

- The capital improvement program for the Stormwater Utility is necessary to improve the flood protection LOS and water quality of the City’s stormwater management system.
- Continuation of the City’s planned capital improvement program for the Stormwater Utility will entail the need for significant additional funding, as described in this Engineer’s Report.
- The City’s stormwater management system is well maintained, well managed and in good operating condition. Effective planning policies provide for the necessary inspection, repair, improvement and replacement of the City’s stormwater management facilities and have enabled the City to comply with state and federal regulations.
- The City’s stormwater management system has the physical capacity to meet existing demands. Implementation of the projects included in the capital improvement program will enable the City’s stormwater management system in the areas served by those projects to meet projected demands and comply with state and federal regulations expected to be in effect during the study period of this Engineer’s Report (Fiscal Years 2018 through 2022).
- The financial plan for improvements to the City’s stormwater management system, as described in this Engineer’s Report, includes adequate funding for improvements to be constructed and installed in the manner and time periods currently contemplated.
- In the event the City elects to issue additional Stormwater Revenue Bonds in FY 2022 in the amount currently contemplated, and as described in this Engineer’s Report, a rate increase applicable to the stormwater system customers is projected to be necessary prior to the issuance of such bonds.

- Key staff of the City in charge of the operations and maintenance of the City's stormwater management system and the implementation of improvements to the system are well qualified and capable of effectively managing the responsibilities of such operations, maintenance and implementation.
- The methodology used to develop the capital improvement program for the City's stormwater management system, the timing of the implementation of the program and the cost of its improvements was an appropriate methodology for such purposes.
- Improvements to be made to the City's stormwater management system have been or are expected to be designed in accordance with usual and customary engineering practices and involve proven technology and proven configurations of that technology.
- The projected cost and time periods for implementing the improvements to the City's stormwater management system to be financed with proceeds of the Series 2017 Bonds are reasonable.
- In the opinion of the Consulting Engineers, the City's issuance of the Series 2017 Bonds in the aggregate principal amount set forth in the Official Statement related to the Series 2017 Bonds, at the time and for the purposes described in this Engineer's Report, is an advisable undertaking.

AECOM recommends that the City proceed with the issuance of the Series 2017 Bonds; continue the implementation of the capital improvement program for the Stormwater Utility and as necessary, the adoption of rate adjustments in anticipation of future issuance of additional Stormwater Revenue Bonds.

CITY OF MIAMI BEACH

Engineer's Report for the Stormwater Revenue Bonds, Series 2015



July 17, 2015

FINAL

Prepared by

AECOM

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July 17, 2015

Ms. Patricia Walker
Chief Financial Officer
City of Miami Beach, Florida
1700 Convention Center Drive
Miami Beach, Florida 33139

Subject: Engineer's Report for the City of Miami Beach, Florida
Stormwater Revenue Bonds, Series 2015

Dear Ms. Walker,

AECOM has prepared this letter report to present pertinent engineering information for the Official Statement relating to the issuance by the City of Miami Beach, Florida (City) of its Stormwater Revenue Bonds, Series 2015 (Series 2015 Bonds). The Series 2015 Bonds are being issued to finance continued construction of improvements to the stormwater systems throughout the City as begun with proceeds from the City's Stormwater Revenue Bonds, Series 2000 (Series 2000 Bonds) and Stormwater Revenue Bonds, Series 2011A (Series 2011 Bonds).

This Engineer's Report contains information prepared by AECOM relative to the City's stormwater system as developed and proposed in part by the 2011 City of Miami Beach Citywide Comprehensive Stormwater Master Plan prepared by CDM Smith Inc. (2011 SWMP) and makes reference to both the 2011 SWMP and the 1997 Comprehensive Stormwater Management Program Master Plan prepared by CH2M Hill (1997 SWMP) in combination with various Basis of Design Reports developed by other engineering consultants.

Subsequent to adoption of the 2011 SWMP, the City implemented policy changes related to flood mitigation and drainage and roadway Level of Service to maintain flood protection while taking into account sea level rise, king tide events, and increased rainfall depth, intensity and distribution. AECOM evaluated the prior reports and studies and has updated the citywide master stormwater model to evaluate areas deficient in Level of Service. Based on this analysis, it was determined that the drainage designs contained within the 2011 SWMP were inadequate to serve the City's needs. In addition, as a result of the predicted increase in groundwater levels resulting from sea level rise, the City has implemented a working policy to (over time) reduce and/or eliminate the use of exfiltration trenches, gravity drainage wells and stormwater injection wells due to concerns over reliability and decreasing capacity, which further modified the 2011 SWMP drainage designs.

Various aspects of the City's stormwater system are included in this Engineer's Report in the following format:

- Introduction
- Public Works Department and Stormwater System Development
- Stormwater System
- Capital Improvements, and
- Financial Analysis

It is the intent of this Engineer's Report to identify proposed projects that will provide comprehensive solutions for improving the City's stormwater management system performance for the next 50 years. Appropriate consideration has been given to water quality of the Biscayne Bay and Operation and Maintenance (O&M) of an expanded system. The presented capital improvements allow the City's stormwater systems to meet the increasing performance, permitting and regulatory demands while modernizing the existing system to meet the drainage and roadway level of service desired by the City of Miami Beach.

Respectfully submitted;

AECOM

Thomas F. McGowan, PE
Project Manager



1. Introduction

1.1 Background

The City of Miami Beach (City) has experienced tidal flooding for many years. The tidal flooding has been severe during higher than average tides experienced in the spring and the fall of the each year. The fall high tides are the highest tides of the year, and are also known as the King Tides. Tidal flooding occurs when the Biscayne Bay water surface elevation rises sufficiently to backflow into the City's stormwater management system and up through the stormwater inlet grates, flooding the roadway curb and gutter. During some high tide events, the tidal flooding can overtop the roadway curb and gutter and sidewalks, filling the streets of the City with salt water. Tidal flooding poses a threat to public health and safety and inconveniences the public. The flooding has caused major damage to structures and killed lawns and landscaping. In addition, tidal flooding saturates the base structure of roadways, causing deterioration and failure of roadways prior to their expected useful design life.

AECOM has prepared this letter report to present pertinent engineering information for the Official Statement relating to the issuance by the City of its Stormwater Revenue Bonds, Series 2015 (Series 2015 Bonds). The Series 2015 Bonds are being issued to finance continued construction of the improvements to the stormwater systems throughout the City, as begun with proceeds from the City's Stormwater Revenue Bonds, Series 2000 (Series 2000 Bonds) and Stormwater Revenue Bonds, Series 2011A (Series 2011 Bonds). The City authorized AECOM to prepare an Engineer's Report in support of the City's planned issuance of approximately \$300 million of Stormwater Revenue Bonds within the next five years to upgrade the City's stormwater management system (the Stormwater Program). The Series 2015 Bonds will be issued to provide \$100 million of proceeds for such a purpose.

In July 2008, CDM Smith Inc. (CDM Smith) was retained by the City to perform a Stormwater Rate Study projecting annual revenue requirements for Fiscal Years 2009 through 2014, including operating expenses, existing and prospective debt service, administrative fees, depreciation/renewal and replacement requirements, and capital expenditures. The City's current stormwater utility rates are in effect based on recommendations from the CDM Smith Stormwater Rate Study. On October 1, 2014, the City raised the stormwater utility rates in anticipation of the issuance of the Series 2015 Bonds.

This Engineer's Report presents the results of an updated analysis, and describes the organization and management of the City's Public Works Department and the specific responsibilities of the Stormwater Utility (as defined in City Resolution No. 2000-24127 dated October 18, 2000 (the Bond Resolution) authorizing issuance of stormwater revenue bonds). This report outlines the City's stormwater service areas, facilities, operations, Capital Improvement Program (CIP), and historical and projected financial performance of the Stormwater Utility.



In July 2014, the City retained AECOM to evaluate the Citywide Comprehensive Stormwater Management Master Plan prepared by CDM Smith (2011 SWMP) to analyze and update its stormwater management practices, infrastructure, funding, and regulatory policies.

In this capacity, AECOM has analyzed, reviewed and assessed various aspects of the Stormwater Utility infrastructure, management, operations and finances.

This Engineer's Report contains information prepared by AECOM relative to the City's stormwater system, as developed and proposed in part by the 2011 SWMP. This Engineer's Report makes reference to both the 2011 SWMP and the 1997 Comprehensive Stormwater Management Program Master Plan prepared by CH2M Hill, (1997 SWMP), in combination with various Basis of Design Reports developed by other engineering consultants. In addition to AECOM's analysis and update, these previously developed reports and studies provide AECOM the means of assessing the technical merit for the issuance of the Series 2015 Bonds.

1.2 Study Assumptions

Information utilized in preparation of this report relies upon information provided by the City and other parties. AECOM has not independently verified all of the supplied information. However, the information follows general trends of the City related to the management of its stormwater infrastructure. AECOM has no reason to believe the supplied information is not valid for this report, yet no assurances are made with respect thereto. Specific assumptions used in this report are presented throughout the course of this report and are provided to clarify the basis of analysis.

2. Public Works Department and Stormwater System Development

2.1 Description of the Existing Stormwater System

The City of Miami Beach is a highly urbanized coastal community located in southeast Florida and is a major economic resource to the region. Bounded by the Atlantic Ocean and the environmentally sensitive Biscayne Bay Aquatic Preserve, which is also an Outstanding Florida Water (OFW), the existing stormwater system covers approximately 4,200 acres, as shown in **Figure 1**. The area has relatively low-lying topography that is bisected by intracoastal waterways, a subtropical climate with high intensity rainfall, significant tidal influence, limited soil storage for infiltration, high amounts of impervious area, and limited available surface storage. These factors have all contributed to historical, and have the potential to contribute to future, severe rainfall and tidal flooding.

Tidal events can cause both flooding and erosion. The City is comprised of a series of islands and has a perimeter of seawalls around the island system. Topographic elevations range from approximately 10 feet referenced to North American Vertical Datum of 1988 (feet-NAVD) to 0.0 feet-NAVD, and much of the City's stormwater infrastructure and roads lie at or below 6 feet-NAVD. Low street gutter elevations range as low as 0.5 feet-NAVD.



The City's stormwater management system is tidally influenced and consists of approximately 340 City maintained outfalls served by swales, inlets, storm drains, culverts, bridges, gravity and pumped recharge wells, exfiltration systems, channels, canals, pump stations, and retention/detention storage systems.

Miami Beach is one of 33 municipalities that entered into an Interlocal Agreement (ILA) with Miami-Dade County in 1993, authorizing Miami-Dade County to be the lead permittee in submitting a National Pollutant Discharge Elimination System (NPDES) Stormwater Permit Application. One condition of the ILA requires the City to develop a stormwater master plan that is consistent with Miami-Dade County's Master Plan.

The City's stormwater system currently operates under Florida Department of Environmental Protection (FDEP) Municipal Separate Storm Sewer System (MS4) Permit No. FLS000003-003, which adheres to the federal NPDES requirements of the Clean Water Act. The MS4 Permit for the Stormwater Utility expires on June 20, 2016. As recorded in the City's stormwater Geographic Information System (GIS) database, the stormwater infrastructure in place includes approximately 4,750 stormwater inlets, 7,900 conduits (gravity pipes and force mains), 2,575 manholes, 25 pumping stations, and 340 stormwater outfalls. In addition, the City has 3 pump stations under construction and an additional 12 in final design or currently under contract to construct. This does not include the several private, County, and State owned pump stations and outfalls within the City limits.

2.2 Administration and Staffing

The City is organized under the Commission-Manager form of government. The governing body of the City is the City Commission, which establishes policies for proper administration of the City. The City Commission is composed of seven members, including the Mayor. The Mayor and Commissioners are elected to their offices by an at-large vote of the citizens, and the Vice-Mayor is chosen by majority vote of all members of the City Commission. Six Commissioners serve staggered four year terms, and the Mayor serves a two year term. The City Commission appoints a City Manager to act as administrative head of the City. The City Manager serves at the pleasure of the City Commission, carries out its policies, directs the operations of the City and has the power to appoint or remove heads of all departments.

Figure 2 presents the organizational chart for the City's Public Works Department. The Public Works Department is responsible for the operation and maintenance of the facilities of the stormwater system. Eric T. Carpenter, PE is the Public Works Director reporting to the Assistant City Manager, Mark Taxis, and is assisted by an Assistant Public Works Director.

The Director of the City's Infrastructure Division of the Public Works Department, Mike Alvarez, is responsible for the daily operations of the stormwater system. The Infrastructure Director oversees Operation and Maintenance (O&M) and minor construction of the following:

- Sewer collection system
- Water distribution system



- Stormwater collection and disposal system
- Pump stations
- Water metering

The Infrastructure Director also oversees warehouse operations.

Other Public Works Department Divisions are overseen by the Assistant Public Works Director, Jay Fink, PE who reports to the Public Works Director. The City Engineer, Bruce Mowry, Ph.D., PE, is responsible for the daily operations of these divisions. These Department Divisions provide the following services:

- Planning and Engineering of the following:
 - Sewer collection system
 - Water distribution system
 - Water Metering
 - Stormwater collection and disposal system
 - Pump stations
- Right-of-Way permitting and enforcement
- Greenspace Management
- Property Management Division
- Sanitation Division
- Geographic Information Systems (GIS)

The Public Works Department is supported by other departments within the City. The City Manager's office provides managerial and administrative guidance. The Finance Department performs the utility billing function. The Procurement Department performs several functions including, among others: handling requests for payment of invoices received by the Public Works Department; advertising and awarding of all construction contracts; handling all requests for proposals for engineering consultants and contracts; and facilitating purchases of required equipment. The Office of Budget and Performance Improvements (OBPI) approves all spending requests and allocates funding for all water, wastewater and stormwater operations. The Fleet Maintenance and Property Management Department performs vehicle fleet maintenance and building maintenance, respectively. The Human Resources Department handles all personnel functions. The Capital Improvement Project Office provides planning, design review, fiscal and construction management services of major City capital projects.

The City bills monthly for water, wastewater, stormwater, and sanitation services on the same bill. There are four billing cycles each month. The prioritization of applying payments is first to stormwater, second to sanitation, third to wastewater, and last to water.

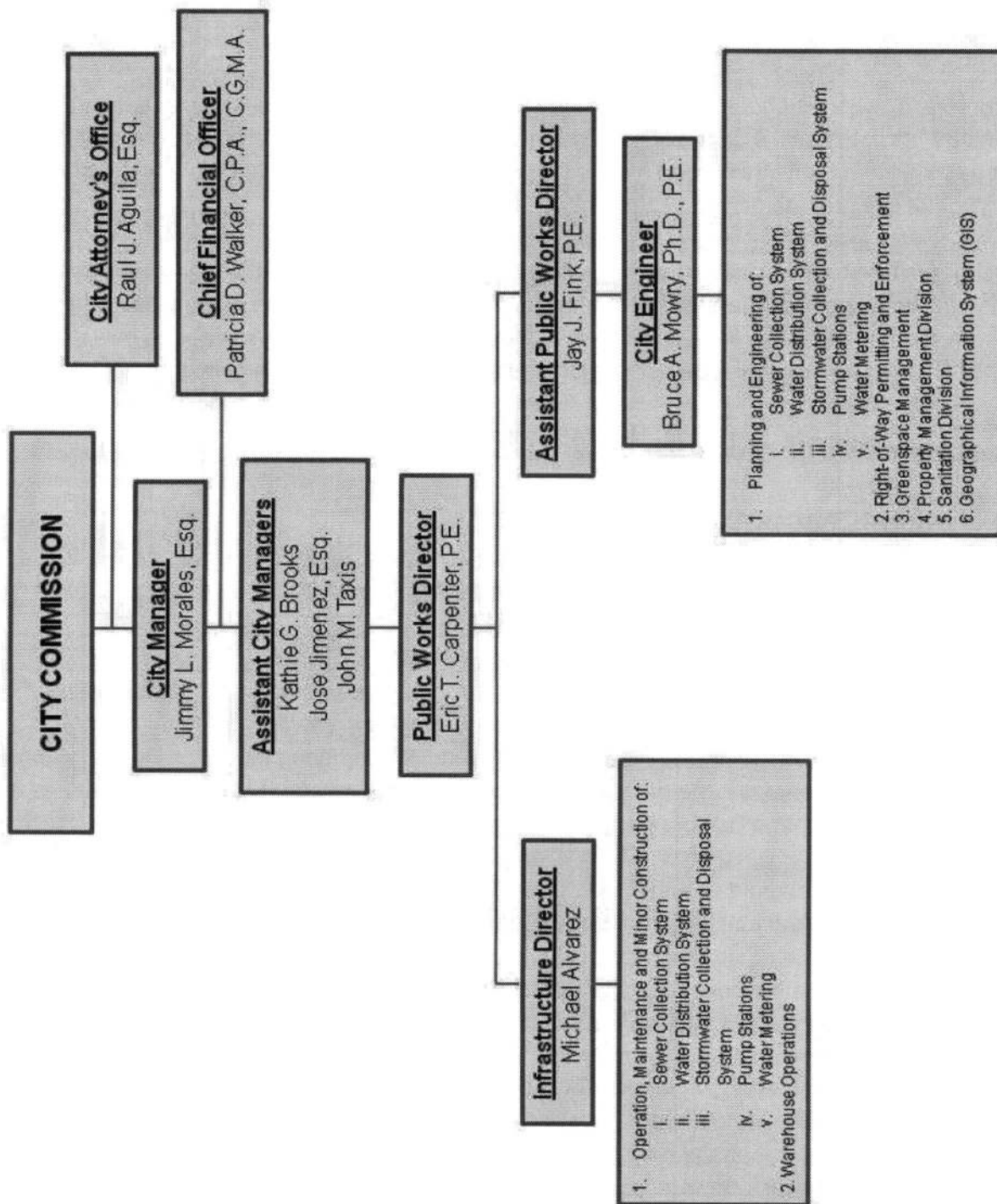


Figure 2
City of Miami Beach, Florida
Organizational Chart for City's Stormwater System



Payments are due within twenty one (21) days from the date of the bill. A one and one-half percent (1.5%) penalty is added to all charges on the bills if not paid within the twenty one (21) days.

Customers for whom a check has been returned by the bank are notified to replace their check with either; cash, cashier's check or money order within five days. For returned checks, the customer's account will be charged a minimum of \$25.00 or five percent of the amount of the check, whichever is greater.

The charges for utility services constitute a lien against the premises and become effective and binding as such lien from the date upon which the account becomes due, unpaid and in arrears. Liens accrued as set out in the City Code are of the same dignity as liens acquired by virtue of the City Charter, whereby an interest rate of ten percent accrues to such delinquent accounts.

3. Stormwater System

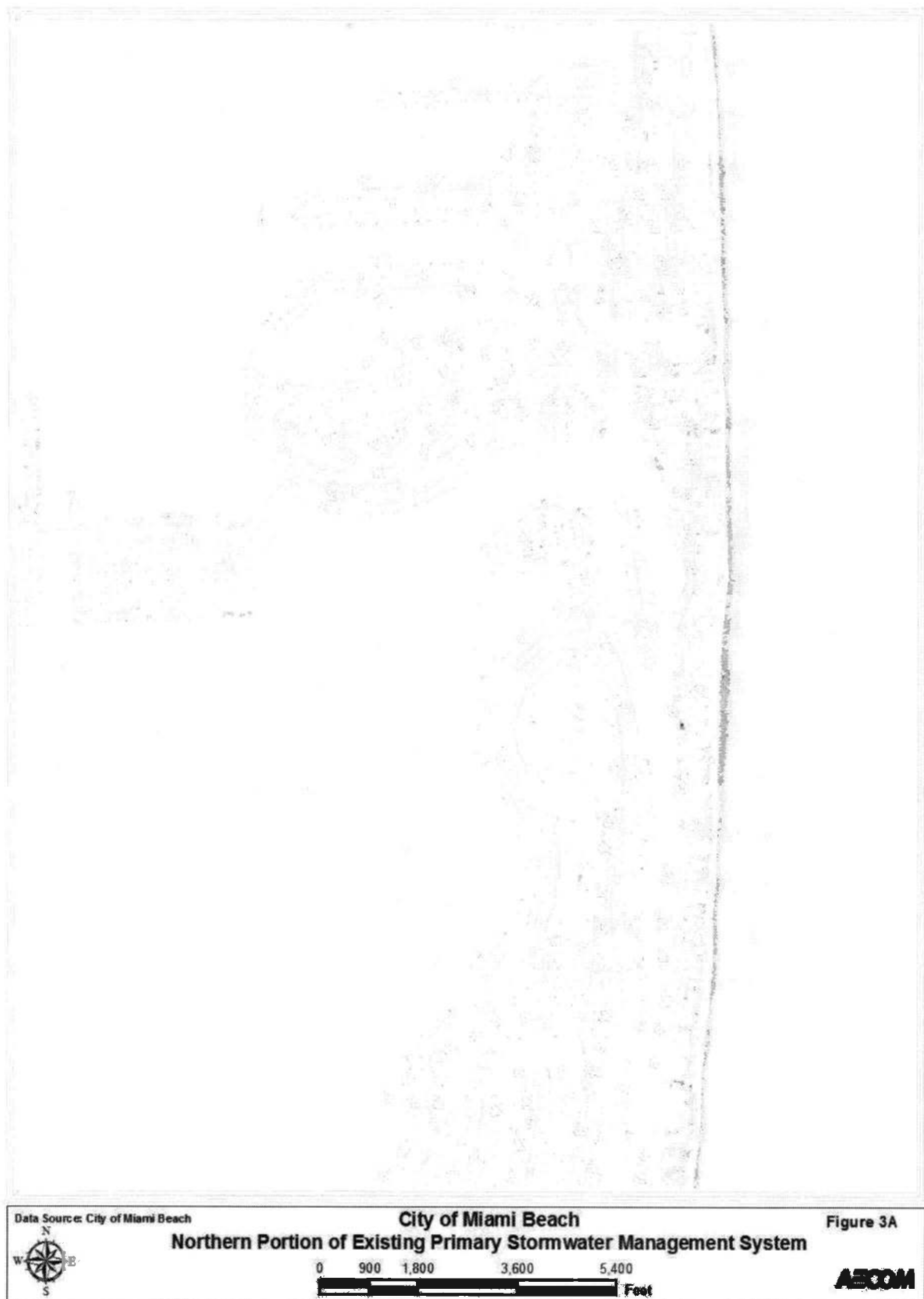
3.1 System Description

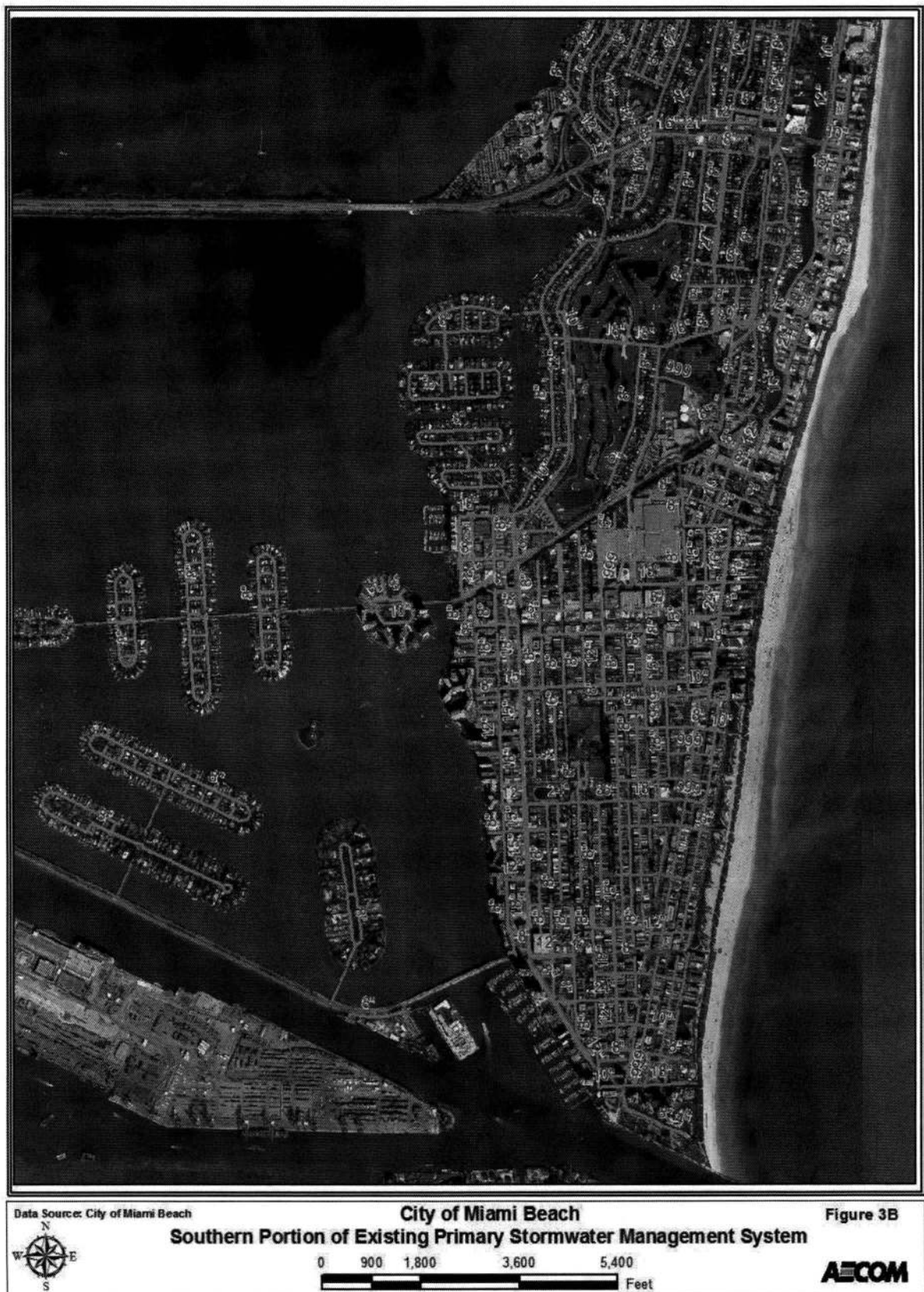
In 1903, the United States Army Corps of Engineers (USACE) dredged the first opening to the Atlantic Ocean, cutting through mangrove swamps at Government Cut. The dredging project allowed for a safer, more direct access to the Port of Miami.

Through the 1900s, Miami Beach was dredged and built; the beach, on the east side, is the highest part of the City. The west side, along West Avenue, is the lowest. The majority of the storm drainage was constructed between the 1930s and 1960s during the City's initial population booms. Generally, the drainage system flows by gravity from east to west, where water drains into Biscayne Bay or one of its tributary waterways.

As development has expanded within the City and green areas have transitioned into developed land, some of the natural phenomena that occur in a tidally influenced community have been exacerbated. Under present day conditions, when the Bay is at high tide or groundwater conditions, the City experiences flooding. During storm events, flooding occurs due to excess runoff as well as the inundation of the stormwater network by tidal backflow, elevated groundwater and rainfall. **Figure 3** shows the general layout of the City's Primary Storm Water Management System (PSMS) which was evaluated as part of the 2011 SWMP.

The existing stormwater management facilities are inadequate in many areas of the City. In most areas, the existing stormwater system is based on development patterns and groundwater and coastal conditions of the 1930s and 1960s, and has localized improvements to address flooding issues. Those systems constructed between the 1930s through 1960s have served their design life. Due to age, development, and updated regulatory requirements, the overall system requires upgrades to improve both stormwater quality and conveyance.



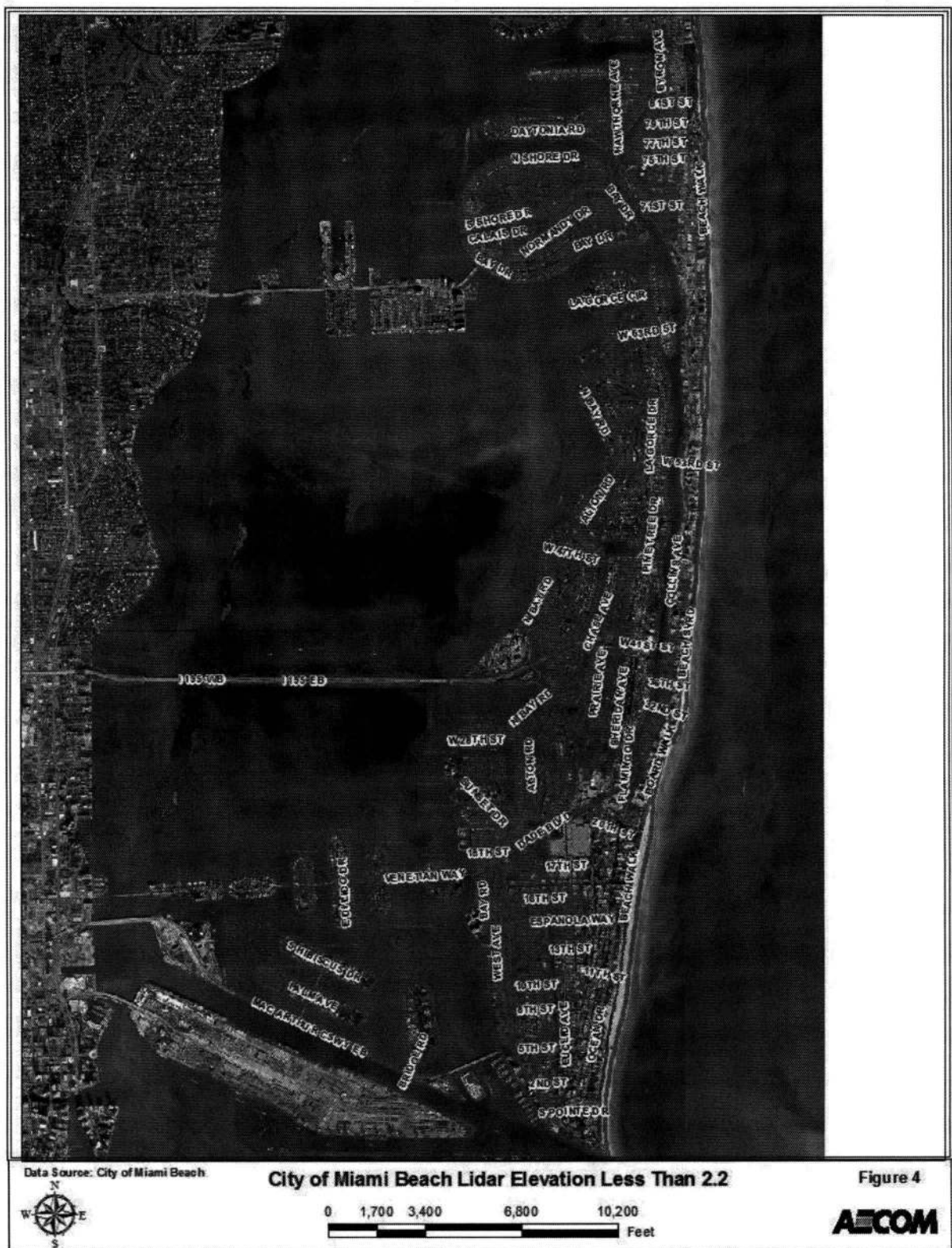


The City's stormwater master plan is reviewed and evaluated approximately every five years, with portions of the plan updated as determined to be necessary during such review and evaluation. The City conducts a comprehensive analysis and update of its stormwater master plan approximately every ten to fifteen years to address any remaining deficiencies within the system and any changes that have occurred, or are expected to occur, in permitting and regulatory requirements.

Capital improvement projects identified as part of the 1997 SWMP were funded from the proceeds of the City's Stormwater Revenue Bonds, Series 2000 (Series 2000 Bonds) and revenues from the Stormwater Enterprise Fund for the highest priority flooding areas. The completion of the capital improvements from the 1997 SWMP has improved the performance and operation of the stormwater system in several areas. The 1997 SWMP identified 34 drainage basins as high priority basins. The Capital Improvement Program (CIP) originally presented in the 1997 SWMP identified proposed projects by stormwater basin number. In the 2011 SWMP, these improvements were grouped together and reclassified as neighborhood projects or by general community. The purpose of these improvements is to provide a higher Level of Service as defined by improved flood protection and control of pollutant loading in the stormwater system.

Subsequent to the adoption of the 2011 SWMP, the City has implemented policy changes related to flood mitigation and drainage and roadway Level of Service to maintain flood protection while taking into account sea level rise, king tide events, and increased rainfall depth, intensity and distribution. As such, the existing drainage designs contained within the 2011 SWMP were determined to be inadequate to serve the City's needs. In addition, as a result of the predicted increase in groundwater levels resulting from sea level rise, the City has implemented a working policy to, over the next ten to fifteen years, reduce and/or eliminate the use of exfiltration trenches, gravity drainage wells and stormwater injection wells due to concerns over reliability and decreasing capacity. This condition warranted further modifications to the 2011 SWMP drainage designs. The City is currently undertaking an intensive review of its building and zoning codes to evaluate and develop solutions to these issues, and over the next year will adopt a plan for phased implementation of the revised code.

As such, the drainage components of the neighborhood improvements contemplated in the 2011 SWMP have been re-evaluated based on Sea Level Rise and higher groundwater conditions. **Figure 4** depicts the areas of the City lying below an elevation of 2.2 feet-NAVD. These areas will be inundated during normal high tide with the adopted 50-Year Sea Level Rise of 1.50 feet. With a projected Mean High Water at 1.50 feet, NAVD and a normal high tide cycle of 0.70 feet, the water level in the Biscayne Bay would be at 2.20 feet, NAVD. At these elevated Bay and groundwater levels, gravity drainage systems and conventional best management practices will not function, thereby necessitating the changes to the 2011 SWMP drainage designs currently being analyzed by the City.



3.2 Permitting Requirements

The City's stormwater management system is regulated by federal, state, and local agencies. Therefore, any modifications or improvements to the City's stormwater system need to be developed within the following regulatory and permitting framework.

3.2.1 Federal

The following is a summary of the federal agencies with which coordination either has been conducted, or will require coordination to implement the Stormwater Program.

3.2.1.1 *United States Environmental Protection Agency (US EPA)*

The US EPA was mandated by Congress through Section 405 of the Water Quality Act of 1987 to promulgate a National Pollutant Discharge Elimination System (NPDES) permitting program for municipal stormwater discharge. Miami Beach is a co-permittee with Miami-Dade County and coordinates on this program for compliance.

The US EPA has delegated the NPDES permitting authority to the FDEP. During the development of the 2011 SWMP, the US EPA was in the process of updating the MS4 permit program, which is the permit program applicable to the Stormwater Utility. The new rule contained additional requirements for the Best Management Practices (BMPs) and documentation on their performance. The 2011 SWMP included the potential future needs of those requirements and the pending numeric nutrient criteria (NNC) for all discharges. Since then, FDEP has updated its rules for the MS4 permit program and has implemented the new rules to be followed and requirements to be met as each MS4 permit is updated. The MS4 Permit for the Stormwater Utility expires on June 20, 2016. The City is in the process of updating its permit compliance procedures and will have all requirements in place prior to the expiration of the MS4 permit.

3.2.1.2 *Federal Emergency Management Agency (FEMA)*

FEMA's mission is to support citizens and first responders to natural disasters to ensure that as a nation we work together to build, sustain, and improve our capability to prepare for, protect against, respond to, recover from, and mitigate all hazards. The Robert T. Stafford Disaster Relief and Emergency Assistance Act, PL 100-707, signed into law November 23, 1988, amended the Disaster Relief Act of 1974, PL 93-288. This Act constitutes the statutory authority for most Federal disaster response activities. FEMA regulates riverine (stormwater) and coastal (tidal) floodplains and floodways under the National Flood Insurance Program. CDM Smith used tools developed by FEMA to identify and quantify flood risks, including Flood Insurance Studies, Flood Insurance Rate Maps, and the HAZUS Program (a nationally applicable standardized methodology that contains models for estimating potential losses from earthquakes, floods and hurricanes) coupled with the models of the City's PSMS to estimate structural and economic damage costs from the 2- through 100-year design storm events. This information is contained within the 2011 SWMP.

Coordination with FEMA allows for the support of flood map revisions and communication of economic impacts in a manner recognized by the Federal government for cost-benefit comparisons. The improvements identified in the City's Stormwater Program and timing for their implementation are in accordance with (or are more comprehensive or aggressive than) what is currently required, or expected to be required under FEMA regulations.

3.2.1.3 United States Army Corps of Engineers (USACE)

The United States Army Corps of Engineers (USACE) is the primary federal agency that develops guidance parameters for civil infrastructure design consideration for projects impacting environmentally sensitive water and OFW, like the Biscayne Bay.

A nationwide permit (NWP) from the USACE is required when up to one-half acre of waters of the United States (e.g. Biscayne Bay or its tributary canals) are impacted, and the USACE requires that original grades are restored to the site after completion of construction. Under the NWP program a pre-construction notification (PCN) submittal is required. The Regional Conditions and General Condition for NWP require that the PCN include the following information:

- A map of the entire corridor including a delineation of all wetlands and waters of the United States within the corridor.
- An alternative analysis which addresses the selection of an alternative which avoids and minimizes wetland impacts to the maximum extent practicable.
- For all submerged utility lines across navigable waters of the United States, a location map and cross-sectional view showing the utility line crossing from bank to bank is required. In addition, the location and depth of the Federal Project Channel shall be shown in relation to the proposed utility line. In general, all utility lines shall be buried at least 6 feet below the authorized bottom depth of the Federal project channel and at least 3 feet below the bottom depth in all subaqueous areas.
- A delineation of affected special aquatic sites, including wetlands, vegetated shallows (e.g., submerged aquatic vegetation, seagrass beds). This work must be conducted between April 1 and September 30 due to the growth season of aquatic vegetation.

In general, permitting coordination with USACE is required when modifications to stormwater outfalls or seawalls result in impacts to OFW, as previously discussed. However, many of the projects to be funded under the Capital Improvement Program are exempt from Federal permitting. More localized impacts are permitted at the State and local level. These permits are typically obtained during the detailed design process for each project.

3.2.2 State

The following is a summary of the state agencies with which coordination was conducted in preparation of the 2011 SWMP.

3.2.2.1 South Florida Water Management District (SFWMD)

The SFWMD has responsibilities for stormwater management under F.A.C. Chapters 40E-4, 40E-40 and 40E-400 through issuance of an Environmental Resource Permit (ERP).



In 2013, the Statewide ERP Rule (Chapter 62-330, F.A.C.) was adopted, unifying the ERP rules for the State. The SFWMD regulates surface water management under F.A.C. Chapters 40E-40 and 40E-41. In addition, its responsibilities include regulation of dredge and fill activities. Since the SFWMD has jurisdiction, their criteria and standards will be used as guidelines for conceptual planning of both water quality and quantity improvements. These guidelines are provided in the South Florida Water Management District ERP Information Manual 2014.

3.2.2.2 Florida Department of Environmental Protection (FDEP).

The FDEP regulates environmental programs in the State of Florida and has been delegated NPDES MS4 permit authority; therefore, it is responsible for implementing the stormwater element of the Federal Municipal NPDES Program as part of the FDEP's Wastewater Facility and Activities Permitting program. The stormwater element of the NPDES program is mandated by the Clean Water Act (CWA) Section 402(p). Authorized by Section 403.0885, Florida Statutes (F.S.), the FDEP's federally approved NPDES stormwater program is set out in various provisions within Chapters 62-4, 62-620, 62-621 and 62-624 of the Florida Administrative Code (F.A.C.). Chapter 62-624, F.A.C. specifically addresses MS4 permit requirements.

The City is one of the 33 entities authorized for stormwater discharge under the comprehensive Miami-Dade County NPDES MS4 permit (Permit Number FLS000003-003), which expires on June 20, 2016. The City is authorized to discharge to waters of the state per the approved Stormwater Management Program effluent limitations, monitoring requirements, and other provisions as set forth in this permit. The City has actively been fulfilling the requirements of the permit related to its existing outfalls. These efforts are documented in annual reports submitted by the City to the FDEP. The City is currently in compliance with these requirements.

The FDEP also regulates underground injection control permits for wells (gravity recharge wells and pumped injection wells).

3.2.3 Local – Miami Dade County Department of Regulatory and Economic Resources (DRER).

DRER regulates various environmental permitting for the construction or modification of stormwater-related infrastructure in Miami-Dade County such as coastal construction, dewatering, wetlands, wells, and stormwater. Specifically for stormwater management, DRER requires a Class II permit for related stormwater improvement projects and outfalls. The City has obtained the required permits for improvements to the Stormwater Utility that are under construction, or are already completed and expects the timely acquisition of additional permits required for the Series 2015 Project.

3.2.4 Pending Federal and State Regulations

Over the last few years, three significant related water quality and stormwater regulation issues have emerged that will likely impact the City in the near future. They are:

- The ongoing Total Maximum Daily Load (TMDL) program by FDEP.
- The Numeric Nutrient Criteria (NNC) Rule approved by FDEP.
- US EPA NPDES MS4 Rule revisions

3.2.4.1 FDEP TMDL Program

The TMDL program is required by the Clean Water Act to identify the maximum allowable loads for all sources to impaired waters and also identify the load reductions to achieve the designated use(s). The FDEP leads this effort working with local stakeholders, including water management districts, cities, counties, and private interests.

The TMDL program works to develop a scientifically sound database of information and calibrated and validated hydrology, hydraulic and water quality models to identify the TMDL, build on pollutant load reduction goals, support the load allocation and reduction process, and establish the foundation for evaluations of management practices to improve water quality. Based on these efforts, it is the most watershed-specific information for informed decisions for water quality and water environmental health. Enforcement would be through NPDES permitting for domestic wastewater, industrial wastewater and MS4 stormwater outfalls.

The draft of the TMDL program for the Biscayne Bay was originally planned for July 2010, but is currently on hold with no scheduled completion date. This program could ultimately lead to a Basin Management Action Plan (BMAP) that would require the City to complete retrofits to reduce nutrient loads to Biscayne Bay. These pending requirements for enhanced Best Management Practices (BMPs) to reduce flooding and protect and improve water quality are discussed in the 2011 SWMP.

The Series 2015 Projects are currently being designed to include BMPs to reduce flooding and improve water quality consistent with those that are likely to be required in the BMAP for the Biscayne Bay.

3.2.4.2 US EPA Numeric Nutrient Rule

In 1998, the US EPA produced the National Strategy for the Development of Regional Nutrient Criteria, requiring the US EPA to produce nutrient criteria guidance documents by 2000. It also required states that have narrative nutrient criteria to develop numeric nutrient criteria (NNC).

The State of Florida Numeric Nutrient Criteria Development Plan (FDEP, March 2009), prepared by the FDEP describes Florida's plan for development of regional NNC via the use of a technical advisory committee (TAC). The TAC first met in January of 2001 and has met more than 25 times since its formation. Its membership consists of scientists and practitioners who have experience related to lake, river and/or estuarine water quality, members from local government, engineering and scientific consultants, university representatives and environmental interests. With the FDEP staff providing facilitation and technical resources, the TAC addressed lake and riverine nutrients initially and later turned to estuarine NNC in June of 2008.

Environmental interests in Florida filed a complaint in the U.S. District Court in July 2008 (amended in January 2009), alleging that the US EPA had failed to perform its "non-discretionary duty" to set NNC for Florida according to section 304(a) of the Clean Water Act.

In January 2009, the US EPA issued a statement that, for the State of Florida (and only Florida), new or revised nutrient criteria are necessary to meet the requirements of the Clean Water Act. In December 2009, the US EPA entered into a consent decree with the environmental plaintiffs, requiring the US EPA to issue draft NNC for flowing streams and lakes in Florida in January 2010 and for estuaries in January 2011.

On January 14, 2010, the US EPA proposed a rule entitled "Water Quality Standards for the State of Florida's Lakes and Flowing Waters." With this rule, the US EPA proposed water quality standards in the State of Florida that would set a series of numeric limits on the amount of phosphorus and nitrogen, also known as "nutrients," that would be allowed in Florida's lakes, rivers, streams, springs and canals.

After several public hearings, on April 22, 2011, the FDEP submitted a petition to the US EPA requesting the US EPA to withdraw its January 2009 determination that NNC are necessary in Florida, repeal Federal rulemaking completed in November 2010 to establish such criteria for inland lakes and streams, and refrain from proposing or promulgating any further NNC. The petition outlined the FDEP's plans to undertake its own rulemaking for nutrient criteria for state waters. The projected rulemaking schedule called for a Notice of Rule Development in June 2011, a rule development and public outreach process through the summer and early fall of 2011, and adoption of a final rule in January 2012, followed by a legislative ratification process under Florida law. The US EPA supported the FDEP's commitment to recommence its rulemaking efforts for both inland and estuarine waters. The US EPA recognized that states have the primary role in establishing and implementing water quality standards for their waters.

On September 29, 2011, the FDEP published a draft of the proposed rule in the Florida Administrative Code (F.A.C.), titled Chapter 62-302 regarding nutrient standards. The rule was then presented to the Florida Environmental Regulation Commission (ERC), the Florida Legislature, and the Governor, who signed House Bill (HB) 7051, ratifying the proposed rule. There was a challenge to the rule that was filed by the public interests environmental law organization, Earthjustice. However an administrative law judge upheld the state's proposed new water quality rules on June 7, 2012.

On November 30, 2012, the US EPA announced its approval of the FDEP's NNC. However, the US EPA also proposed additional regulations that would apply the US EPA's criteria to those waters not covered by the FDEP's NNC, such as urban storm water conveyances, open ocean waters, and many estuaries where the FDEP Total Maximum Daily Loads (TMDLs) have already been adopted. Since the US EPA developed NNC on waters not covered by the FDEP's NNC, the US EPA and the FDEP entered into an agreement on March 15, 2013, known as "Path Forward", to develop a plan for the FDEP to develop NNC for the remaining waterbodies before the US EPA's deadline of September 30, 2013.

Since the agreement, the FDEP adopted a NNC Implementation Document on April 23, 2013; adopted criteria for additional estuaries on June 20, 2013; and produced a report titled, "Status of Efforts to Establish Numeric Interpretations of the Narrative Nutrient Criterion for Florida



Estuaries and Current Nutrient Conditions of Unimpaired Waters”. This report was submitted to the Governor as required by the “Path Forward” agreement and Chapter 2013-71, Laws of Florida, on August 1, 2013.

On September 24, 2013, a hearing was held on the US EPA’s motion to approve the Florida regulations. On January 7, 2014, the US District Court granted the US EPA’s motion to modify the consent decree between the US EPA and various environmental organizations. The action allows the US EPA’s approval of the FDEP’s plan for NNC regulations in Florida to move ahead, and denies the environmental parties’ motion to enforce the original consent decree.

Earthjustice filed a motion on March 6, 2014 to appeal Judge Hinkles’ order allowing the US EPA to modify the consent decree to conform it to the “Path Forward” agreement between the FDEP and the US EPA. On April 2, 2014, the US EPA filed to withdraw their proposed rule on NNC in Florida and on June 20, 2014, Earthjustice and other environmental groups filed their initial appeal of Judge Robert Hinkle’s order allowing the US EPA to accept the FDEP’s plan for NNC in Florida.

Neither the US EPA nor the FDEP have NNC for South Florida waterbodies, especially canals. The FDEP drafted the “South Florida Canal Aquatic Life Study” and presented the study to stakeholders on November 1, 2012. This study proposes to perform a comprehensive assessment of South Florida canals and the aquatic life associated with those canals. The objectives of the study are:

- Assess aquatic life in South Florida canals;
- Determine interrelationships between aquatic life in canals and other variables that affect aquatic life;
- Evaluate the differences in conditions for South Florida canals; and
- Collect information that can be used to guide management decisions.

Eventually, this study will be used to determine if NNC are necessary for these waterbodies.

There are many opinions on what the effect of the US EPA NNC will be on the State of Florida public stormwater discharges. At a minimum, additional BMPs will be needed to address nutrient removal from urban stormwater sources. The BMP treatment train concepts as presented in the 2011 SWMP are applicable to this water quality rule while also providing flood control and stormwater harvesting benefits. The Series 2015 Projects are currently being designed and permitted with water quality BMPs that meet or exceed existing regulatory requirements and anticipated additional requirements.

3.2.4.3 SFWMD and FDEP Unified Statewide Stormwater Treatment Rule

The SFWMD and the FDEP have been working with various groups in southwest Florida over the last eight years in the development of supplemental water quality criteria for Environmental Resource Permits (ERPs) in order to better protect water quality. These supplemental criteria would give credit for additional non-traditional best management practices (BMPs) and encourage stormwater reuse while controlling the average annual volume of discharge and nutrients to historic (pre-development) levels.

The FDEP has been working to extend these criteria to a unified statewide rule that considers variations in hydrology and physical characteristics across Florida. If adopted as currently drafted, this rule would exempt retrofits for stormwater systems that provide some load reduction, such as stormwater master plan projects with water quality BMP features. The rule is currently on hold, and there is no way to determine with any reasonable degree of certainty when, or if, a unified statewide rule will be adopted, or if adopted, in what form the rule will be adopted.

3.2.4.4 US EPA NPDES MS4 Revisions

As discussed above, the US EPA has updated the MS4 permit program and the update contains additional requirements for Best Management Practices (BMPs) and documentation on their performance and costs. The Series 2015 Projects are currently being designed and are expected to be permitted with water quality BMPs that meet or exceed existing regulatory requirements and the anticipated additional requirements.

3.3 Facility Evaluation

The 2011 SWMP identifies stormwater improvements for implementation in several high priority drainage basins, as defined by the 1997 SWMP. The design and construction of these improvements are already underway and many of them have been completed. Factors used in the prioritization of the drainage basins in the 1997 SWMP were pollutant loading, pollutant concentration, flooding potential, citizen complaints, and ranking by City staff. As part of the 2011 SWMP, surface water hydrologic and hydraulic modeling was performed using the US EPA Stormwater Management Model (SWMM) to estimate and evaluate flooding Level of Service (LOS) and alternative solutions to meet LOS. The CDM Smith Watershed Management Model (WMM) was used to perform surface water quality and BMP evaluations. Both are public domain tools that are widely used for stormwater master planning applications.

Model parameter estimates were checked for validity during actual storm and tidal events throughout the year 2010, as practical. Investigations; including photo-archive retrievals, field visits, photography in combination with flood depth measurements and discussions with City staff were performed as part of the validation stage. Storm event rainfall data was retrieved from City rain gages and tidal data was retrieved from the National Oceanic and Atmospheric Administration.

AECOM was tasked in 2014 with revising the US EPA SWMM model to determine areas deficient in LOS under the City's current standards and to suggest modifications to the drainage designs contained within the 2011 SWMP to better achieve the current LOS standards. AECOM is responsible for confirming the necessity of the projects and the degree by which the basin's LOS is being achieved, as defined by the current City LOS standards.

3.4 Utility Billing

A stormwater utility fee is assessed against each property in the City based on existing City utility accounts, application for service, and Miami-Dade County Tax Assessor property information or other ownership records.



Each account is assigned a number of equivalent residential units (ERU) that are used to determine the stormwater fee. The ERU is the estimated average horizontal impervious area of residential developed property per dwelling unit. This estimated average is calculated by dividing the total estimated impervious area of four residential categories (single family, mobile home, multi-family and condominium) by the estimated total number of dwelling units. For the City, one ERU is equal to 791 square feet. For the purpose of the Stormwater Utility, the minimum number of ERUs per dwelling unit is one.

The City had maintained a steady ERU rate from 2003 to 2008 of \$5.80 per month. In recent years the City has faced significant increases in expenditures for construction of projects, as well as operation and maintenance of current Stormwater Utility infrastructure. As a result, in 2008, CDM Smith provided recommendations to support proper funding to expand, operate and maintain the Stormwater Utility, make debt service payments and maintain coverage requirements. A series of Stormwater Utility rate adjustments were recommended, which resulted in an ERU rate of \$9.06 per month until FY 2014. The City raised the ERU rate to \$16.67 per month on October 1, 2014 in anticipation of the issuance of the Series 2015 Bonds. The fee is structured as a flat rate for all residential customers.

To receive water, sewer, and stormwater services from the City, property owners fill out an Application for water service at the City's Finance Department and pay a deposit according to an established schedule. The Finance Department is responsible for preparing and issuing one itemized bill for water, sewer, stormwater, and garbage disposal (except for commercial accounts) services provided by the City. Those services are billed on a monthly basis.

Stormwater Utility fees may be reduced by 50 percent for properties within the City that meet one of the following criteria:

- The property is subject to a valid NPDES permit.
- The property is served by a private disposal system meeting State, County, and City criteria.
- A portion of the property is served by a private disposal system meeting State, County, and City criteria. The fee reduction only applies to that portion of the property served by the system.

To date, no Stormwater Utility customer has requested, or has been granted such a reduction.

The fees collected by the City with respect to the Stormwater Utility, including investment earnings, are deposited in the Stormwater Enterprise Fund and used for planning, constructing, financing, and operating and maintaining the Stormwater Utility and the infrastructure of the stormwater management system. The Stormwater Enterprise Fund tracks the operations, capital expenditures, and revenues of the Stormwater Utility.

The City has streamlined and improved the system that was in place to capture ERU changes in the review and approval of construction plans. The resulting method enhances communication and coordination of the several City departments included in the Stormwater Utility billing process, such as Public Works, OBPI and Finance.

4. Capital Improvements

4.1 Planned Improvements

The 1997 SWMP identified 34 drainage basins as high priority basins. The CIP originally presented in the 1997 SWMP identified proposed projects by stormwater basin number. In the 2011 SWMP, improvements were reclassified and are now grouped together by the neighborhood or general community where the improvements will be made. The capital improvement projects listed below are a combination of active projects pre-defined by the 1997 SWMP, project-specific Basis of Design Reports, and projects identified as part of the 2011 SWMP. In most instances, the stormwater improvements were coordinated with components of the City's Neighborhood Right-of-Way projects. Such projects included improvements to other neighborhood utilities, such as water, sewer, streetscape, and street lighting. Emphasis was given to avoid re-entering a neighborhood which had recently completed neighborhood improvements.

The purpose of these improvements is to provide a higher LOS defined as improved flood protection and control of pollutant loading in the stormwater system.

The amount of funding to be derived from the City's issuance of stormwater revenue bonds is calculated as the additional monies needed to construct additional water management features above and beyond those already included in the capital budget for the neighborhood projects.

The improvements consist of one or a combination of the following:

- Repair, replace, and/or install curbs and gutters,
- Reconstruct and/or raise streets and sidewalks,
- Repair, replace, and/or install collection systems, catch basins and manholes,
- Construct pumping stations and water quality treatment devices, and
- Repair or upgrade existing outfalls (inclusive of tidal backflow prevention devices).

The projects listed below will provide comprehensive solutions for improving the City's stormwater management system performance for the next 50 years. Appropriate consideration has been given to the water quality of Biscayne Bay and the operation and maintenance of an expanded stormwater management system. The presented capital improvements allow the Stormwater Utility systems to meet increasing performance, permitting and regulatory demands while modernizing the existing system to meet the level of service desired by the City.

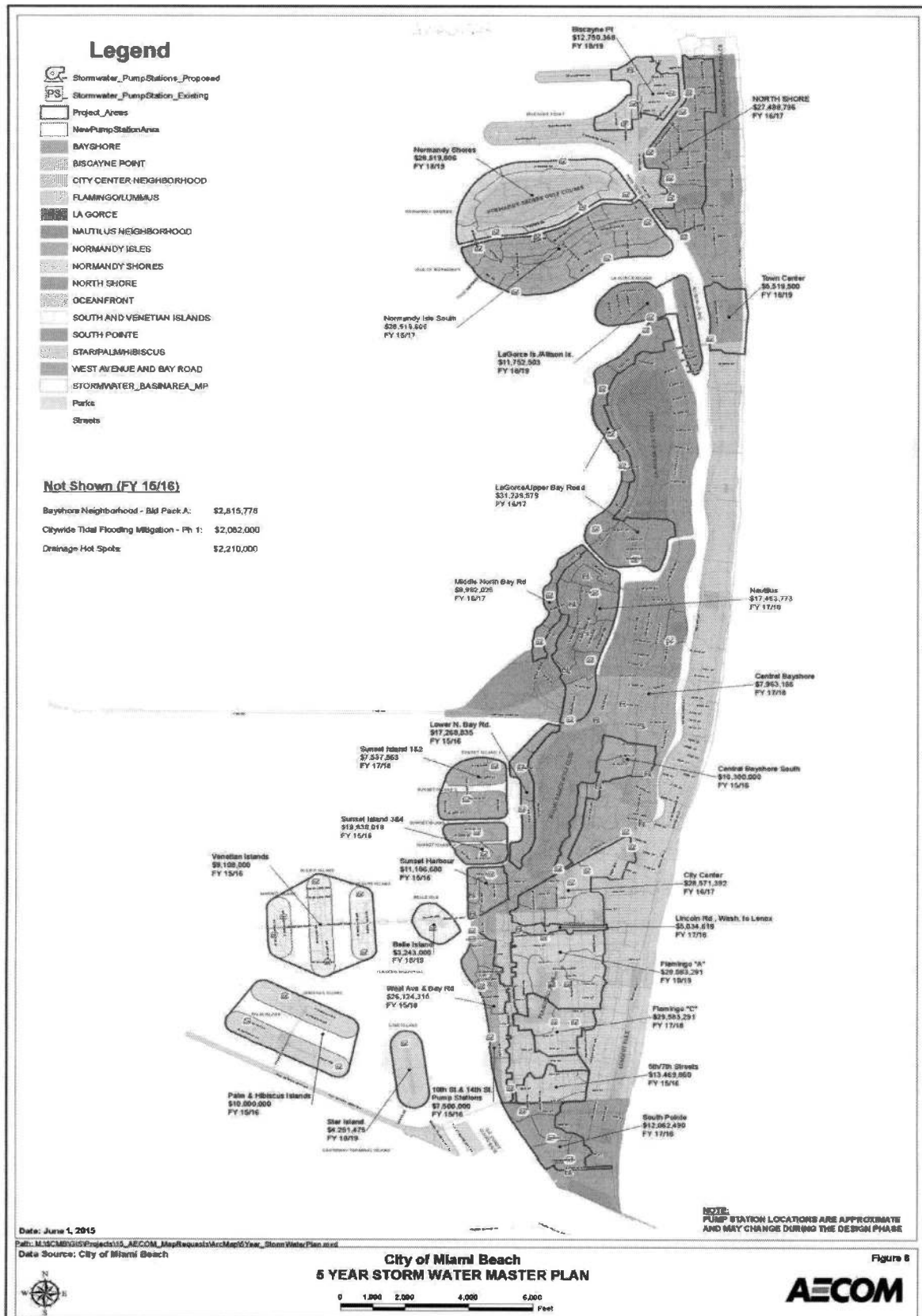
The projects listed below are identified for funding under the Stormwater Program. The total cost of the Stormwater Program is estimated to be \$431,941,516. The unfunded portion of the Stormwater Program is estimated to be \$413,130,932. It is expected that the proceeds from the Series 2015 Bonds will fund \$100 million of these projects. Summaries of the estimated program cost by neighborhood are shown in tabular format in **Figure 5**, and graphically in **Figure 6**.



Figure 5: Proposed Stormwater Bond Projects

Location Name	Engineer Projected Cost	GP Funded	Funds Required	Line of Credit	FY15/16	FY16/17	FY17/18	FY18/19	Sub-Total for Each Project
Tier 4 FDOT Alton Road Integrated Solution	\$ 95,237,973		\$ 95,237,973						
Flamingo "A"				\$ 3,750,000				\$ 29,583,291	\$ 33,333,291
Flamingo "C"				\$ 3,750,000			\$ 29,583,291		\$ 33,333,291
City Center						\$ 28,571,392			\$ 28,571,392
Flamingo Park 6th Street (5th/7th St)	\$ 13,469,860	\$ 4,609,700	\$ 8,869,160		\$ 3,000,000	\$ 5,869,160			\$ 8,869,160
West Avenue & Bay Road	\$ 26,124,315		\$ 26,124,315		\$ 13,195,000	\$ 12,929,315			\$ 26,124,315
North Shore	\$ 27,488,796		\$ 27,488,796			\$ 13,744,398	\$ 13,744,398		\$ 27,488,796
Lower North Bay Road	\$ 17,268,835	\$ 4,808,607	\$ 12,460,228	\$ 3,232,000	\$ 9,430,228				\$ 12,460,228
La Gorce / Upper Bay Road	\$ 31,239,579	\$ 6,731,883	\$ 24,507,596			\$ 24,507,596			\$ 24,507,596
La Gorce Island/Alison Island	\$ 11,752,503		\$ 11,752,503					\$ 11,752,503	\$ 11,752,503
Sunset Island 3 & 4	\$ 18,958,724	\$ 2,871,294	\$ 15,958,724	\$ 4,177,000	\$ 11,781,724				\$ 15,958,724
Biscayne Point	\$ 12,750,368		\$ 12,750,368					\$ 12,750,368	\$ 12,750,368
Star Island	\$ 4,251,475		\$ 4,251,475					\$ 4,251,475	\$ 4,251,475
South Pointe	\$ 12,062,490		\$ 12,062,490				\$ 12,062,490		\$ 12,062,490
Lincoln Road Washington Ave to Lenox	\$ 5,034,619		\$ 5,034,619				\$ 5,034,619		\$ 5,034,619
Normandy Isle South	\$ 28,519,806		\$ 28,519,806			\$ 14,259,803	\$ 14,259,803		\$ 28,519,806
Normandy Shores	\$ 28,519,806		\$ 28,519,806					\$ 28,519,806	\$ 28,519,806
Nautilus	\$ 17,453,773		\$ 17,453,773				\$ 17,453,773		\$ 17,453,773
Sunset Harbour	\$ 11,186,680		\$ 11,186,680	\$ 70,000	\$ 11,116,680				\$ 11,186,680
Other Pump Conversions									
Central Bayshore	\$ 7,963,155		\$ 7,963,155				\$ 3,981,578	\$ 3,981,578	\$ 7,963,155
New Pump Stations									
Belle Island	\$ 3,243,000		\$ 3,243,000					\$ 3,243,000	\$ 3,243,000
Middle North Bay Road	\$ 9,992,025		\$ 9,992,025			\$ 9,992,025			\$ 9,992,025
Sunset Island 1&2	\$ 7,537,563		\$ 7,537,563				\$ 7,537,563		\$ 7,537,563
Town Center	\$ 5,519,500		\$ 5,519,500					\$ 5,519,500	\$ 5,519,500
Bayshore Neighborhood - Bid Pack A	\$ 2,815,776		\$ 2,815,776	\$ 2,815,776					\$ 2,815,776
Citywide Tidal Flooding Mitigation - Ph 1	\$ 2,062,000		\$ 2,062,000	\$ 2,062,000					\$ 2,062,000
Drainage Hot Spots	\$ 2,210,000		\$ 2,210,000	\$ 2,210,000					\$ 2,210,000
SUB-TOTAL	\$ 402,533,616	\$ 18,810,684	\$ 383,722,932	\$ 22,066,776	\$ 48,523,633	\$ 109,873,689	\$ 103,657,514	\$ 99,601,320	\$ 383,722,932
Under Construction									
Venetian Islands	\$ 9,108,000		\$ 9,108,000	\$ 8,983,000	\$ 125,000				\$ 9,108,000
Palm & Hibiscus Islands	\$ 10,000,000		\$ 10,000,000		\$ 10,000,000				\$ 10,000,000
Central Bayshore South	\$ 10,300,000		\$ 10,300,000		\$ 10,300,000				\$ 10,300,000
Grand Total	\$ 431,941,516	\$ 18,810,684	\$ 413,130,832	\$ 31,049,776	\$ 68,946,633	\$ 109,873,689	\$ 103,657,514	\$ 99,601,320	\$ 413,130,932

Years	Funding requirements
Fy 15/16	\$ 99,998,409
Fy 16/17	\$ 109,873,689
Fy 17/18	\$ 103,657,514
Fy 18/19	\$ 99,601,320





Flamingo Park 6th Street (5th / 7th Streets) – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$13,469,860

West Avenue & Bay Road – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, 6) Convert existing pumping stations discharge piping from injection wells and add force mains to new outfall, and 7) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$26,124,315

Lower North Bay Road – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$17,268,835

LaGorce / Upper Bay Road – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$31,239,579

Sunset Islands 3 & 4 – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$18,830,018

Sunset Harbour – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$11,186,680

Venetian Islands – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$9,108,000

Palm & Hibiscus Islands – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$10,000,000



Central Bayshore South – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, 6) Convert existing pumping stations discharge piping from injection wells and add force mains to new outfall, and 7) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$10,300,000

City Center – Neighborhood Improvements (Tier 4 FDOT Alton Road Integrated Solution)

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$31,428,531

Flamingo Park “A” – Neighborhood Improvements (Tier 4 FDOT Alton Road Integrated Solution)

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$32,380,911

Flamingo Park “C” – Neighborhood Improvements (Tier 4 FDOT Alton Road Integrated Solution)

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$31,428,531

North Shore – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$27,488,796

LaGorce Island / Allison Island – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$11,752,503

Biscayne Point – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, 6) Convert existing pumping stations discharge piping from injection wells and add force mains to new outfall, and 7) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$12,750,368

South Pointe – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, 6) Convert existing pumping stations discharge piping from injection wells and add force mains to new outfall, and 7) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$12,062,490



Lincoln Road – Neighborhood Improvements (Washington Avenue to Lenox Avenue)

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, 6) Convert existing pumping stations discharge piping from injection wells and add force mains to new outfall, and 7) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$5,034,619

Normandy Isle South – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$28,519,606

Normandy Shores – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, and 6) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$28,519,606

Nautilus – Neighborhood Improvements

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, 5) Construct pump stations, controls and force mains, 6) Convert existing pumping stations discharge piping from injection wells and add force mains to new outfall, and 7) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$17,453,773

Central Bayshore Neighborhood – Existing Pump Station Conversion

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system, and reduce reliance on gravity or pressurized drainage (injection) wells. The improvements consist of one or a combination of the following: 1) Construct additional stormwater collection system piping to interconnect existing pipe networks, 2) Construct water quality treatment devices, 3) Convert pumping stations discharge piping from injection wells and add force mains to new outfall, and 4) Construct new outfall and/or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$7,963,155

Star Island – New Pump Station

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Construct additional stormwater collection system piping to interconnect existing pipe networks, 2) Construct water quality treatment devices, 3) Construct pumping stations, controls and force mains, and 4) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices),

Estimated Project Cost: \$4,251,475

Middle Bay Road – New Pump Station

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Construct additional stormwater collection system piping to interconnect existing pipe networks, 2) Construct water quality treatment devices, 3) Construct pumping stations, controls and force mains, and 4) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices),

Estimated Project Cost: \$9,992,025

Sunset Islands 1 & 2 – New Pump Stations

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Construct additional stormwater collection system piping to interconnect existing pipe networks, 2) Construct water quality treatment devices, 3) Construct pumping stations, controls and force mains, and 4) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices),

Estimated Project Cost: \$7,537,563



Town Center – New Pump Station

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Construct additional stormwater collection system piping to interconnect existing pipe networks, 2) Construct water quality treatment devices, 3) Construct pumping stations, controls and force mains, and 4) Repair or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices),

Estimated Project Cost: \$5,519,500

Belle Island – New Pump Station and Existing Pump Station Conversion

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system, and reduce reliance on gravity or pressurized drainage (injection) wells. The improvements consist of one or a combination of the following: 1) Construct additional stormwater collection system piping to interconnect existing pipe networks, 2) Construct water quality treatment devices, 3) Construct pumping stations, controls and force mains, 4) Convert existing pumping stations discharge piping from injection wells and add force mains to new outfall, and 5) Construct new outfall and/or upgrade existing outfall pipes and seawalls (inclusive of tidal backflow prevention devices).

Estimated Project Cost: \$3,243,000

Bayshore Neighborhood Improvements – Bid Package A

The purpose of the project improvements is to provide a higher LOS defined by flood protection and control of pollutant loading in the stormwater system. The improvements consist of one or a combination of the following: 1) Repair, replace, and/or install curbs and gutters, 2) Reconstruct and/or raise streets and sidewalks, 3) Repair, replace, and/or install collection systems, catch basins and manholes, 4) Construct water quality treatment devices, and 5) Construct pump stations, controls and force mains.

Estimated Project Cost: \$2,815,776

Citywide Tidal Flooding Mitigation Phase 1

The purpose of the project improvements is to prevent the backflow of water from the Biscayne Bay into the City's stormwater management system and up through the stormwater inlet grates flooding the roadway curb and gutter. This tidal flooding poses a threat to public health and safety, inconveniences the public, and has caused major damage to structures, and killed lawns and landscaping. In addition, tidal flooding saturates the base structure of roadways causing failure of roadways prior to their expected useful design life. This project consists of the installation of backflow prevention valves (aka "Tideflex" valves) on a majority of the PSMS outfalls to the Biscayne Bay and in the lowest lying areas of the City.

Estimated Project Cost: \$2,062,000

Drainage Hot Spots

This project will provide localized stormwater improvements that address drainage “hot spots” within the City. The project will provide funding to allow City staff to design, contract for, and implement solutions to limited areas of the City which are within the definition of the projects approved by the City Commission in the Resolution authorizing issuance of the Series 2015 Bonds, but not incorporated into other neighborhood improvement projects identified in the Stormwater Program.

Estimated Project Cost: \$2,210,000

5. Financial Analysis

5.1 Introduction

The City has essentially committed the proceeds of the Series 2000 Bonds and Series 2011 Bonds to projects and costs related to the issuance of such bonds. It is now timely to issue additional bonds to continue with the implementation of the infrastructure improvements from the Stormwater Program. This section of the Engineer’s Report presents an analysis of the financial operations of the City’s Stormwater Enterprise Fund (SEF). Financial performance is projected through FY 2020 based on the City’s FY 2015 adopted budget.

5.2 Customer Usage and Growth

Table 5-1 projects the numbers of ERUs to be charged for service through FY 2020. The 2011 SWMP estimated that approximately 109,000 ERUs were currently being served by the City. The City’s FY 2015 budget reflects gross Stormwater Utility fee revenue billings based on 109,000 ERUs. Based on recent historical performance, utility collections are approximately 98 percent of billings. To project revenues for FY 2015 and annually thereafter, the City assumes billing a constant 109,000 annual ERUs at a collection rate of 98%, yielding an effective revenue generation base of 107,000 ERUs. No ERU growth beyond FY 2015 is anticipated in the budget projections.

5.3 Annual Revenue Requirements from Rates

The rate covenant contained in Section 502 of the Bond Resolution prescribes that Net Revenues (which equal Revenues less Current Expenses) be sufficient in all years to pay not less than 110 percent of the Principal and Interest Requirements and 100 percent of all other requirements of the Bond Resolution. Those other requirements are potential deposits to the Reserve Account, Rate Stabilization Account, and Subordinated Indebtedness Account in the event that conditions require such deposits to be made. All capitalized terms in this section not normally capitalized and not otherwise defined herein shall have the meanings assigned to such terms in the Bond Resolution.

Table 5-2 presents actual FY 2014, budgeted FY 2015 and projected FY 2016 through FY 2020 annual operating expenses (Current Expenses) related to the SEF. All line items are projected to inflate at an annual rate of three percent.

Table 5-3 presents the actual FY 2014, budgeted FY 2015 and projected FY 2016 through FY 2020 annual Principal and Interest Requirements. All information in this table was furnished by City staff and its Financial Advisor. There are no annual deposits projected to be required to the Reserve Account and the Subordinated Indebtedness Account during the analysis period ending FY 2020. The City has a policy of operating the Rate Stabilization Account to transfer into operations annually sufficient amounts to generate debt service coverage of at least 120 percent and to subsequently transfer out from operations to such account any excess amounts not required to meet annual cash needs. In addition to the revenue requirements described above, the City funds several other categories of expenditures from net operating revenues: administrative fees; capital; depreciation funded renewals and replacements (R&R); and reserves for future capital projects. **Table 5-4** presents for each of these categories the actual amounts for FY 2014, budgeted amounts for FY 2015, and projected annual amounts for FY 2016 through FY 2020. All categories are projected to grow beyond FY 2015 at an annual rate of three percent.

5.4 Projected Financial Results at Prevailing Rates

Table 5-5 presents the actual FY 2014, budgeted FY 2015 and projected FY 2016 through FY 2020 at the prevailing Stormwater Utility user charge rates. As can be seen, the rate covenant test established in the Bond Resolution was met in FY 2014 and is projected to be met in FY 2015 through FY 2020.

The City is issuing the Series 2015 Bonds. The additional bonds test in the Bond Resolution requires that a debt service coverage factor of 110 percent, excluding from the calculation of Revenues any amounts from the Rate Stabilization Account, be achieved to satisfy this test during any 12 month Measurement Period.

5.5 Projected Financial Results with Stormwater Rate Adjustments

Table 5-6 presents historical, budgeted and projected annual financial results through FY 2020 with necessary adjustments in Stormwater Utility rates to meet the additional bonds test for the stormwater revenue bonds projected to be issued in FY 2017 and FY 2019. As can be seen, the October 1, 2014 eighty four (84) percent increase in the Stormwater Utility fee to \$16.67 per month per ERU provides for the generation of Revenues sufficient to meet the minimum 110 percent debt service coverage requirement for the additional bonds test, employing Fiscal Year 2014 as the 12 month Measurement Period. Thereafter, should additional bonds be issued as contemplated, rate increases would be required in FY 2017 and FY 2019.

Table 5-7 is the companion table showing historic, budgeted and projected operation of the Rate Stabilization Account through FY 2020, with the anticipated rate adjustments in FY 2017 and FY 2019. As can be seen, transfers to operations are made in each year in amounts sufficient to meet the annual 110 percent debt service coverage requirement. Transfers in from operations are then made so as not to generate any surpluses in any years.

5.6 Comparison of Stormwater Utility Rates

Table 5-8 compares for Florida local governments monthly stormwater utility fees, as compiled in 2014 by the Florida Stormwater Association (FSA). The current Stormwater Utility Rates for the City are also included on Table 5.8. The City's existing fee is above both average and maximum rates of other jurisdictions shown on the Table. Based on the FSA 2014 report, the Average ERU rate is \$5.68, which is slightly higher than the average ERU rate of \$5.22 reported in 2011. Not including the City, the FSA 2014 report provides a range in monthly rates per ERU from \$0.75 to \$13.77.



Table 5.1 Budgeted and Projected Stormwater System ERUs and Fee Revenues at Prevailing Rates

	FISCAL YEAR ^[1]						
	Actual	Budgeted	Projected				
Description	2014	2015	2016	2017	2018	2019	2020
ERUs							
Total Average Annual Number of ERUs ^[2]	109,000	109,000	109,000	109,000	109,000	109,000	109,000
Projected Number of ERUs ^[3]	107,000	107,000	107,000	107,000	107,000	107,000	107,000
STORMWATER FEE REVENUES							
Existing Charge per ERU/Month ^[4]	\$9.06	\$16.67	\$16.67	\$22.67 ^[5]	\$22.67 ^[5]	\$27.89 ^[5]	\$27.89 ^[5]
Total Annual Revenues ^{[4] [6]}	\$11,715,299	\$21,544,560	\$21,544,560	\$29,300,602	\$29,300,602	\$36,039,740	\$36,039,740

[1] Data provided by the City.

[2] Budgeted FY 2014 revenues based on 109,000 ERUs. Presently approximately 109,000 ERUs are served by the City's SEF. A lower value is used for projection purposes. No growth beyond FY 2014 is assumed. The ERUs are rounded to the nearest 1,000.

[3] Equals 98% of Total Average Annual Number of ERUs, based on the recent history of collections of approximately 98% of total billings.

[4] Amounts for FY 2015 and FY 2016 are based on the City's existing charge per ERU per month adopted effective October 1, 2014.

[5] Rates projected for FY 2017 and FY 2019 are recommended rate increases to pay debt service on bonds proposed to be issued, but such rate increases have not been approved by the City Commission.

[6] Equals Projected Number of ERUs multiplied by charge per ERU/Month, multiplied by 12 months.

Table 5.2 Budgeted and Projected Stormwater System Operating Expenses

	FISCAL YEAR ^[1]						
	Actual	Budgeted	Projected				
Description	2014	2015	2016	2017	2018	2019	2020
Personnel Services ^[2]							
Salaries (\$)	1,286,507	1,334,900	1,374,900	1,416,100	1,458,600	1,502,400	1,547,500
Retirement Contributions (\$)	391,000	322,400	332,100	342,100	352,400	363,000	373,900
Health Insurance (\$)	140,105	126,700	130,500	134,400	138,400	142,600	146,900
OPEB Contribution (\$)	412,070	336,800	346,900	357,300	368,000	379,000	390,400
All Other (\$)	67,108	60,858	62,558	64,258	65,958	67,758	69,658
Subtotal Personnel Services ^[2]	\$ 2,296,790	\$ 2,181,658	\$ 2,246,958	\$ 2,314,158	\$ 2,383,358	\$ 2,454,758	\$ 2,528,358
Other Operating Expenses ^[2]							
Contract Maintenance (\$)	397,505	555,200	571,900	589,100	606,800	625,000	643,800
Internal Service Charges (\$)	357,511	625,200	644,000	663,300	683,200	703,700	724,800
Sanitation Contribution (\$)	637,000	637,000	637,000	637,000	637,000	637,000	637,000
All Other Operating Expenses ^[3] (\$)	311,752	398,600	410,500	422,900	435,500	448,600	462,100
Subtotal Other Operating Expenses(\$)	1,703,768	2,216,000	2,263,400	2,312,300	2,362,500	2,414,300	2,467,700
Total Operating Expenses (\$)	\$ 4,000,558	\$ 4,397,658	\$ 4,510,358	\$ 4,626,458	\$ 4,745,858	\$ 4,869,058	\$ 4,996,058

[1] Data provided by the City's Public Works and Finance Departments.

[2] Projected to inflate annually at a rate of 3.00% beyond budgeted FY 2015.

[3] Excludes Administration Fees, Depreciation Funded R&R, and Operating Contingencies 5%, and includes Line of Credit Fees.



Table 5.3 Budgeted and Projected Stormwater System Annual Debt Service Requirements

	FISCAL YEAR^[1]						
	Actual	Budgeted	Projected				
Description	2014	2015	2016	2017	2018	2019	2020
Series 2009 Bonds (\$)	1,983,676	1,977,000	1,977,000	1,970,000	1,965,000	1,962,000	1,962,000
Series 2011 Bonds (\$)	3,865,196	4,852,000	4,852,000	4,846,000	4,853,000	4,851,000	4,853,000
Series 2015 Bonds (\$)	0	0	5,128,000	4,808,000	4,803,000	4,810,000	4,804,000
Additional Future Prospective Revenue Bonds ^[2] (\$)	0	0	0	1,848,000	6,449,000	12,908,000	12,936,000
State Revolving Fund Loan ^[3] (\$)	0	0	0	0	458,000	458,000	458,000
Grand Total All Revenue Debt (\$)	5,848,872	6,829,000	11,957,000	13,472,000	18,528,000	24,989,000	25,013,000

^[1] Data provided by the City Finance Department, and its Financial Advisor, RBC Capital Markets, LLC.

^[2] Assumes additional debt issued in FY 2017 and in FY 2019, each in the aggregate principal amount which will provide \$100,000,000 of proceeds to finance Stormwater Program projects, maturing approximately thirty years from the date of issuance, amortizing annually and accruing interest at an assumed interest rate of 5.5% per annum.

^[3] The obligation to make such debt service payments is junior and subordinate to the obligation to pay debt service on the Series 2015 Bonds and the Outstanding Bonds and other obligations issued, or to be issued, under the Bond Resolution on a parity with the Series 2015 Bonds.

Table 5.4 Budgeted and Projected Stormwater System Other Revenue Requirements

	FISCAL YEAR ^[1]						
	Actual	Budgeted	Projected				
Description	2014	2015	2016	2017	2018	2019	2020
Administrative Fees ^[2] (\$)	435,000	446,000	459,400	473,200	487,400	502,000	517,100
Capital ^[3] (\$)	148,000	1,302,400	1,341,500	1,330,251	666,281	448,921	1,230,871
Depreciation Funded R&R ^{[2] [3]} (\$)	2,115,910	2,179,400	2,244,800	2,312,100	2,381,500	2,452,900	2,526,500

^[1] Data provided by the City Finance Department.

^[2] Beyond Fiscal Year 2015, projected to grow at an approximate annual rate of 3.00%.

^[3] Represents amount needed to fund certain capital items on a pay-as-you-go basis.



Table 5.5 Projected Stormwater System Revenues, Expenses and Debt Service Coverage at Prevailing Rates

	FISCAL YEAR ^[1]						
	Actual	Budgeted	Projected				
Description	2014	2015	2016	2017	2018	2019	2020
Revenues							
Stormwater User Fees ^[2] (\$)	11,715,299	21,544,560	21,544,560	21,544,560	21,544,560	21,544,560	21,544,560
Interest ^[3] (\$)	142,033	130,000	130,000	130,000	130,000	130,000	130,000
Rate Stabilization (\$)	1,847,255	0	150,000	0	0	0	1,000,000
Less: 5% Allowance ^[4]	0	(1,077,228)	(1,077,228)	(1,077,228)	(1,077,228)	(1,077,228)	(1,077,228)
Total Revenues (\$)	13,704,587	20,597,332	20,747,332	20,597,332	20,597,332	20,597,332	21,597,332
Current Expenses:							
Operating Expenses ^[5] (\$)	4,000,558	4,397,658	4,510,358	4,626,458	4,745,858	4,869,058	4,996,058
5% Contingency Allowance ^[6] (\$)	0	219,883	225,518	231,323	237,293	243,453	249,803
Total Current Expenses (\$)	4,000,558	4,617,541	4,735,876	4,857,781	4,983,151	5,112,511	5,245,861
Net Revenues Available for Debt Service (\$)	9,704,029	15,979,791	16,011,456	15,739,551	15,614,181	15,484,821	16,351,471
Revenue Bond Debt Service							
Series 2009 Bonds (\$)	1,983,676	1,977,000	1,977,000	1,970,000	1,965,000	1,962,000	1,962,000
Series 2011 Bonds (\$)	3,865,196	4,852,000	4,852,000	4,846,000	4,853,000	4,851,000	4,853,000
Series 2015 Bonds ^[7] (\$)	0	0	5,128,000	4,808,000	4,803,000	4,810,000	4,804,000
State Revolving Fund Loan ^[8] (\$)	0	0	0	0	458,000	458,000	458,000
Total Revenue Bond Debt Service (\$)	5,848,872	6,829,000	11,957,000	11,624,000	12,079,000	12,081,000	12,077,000
Debt Service Coverage^[9] (%)	165.9	234.0	133.9	135.4	129.3	128.2	135.4

	FISCAL YEAR ^[1]						
	Actual	Budgeted	Projected				
Description	2014	2015	2016	2017	2018	2019	2020
Other Sources and (Uses) of Funds							
Net Revenues After Debt Service ^[10] (\$)	3,855,157	9,150,791	4,054,456	4,115,551	3,535,181	3,403,821	4,274,471
Less: Administration Fees ^[11] (\$)	(435,000)	(446,000)	(459,400)	(473,200)	(487,400)	(502,000)	(517,100)
Depreciation Reserve/ R&R ^[11] (\$)	(2,115,910)	(2,179,400)	(2,244,800)	(2,312,100)	(2,381,500)	(2,452,900)	(2,526,500)
Capital ^[11] (\$)	(148,000)	(1,302,400)	(1,341,500)	(1,330,251)	(666,281)	(448,921)	(1,230,871)
Yields: Annual Surplus / (Deficit)	1,156,247	5,222,991	8,756	0	0	0	0

- [1] Data provided by the City's Public Works and Finance Departments, and its Financial Advisor, RBC Capital Markets, LLC.
- [2] See Table 5.1 of this report. For the purposes of this Table 5.5, Revenues are projected assuming no future rate increases.
- [3] Includes only interest allowed to be considered within the definition of "Revenues" for debt service coverage purposes, as such term is defined in the Bond Resolution.
- [4] Allowance for uncollectible revenues.
- [5] Information based on operating expenses provided in the City of Miami Beach Stormwater System Rate Study – See Table 5.2.
- [6] Allowance for potential future cost increases beyond those reflected in inflation factor.
- [7] Assumes issuance of the Series 2015 Bonds in the aggregate principal amount which will provide \$100,000,000 of proceeds to finance Stormwater Program projects, maturing approximately thirty years from the date of issuance, amortizing annually and at a true interest cost of 4.45%, which represents interest rates as of June 11, 2015 plus 0.25%.
- [8] The obligation to make such debt service payments is junior and subordinate to the obligation to pay debt service on the Series 2015 Bonds and the Outstanding Bonds and other obligations issued, or to be issued, under the Bond Resolution on parity with the Series 2015 Bonds.
- [9] Equals Net Revenues Available for Debt Service divided by Total Revenue Bond Debt Service. A minimum of 110% of the Principal and Interest Requirements of the Outstanding Bonds is required by the rate covenant in the Bond Resolution. Total Revenue Bond Debt Service includes debt service payments projected on the State Revolving Fund Loan, but such debt service does not constitute Principal and Interest Requirements for purposes of the rate covenant in the Bond Resolution.
- [10] Equals Net Revenues Available for Debt Service minus Total Revenue Bond Debt Service.
- [11] See Table 5.4 of this report.



Table 5.6 Projected Stormwater System Revenues, Expenses and Debt Service Coverage with Rate Increases

	FISCAL YEAR^[1]						
	Actual	Budgeted	Projected				
Description	2014	2015^[2]	2016^[2]	2017^[3]	2018^[3]	2019^[3]	2020^[3]
Annual Increase in Stormwater User Fee Rates	0%	84.0%	0%	36.0%	0%	23.0%	0%
Revenues							
Stormwater User Fees ^[4] (\$)	11,715,299	21,544,560	21,544,560	29,300,602	29,300,602	36,039,740	36,039,740
Interest ^[5] (\$)	142,033	130,000	130,000	130,000	130,000	130,000	130,000
Rate Stabilization (\$)	1,847,255	0	150,000	0	0	0	1,000,000
Less: 5% Allowance ^[6]	0	(1,077,228)	(1,077,228)	(1,465,030)	(1,465,030)	(1,801,987)	(1,801,987)
Total Revenues (\$)	13,704,587	20,597,332	20,747,332	27,965,572	27,965,572	34,367,753	35,367,753
Current Expenses:							
Operating Expenses ^[7] (\$)	4,000,558	4,397,658	4,510,358	4,626,458	4,745,858	4,869,058	4,996,058
Plus 5% Contingency Allowance ^[8] (\$)	0	219,883	225,518	231,323	237,293	243,453	249,803
Total Current Expenses (\$)	4,000,558	4,617,541	4,735,876	4,857,781	4,983,151	5,112,511	5,245,861
Net Revenue Available for Debt Service (\$)	9,704,029	15,979,791	16,011,456	23,107,791	22,982,421	29,255,242	30,121,892
Revenue Bond Debt Service							
Series 2009 Bonds (\$)	1,983,676	1,977,000	1,977,000	1,970,000	1,965,000	1,962,000	1,962,000
Series 2011 Bonds (\$)	3,865,196	4,852,000	4,852,000	4,846,000	4,853,000	4,851,000	4,853,000
Series 2015 Bonds ^[9] (\$)	0	0	5,128,000	4,808,000	4,803,000	4,810,000	4,804,000
Series 2017 Bonds ^[9] (\$)	0	0	0	1,848,000	6,449,000	6,454,000	6,468,000
Series 2019 Bonds ^[9] (\$)	0	0	0	0	0	0	6,468,000
State Revolving Fund Loan ^[10] (\$)	0	0	0	0	458,000	458,000	458,000
Total Revenue Bond Debt Service (\$)	5,848,872	6,829,000	11,957,000	13,472,000	18,528,000	18,535,000	25,013,000

	FISCAL YEAR ^[1]						
	Actual	Budgeted	Projected				
Description	2014	2015 ^[2]	2016 ^[2]	2017 ^[3]	2018 ^[3]	2019 ^[3]	2020 ^[3]
Calculated Debt Service Coverage For Rate Covenant ^[11] (%)	165.9	234.0	133.9	171.5	124.0	157.8	120.4
Other Sources and (Uses) of Funds							
Net Revenues After Debt Service ^[12] (\$)	3,855,157	9,150,791	4,054,456	9,635,791	4,454,421	10,720,242	5,108,892
Less: Administration Fees ^[13] (\$)	(435,000)	(446,000)	(459,400)	(473,200)	(487,400)	(502,000)	(517,100)
Depreciation Reserve/ R&R ^[13] (\$)	(2,115,910)	(2,179,400)	(2,244,800)	(2,312,100)	(2,381,500)	(2,452,900)	(2,526,500)
Capital ^[13] (\$)	(148,000)	(1,302,400)	(1,341,500)	(1,330,251)	(666,281)	(448,921)	(1,230,871)
Yields: Annual Surplus / (Deficit)^[14] (\$)	1,156,247	5,222,991	8,756	5,520,240	919,240	7,316,421	834,421
Rates (\$)	9.06	16.67	16.67	22.67	22.67	27.89	27.89
Change (\$)	0.00	7.61	0.00	6.00	0.00	5.21	0.00
Change (%)	0	84.0	0	36.0	0	23.0	0

Please refer to the footnotes to Table 5.6 on the next page.



Footnotes for Table 5.6:

- [1] Data provided by the City's Public Works and Finance Departments, and its Financial Advisor, RBC Capital Markets, LLC.
- [2] Rates for FY 2015 and FY 2016 have been adopted and became effective on October 1, 2014
- [3] Rates projected for FY 2017 through FY 2020 are recommended rate increases to pay debt service on proposed bonds, but have not been approved by the City Commission.
- [4] See Table 5.1 of this report.
- [5] Includes only interest allowed to be considered within the definition of "Revenues" for debt service coverage purposes, as such term is defined in the Bond Resolution.
- [6] Allowance for uncollectible revenues.
- [7] Based on information relating to operating expenses provided in the City of Miami Beach Stormwater System Rate Study – See Table 5.2 of this report.
- [8] Allowance for potential future cost increases beyond those reflected in inflation factor.
- [9] Assumes issuance of the Series 2015 Bonds, Series 2017 Bonds and the Series 2019 Bonds each in the aggregate principal amount which will provide \$100,000,000 of proceeds to finance Stormwater Program projects, maturing approximately thirty years from the date of issuance and amortizing annually. The Series 2015 Bonds are assumed at a true interest cost of 4.45%, which represents interest rates as of June 11, 2015 plus 0.25%. The Series 2017 and Series 2019 Bonds are assumed at an interest rate of 5.50%.
- [10] The obligation to make such debt service payments is junior and subordinate to the obligation to pay debt service on the Series 2015 Bonds and the Outstanding Bonds and other obligations issued, or to be issued, under the Bond Resolution on parity with the Series 2015 Bonds.
- [11] Equals Net Revenues Available for Debt Service divided by Total Revenue Bond Debt Service. A minimum of 110% of the Principal and Interest Requirements of the Outstanding Bonds is required by the rate covenant in the Bond Resolution. Total Revenue Bond Debt Service includes debt service payments projected on the State Revolving Fund Loan, but such debt service does not constitute Principal and Interest Requirements for purposes of the rate covenant in the Bond Resolution.
- [12] Equals Net Revenues Available for Debt Service minus Total Revenue Bond Debt Service.
- [13] See Table 5.4 of this report.
- [14] Equals amounts transferred Out From Operations to Rate Stabilization. See Table 5.7 of this report.

Table 5.7 Projected Operation of the Stormwater Rate Stabilization Account with Rate Adjustments

	FISCAL YEAR ^[1]						
	Actual	Budgeted	Projected				
Description	2014	2015	2016	2017	2018	2019	2020
Sources of Funds							
Beginning Balance ^[2]	7,526,336	5,679,081	9,902,072	8,760,828	13,229,619	12,391,940	17,691,382
Transfers in from Operations ^[3]	0	5,222,991	8,756	5,520,240	919,240	7,316,421	834,421
Total Sources of Funds	7,526,336	10,902,072	9,910,828	14,281,068	14,148,859	19,708,361	18,525,803
Uses of Funds							
Transfers Out to Operations ^[4]	(1,847,255)	0	(150,000)	0	0	0	(1,000,000)
Other ^[5]	0	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Total Uses of Funds	(1,847,255)	(1,000,000)	(1,150,000)	(1,000,000)	(1,000,000)	(1,000,000)	(2,000,000)
Ending Balance^[6]	5,679,081	9,902,072	8,760,828	13,281,068	13,148,859	18,708,361	16,525,803

[1] Data provided by the City Finance Department.

[2] Unencumbered balance as of 10/1/2014. Thereafter, equals Ending Balance from prior year.

[3] Beginning in FY 2015, taken from Table 5.6 of this report, as Annual Surplus/(Deficit) and Transferred In to Rate Stabilization Account.

[4] Beginning in FY 2015, taken from Table 5.6 of this report, as Transfer in from Rate Stabilization Account.

[5] Assumed to be \$1,000,000 in all years for miscellaneous pay-as-you-go projects.

[6] Equals Total Sources of Funds minus Total Uses of Funds in each year.

Table 5.8 Comparison of Stormwater Utility Fees for Cities and Counties in Florida – FSA 2014

Stormwater Utility	Monthly Rate per ERU	Stormwater Utility	Monthly Rate per ERU	Stormwater Utility	Monthly Rate per ERU	Stormwater Utility	Monthly Rate per ERU
CITIES							
City of Altamonte Spgs	6.75	City of Fort Meade	4.25	City of Miami Springs	3.67	City of St. Pete Beach	47.09 yr
City of Atlantic Beach	8.39	City of Fort Myers	4.80	City of Mount Dora	6.50	City of St. Petersburg	6.84
City of Auburndale	0.75	City of Fort Pierce	4.50	City of Oldsmar	4.00	City of Stuart	3.95
City of Bradenton Beach	8.33	City of Fort Walton Bch	3.00	City of Mulberry	4.00	City of Sunrise	6.82
City of Cape Canaveral	5.00	City of Gainesville	8.56	City of Naples	12.80	City of Tallahassee	7.95
City of Cape Coral	6.25	City of Gulfport	3.21	City of Neptune Beach	3.00	City of Tamarac	9.19
City of Casselberry	7.00	City of Haines City	54.24/yr.	City of Niceville	4.51	City of Tampa	3.00
City of Clearwater	13.77	City of Hallandale Beach	3.35	City of North Lauderdale	3.00	City of Tarpon Springs	5.65
City of Clermont	3.00	City of Holly Hill	6.00	City of North Miami Beach	4.50	City of Tavares	4.50
City of Cocoa	5.75	City of Jacksonville	5.00	City of Oakland Park	6.00	City of Titusville	6.62
City of Cocoa Beach	6.00	City of Jacksonville Bch	4.78	City of Orlando	9.99	City of Wilton Manors	4.37
City of Coconut Creek	3.46	City of Key West	7.90	City of Ormond Beach	8.00	City of Winter Haven	3.16
City of Coral Gables	8.20	City of Kissimmee	8.08	City of Oviedo	4.00	City of Winter Park	11.56
City of Daytona Beach	8.67	City of Lake Alfred	2.00	City of Palm Coast	11.65	City of Winter Springs	5.50
City of DeBary	7.00	City of Lake Worth	6.30	City of Pensacola	5.07	Town of Jupiter	4.37
City of Delray Beach	5.33	City of Lakeland	6.00	City of Pompano Beach	3.21	Town of Melbourne Beach	3.00
City of Doral	4.00	City of Leesburg	5.50	City of Riviera Beach	4.50	Town of Pembroke Park	9.00
City of Eagle Lake	4.00	City of Maitland	8.60	City of Rockledge	3.75	Village of Indian Creek	4.38

Stormwater Utility	Monthly Rate per ERU	Stormwater Utility	Monthly Rate per ERU	Stormwater Utility	Monthly Rate per ERU	Stormwater Utility	Monthly Rate per ERU
City of Edgewater	8.00	City of Melbourne	3.00	City of Safety Harbor	7.25	Village of Pinecrest	4.00
City of Fort Lauderdale	3.50	City of Miami Gardens	4.00	City of St. Augustine	7.00	Volusia County	6.00
City of Miami Beach (2015-2016)	\$16.67						
COUNTIES							
Brevard County	3.00	Lake County	.4984 mills	Miami-Dade County	4.00	Polk County	.1 mil
Charlotte County	10.71	Leon County	7.08	Pasco County	3.92		
Hillsborough County	1.00	Marion County	1.25	Pinellas County	9.67		

Reference: Florida Stormwater Association (FSA) 2014 Stormwater Utility Survey

6. Conclusions and Recommendation

AECOM has made the following conclusions with respect to the stormwater system during the course of preparing this Engineer's Report:

- The capital improvement program for the Stormwater Utility is necessary to improve the flood protection level of service and water quality of the City's stormwater management system.
- Continuation of the City's planned capital improvement program for the Stormwater Utility will entail the need for significant additional funding, as described in this Engineer's Report.
- The City's stormwater management system is well maintained, well managed and in good operating condition. Effective planning policies provide for the necessary inspection, repair, improvement and replacement of the City's stormwater management facilities and have enabled the City to comply with state and federal regulations.
- The City's stormwater management system has the physical capacity to meet existing demands. Implementation of the projects included in the capital improvement program will enable the City's stormwater management system in the areas served by those projects to meet projected demands and comply with state and federal regulations expected to be in effect during the study period of this Engineer's Report (Fiscal Years 2015 through 2020) (the "Study Period").
- The financial plan for improvements to the City's stormwater management system, as described in this Engineer's Report, includes adequate funding for improvements to be constructed and installed in the manner and time periods currently contemplated.
- In the event the City elects to issue additional Stormwater Revenue Bonds in FY 2017 and FY 2019 in the amounts currently contemplated, and as described in this Engineer's Report, rate increases applicable to the stormwater system customers are projected to be necessary prior to the issuance of such bonds.
- Key staff of the City in charge of the operations and maintenance of the City's stormwater management system and the implementation of improvements to the system are well qualified and capable of effectively managing the responsibilities of such operations, maintenance and implementation.
- The methodology used to develop the capital improvement program for the City's stormwater management system, the timing of the implementation of the program and the cost of its improvements was an appropriate methodology for such purposes.

- Subject to the rate increases recommended in this Engineer's Report, if Stormwater Revenue Bonds are issued in the principal amounts and time periods currently projected, revenues of the City's stormwater management system projected in this Engineer's Report will be sufficient to meet all operating and other expenses of the system during the Study Period and to satisfy all of the requirements of the rate covenant set forth in the Bond Resolution. Such Revenues will also provide sufficient funds for planned capital improvement expenditures of the City's stormwater management system that are expected to be funded from current Revenues.
- The amounts projected in this Engineer's Report for Revenues and Current Expenses of the City's stormwater management system and the sources of funds projected to be available to fund scheduled or anticipated improvements throughout the Study Period are reasonable.
- Improvements to be made to the City's stormwater management system have been or are expected to be designed in accordance with usual and customary engineering practices and involve proven technology and proven configurations of that technology.
- The projected cost and time periods for implementing the improvements to the City's stormwater management system to be financed with proceeds of the Series 2015 Bonds are reasonable.
- In the opinion of the Consulting Engineers, the City's issuance of the Series 2015 Bonds in the aggregate principal amount set forth in the Official Statement related to the Series 2015 Bonds, at the time and for the purposes described in this Engineer's Report, is an advisable undertaking.

AECOM recommends that the City proceed with the issuance of the Series 2015 Bonds; continue the implementation of the capital improvement program for the Stormwater Utility and as necessary, the adoption of rate adjustments in anticipation of future issuance of additional Stormwater Revenue Bonds.

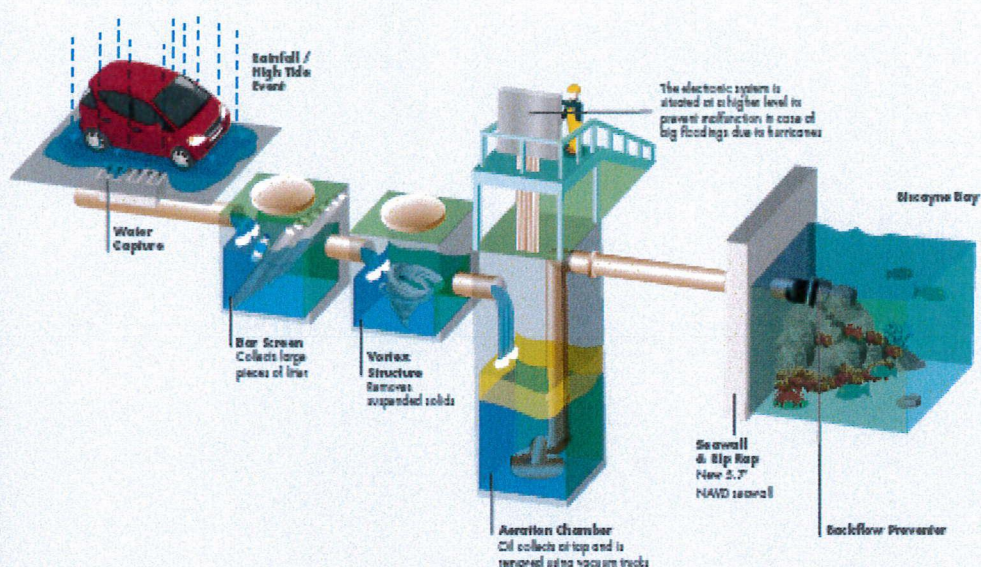
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HOW DOES OUR STORMWATER SYSTEM KEEP OUR BAY CLEAN?

The City's stormwater management program was developed to keep our streets dry while protecting and improving the health of our waterways. Our multifaceted program focuses primarily on reducing pollutants through public education, Daily Street sweeping, and other good housekeeping practices. For example, the City has transitioned from septic systems to a public sanitary sewer system and has an ongoing Sanitary Sewer Evaluation Survey program to identify and repair sanitary system breaks. The City is also upgrading our stormwater system with pollution control devices to trap and remove pollutants from stormwater before it is discharged.

The Environmental Protection Agency's National Pollution Discharge Elimination System (NPDES) program establishes water quality standards and regulates discharge from point sources of pollution such as municipal stormwater systems. The NPDES program also requires operators to develop best management practices that improve the quality of stormwater discharges. The City's stormwater system is allowed to operate through an NPDES permit that covers Miami-Dade County and over 30 local municipalities.

PUMP STATION UPGRADES



WHAT IS THE OVERALL PLAN?

In order to adapt to changes in sea level, the City is upgrading our gravity-based stormwater infrastructure with tidal control valves, pump stations and other innovative structures to improve drainage. Tidal control valves are an effective solution to the City's flooding concerns because they prevent seawater from coming up through the pipes and onto the streets during high tides. Pump stations are equally vital because they quickly expel rainwater from urban areas, even when tides are high. These on-going drainage projects provide short-term flooding relief citywide.

The City is in its second year of its five year stormwater infrastructure upgrade plan. The total the plan is estimated to be \$400 million or more, the first \$100 million of which were funded through stormwater utility fees. As of summer 2016, the City has installed approximately 25 pumps and is anticipating a total of 80 pumps to be active by 2018.

Objectives:

1. Protect the Biscayne Bay watershed and keep the waters clean for the wellbeing of the local ecosystem, residents, and economy.
2. Modernize the stormwater system to address climate change and sea level rise while reducing pollution from urban runoff.
3. Maintain a robust water quality monitoring program that collects and analyzes monthly samples throughout the city.

ULI/100RC/City of Miami Beach Panel

Review of Miami Beach Stormwater Management Program

FINAL PANEL SCOPE
March 15, 2018

With the support of the Rockefeller Foundation's 100 Resilient Cities initiative, the Urban Land Institute (ULI) has been invited to assess the City of Miami Beach's current stormwater management strategy. In recent years, the City has embarked on a proactive strategy to address flooding and sea level rise, which has included improving drainage systems, elevating roads and public seawalls and installing pumps to replace the aging gravity stormwater pipes. The Urban Land Institute will host a workshop, led by ULI members from both the local ULI Southeast Florida/Caribbean District Council and the national Urban Resilience program.

The City of Miami Beach has made a commitment to invest in aging infrastructure, adapt to sea level rise, and use the best available science to do so. The City is approximately 15% into a 10-year, \$500 to 600-million multi-year stormwater program, including:

- elevating roads,
- upgrading its gravity-based stormwater infrastructure with tidal control valves, pump stations, pipes, and other innovative structures to improve drainage, and
- replacing much of the water, wastewater, and utilities at the same time, as most infrastructure is old and in need of repair.

The stormwater program was initially engineering-led, and began in the most vulnerable areas as design-build contracts to move as quickly as possible to address immediate flooding. The City utilizes the South Florida Climate Change Compact Sea Level Rise Projections for planning purposes, and stormwater system designs will shift from a five to ten-year storm event, and will include planning for power redundancy.

The City has also updated the land use and development code to incorporate climate adaptation and resilience, such as:

- increasing sea wall height,
- increasing base flood elevation,
- establishing a freeboard above FEMA base flood elevation,
- requiring sea level rise and resiliency review criteria for Land Use Boards,
- introducing additional commercial height standards,
- and increasing set-backs and open space for single family homes.

They are also many innovative projects underway, such as green infrastructure, developing design guidelines for historic preservation in the face of sea level rise and climate change, and establishing a pool of contractors with the capacity to develop a business case analysis of the stormwater resilience program.

MIAMIBEACH

OFFICE OF THE CITY MANAGER

NO. LTC #

338-2018

LETTER TO COMMISSION

TO: Mayor Dan Gelber and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: June 18, 2018

SUBJECT: **TPBPF Committee Motions**



The purpose of this Letter to Commission is to provide you with correspondence received from the Transportation, Parking & Bicycle-Pedestrian Facilities Committee.

JLM/KGB/SF



C: Kathie G. Brooks, Assistant City Manager
Mark Taxis, Assistant City Manager
Eric Carpenter, Assistant City Manager
Susanne Torriente, Assistant City Manager
Saul Frances, Parking Director
Monica Beltran, Assistant Parking Director
Jose Gonzalez, Transportation Director

Transportation, Parking & Bicycle-Pedestrian Facilities Committee

Alfred Feola, Chairman
Ray Breslin, Vice-Chair

Members:

Leif Bertrand
Marc Edelstein
Cindy Esquivel
Anamarie Ferreira de Melo
Robert Lansburgh
JP Morgan
Madeleine Romanello
Deborah Ruggiero
Kathaleen Smarsh
Richard Streim

TO: Mayor Dan Gelber and Members of the City Commission

FROM: Transportation, Parking & Bicycle-Pedestrian Facilities Committee

DATE: June 18, 2018

SUBJECT: Motions

Members Present: Ray Breslin; Leif Bertrand; Cindy Esquivel Annamarie Ferreira de Melo; Robert Lansburgh; JP Morgan; Madeleine Romanello Deborah Ruggiero; and Richard Streim

Members Absent: Al Feola; Marc Edelstein; and Kathaleen Smarsh

Dear Honorable Mayor and City Commission:

On June 11th, the Transportation, Parking & Bicycle-Pedestrian Facilities Committee (TPBPFC) met and passed the below motions:

Via 10th ST Loop

Due to the low ridership to Belle Isle, the TPBPFC asks City to look into proceeding with eliminating Routes A & B, keeping the Via 10th ST Loop to Belle Isle

Beach Express North – Bus Express Rapid Transit (BERT)

The TPBPFC recommends that the first pilot program go across the Julia Tuttle Causeway, make a stop at Mt. Sinai, go east on 41st to Collins Ave., go north to 44th and then south on Indian Creek; route should go as far as 23rd and Collins

41st/Alton

Discussion regarding the possibility of installing a turning lane when driving east on I-195 heading onto 41st and turning south on Alton, the TPBPFC asks that the City leave this intersection alone

Venetian Island – Possibility of Placing a one (1) Foot Buffer Between Bicycle and Traffic Lanes on Causeway

The TPBPFC asks that City send request to County to restripe lanes to ten (10) feet, to allow for additional bicycle buffer where possible

As an advisory Committee, we would greatly appreciate your consideration on the above motions.

Sincerely,

Transportation, Parking & Bicycle-Pedestrian Facilities Committee

RESOLUTION NO. 2006-26341

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING CITY OF MIAMI BEACH FINANCIAL POLICIES RELATING TO STABILIZATION FUNDS; FUND BALANCE; CONTINGENCY PLANNING AND CASH RESERVES; USE OF NON-RECURRING REVENUES; CAPITAL ASSET ACQUISITION, MAINTENANCE, REPLACEMENT AND RETIREMENT; AND GUIDING THE DESIGN OF PROGRAMS AND SERVICES

WHEREAS, the City's Budget Advisory Committee (BAC), with support from the City Administration, has begun analyzing the City's existing financial policies, and recommended an initial set of additional financial policies for consideration by the City Commission; and

WHEREAS, the City has several existing formal financial policies that provide the framework for budget development and adoption and for financial management which are governed by Florida State Statute, the City Charter; and by prior adopted policies of the Mayor and City Commission; and

WHEREAS, the City also has several informal policies subject to implementation by the City administration; and

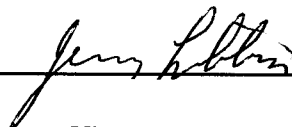
WHEREAS, the National Advisory Council on State and Local Budgeting and the Government Finance Officers Association recommends that jurisdictions establish and adopt policies to help frame resource allocation decisions, and to help guide service provision and capital asset acquisition, maintenance, replacement, and retirement.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, hereby adopts the financial policies contained in Exhibit A: City of Miami Beach Financial Policies Relating to Stabilization Funds; Fund Balance; Contingency Planning and Cash Reserves; Use of Non-Recurring Revenues; Capital Asset Acquisition, Maintenance, Replacement and Retirement; and Guiding the Design of Programs and Services.

PASSED AND ADOPTED THIS 21st DAY OF September 2006.

Attest:


CITY CLERK
Robert Parcher


Vice-Mayor Jerry Libbin

**AS TO
FORM & LANGUAGE
& FOR EXECUTION**

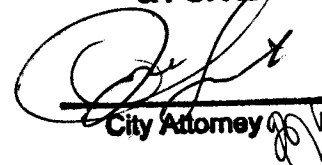


City Attorney 
Date 9/16/06

EXHIBIT A

CITY OF MIAMI BEACH FINANCIAL POLICIES RELATING TO STABILIZATION FUNDS; FUND BALANCE; CONTINGENCY PLANNING AND CASH RESERVES; USE OF NON-RECURRING REVENUES; CAPITAL ASSET ACQUISITION, MAINTENANCE, REPLACEMENT AND RETIREMENT; AND GUIDING THE DESIGN OF PROGRAMS AND SERVICES

Stabilization Funds & Fund Balance/Contingency Planning and Cash Reserves

1. The City of Miami Beach shall maintain the Emergency Reserve at eleven percent (11%) of the General Fund Operating Budget of the ensuing year (11% Emergency Reserve) for use as defined in resolution 98-22661.
2. The City of Miami Beach shall have a goal to also maintain a General Fund Reserve for Contingencies equal to at least six (6%) of the General Fund Operating Budget that, in combination with the 11% Emergency Reserve, represents two (2) months of the General Fund Operating Budget expenditures.
3. Said reserve shall be increased or decreased annually but shall be maintained at a minimum of six percent (6%) of the then existing General Fund Operating Budget.
4. If the General Fund Reserve for Contingencies level falls below the six percent (6%) level, a plan of action will be required to increase the reserves over three (3) to seven (7) years to at least six percent (6%) and a percentage of any additional undesignated fund balance shall be earmarked toward attainment of the six percent (6%) level.
5. The City of Miami Beach shall have a goal to develop and maintain appropriate levels of reserves in the Enterprise Funds as in the General Fund.
6. The City of Miami Beach shall have a goal of maintaining a reserve of one hundred percent (100%) of pending claims in the Risk Management Fund, and shall strive to fund two-thirds (2/3) of the estimated value of insurance claims incurred but not reported.

Use of Non-Recurring Revenues

The City of Miami Beach will use one time, non-recurring revenue for capital expenditures or one time expenditures and not to subsidize recurring personnel, operations and maintenance cost.

Capital Asset Acquisition, Maintenance, Replacement and Retirement

1. The City shall maintain a dedicated portion of the operating millage for General Fund Capital Renewal and Replacement as defined in Resolution 2005-25832.
2. The City shall have a goal to fund for the following capital needs as a permanent part of the budget in an amount not less than five percent (5%) of the annual fiscal operating budget of the General Fund of the City:
 - **Capital Renewal and Replacement** - to ensure adequate funding for the renewal and replacement of the City's General Fund facilities to extend the useful life or replace equipment whose useful life has expired.
 - **Capital Reserve Fund** - to help ensure adequate funding related to previously approved capital projects for expenditures due to bids that are over-budget, change orders, or other unforeseen items for General Fund projects.
 - **Pay-As-You-Go Capital Fund** - to ensure adequate on-going reinvestment in capital plant and equipment, to avoid deferring capital needs until there is a major bond issue.
 - **Capital Investment Upkeep Fund** - to help ensure adequate funding for General Fund non-facility related upkeep.
 - **Information & Communications Technology Fund** - to help ensure adequate funding for the procurement of new or enhanced information and technology needs of the City.
3. The City shall strive to achieve as a goal that annual General Fund revenues in excess of expenditures shall be transferred to the Capital Reserve Fund.
4. The City shall have a goal to develop and maintain appropriate levels of capital reserves in the Enterprise Funds as in the General Fund.

Guiding the Design of Programs and Services

1. The City shall create a strategic plan that identifies multi-year strategic priorities (Key Intended Outcomes) with corresponding result measures for each priority.
2. Annually, the City shall use a strategic planning process to develop initiatives that support the strategic plan priorities.
3. The budget process and format shall be performance-based and focused on Key Intended Outcomes and performance measures.
4. Any new initiative not core to the City's core mission or Key Intended Outcomes identified in the strategic plan that is greater than half of a percent (0.5%) of operating budget for the fund impacted per year, or cumulatively, shall be first considered as part of the City's annual strategic planning process to develop initiatives.

Condensed Title:

Resolution Adopting Financial Policies for the City of Miami Beach Relating to Stabilization Funds & Fund Balance/Contingency Planning and Cash Reserves; Use of Non-Recurring Revenues; Capital Asset Acquisition, Maintenance, Replacement and Retirement; and Guiding the Design of Programs and Services.

Key Intended Outcome Supported:

Ensure expenditure trends are sustainable over the long term
 Improve the City's overall financial Health and maintain overall bond rating

Issue:

Should the Commission adopt the proposed City of Miami Beach Financial Policies, as recommended by the Budget Advisory Committee?

Item Summary/Recommendation:

The City of Miami Beach's Strategic Plan includes Key Intended Outcomes to ensure the long-term sustainability of City government: Ensure expenditure trends are sustainable over the long term; and Improve overall financial health and maintain overall bond rating. A number of policies and structural changes have been implemented towards achieving these outcomes. One of the Citywide Initiatives adopted with the FY 2005/06 budget is the review and further enhancement of the City's financial policies.

Beginning in January 2006, the Budget Advisory Committee (BAC), with support from City administration, began the task of analyzing the City's existing policies, identifying best practices as recommended by the Government Finance Officer Association (GFOA), and reviewing policies of other highly-regarded municipalities. City staff also provided insight regarding rating agency considerations for improving the financial outlook for the City. For their initial set of recommendations, the BAC focused on the following policies: Stabilization Funds & Fund Balance/Contingency Planning and Cash Reserves; Use of Non-Recurring Revenues; Capital Asset Acquisition, Maintenance, Replacement and Retirement; and Guiding the Design of Programs and Services. Additional policies may be considered in subsequent reviews.

These proposed policies were reviewed and approved by the Finance and Citywide Projects Committee at the July 6, 2006 Committee meeting and the City administration was directed to prepare a resolution for Commission consideration adopting policies similar to the recommendations of the Budget Advisory Committee.

The attached resolution adopts the policies recommended by the BAC with the minor revision clarifying the funding for General Fund renewal and replacement as a separate dedicated source of funding.

Advisory Board Recommendation:

Adopt the policies.

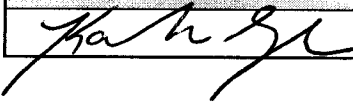
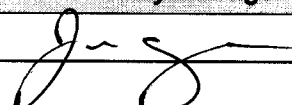
Financial Information:

Source of Funds:	Amount	Account	Approved
1			
2			
Total			

N/A
 OBPI

Financial Impact Summary:

City Clerk's Office Legislative Tracking:**Sign-Offs:**

Department Director	Assistant City Manager	City Manager
		





MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor David Dermer and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: September 21, 2006

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA ADOPTING CITY OF MIAMI BEACH FINANCIAL POLICIES RELATING TO STABILIZATION FUNDS, FUND BALANCE, CONTINGENCY PLANNING AND CASH RESERVES; USE OF NON-RECURRING REVENUES; CAPITAL ASSET ACQUISITION, MAINTENANCE, REPLACEMENT AND RETIREMENT; AND GUIDING THE DESIGN OF PROGRAMS AND SERVICES**

ADMINISTRATION RECOMMENDATION

Adopt the resolution.

BACKGROUND

The City of Miami Beach's Strategic Plan includes Key Intended Outcomes to ensure the long-term sustainability of City government: Ensure expenditure trends are sustainable over the long term; and Improve overall financial health and maintain overall bond rating. A number of policies and structural changes have been implemented towards achieving these outcomes. One of the Citywide Initiatives adopted with the FY 2005/06 budget is the review and further enhancement of the City's financial policies.

Beginning in January 2006, the Budget Advisory Committee (BAC), with support from City administration, began the task of analyzing the City's existing policies, identifying best practices as recommended by the Government Finance Officer Association (GFOA), and reviewing policies of other highly-regarded municipalities. City staff also provided insight regarding rating agency considerations for improving their perspective on the financial outlook for the City.

EXISTING CITY POLICIES

The City has several existing formal and informal financial policies that provide the framework for budget development and adoption and for financial management. Many of these are formal policies governed by State Statute, City Charter, and by City of Miami Beach Commission resolution. Existing policies are summarized on the following page:

- The City's budget process, quarterly reporting requirements and requirement for a balanced budget are governed by Florida State Statute and by the City Charter
- Resolution 94-21258 adopted on July 27, 1994 requires review and reporting to the Miami Beach City Commission of adjustments and amendments to the City of Miami Beach annual budget for the purposes of conforming actual expenditures to the adopted budget at least once every quarter
- The City's power to borrow money, contract loans and issue bonds, notes and other obligations or evidences of indebtedness is provided by the Charter in accordance with Florida law and by the City Code
- Resolution 95-21726 on September 27, 1995 adopted an investment policy for the City of Miami Beach
- Resolution 95-21726 was amended by Resolution 97-22315 on March 5, 1997 to increase the number of authorized investment options and define the percentage of City funds which may be invested in said additional categories
- Resolution 2004-25456 adopted on January 14, 2004 authorized the administration to contract with MBIA Municipal Investors Service Corp for provision of Investment Advisory services to the City of Miami Beach to manage and direct the investment of excess funds in accordance with the City's investment objects set forth in the City of Miami Beach Investment Policy
- Resolution 96-2214 adopted on June 5, 1996 established a reserve fund to be maintained at a minimum of 11% of the General Fund Operating Budget of the ensuing year and established procedures for its use and replacement
- Resolution 96-2214 was amended by Resolution 98-22661 on February 18, 1998 to further safeguard and clarify the use of the emergency reserve funds
- Resolution 2002-24764 adopted on February 20, 2002 established a Capital Projects Reserve in the General Fund, and specified that when there exists an excess of General Fund revenues over expenditures ("earnings") that 50% of funds remaining, after funding the increase in the 11% Emergency Reserve for the ensuing year, be deposited in the Capital Reserve Fund
- Resolution 2004-25697 on September 4, 2004 established a capital renewal and replacement fund to provide a dedicated source of funding for City capital renewal and replacement projects that extend the useful life of General Fund assets, established a procedure for annual appropriation of funds, and established a procedure for their use
- Resolution 2004-25697 was amended by Resolution 2005-25832 on February 23, 2005 to establish more stringent criteria for the use of the General Fund Renewal and Replacement Fund

However, in addition to these formal policies, there are several informal policies subject to implementation by the City administration. The existing policies include:

- Balanced Budget Development and Adoption
- General Fund 11% Emergency Reserve
- Setting Fees & Charges
- Use of One-Time Revenues
- Contingency Planning and Budgeting
- Debt Policy
- Use of Plans Guiding the Design of Programs and Services (City's Excellence Model)
- Capital Asset Acquisition, Maintenance, Replacement, & Retirement

GFOA RECOMMENDED POLICIES

GFOA is the professional association of state/provincial and local finance officers in the United States and Canada, and has served the public finance profession since 1906. Approximately 16,500 GFOA members are dedicated to the sound management of government financial resources. In 1993, the Government Finance Officers Association (GFOA) Executive Board directed the Association's staff to work with the GFOA Standing Committees to develop a body of recommended practices in the functional areas of public finance to give GFOA members and other state and local governments more guidance on sound financial management practices. As part of this effort, in 1995, GFOA and seven other state and local government associations created the National Advisory Council on State and Local Budgeting (NACSLB) and charged it with developing a set of recommended budget practices in the area of state and local budgeting. In 1997 the NACSLB adopted a budgeting framework and recommended budget practices that were subsequently endorsed by GFOA.

The work of the NACSLB provides a framework for describing the overall budget process. The framework is organized around the four principles of the budget process:

- Principal 1: Establish Broad Goals to Guide Government Decision Making
 - Assess Community Needs, Priorities, Challenges and Opportunities
 - Identify Opportunities and Challenges for Government Services, Capital Assets, and Management
 - Develop and Disseminate Broad Goals
- Principle 2: Develop Approaches to Achieve Goals
 - Adopt Financial Policies
 - Develop Programmatic, Operating and Capital Policies and Plans
 - Develop Programs and Services That are Consistent with Policies and Plans
 - Develop Management Strategies
- Principle 3: Develop a Budget Consistent with Approaches to Achieve Goals
 - Develop a Process for Preparing and Adopting a Budget
 - Develop and Evaluate Financial Options
 - Make Choices Necessary to Adopt a Budget
- Principle 4: Evaluate Performance and Make Adjustments
 - Monitor, Measure, and Evaluate Performance
 - Make Adjustments as Needed

Each of these principles has additional elements that provide guidance for an effective budget process. Elements #4 and #5, of Principle 2, "Adopt Financial Policies" and "Develop Programmatic, Operating and Capital Policies and Plans" , addresses the need for jurisdictions to establish policies to help frame resource allocation decisions and to help guide service provision and capital asset acquisition, maintenance, replacement, and retirement. GFOA recommends that policies in the following areas be developed by professional staff and formally adopted by the jurisdiction's governing board: Fees & Charges; Debt Issuance & Mgmt; Debt Level & Capacity; Use of One-time Revenues; Use of Unpredictable Revenues; Balancing the Operating Budget; Revenue Diversification; Contingency Planning; Plans to Guide the Design of Programs & Services; and Capital Asset Acquisition, Maintenance, Replacement, and Retirement.

REVIEW OF POLICIES FROM OTHER JURISDICTIONS

Governing Magazine, a periodical that focuses on governmental entities regularly rates select counties and municipalities for their financial management. This list was used to identify and select jurisdictions rated as "A" by Governing Magazine: Austin, Texas; Fairfax County, Virginia; City of Long Beach, California; Maricopa County, Arizona; Minneapolis, Minnesota; Orlando, Florida; Phoenix, Arizona; State of Utah; and Virginia Beach, Virginia. Municipalities such as El Paso, Texas and Village of Palos Park, Illinois were also reviewed as they were cited in examples from GFOA materials. Additionally, available policies from neighboring communities in Florida were obtained to provide additional insight: City of Coral Springs, Ft. Lauderdale, Miami-Dade County, and Hillsborough County.

BUDGET ADVISORY COMMITTEE PRELIMINARY RECOMMENDATIONS

For their initial set of recommendations, the BAC focused on the following policies: Stabilization Funds & Fund Balance/Contingency Planning and Cash Reserves; Use of Non-Recurring Revenues; Capital Asset Acquisition, Maintenance, Replacement and Retirement; and Guiding the Design of Programs and Services (See Attachment). Additional policies may be considered in subsequent reviews.

BAC Recommendation: Stabilization Funds & Fund Balance/Contingency Planning and Cash Reserves

General Fund

The City of Miami Beach shall maintain the Emergency Reserve at 11% of the General Fund Operating Budget of the ensuing year (11% Emergency Reserve).

In addition, the City of Miami Beach shall have a goal to maintain a General Fund Reserve for Contingencies equal to 6% of the General Fund Operating Budget. In combination with the 11% of Emergency Reserve, this represents 2 months of the General Fund Operating Budget expenditures. If the Reserve for Contingencies level falls below the 6% level a plan of action will be required to increase the reserves over three to seven years (to at least 6%) and a percentage of any additional undesignated fund balance shall be earmarked toward attainment of the 6% level.

Enterprise Funds

The City of Miami Beach shall have a goal to develop and maintain appropriate levels of reserves in the Enterprise Funds as in the General Fund.

Risk Management Fund

The City of Miami Beach shall have a goal of maintaining a reserve of 100% of pending claims in the Risk Management Fund, and shall strive to fund 2/3 of the estimated value of insurance claims incurred but not reported.

BAC Recommendation: Use of Non-Recurring Revenues

The City of Miami Beach will use one time, non-recurring revenue for capital expenditures or one time expenditures and not to subsidize recurring personnel, operations and maintenance cost.

BAC Recommendation: Capital Asset Acquisition, Maintenance, Replacement and Retirement

The City shall have a goal to fund at least 5% of the General Fund to fund the following capital needs as a permanent part of the budget:

- **Capital Renewal and Replacement** - to ensure adequate funding for the renewal and replacement of the City's General Fund facilities to extend the useful life or replace equipment whose useful life has expired.
- **Capital Reserve Fund** - to help ensure adequate funding related to previously approved capital projects for expenditures due to bids that are over-budget, change orders, or other unforeseen items for General Fund projects.
- **Pay-As-You-Go Capital Fund** - to ensure adequate on-going reinvestment in capital plant and equipment, to avoid deferring capital needs until there is a major bond issue.
- **Capital Investment Upkeep Fund** - to help ensure adequate funding for General Fund non-facility related upkeep.
- **Information & Communications Technology Fund** - to help ensure adequate funding for the procurement of new or enhanced information and technology needs of the City.

The City shall strive to achieve as a goal that annual General Fund revenues in excess of expenditures shall be transferred to the Capital Reserve Fund.

The City shall have a goal to develop and maintain appropriate levels of capital reserves in the Enterprise Funds as in the General Fund.

BAC Recommendation: Guiding the Design of Programs and Services

- The City shall create a strategic plan that identifies multi-year strategic priorities (Key Intended Outcomes) with corresponding result measures for each priority.
- Annually, the City shall use a strategic planning process to develop initiatives that support the strategic plan priorities.
- The budget process and format shall be performance-based and focused on Key Intended Outcomes and performance measures.
- Any new initiative not core to the City's core mission or Key Intended Outcomes identified in the strategic plan that is greater than 0.5% of budget for the fund impacted per year, or cumulatively, shall be first considered as part of the City's annual strategic planning process to develop initiatives.

CONCLUSION

These policies align with the City's key intended outcomes to ensure expenditure trends that are sustainable over the long term; improve the City's overall financial health; and maintain the City's overall bond rating.

These proposed policies were reviewed and approved by the Finance and Citywide Projects Committee at the July 6, 2006 Committee meeting and the City administration was directed to prepare a resolution for Commission consideration adopting policies similar to the recommendations of the Budget Advisory Committee.

The attached resolution adopts the policies recommended by the BAC with the minor revision clarifying the funding for General Fund renewal and replacement as a separate dedicated source of funding.

Attachment



MIAMI BEACH

BUDGET ADVISORY COMMITTEE

RECOMMENDED FINANCIAL POLICIES

May 2006
Revised

STABILIZATION FUNDS & FUND BALANCE, CONTINGENCY PLANNING AND CASH RESERVES

GFOA Recommendation

Practice: A government should develop policies to guide the creation, maintenance, and use of resources for financial stabilization purposes.

Rationale: Governments should maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

Outputs: The policies should establish how and when a government builds up stabilization funds and should identify the purposes for which they may be used. Development of a policy on minimum and maximum reserve levels may be advisable. Policies on stabilization funds should be publicly available and summarized in materials used in budget preparation. They also should be identified in other government documents, including planning and management reports.

Notes: Stabilization funds are called by many names including rainy day funds, unreserved, undesignated fund balances, and contingency funds. These funds may be used at a government's discretion to address temporary cash flow shortages, emergencies, unanticipated economic downturns, and one-time opportunities. They provide flexibility to respond to unexpected opportunities that may help a government achieve its goals. Policies on the use of these funds may also be tied to an adverse change in economic indicators (such as declining employment or personal income) to ensure that the funds are not depleted before an emergency arises. The minimum and maximum amounts to be accumulated may be based on the types of revenue, the level of uncertainty associated with revenues, the condition of capital assets, or the government's level of security with its financial position. Stabilization funds may be constrained by state or local laws. Legally required reserves should be distinguished from discretionary reserves.

"How Much Unreserved Fund Balance for the Fund Balance Policy?"

A number of standards for size of unreserved fund balance in the general funds that have been cited over the years. GFOA recommends that general purpose governments, regardless of size, maintain unreserved fund balance in their general fund of no less than 5 to 15 percent of regular general fund operating revenues, or of no less than one to two months of regular general fund operating expenditures.

Bond raters and others often use the rule of thumb standard that calls for an unreserved fund balance in the general fund of 5 percent. Others argue that unreserved fund balance should be equal to no less than one month's operating expenditures (e.g., 8.3 percent). Still others argue for a broader range of one to three months of operating expenditures.

A government's particular situation may require levels of unreserved fund balance in the general significantly in excess of these recommended minimum levels. The most commonly

cited factor in greater unreserved fund balance size (general fund) is budget size. A government's unreserved fund balance should be inversely proportional to its total budget size. Smaller governments are more susceptible to economic changes and, therefore, require a larger unreserved fund balance.

Other factors cited for concern by GFOA include:

- Volatility of revenue structures (e.g. dependence on general sales tax, etc.)
- Diversification of revenue streams
- Ability to defer purchases
- Frequency of annual surpluses or deficits
- Stability of cash flows
- Economic sensitivity of expenditures

Current Conditions

General Fund Reserves

Pursuant to City Commission Resolution No. 96-22014 adopted June 5, 1996 and amended by Resolution No. 98-22661, the City is required to maintain a reserve at 11% of the General Fund Operating Budget of the ensuing year, and can only be used for defined public emergencies requiring a 5/7 vote rather than a majority of the Commission.

The FY 2005/06 Adopted General Fund Operating Budget is \$207,925,117. The 11% Emergency Reserve level for FY 05/06 \$ 22,547,282. The undesignated fund balance in the General Fund as of September 30, 2005, net of the 11% Emergency Reserve and capital reserve of \$3.7 million, was \$12.3 million or 6% of the Adopted General Fund Operating Budget.

Further, on an annual basis, since 2001, the City appropriates funding for General Fund Operating Contingency and an additional appropriation for unfunded projects at the City Manager's discretion.

Reserves in the Risk Management Fund

The total unpaid claims in the Risk Management Fund as of September 30, 2005, is \$18.3 million, this includes as estimate for claims incurred but not yet reported of \$10.1 million. The City reserves on an "occurrence" basis, reserving for anticipated and known claims when they occur, regardless of the ultimate date of payment or disposition. AS of September 30, 2005, the fund reflected a total net negative assets of \$11.1 million.

The FY 2005/06 budget includes an annual appropriation of \$1 million to reduce the deficit in the Risk Management Fund, with a plan to continue to reduce the deficit over time.

BAC Recommendation:

General Fund

The City of Miami Beach shall maintain the Emergency Reserve at 11% of the General Fund

Operating Budget of the ensuing year (11% Emergency Reserve), shall maintain the definition of a public emergency for which funds could and require a 5/7 vote for expenditures of such funds.

In addition, the City of Miami Beach shall have a goal to maintain a General Fund Reserve for Contingencies equal to 6% of the General Fund Operating Budget. In combination with the 11% pf Emergency Reserve, this represents 2 months of the General Fund Operating Budget expenditures. If the Reserve for Contingencies level falls below 6% level a plan of action will be required to increase the reserves over three to seven years (to at least 6%) and a percentage of any additional undesignated fund balance shall be earmarked toward attainment of the 6% level.

Enterprise Funds

The City of Miami Beach shall have a goal to develop and maintain appropriate levels of reserves in the Enterprise Funds as in the General Fund.

Risk Management Fund

The City of Miami Beach shall have a goal of maintaining a reserve of 100% of pending claims in the Risk Management Fund, and shall strive to fund 2/3 of the estimated value of insurance claims incurred but not reported.

USE OF NON-RECURRING/ONE-TIME REVENUES

GFOA Recommendation

Practice: A government should adopt a policy limiting the use of one-time revenues for ongoing expenditures.

Rationale: By definition, one-time revenues cannot be relied on in future budget periods. A policy on the use of one-time revenues provides guidance to minimize disruptive effects on services due to non-recurrence of these sources.

Outputs: One-time revenues and allowable uses for those revenues should be explicitly defined. The policy should be publicly discussed before adoption and should be readily available to stakeholders during the budget process. The policy, and compliance with it, should be reviewed periodically.

Notes: Examples of one-time revenues include: infrequent sales of government assets, bond refunding savings, infrequent revenues from development, and grants. These revenues may be available for more than one year (e.g., a three-year grant), but are expected to be non-recurring. Examples of expenditures for which a government may wish to use one-time revenues include startup costs, stabilization (e.g., to cover expenditures that temporarily exceed revenues), early debt retirement, and capital purchases. Uses that add to the ongoing expenditure base should be carefully reviewed and minimized, e.g., capital expenditures that significantly increase ongoing operating expenses without a sustainable and offsetting long-term revenue plan. Certain variable components of major revenue sources are similar to one-time revenue sources. While they may be addressed in a one-time revenue policy, they also may be considered separately.

An important subset of revenue diversification and stabilization policies is a use-of-one-time-revenue policy. The premise behind this type of policy is simple; the government should not use one-time revenues to fund ongoing expenditures. To do so might mean that the government would be unable to make up the gap created by the expiration of the one-time revenue in the next budget period, a situation that could lead to service cuts. The one-time revenue policy of the Village of Palos Park, Illinois, also states that use of one-time revenues will be limited to the purpose for which they were intended, or for a capital expenditure.”

Current Conditions

The City of Miami Beach does not have a formal policy regarding use of non-recurring/one-time revenues, however, it has been an informal practice that these revenues shall be for capital or other one-time expenditures.

BAC Recommendation:

The City of Miami Beach will use one time, non-recurring revenue for capital expenditures or one time expenditures and not to subsidize recurring personnel, operations and maintenance cost.

CAPITAL ASSET ACQUISITION, MAINTENANCE, REPLACEMENT AND RETIREMENT

GFOA Recommendation:

Practice: A government should adopt policies and plans for capital asset acquisition, maintenance, replacement, and retirement.

Rationale: Policies and plans for acquisition, maintenance, replacement, and retirement of capital assets help ensure that needed capital assets or improvements receive appropriate consideration in the budget process and that older capital assets are considered for retirement or replacement. These policies and plans are necessary to help plan for large expenditures and to minimize deferred maintenance.

Outputs: Policies may address inventorying capital assets and evaluating their condition, criteria for acceptable condition, criteria for continued maintenance versus replacement or retirement of an existing asset, and identification of funding for adequate maintenance and scheduled replacement of capital assets. Plans should be developed to establish ongoing, multi-year replacement and renewal schedules, and should recognize the linkage of capital expenditures with the annual operating budget. Plans for addressing deferred maintenance may also be an output of this practice. Stakeholders should have an opportunity to provide input as capital asset policies and plans are formulated. Once adopted, the policies and plans should be made publicly available, particularly as set forth in budget, management, and planning documents. Policies and plans should be incorporated into decision making in the budget process.

Notes: Capital asset acquisition, maintenance, replacement, and retirement policies provide a basis for formulating long-range plans to address capital needs. These policies should be realistic if they are to be used in decision making. Information gathered through processes described in the practice entitled *Assess Capital Assets, and Identify Issues, Opportunities, and Challenges* can be helpful in formulating the policies and plans. When developing capital plans, maintenance of existing facilities, including deferred maintenance, should be considered along with new projects.

Current Conditions

Capital Renewal and Replacement – 0.182 mills (\$2,529,563) for the purpose of maintaining a restricted account for the renewal and replacement of the City's General Fund facilities to extend the useful life or replace equipment whose useful life has expired. The City of Miami Beach adopted Resolution No. 2004-25697 on September 28, 2004 to establish a restricted renewal and replacement account funded by dedicating a portion of the millage to projects in the City's General Fund facilities that extend the useful life or replace equipment whose life has expired. The dedicated millage and project specific appropriations from the fund are reviewed and approved each year by the City Commission as part of the budget process. Unused funds stay in the account until projects are completed or can be used for other projects subject to Commission approval. On February 23, 2005, the City Commission adopted Resolution No. 2005-25832 to establish more stringent criteria for the use of these funds by summarizing the criteria into three critical areas; include a preamble/whereas

clause pertaining to emergency use of funds; and provide a provision for emergency use of the funds.

Further, the City currently has no written policy but does fund the following in FY 2005/2006:

- **Capital Reserve Fund** – The Capital Reserve Fund has been established to provide funding related to previously approved capital projects for expenditures due to bids that are over-budget, change orders, or other unforeseen items. Since FY 2005/06, this has been funded through an annual appropriation. Further, General Fund revenues in excess of expenditures at year-end were transferred to the Capital Reserve Fund at the end of FY 2004/05 and are anticipated to be transferred at the end of FY 2005/06. In addition to the \$3.7 million appropriated for the Capital Reserve Fund based on revenues in excess of expenditures at the end of FY 2004/05, in FY 2005/06 the City of Miami Beach appropriated \$2.5 million towards the Capital Reserve Fund contingency. The total in the Capital Reserve Fund is projected to be \$6.2 million by the end of FY 2005/06 less any needs that may occur throughout the year.
- **Pay-As-You-Go Capital Fund** - The City Commission approved the establishment of a Pay-As-You-Go Capital Fund that designates a certain portion of the operating budget to be re-invested in capital. This helps ensure adequate, on-going re-investment in capital plant and equipment, often called “Pay-As-You-Go” capital funding. Without a Pay-As-You-Go in a city’s capital budget, new General Fund projects that are needed from time-to-time often have to be deferred until the City goes out for a major bond issue. The Pay-As-You-Go Capital Fund is funded by the General Fund and, as such, excludes Enterprise Fund projects supported by revenue bonds (water, sewer, stormwater, etc.) \$5,000,000 was appropriated with project specific appropriations designated for the Miami Beach Golf Course Cart Barn, Technology Enhancements for the Normandy Park and Pool, Sidewalk and Street Restoration Citywide, FF&E for Fire Stations 2 & 4, Normandy Isle Neighborhoods Project, Flamingo Park Pool Deck Lighting, and Scott Rakow Youth Center Phase 2 project.
- **Capital Investment Upkeep Fund** - In FY 2005/06, the City Commission approved the establishment of a Capital Investment Upkeep Account that provides for the purpose of for the purpose of establishing and maintaining funding for General Fund non-facility related upkeep including landscaping, uplighting, pavers, etc. \$1,500,000 was appropriated and has been used to restore landscaping by the Julia Tuttle Interchange, 41 Street, Pinetree Park, etc.
- **Information & Communications Technology Fund** - In FY 2005/06 the City Commission has approved the establishment of a Information & Communications Technology Fund that provides for the purpose of for the purpose of establishing and maintaining funding for the procurement of new or enhanced information and technology needs of the City. \$1,000,000 was appropriated for funding projects such as the City’s WiFi project, a new Storage Area Network, Voice-Over Internet Protocol enhancements, Data Center Uninterrupted Power Supply, new staffing software for the Fire Department, Performance Management Software, and Code Compliance software.

The City’s total General Fund Operating Budget for FY 2005/06 is \$207.9 million. Excluding non-direct operating expenses for the Homeowners Dividend Fund (\$3.3 million) and the transfers to the General Fund Emergency Reserve (\$3.9 million), General Fund Capital Reserve (\$2.5 million), and General Fund Annual Operating Contingency (\$1 million), the total is \$197.2 million.

BAC Recommendation:

The City shall have a goal to fund at least 5% of the General Fund to fund the following capital needs as a permanent part of the budget:

- **Capital Renewal and Replacement** - to ensure adequate funding for the renewal and replacement of the City's General Fund facilities to extend the useful life or replace equipment whose useful life has expired.
- **Capital Reserve Fund** - to help ensure adequate funding related to previously approved capital projects for expenditures due to bids that are overbudget, change orders, or other unforeseen items for General Fund projects.
- **Pay-As-You-Go Capital Fund** - to ensure adequate on-going reinvestment in capital plant, and equipment, to avoid deferring capital needs until there is a major bond issue, and to address:
 - unfunded new projects recommended or approved in concept by the Commission;
 - new or additional scope for previously funded projects;
 - additional funding needs for previously approved capital projects, i.e. cost increases associated with approved Basis of Design Reports (BODR's) that are identified prior to going out for bid, many of which are due to increased cost of construction (e.g., due to increases in the cost of concrete, high demand for construction services in the local area, etc.)
 - The Pay-As-You-Go Capital Fund is funded by the General Fund and, as such, shall exclude Enterprise Fund projects supported by revenue bonds (water, sewer, stormwater, etc.)
- **Capital Investment Upkeep Fund** - to help ensure adequate funding for General Fund non-facility related upkeep.
- **Information & Communications Technology Fund** - to help ensure adequate funding for the procurement of new or enhanced information and technology needs of the City

The City shall strive to achieve as a goal that annual General Fund revenues in excess of expenditures shall be transferred to the Capital Reserve Fund.

The City shall have a goal to develop and maintain appropriate levels of capital reserves in the Enterprise Funds as in the General Fund.

Guiding the Design of Programs and Services

GFOA Recommendations

Practice: A government should develop and adopt policies and plans to guide the design of specific programs and services.

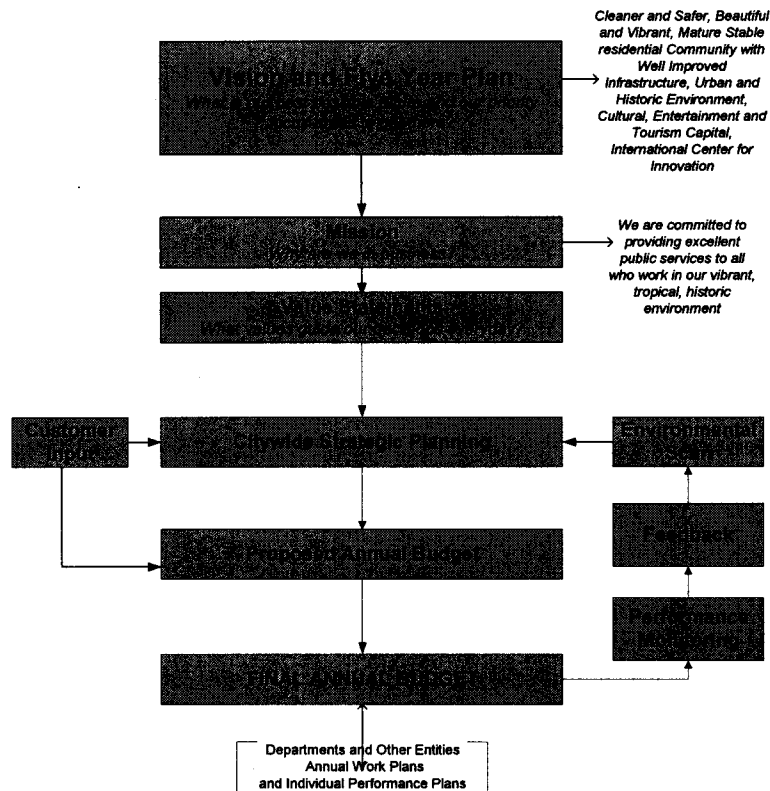
Rationale: Service and program policies and plans translate broad goals into strategies for achieving goals. These policies and plans provide the basis for designing specific programs and services.

Outputs: Program and service policies and plans may address items such as: groups or populations to be served, service delivery issues, examples of possible programs, standards of performance (including level of service standards or other measures to gauge success), expected costs, time frames for achievement of goals, issues pertaining to organizational structure, and priorities for service provision. Policies and plans should be adopted by the governing body and made publicly available.

Notes: A clear, well-documented statement of policies and plans in broad program and service areas becomes particularly important when goals cross organizational and program lines. For example, a goal to revitalize the downtown or to promote rural development could result in multi-departmental programs addressing job creation, transportation, housing, and health care.

Current Conditions

Effective for the FY 2005/06 budget, the City implemented a new performance-based approach for allocating resources based on the City's Strategic Planning priorities and supporting department work plans in support of the City's Excellence model. The City's excellence model is a strategic measurement-based model for continuous improvement in the City. It is driven by the City's Vision, with priorities established at the strategic level based on customer input and environmental scan information. Broader Key Intended Outcomes are established as multi-year priorities, while more specific Citywide Initiatives are updated annually. Through the annual budget process, resources are allocated in support of these strategic priorities, and performance monitoring is used to track progress and make adjustments for further improvement.



A significant driver in developing Citywide priorities is the community input received through the community satisfaction surveys with residents, businesses and community organizations and focus groups. These provide an understanding of current satisfaction levels among community groups with the City of Miami Beach government and the services it provides; provide benchmarks to similar jurisdictions, and provide recommendations for improving satisfaction and quality of life, i.e. "key drivers for improving satisfaction". These results, along with an environmental scan of demographics, socio-economic data and department workload and performance measures; financial trends; and comparatives with other cities result in set of multi-year Key Intended Outcomes (KIOs) linked to the City's vision, and more specific annual Citywide Initiatives endorsed by the City Commission. Additional KIOs essential to the sustainability of City government are also identified supportive of the City's vision.

In addition to the identification of KIOs, the strategic planning process identifies measures to determine whether or not the City is successful in achieving the KIOs – "Key Performance Indicators" – as well as annual Citywide initiatives to help achieve each KIO.

The set of Citywide KIOs and Citywide Initiatives (updated annually) are used to guide departments as they analyzed existing services, and prepared their proposed work plans and budgets. Allocation of resources is based on enhancements developed to support each of the Citywide initiatives and Key Intended Outcomes.

BAC Recommendation:

- The City shall create a strategic plan that identifies multi-year strategic priorities (Key Intended Outcomes) with corresponding result measures for each priority.
- Annually, the City shall use a strategic planning process to develop initiatives that support the strategic plan priorities.
- The budget process and format shall be performance-based and focused on Key Intended Outcomes and performance measures.
- Any new initiative not core to the City's core mission or Key Intended Outcomes identified in the strategic plan that is greater than 0.5% of budget for the fund impacted per year, or cumulatively, shall be first considered as part of the City's annual strategic planning process to develop initiatives.

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING SEVENTH AMENDMENT TO THE CAPITAL BUDGET FOR FISCAL YEAR 2016/17; AND PROVIDING THAT THE \$36 MILLION PREVIOUSLY ALLOCATED FROM VARIOUS FUNDING SOURCES FOR THE CITY'S LIGHT RAIL/MODERN STREETCAR PROJECT SHALL BE USED SOLELY TO SUPPORT TRANSPORTATION-RELATED INITIATIVES AND PROJECTS INTENDED TO REDUCE TRAFFIC CONGESTION, INCLUDING BUT NOT LIMITED TO TRANSIT PROJECTS THAT MAY BE DEVELOPED IN PARTNERSHIP WITH MIAMI-DADE COUNTY, THE FLORIDA DEPARTMENT OF TRANSPORTATION OR THE FEDERAL GOVERNMENT, SUBJECT TO ANY SUCH PROJECTS SATISFYING THE AUTHORIZED USES FOR EACH INDIVIDUAL FUND; FURTHER, PROVIDING THAT OF THE \$36 MILLION ALLOCATED HEREIN, FUNDS OTHER THAN RESORT TAX FUNDS SHALL BE EXPENDED FIRST, AND THE PORTION CONSISTING OF \$10 MILLION IN RESORT TAX FUNDS SHALL BE EXPENDED LAST; AND FURTHER, PROVIDING THAT IN THE EVENT THE CITY'S RESORT TAX RESERVE FALLS BELOW THE TWO MONTHS REQUIRED RESERVE POLICY, THE CITY COMMISSION MAY RE-ALLOCATE THE FOREGOING \$10 MILLION IN RESORT TAX FUNDS, AS NEEDED TO REPLENISH THE RESERVE IN THE RESORT TAX FUND.

WHEREAS, on December 14, 2016, the Mayor and City Commission unanimously adopted Resolution No. 2016-29690, suspending the City's development of a Light Rail/Modern Streetcar Project ("Streetcar Project"), and reaffirming the City Commission's commitment to local and regional transportation solutions that address traffic problems within the City of Miami Beach; and

WHEREAS, the purpose and intent of the Streetcar Project was to bring about meaningful traffic solutions that address traffic congestion and gridlock within our City; and

WHEREAS, with over 300,000 cars passing between Miami and Miami Beach every day, the need for traffic relief continues to be one of our City's greatest challenges; and

WHEREAS, traffic congestion increases overall driver frustration, increases safety concerns, and serves to diminish our residents' quality of life and our visitors' experience; and

WHEREAS, a local and regional transportation network that includes short and long-term mobility solutions, and that brings about traffic relief to the maximum extent possible, is critical to our City's continued success; and


WHEREAS, as part of the U.S. Congress's plans to increase infrastructure spending in the next few years, the federal government will be looking to fund "shovel-ready" projects, and accordingly, it is in the City's best interests to position itself to move forward expeditiously meaningful transportation-related projects, particularly if doing so increases the City's eligibility for federal funding for such projects; and

WHEREAS, given the progress the City Commission has made in identifying \$36 million in the Capital Budget to be allocated for meaningful traffic solutions, such funds should continue to be prioritized solely for the benefit of transportation-related initiatives and projects, including but not limited to transit projects that may be developed in partnership with Miami-Dade County, the Florida Department of Transportation, and the federal government.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission of the City of Miami Beach, Florida, hereby adopts the Seventh Amendment to the Capital Budget for Fiscal Year 2016/17; and provides that the \$36 million previously allocated from various funding sources for the City's Light Rail/Modern Streetcar Project shall be used solely to support transportation-related initiatives and projects intended to reduce traffic congestion, including but not limited to transit projects that may be developed in partnership with Miami-Dade County, the Florida Department of Transportation or the Federal government, subject to any such projects satisfying the authorized uses for each individual fund; further, providing that of the \$36 million allocated herein, funds other than Resort Tax funds be expended first, and the portion consisting of the \$10 million in Resort Tax funds shall be expended last; and further, providing that in the event the City's Resort Tax reserve falls below the two months required reserve policy, the City Commission may re-allocate the foregoing \$10 million in Resort Tax funds, as needed to replenish the reserve in the Resort Tax Fund.

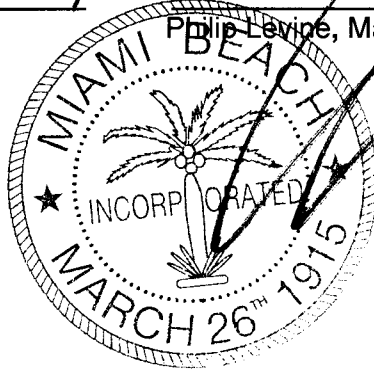
PASSED AND ADOPTED this 26 day of July, 2017.

ATTEST:



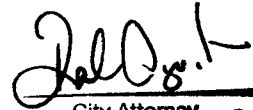
Rafael Granado, City Clerk

AUG 16, 2017



Philip Levine, Mayor

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION


City Attorney RAP Date 8-7-17

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Raul Aguila, City Attorney
DATE: July 26, 2017

2:10 p.m. Public Hearing

SUBJECT: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING SEVENTH AMENDMENT TO THE CAPITAL BUDGET FOR FISCAL YEAR 2016/17; AND PROVIDING THAT THE \$36 MILLION PREVIOUSLY ALLOCATED FROM VARIOUS FUNDING SOURCES FOR THE CITY'S LIGHT RAIL/MODERN STREETCAR PROJECT SHALL BE RE-PRIORITIZED AND USED SOLELY TO SUPPORT TRANSPORTATION-RELATED INITIATIVES AND PROJECTS INTENDED TO REDUCE TRAFFIC CONGESTION, INCLUDING BUT NOT LIMITED TO TRANSIT PROJECTS THAT MAY BE DEVELOPED IN PARTNERSHIP WITH MIAMI-DADE COUNTY, THE FLORIDA DEPARTMENT OF TRANSPORTATION OR THE FEDERAL GOVERNMENT, SUBJECT TO ANY SUCH PROJECTS SATISFYING THE AUTHORIZED USES FOR EACH INDIVIDUAL FUND.

ANALYSIS

Mayor Levine has placed the attached resolution on the agenda for the City Commission's consideration.

Legislative Tracking

Office of the City Attorney/Budget and Performance Improvement

Sponsor

Mayor Philip Levine

ATTACHMENTS:

Description

- Resolution

**Miami Beach and Miami-Dade Department of Transportation and Public Works
Beach Express North Bus Express Rapid Transit (BERT) Demonstration Project**



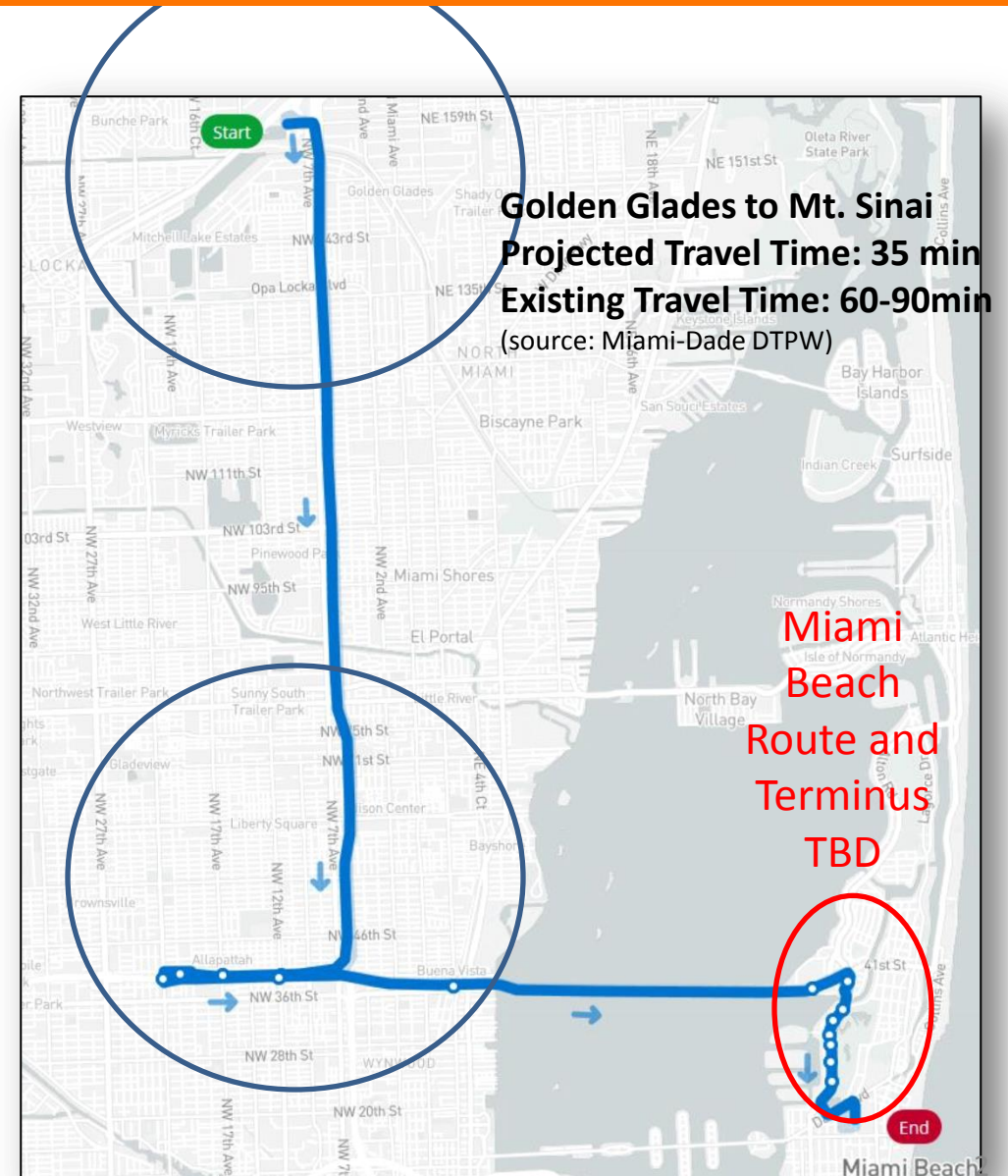
**Presentation to Finance and Citywide Projects Committee
June 29, 2018**

SMART Demonstration Project Grant

MIAMI-DADE COUNTY PROPOSED ROUTE

- Miami-Dade Transportation Planning Organization (TPO) issued call for demonstration grants that promote transit in support of the Miami-Dade County's Strategic Miami Area Rapid Transit (SMART) plan
- City Commission authorized an application to the Demonstration Program on May 16, 2018.
- Miami-Dade County Proposed BERT route
 - Golden Glades Intermodal Facility to
 - Earlington Heights Metrorail Station to
 - Miami Beach
- Major driver of route development was Mount Sinai hospital employment patterns
- Route is subject to refinement on Miami Beach based on additional market evaluation
- The application was submitted on May 21, 2018.
- Award is expected at the June 21, 2018 TPO meeting.

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SMART Demonstration Project Grant

TARGET MARKETS Recommended Route on Miami Beach

Criteria	Miami Beach	Mt. Sinai	Collins Ave 30th to 50th	Collins Ave 17th to 30th	South Beach	Entertainment District	RDA	Convention Center
High Number of Employees	52,734	3,321	6,064	8,496	33,464	6,444	4,868	2,016
High Employees/Sq. Mile	7,533	36,900	24,256	33,984	17,249	28,388	11,321	2,016
Potential Choice Riders- GG	M	M	M	L	M	M	M	M
Potential Choice Riders- EH	M	M	M	H	M	M	H	H
Square Miles	7	0.09	0.25	0.25	1.94	0.227	0.43	1

Based upon Miami Beach employment data, a high ridership route would serve Mount Sinai Medical Center, continue east along 41st Street, and serve the hotel and entertainment destinations along Collins Avenue to the City Center vicinity.

Revised route on Miami Beach supported by NCAC and TPBPFC

SMART Demonstration Project Grant

Participation in Operating and Capital Costs

Annual Operating Cost		
Total	Miami Beach	TPO
\$3,440,000.00	\$1,720,000.00	\$1,720,000.00

Three Year Operating Cost		
Total	Miami Beach	TPO
\$10,320,000.00	\$5,160,000.00	\$5,160,000.00

Miami-Dade County Contribution: \$9.5 M capital soft match for purchase of new buses for Beach Express North BERT service.

SMART Demonstration Project Grant

Sources of City Funds

Resolution No. 2017-29939 allocated \$36 million for Transportation Projects:

- \$10 million in Resort tax for tourism eligible projects.
- \$21 million in City Center Redevelopment(RDA) Non-Tax Increment Funding which is limited in use to within the RDA.
- \$5 million in Concurrency Mitigation Funding that can be used anywhere in Miami Beach to reduce traffic congestion.

These are all considered one-time (non-recurring) sources of funds.

Resolution No. 2006-26341 states that one-time sources of funds can only be used for one-time (non-recurring) expenditures

- Capital projects and demonstration projects can be considered one-time uses of funds

On May 16, 2018, the Commission endorsed using the \$5 million in Concurrency Mitigation Funds for the Beach Express North BERT demonstration project and authorized the application submittal.

The additional \$160,000 would need to be funded from the Transportation Department Operating Budget in Year 3 of the demonstration project grant.

SMART Demonstration Project Grant

Proposed Business Plan Proven Keys to Success

Proven Keys to Success

Successful public transit systems have a number of characteristics in common. Applying these concepts to the proposed Beach Express North BERT service will be the keys to short-term and long-term success.

Characteristics of Successful Routes Include :

- Comfortable, reliable vehicles with unique branding and technology amenities.
- Easily accessible information about the service route and schedule changes/problems.
- Drivers trained to provide courteous customer service.
- Convenient and comfortable stop locations.
- An experienced service provider.
- Hearing the voice of the customer throughout (including the use of facebook, twitter, etc.)
- Exclusive lanes of travel to avoid traffic congestion. **Operation on the outside shoulders of the Julia Tuttle Causeway is critical to this service.**

SMART Demonstration Project Grant

Proposed Business Plan Performance Metrics

Performance Metrics

Successful public transit systems also adopt performance metrics to evaluate performance. Adopting performance metrics for the proposed Beach Express North BERT service is important.

Proposed Performance Metrics Include:

- Mode shift (i.e. number of new transit riders)
- Total ridership on route
- On-time performance
- Mystery rider evaluations of customer service, comfort, convenience, cleanliness, etc.

Operation of the service in Years 2 and 3 will be subject to successful performance metrics in the prior year.

New CNG Buses



8

SMART Demonstration Project Grant

Proposed Business Plan Role and Responsibilities

City of Miami Beach

- Provide \$1,720,000 annually for up to the three (3) year life of the Beach Express North Demonstration Project.
- Provide a City Commission resolution supporting temporary discontinuation of the Julia Tuttle Causeway bicycle lanes in order to provide the Beach Express North BERT Demonstration Service.
- Promote the service (e.g. multi-lingual marketing materials, full use of services offered by the Miami Beach Communications Department, utilization of the services offered by South Florida Commuter Services as well as Greater Miami Convention and Visitors Bureau).

SMART Demonstration Project Grant

Proposed Business Plan Role and Responsibilities

Miami-Dade County

- Provide new Compressed Natural Gas (CNG) and branded buses for the duration of the Beach Express North BERT Demonstration Service (estimated at \$9.5 million).
- Operate the Beach Express North BERT Demonstration Service for up to the three (3) year life of the demonstration project.

SMART Demonstration Project Grant

Proposed Business Plan Role and Responsibilities

Miami-Dade County (continued)

- If the Beach Express North BERT Demonstration Service is deemed successful, work with FDOT to identify funding for the continuation of the BERT service.
- Provide service that includes technology and amenities, including, but not limited to, On-board Wi-Fi, transit signal priority, GPS, Automatic Passenger Counters, mobile applications for Android and IOS phones providing real-time “Next Bus Arrival” and Rider Alert information, and digital “Next Bus Arrival” signs at major stops/transfer points.
- Promote the service (e.g. multi-lingual marketing materials, full use of services and resources offered by Miami-Dade County and City of Miami Beach Communication Departments, utilization of the services of South Florida Commuter Services as well as Greater Miami Convention and Visitors Bureau).

SMART Demonstration Project Grant

Proposed Business Plan Roles and Responsibilities

Miami-Dade County Transportation Planning Organization

- Provide \$1,720,000 annually for up to the three (3) year life of the Beach Express North Demonstration Project through the SMART Demonstration Project Grant Program.
- Coordinate with Miami –Dade County to provide continued funding if the demonstration project is a success

SMART Demonstration Project Grant

Proposed Business Plan Roles and Responsibilities

Florida Department of Transportation

- Remove the rumble strips on the outer shoulders of the Julia Tuttle Causeway by the end of calendar year 2018 in order to provide a smooth surface for bus-on-shoulder operation.
- Allow bus-on-shoulder operation on the outside shoulder of the Julia Tuttle Causeway until the inside shoulder is improved to allow bus operation.
- Expedite the construction of the improvements to the inside shoulders and restriping the Julia Tuttle Causeway in a 1-2 year timeframe in order to allow bus operation on the inside shoulders as early as possible during the 3-year Beach Express North BERT Demonstration Service.
- If the Beach Express North BERT Demonstration Service is deemed successful, work with Miami-Dade County Department of Transportation and Public Works to identify funding for the continuation of the Beach Express North BERT Demonstration Service.

SMART Demonstration Project Grant

NEXT STEPS

- Approval of interim use of the outside shoulder of the Julia Tuttle Causeway.
- If the interim use of the outside shoulder is approved, the next steps include:
 - Conduct outreach and refine route with Miami-Dade County.
 - Review and approval of the SMART Demonstration Project grant application.
 - Develop marketing and implementation Strategy for the new service.
 - Finalize Interlocal Agreement and associated Beach Express North BERT Business Plan with Miami-Dade County, including route and performance measures.
- If the interim use of the outside shoulder is not approved:
 - The Administration and Miami-Dade County recommend deferral of the grant application.
 - The Administration and Miami-Dade County would work to modify the existing Airport Express (Route 150) to serve Mount Sinai and the hotel and economic activity centers along Collins Avenue.

SMART Demonstration Project Grant

Committee Endorsements

Endorsement by the Transportation, Parking and Bicycle-Pedestrian Facilities Committee (TPBPFC) :

- On May 14, 2018, the TPBPFC passed a motion supporting the SMART Demonstration Program application for the Beach Express North BERT 3-year demonstration service on the Julia Tuttle Causeway.
- On June 11, 2018, the TPBPFC discussed the Beach Express North BERT Pilot Program and with the recommendation that the pilot program go across the Julia Tuttle Causeway, make a stop at Mt. Sinai, go east on 41st to Collins Ave, go north to 44th Street, and then south on Indian Creek Drive; route should go as far as 23rd Street and Collins Avenue.
- On June 20, 2018, the Neighborhood and Community Affairs Committee discussed this item. They supported the Administration's recommended route along 41st Street and Collins Avenue and draft Business Plan outline, and passed a motion recommending that the Business Plan include the following: 1) conducting annual evaluations of the Beach Express North BERT Demonstration Service with an exit strategy for underperformance, 2) obtaining input from the hotel industry, 3) charging a standard (non-premium) fare for the BERT Demonstration Service, and 4) providing ample opportunities for customer feedback.

SMART Demonstration Project Grant

Direction Needed

- FCWPC Endorsement of the Business Plan Outline for staff to negotiate with the Transportation Planning Organization and Miami-Dade County

COMMITTEE MEMORANDUM

TO: Finance & Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: June 28, 2018

SUBJECT: DISCUSSION ON STREAMLINING THE CITY'S PROCUREMENT PROCESS.

The City's Procurement Department is responsible for managing the acquisition process for the goods and services that support the accomplishment of the goals set by the City Commission and the Administration. In doing so, it is the Procurement Department's mission to maximize taxpayer resources and assuring the public's trust in the acquisition of goods and services, through strict adherence to governing law, the highest ethical standards, strategic sourcing, transparency and stakeholder-focus. In this current fiscal year, to date, the Department has completed over 330 procurement projects, including formal competitive solicitations (>\$50,000), informal competitive solicitations (<\$50,000), and analyses of piggyback contracts, sole sources, and approved bid waivers.

The City's competitive solicitation and contracting process for selecting contractors to deliver the goods and services required by the City is managed under the rules and regulations established in the city code, state law, and federal regulations. In addition to managing the competitive solicitation and contracting process, the Procurement Department also manages: 1) the process by which City departments expend funds on the acquisition of goods and services once a contract is approved (Purchase Orders and Change Orders); 2) the City's risk mitigating activities, including compliance with insurance and bond requirements; and 3) works closely with the Environment and Sustainability Department to continue to implement the City's Sustainable Procurement Program.

Finally, the Department also manages a number of ethical, social and equity programs established by the City Commission, including:

- Living Wage
- Equal Benefits
- Veteran's Preference
- Prevailing Wages
- Local Workforce Participation Program
- Vendor Campaign Contributions
- Contractor Code of Business Ethics
- Contractor Performance Measurement
- Contractor Violations, Default, Suspension, and Debarment
- Moratorium on purchases from North Carolina and Mississippi.

The Procurement Department closely tracks performance through its scorecard process. The table below indicates some of the performance highlights over the last three fiscal years and the trends for each measure.

Performance Measure	FY 15 Actual	FY 16 Actual	FY 17 Actual	Trend
Avg # of calendar days to award formal competitive sealed bids (ITBs)	89	83.7	75.9	↓
Avg # of calendar days to award <u>proposals</u> (RFP/RFQ/ITN)	217	176.8	122.3	↓
Average # of responses to procurement solicitations (Proposals ITB/RFP/RFQ/ITN)	N/A	2	5	↑
# of contract awards for competitive <u>sealed</u> bids (ITB)	12	18	23	↑
# of contract awards for competitive <u>sealed</u> proposals (RFP/RFQ/ITN)	28	28	35	↑
Total # of contract awards for competitive proposals (ITB/RFP/RFQ/ITN)	40	46	58	↑

Notwithstanding positive performance indicated in the table above, the Administration believes that it is prudent to continuously seek to improve all of the City's processes. In an effort to continue to gain efficiencies in the City's procurement process and attract greater competition for City solicitations, the following items are presented for the Committee's discussion and consideration.

1. **Re-consider feedback from Associated Builders and Contractors (ABC) and Florida Transportation Builders Association (FTBA).** In 2015, the City collaborated with ABC and FTBA to better understand some of the impediments that its member contractors were having in doing business with the City. Both organizations sought feedback from its members and provided that feedback to the City Commission and the Administration. Attachment A contains summaries of the discussed items that were perceived to be impediments to contractors trying to do business with the City. The Administration believes it is prudent to re-consider the feedback so that the committee can understand some of the impediments to doing business with the City, even though some of the reported impediments cannot be easily resolved.
2. **Consider a streamlined process for contractor compliance with Equal Benefits and Local Workforce Program compliance.** The Procurement Department, through the implementation of the LCP Tracker System, has significantly streamlined the process for those contractors that must comply with living wage or prevailing wage requirements. However, many contractors are reporting difficulties in complying with the requirements of the Equal Benefits and Local Workforce Programs. Regarding the Equal Benefits Program, since marriage equality became law in early 2015 contractors are beginning to report difficulties in complying with the benefits for domestic partnerships required by the equal benefits program. Regarding the Local Workforce Program, while contractors have no issue with the 30% goal, contractors are reporting difficulty with some of the reporting requirements.

3. **Consider increasing the threshold for formal awards to expedite purchases.**

From time to time, it is prudent to consider bidding and award thresholds to make sure that departments may acquire the goods and services needed in an expeditious manner, while assuring internal controls regarding the use of funds are in place. The Administration is recommending that the City's thresholds for formal awards be increased to continue streamlining the procurement process. Attachment B provides information available to date regarding the threshold at other agencies.

CONCLUSION

The Administration is seeking further guidance from the Committee on these matters.

JLM / MT / AD 

Attachment A – ABC & FTBA Feedback

Issue	Detail Summary
Timely Payments	Contractors report that getting paid is very difficult and, at times, can take many months after work is completed. This tends to discourage contractors, especially smaller contractors.
"Preferred" Contractors	There is a perception that the City has a network of "preferred" contractors who get all the work, often skirting competitive bid rules. If a contractor is not one of the "preferred" contractors, they feel they are wasting their time in bidding.
Difficulties With Permits and Inspections	Permit process is very difficult. For inspections, contractors report that inspectors show up (or don't) at their whim, not as scheduled. Also, inspectors vary constantly and requirements among inspectors vary widely.
Parking	Parking for workers is very challenging. For projects within neighborhoods, there is nowhere to park. The residents do not want the workers or cars parking in their neighborhoods.
Staging	There is nowhere to stage, which makes project material and equipment logistics very challenging.
Economy And Volume Of Work	Given the amount of available construction work across the region, it is easier and more profitable for contractors to seek work from private builders or agencies that are more business friendly.
Contract Language And Requirements Are Excessively Burdensome	Contracts are heavily one-sided and disadvantage contractors. The risk contractors have to take on reflects in either pricing or in aversion to participating.
Bureaucratic Requirements And Paperwork	The City requires a lot of paperwork to be submitted with bids.

Attachment B

Formal Competitive Thresholds & Awards by Agency Head	
Miami Beach	Goods & Services - \$50,000 Construction - \$50,000 A&E - \$50,000
Miami	Goods & Services - \$50,000 Construction - \$100,000 A&E - \$500,000
Miami-Dade County	Goods & Services - \$250,000 Construction – TBD A&E - TBD
Florida Agencies and Departments	Goods & Services - \$65,000 Construction - \$300,000
Recommended	<p>Standardize on State of Florida Thresholds, pursuant to 287.017: Goods & Services - \$65,000 Construction - \$300,000</p> <p>Purchases under the formal competitive thresholds would continue to follow the City's existing informal competitive requirements, which include seeking three (3) quotes, and are under the manager's authority pursuant to Section 2-395.</p>

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 13, 2018

SUBJECT: **DISCUSSION REGARDING REPURPOSING OUR GOLF COURSES FOR THE FUTURE**

HISTORY:

At the May 16, 2018 Commission meeting, a discussion regarding the repurposing of our golf courses for the future, sponsored by Commissioner Arriola, was referred to the Finance and Citywide Projects ("FCWP") Committee, to examine the financial outlook of the City's municipal golf courses.

At the June 29, 2018 FCWP meeting, the Committee discussed the possibility of increasing revenues at Normandy Shores Golf Club by changing its economic model. Staff was directed to issue an addendum to the current Request for Proposals ("RFP") to offer a second option to bid as owner manager/operator, as well as extend the RFP and bid opening date, and take the recommendation to the July 17, 2018 Special Commission meeting.

The recommendation to offer bidders a second option on the RFP was given at the meeting and without providing Staff an opportunity to conduct due diligence.

Staff has evaluated the feasibility of this economic model and does not recommend the addendum to this RFP go forward.

CONCLUSION:

Discussion on the proposed addendum to the RFP for Golf Course Management Services.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: July 13, 2018

SUBJECT: **REVIEW OF THE CONVENTION HOTEL DEVELOPMENT AND GROUND LEASE AGREEMENT IN ACCORDANCE WITH SECTION 82-37 OF THE CITY CODE**

ATTACHMENTS:

Description	Type
<input type="checkbox"/> Memorandum for Approval of Hotel Development & Ground Lease Agreement	Memo
<input type="checkbox"/> Appendix 1 - Hotel Development & Ground Lease Agreement	Other
<input type="checkbox"/> Appendix 2 - Legal Description	Other
<input type="checkbox"/> Appendix 3 - Minimum Fixed Rent	Other
<input type="checkbox"/> Appendix 4 - Draft Ballot Question	Other
<input type="checkbox"/> Appendix 5 - Planning Analysis	Other
<input type="checkbox"/> Appendix 6 - Public Revenue Impact	Other



City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMITTEE MEMORANDUM

TO: Members of the Finance & Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: July 13, 2018

SUBJECT: **REVIEW OF THE CONVENTION HOTEL DEVELOPMENT AND
GROUND LEASE AGREEMENT IN ACCORDANCE WITH SECTION
82-37 OF THE CITY CODE**

Attached is Memorandum for the Convention Hotel Development and Ground Lease Agreement in advance of the Special Commission Meeting of next Tuesday, July 17, 2018.

MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor Dan Gelber and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

**FIRST READING
PUBLIC HEARING**

DATE: July 17, 2018

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING, FOLLOWING FIRST READING/PUBLIC HEARING, A DEVELOPMENT AND GROUND LEASE AGREEMENT AS AUTHORIZED, RESPECTIVELY, UNDER SECTION 118-4 OF THE CITY CODE, SECTIONS 163.3220 - 163.3243, FLORIDA STATUTES, AND SECTION 82-37 OF THE CITY CODE, BETWEEN THE CITY AND MB MIXED USE INVESTMENT, LLC ("MIAMI BEACH CONNECT"), FOR THE DEVELOPMENT OF A CONVENTION HOTEL WITH UP TO 800 ROOMS AND RELATED FACILITIES, INCLUDING UP TO 60,000 SQUARE FEET OF CONFERENCE AND BALLROOM FACILITIES, AND UP TO 52,000 SQUARE FEET OF ACCESSORY RETAIL AND RESTAURANT FACILITIES TO SERVICE HOTEL GUESTS AND THE PUBLIC (THE "HOTEL"), ON AN APPROXIMATELY 2.6 ACRE SITE ON THE NORTHEAST CORNER OF 17TH STREET AND CONVENTION CENTER DRIVE, BOUNDED ROUGHLY BY THE MIAMI BEACH CONVENTION CENTER TO THE NORTH, 17TH STREET TO THE SOUTH, THE FILLMORE MIAMI BEACH AT THE JACKIE GLEASON THEATER TO THE EAST, AND CONVENTION CENTER DRIVE TO THE WEST (THE "LEASED PROPERTY"); DELINEATING THE CONDITIONS FOR THE DESIGN, CONSTRUCTION, EQUIPPING AND OPERATION OF THE HOTEL ON THE LEASED PROPERTY WITH NO CITY FUNDING THEREFOR; PROVIDING FOR A 99-YEAR TERM OF THE LEASED PROPERTY ONCE CERTAIN CONDITIONS ARE SATISFIED; PROHIBITING GAMBLING ESTABLISHMENTS ON THE LEASED PROPERTY; AND PROVIDING FOR ANNUAL BASE RENT TO THE CITY, AFTER THE HOTEL OPENS, OF THE GREATER OF MINIMUM FIXED RENT OR A FIXED PERCENTAGE OF THE GROSS REVENUES OF THE HOTEL, AMONG OTHER RENT; AND FURTHER SETTING THE SECOND PUBLIC HEARING AND FINAL READING OF THE DEVELOPMENT AND GROUND LEASE AGREEMENT FOR A TIME CERTAIN.**

BACKGROUND

On April 13, 2016, the Mayor and City Commission established the Mayor's Ad Hoc Blue Ribbon Steering Committee on the Convention Center Hotel (the "Committee"), chaired by Commissioner Ricky Arriola and Vice-chaired by Commissioner Kristen Rosen-Gonzalez.

On February 14, 2018, the Mayor and City Commission considered the Committee's report regarding potential options for a Convention Center Hotel development, including options with respect to a proposed Hotel's location, size, height, and related issues such as traffic mitigation, and the like. At the February 14, 2018 City Commission meeting, the Mayor and City Commission directed the Administration to prepare a Request for Proposal ("RFP").

On May 16, 2018, the Mayor and City Commission approved Resolution No. 2018-30310, authorizing the issuance of an RFP for the Convention Center Hotel for a lease of the approximately 2.6 acre site located adjacent to the Convention Center.

On May 17, 2018 the City issued Request for Proposals No. 2018-238-KB (the RFP) for the Development of a Convention Headquarter Hotel Adjacent to the Miami Beach Convention Center. A voluntary pre-proposal meeting was held on May 24, 2018.

On June 7, 2018 the City Manager, via Letter to Commission (LTC) No. 323-2018, appointed an Evaluation Committee (the "Committee").

On June 14, 2018 the City received a responsive proposal from MB Mixed Use Investment, LLC, a joint venture between Turnberry and Terra Group.

On June 21, 2018, the Evaluation Committee convened to consider the responsive proposal and conduct oral presentations, and favorably recommended proceeding with the Miami Beach Connect proposal.

On July 2, 2018, the Mayor and City Commission approved Resolution No. 2018-30378, authorizing the Administration to negotiate a Development and Ground Lease Agreement, including a Room Block Agreement (collectively, the "Lease") with MB Mixed Use Investment, LLC, with said Lease subject to prior approval by the Mayor and City Commission before the final execution thereof.

On July 13, 2018, the Administration submitted the proposed Lease for the Finance and Citywide Projects Committee's review and input, in accordance with the requirements of Section 82-37(a)(1) of the City Code.

SUMMARY OF DEVELOPMENT AND GROUND LEASE AGREEMENT

The proposed Lease with MB Mixed Use Investment, LLC, a Florida limited liability company registered to transact business under the name Miami Beach Connect (hereinafter, "Miami Beach Connect") is attached hereto as **Appendix 1**. The Lease includes the following terms:

1. Description of Hotel Site/Leased Property

The proposed boundaries for the leased property are attached hereto as Appendix 2 (the "Leased Property"). The Leased Property generally consists of an approximately 2.6 acres on the northeast corner of 17th Street and Convention Center Drive, bounded roughly by the Miami Beach Convention Center to the North, 17th Street to the South, the Fillmore Miami Beach at the Jackie Gleason Theater to the East, and Convention Center Drive to the West.

2. Development and Funding of Hotel Project at Miami Beach Connect's Sole Cost

Miami Beach Connect shall be solely responsible for the development, design, construction, equipping and operation of a full-service convention hotel with up to, **and not-to-exceed**, 800 hotel rooms and related improvements ("Hotel"), including the design, construction and operation of an enclosed overhead pedestrian walkway or "Skybridge" connecting the Hotel and the MBCC

(collectively, as described more fully in the Lease, the “Hotel Project”). **The City shall not provide any City funding or City financing for the Hotel Project.**

3. Fillmore Miami Beach Rehearsal Room and 555 17th Street

The Fillmore Miami Beach at the Jackie Gleason Theater (the “Fillmore”) will remain in place and operational during and after the Hotel Project construction. As part of its construction obligations, Miami Beach Connect will be responsible for demolition of the 555 17th Street property and the Fillmore’s rehearsal or “black box” room, both of which are currently located on the Leased Property. Miami Beach Connect will also be responsible for certain Off-Site Improvements, including enclosure of the remaining portion of the Fillmore located outside the Leased Property.

4. Proposed Hotel Program

Consistent with the RFP requirements, the Hotel shall include the following program elements:

<u>Ballroom/Meeting Space</u>	<u>Sq. Feet</u>	<u>Food & Beverage</u>	<u>Seats</u>
Grand Ballroom	20,000	3-meal	400
Junior Ballroom	16,300	Lobby Lounge	150
Breakout Meeting	23,118	Pool Restaurant	65
Total	59,418	Rooftop	120
		Lobby Bar	100
Parking Spaces	320		

The 320 parking spaces adheres to the requirement of 0.4 parking spaces per room (including ancillary uses) in accordance with the City’s Land Development Regulations. Notwithstanding the maximum height permitted by the City’s Land Development Regulations, the Lease provides that **the maximum height of the hotel cannot exceed 185 feet.**

5. Lease Term

The Lease has a term of 99 years, commencing once certain development and financing conditions are satisfied, as set forth in Section 4.1(b) of the Lease (“Possession Conditions”). Specifically, the City will not deliver possession of the Leased Property to Miami Beach Connect until Miami Beach Connect has met certain key milestones and satisfied a number of conditions with regard to the development of the Hotel Project, including delivery of evidence that equity commitments and construction loan commitments required to build the Hotel Project are in place, verification that a management agreement with the initial Hotel Operator is in place, and evidence that all required governmental approvals for commencement of construction have been obtained.

6. Approval of Preliminary Design; Final Design Subject to City’s Design Review Process

The Lease includes approval by the City, in its proprietary capacity as owner of the Leased Property, of the initial preliminary concept design for the Hotel Project attached as Exhibit E to the Lease. In recognition that the design for the Hotel Project will evolve as part of the development process, the Lease also requires City’s approval of substantial design changes to the Hotel Project, including any change that materially affects the exterior façade or other exterior elements.

In addition, the final design for the Hotel Project shall be subject to review and approval by the City’s Design Review Board and, if applicable, the Planning Board. Miami Beach Connect shall be required to obtain all final, non-appealable regulatory approvals and/or permits that may be required for the Hotel Project, in the same manner as may be applicable to any other developer.

7. Use Restrictions/No Gambling

The Lease contains a use restriction to prohibit gambling on the Leased Property. Miami Beach Connect and/or subsequent owners of the Hotel may not own, operate or manage any establishment offering gambling or wagering in Miami-Dade County. The Lease further provides that the foregoing provisions cannot be subsequently amended without approval by the City Commission and approval by at least sixty percent (60%) of the voters voting thereon in a City-wide referendum.

8. Approved Brand/Hotel Operator

The hotel brand or “flag” of the Hotel must be an “Approved Brand,” which may include (i) Marriott (i.e., the Marriott, Marriott Marquis, Renaissance, Gaylord, Westin, Sheraton or JW Marriott brands), Omni, Hyatt Regency, La Meridien, Hilton and Intercontinental, or any other hotel brand Approved by the City. From and after the twentieth (20th) anniversary of the Opening Date, the Hotel may be operated by an “Upper Upscale” brand, as then rated by Smith Travel Research and generally recognized in the hospitality industry as an experienced convention center hotel brand, or may be operated by other than an Approved Brand, provided that the Hotel Operator must comply with the Hotel Standards set forth in the Lease.

Miami Beach Connect has indicated it intends to consider national hotel brand/operators with an established and consistently maintained reputation for quality operations. Brands to be considered include Marriott, Hyatt and Hilton. The Hotel Operator must either be an Approved Brand or a management company with a franchise agreement with an Approved Brand.

The Hotel Operator must operate the Hotel in accordance with the Hotel Standards and must comply with the Room Block Agreement, as set forth in Exhibit L of the Lease.

The initial brand/hotel operator selection is a condition which must be satisfied prior to City’s delivery to Miami Beach Connect of possession of the Leased Property.

9. Annual Rent Payments to the City

Commencing on the Opening Date and continuing throughout the Term of the Lease, the City will receive annual rent in the amount of the greater of (x) Minimum Fixed Rent or (y) Percentage Rent calculated as a percentage of the Gross Operating Revenues of the Hotel and a percentage of Gross Operating F&B Revenues of the Hotel.

Minimum Fixed Rent

The schedule of Minimum Fixed Rent payments for the first ten (10) years following the Rent Commencement Date is attached hereto as **Appendix 3**. These minimum guaranteed payments are included to provide the City with greater certainty for its internal planning/budgeting purposes as to the projected Lease revenues. The schedule of Minimum Fixed Rent is to be re-calculated after every ten (10) years to be 60% of the average of the annual rent over the prior ten years.

As noted in Appendix 3, the Minimum Fixed Rent, commencing in Year 5 of the Lease, shall be fixed at \$2 million, and shall be increased annually thereafter by two percent (2%). In recognition that the first four years following the Hotel’s opening represent a critical period for the establishment and success of a hotel operation, the City has agreed to receive, with respect to the Minimum Fixed Rent: \$400,000 in year 1, \$800,000 in year 2, \$1,200,000 in year 3, \$1,600,000 in year 4, and \$2,000,000 in year 5.

Percentage Rent

Miami Beach Connect initially proposed percentage rent to equate to 2.5% of all Gross Operating Revenues of the hotel. During the contract negotiations with Miami Beach Connect, the percentage rent proposal was modified in three ways that represent a departure from the form of lease attached to the RFP, as well as the Portman lease approved by the City Commission three years ago: Miami Beach Connect proposes to 1) modify the definition of Gross Operating Revenues to exclude any room revenues received from guest loyalty stays and to define revenues generated by Online Travel Agencies (OTAs) to be net of commissions paid; 2) reduce the percentage rent on all food and beverage facilities to 1% of gross revenues on any facility that is unionized and 3) exclude from Gross Operating Revenues any operating revenues from subleased portions of the ground floor retail areas of the Hotel, provided that the City will receive 2.5% of the sublease rent for such areas. Please note that the proposed Portman hotel three years ago was also subject to unionization, and there was no reduction in the percentage of gross revenues on food and beverage facilities. The table below summarizes the changes in Miami Beach Connect's lease proposal:

		<i>Over 30 years</i>		<i>Over 99 years</i>	
	<i>2027 (Yr 5)</i>	<i>Total</i>	<i>NPV @ 5%</i>	<i>Total</i>	<i>NPV @ 5%</i>
Initial Proposal					
Minimum Fixed Rent	\$2.0m	\$71.3m	\$26.7m	\$560.2m	\$45.1m
Variable Rent	1.3m	\$54.9m	\$22.1m	\$403.5m	\$35.2m
Percentage Rent (2.5% Gross)	\$3.3m	\$126.2m	\$48.8m	\$963.7m	\$80.3m
Developer Revisions					
Unionized F&B Operations *	-\$0.6m	-\$24.6m	-\$9.5m	-\$187.6m	-\$15.7m
Excluding Loyalty Revenues & Net of OTA Commissions **	-\$0.1m	-3.8m	-1.5m	-29.4m	-2.4m
Revised Lease Values	\$2.5m	\$97.7m	\$37.8m	\$746.7m	\$62.2m

The reduced lease stream NPV of \$62.2 million over the term of the Lease equates to \$77,700 per room or \$24.4 million per acre. The modifications to the lease results in Percentage Rent of 1.9% of Gross Revenues.

10. Transaction Rent (For Sale of Hotel or Controlling Interest in Lessee)

The City will receive transaction rent in connection with the first three sales of the Hotel to a third party, including a sale effected by a transfer of a Controlling interest in the Lessee (i.e., in excess of 50% interest in the Lessee). Under the Lease, the City is to receive, as Transaction Rent, the lesser of \$2 million or 0.25% of the gross sales price for each such transaction, provided that the City shall only receive payment if the gross sales price is 120% of the development cost.

11. Development Budget and Finance Plan

Miami Beach Connect has estimated the preliminary development budget to be \$362 million and intends to finance the Hotel Project with an estimated 65% in debt and 35% in equity. Miami Beach Connect estimates it will invest up to \$20 million in the project and must provide a minimum equity contribution of \$10 million, with the remaining equity to be funded by third parties. Miami Beach

Connect has provided construction debt financing support letters from JP Morgan Chase Bank, HSBC, Wells Fargo, Regions Bank, among other banking institutions.

12. Development Schedule

If the Lease is approved by the voters in November of 2018, design and development would commence thereafter, and Miami Beach Connect anticipates the Hotel would open in September of 2022. The Lease includes outside dates by which certain key development activities must take place, including an Outside Possession Date, and Outside Opening Date. The City may terminate the Lease if any of the outside dates are not met. **The City has the right to terminate if the project has not been designed, permitted and financed within three years after the November 2018 referendum (excluding extensions for specified categories of delays).**

13. Room Block Agreement

Miami Beach Connect has agreed to the City's terms outlined in the City's proposed Room Block Agreement, which provides that a City-wide Event is defined in the same manner as the Miami Beach Convention Center booking policy whereby an event needs to use a minimum of 115,000 gross square feet of exhibit or meeting space in the Convention Center for not less than three (3) days and (ii) in connection with such event, requests 1,500 or more guest rooms on the peak night and 4,000 or more guest rooms in the aggregate be made available in hotels in the City (including the Hotel) and surrounding metropolitan areas. A City-wide Event also includes the annual Orange Bowl and any Super Bowl, even though they may not utilize the MBCC. Key terms of the Room Block Agreement include:

- For City-wide Events that are to occur at least 30 months in the future, Miami Beach Connect will make available eighty percent (80%) of all guest rooms (and associated suites), for up to 14 nights per calendar month. Miami Beach Connect can book rooms in excess of that amount at its discretion, at the rate of its choosing.
- For City-wide Events that are to occur between 18 and 30 months in the future, Miami Beach Connect will make available eighty percent (80%) of all guest rooms (and associated suites) if rooms and space are available, and will make available for City-wide Events eighty percent (80%) of all guest rooms (and associated suites) for one consecutive four (4) day period each month. Miami Beach Connect will determine the four (4) day period and will notify City on a monthly basis. Miami Beach Connect may book rooms in excess of that amount at its discretion.
- For up to fourteen (14) nights per month, City may elect to require the Hotel to offer room block pricing at 105% of Miami Beach Connect's average group room rates. In addition, for up to six (6) special events per year, City may elect to require the Hotel to offer room block pricing at 100% of Miami Beach Connect's average group room rates.

14. Other Lease Terms

- Miami Beach Connect accepts the Leased Property in its "AS IS" condition.
- The Lease requires City review and/or approval of transfers of interests in excess of 25% of the Lease, and includes limitations with respect to transfers to Foreign Instrumentalities (foreign governments or Persons Controlled thereby), and delineates "Acceptable Owner" criteria with respect to such Transfers. Accordingly, the City would not have approval rights with respect to Transfers (or a series of Transfers, in the aggregate) of interests of less than 25%. As I note below in my conclusion, I would be more comfortable with the foregoing provision if the Lease is modified to i) prohibit any Transfers of ownership in excess of 10%

to a Prohibited Person, as defined in the Lease. This would ensure the City basic protections as to equity participation in the Hotel.

- City's rights and interest in the Lease will not be subordinate to any mortgage, lien or encumbrance placed on Miami Beach Connect's (or any subsequent owner's) interest in the Lease.
- **Miami Beach Connect is required to comply with the City's Art in Public Places program requirements set forth in the City Code, and must contribute 1.5% of the construction cost for the Hotel Project (approximately \$3.2 million) to the Art in Public Places fund, which may be used for Art in Public Places projects throughout the City.**
- The Lease also includes a variety of other terms, including with respect to maintenance and repair obligations, insurance requirements, obligations to reconstruct the Hotel in the event of force majeure or other casualty, indemnification in favor of the City, and remedies to the City in the event of default, including termination rights.

SUMMARY OF KEY CHANGES MADE DURING NEGOTIATIONS WITH MIAMI BEACH CONNECT:

1. As described above in Section 9, the primary change Miami Beach Connect has proposed during negotiations is a significant reduction in the Percentage Rent Due to the City in the event the Hotel is unionized. The Minimum Fixed Rent payable to the City, remains unchanged from the initial proposal. **As I explain more fully below, the Administration's preference is for 2.5% of the Gross Operating Revenues of the Hotel, including food and beverage revenues.**
2. Miami Beach Connect's proposal indicated it was willing to explore the possibility of a voluntary special assessment in the form of a 1% charge on room rentals, to be used by the City for joint marketing purposes to benefit the MBCC, the Hotel, and general tourism in the City. The City Attorney's Office has identified a number of legal concerns with the proposed concept and its implementation. Accordingly, the Lease now proposes payment to the City, as additional consideration under the Ground Lease, of an amount equal to 1% of room revenues, but only to the extent paid by Hotel guests as a voluntary surcharge and collected by the Lessee, with the proceeds thereof used for joint marketing purposes to benefit the MBCC, the Hotel, and general tourism in the City.
3. Miami Beach Connect has requested an expansion of the definition of Approved Brands after the twentieth year of the Term. As noted above, Approved Brands includes certain specified national operators, and any other brand Approved by the City. As proposed, from and after the twentieth anniversary of the Term, the Hotel may be operated by an "Upper Upscale" brand, as then rated by Smith Travel Research and generally recognized in the hospitality industry as an experienced convention center hotel brand, or may be operated by other than an Approved Brand (i.e., a non-branded Hotel), provided that the Hotel Operator must comply with the Hotel Standards set forth in the Lease.
4. Miami Beach Connect has requested revisions to the Hotel Standards, so as to provide that from and after the twentieth year of the Opening Date, the Hotel Standards may provide for a level of service and quality comparable to other convention hotels in the "Upper Upscale" brand category determined by Smith Travel Research, or, with respect to a non-branded Hotel, so as to maintain a 3.5-diamond rating from the American Automobile Association

- (“AAA”) (the “Hotel Standards”) as provided in the Lease. Previously, the City’s lease required a 4-diamond rating at all times.
5. Miami Beach Connect has requested an exclusivity provision with respect to the development of other hotels on City-owned or City-leased property, to permit the Convention Hotel to stabilize after it opens. As proposed, the City would agree to not permit any hotel with over 500 rooms to open on City-owned or City-leased property between 5th and 48st St, and the Atlantic Ocean to Biscayne Bay, for a period of ten (10) years following the Opening Date. By way of comparison, the final Portman lease included an 8-year exclusivity provision, between 5th and 41st Streets.
 6. Miami Beach Connect has requested modifications to the City’s Transfer Provisions and Acceptable Owner criteria, which are designed to ensure that any subsequent owner of the Hotel Project (i) does not own a Gambling Establishment (as prescribed in the Lease); (ii) is not a convicted felon or under a felony indictment, (iii) is not a Person or entity espousing terrorism, (iv) is not a Foreign Instrumentality or a Person Controlled thereby (other than those from listed countries or regions), (v) has the financial wherewithal to own and operate the Hotel, (vi) does not have a history of major violations of law; and (vii) has not filed for bankruptcy in the last five years). Given that Miami Beach Connect’s Minimum Equity Contribution is only \$10 million of its estimated \$100+ million equity required for the Hotel Project, these provisions are particularly important for the City to ensure that it has a role in determining who the City is ultimately doing business with, particularly for a project that is so integral to the success of the Miami Beach Convention Center. Although the City has rejected outright Miami Beach Connect’s various requests to eliminate criteria or the City’s Approval of Transfers, the City has agreed to make certain limited changes. For example, the City will only Approve Transfers in excess of 25% (instead of 10% percent, as previously set forth in City’s Lease). Similarly, with respect to the requirement that the proposed transferee not be a convicted felon (which previously applied to the transferee and persons owning 10% or more of the proposed transferee), the proposed Lease now increases the felony conviction threshold to persons owning 20% or more of the proposed transferee. Similarly, with respect to material violations of law (civil matters, not criminal), the proposed Lease limits this provision to violations of law that have resulted in a divestiture of a property owned by the transferee.
 7. Miami Beach Connect has proposed revisions to the definition of “Institutional Lender,” to broaden the pool of potential lenders for the Hotel Project. These provisions are also important to the City, as in the event of a Lessee default, the Institutional Lender has significant rights under the Lease and could step in and, through a leasehold mortgage foreclosure process, own the Hotel. Miami Beach Connect recently provided the City language regarding this issue, and the proposed revision is under review.
 8. Miami Beach Connect has requested a limitation of monetary remedies in the event of Miami Beach Connect’s default for failure to satisfy the Possession Date. The City’s RFP Lease provided for Lessee to pay the City the unfunded portion, if any, of the Minimum Miami Beach Connect Equity Contribution. The current Lease provides Lessee will pay or cause to be paid to the City the lesser of: (i) the unfunded portion, if any, of the Initial Lessee Minimum Equity Contribution; or (ii) the actual, documented costs and expenses paid by City to third parties in connection with this Lease, not to exceed \$500,000.00 in the aggregate.

The Lease clarifies that the Lessee shall not discriminate and shall comply with City’s Human Rights Ordinance, and shall include City’s non-discrimination requirements in its agreement

with the Hotel Operator. However, Miami Beach Connect has requested that Lessee not be in default for discrimination committed by the Hotel Operator or Hotel Operator's employees so long as, in each case, Lessee is enforcing the terms of the Management Agreement to require Hotel Operator's compliance, which enforcement shall include termination of the Management Agreement after the third violation by the Hotel Operator of the non-discrimination requirements within any five (5) consecutive year period during the Term, as such violations have been finally determined by a court of competent jurisdiction.

9. The City's Lease provided that the City would maintain the MBCC at a standard of operation, with respect to its facilities, consistent with the average standard of facilities at other specified convention centers. Miami Beach Connect has requested for the City to expand the standard of operation to include facility standards, as well as operational standards, with Miami Beach Connect's remedy (if such standard is not cured within 180 days or if diligent efforts to commence a cure are not undertaken) being limited to suspension of the Room Block Agreement, until such time as the MBCC Standard of Operation is met. The City's lease provided only for a standard of operation with respect to the facility, but not operations.
10. The Lease now clarifies that, separate from the Outside Dates provided in the Lease, the Lessee is vested with development rights for a limited period of ten (10) years, and further includes additional provisions with respect to concurrency requirements, which provisions include Lessee's payment of all required impact fees, concurrency fees, and/or mobility fees at time of building permit. The City will prioritize capacity as of Effective Date over later projects, but the City cannot guarantee capacity. The Lease further clarifies that Lessee is responsible for improvements required to maintain the integrity of existing systems or to relocate utilities that connect to the Hotel Site.
11. To facilitate lender financing, Miami Beach Connect has proposed that the City waive its statutory Landlord lien rights as to furniture, fixtures & equipment ("FF&E") for the Project (as opposed to City taking a subordinated lien position). As a practical matter, the waiver (vs. subordination) of the City's statutory landlord's lien is not likely negatively to affect the City because in the event of a lessee default, a leasehold mortgagee is highly likely to protect its loan investment by exercising its cure rights and keeping the lease in good standing rather than abandoning its investment and instead proceeding against the personal property which otherwise would be subject to a subordinated landlord's lien. In the context of this transaction (with a construction loan in excess of \$200 million), it seems highly unlikely that the City would ever be in a position to pursue and prevail against the hotel FF&E. In addition, experience indicates that it is highly unlikely that a prospective leasehold mortgagee would make a loan with a subordinated (vs. waived) statutory landlord's lien.
12. The Lease includes modifications to clarify the First Leasehold Mortgagee's rights (with City maintaining its position that it will only provide a recognition and non-disturbance agreement to one leasehold mortgagee and to no other leasehold mortgagees, so as to minimize complications with multiple mortgagees and default/foreclosure/bankruptcy processes, and only require the City to recognize the first priority leasehold mortgagee).

ADDITIONAL CONSIDERATIONS

Voter Referendum Requirement

The Lease is contingent upon sixty percent (60%) voter approval in accordance with Section 1.03(b)(3) of the City Charter. The referendum is contemplated to occur on November 6, 2018. A draft of the ballot question is attached hereto as **Appendix 4**, and will be considered at the July 25, 2018 City Commission meeting.

Planning Analysis

A planning analysis, as required by Section 82-38 of the City Code, is attached hereto as **Appendix 5**.

Appraisal

An appraisal of the Leased Property, as required by Section 82-39 of the City Code, is in the process of being completed, and will be included in the materials for the second reading/public hearing relating to approval of the Lease.

Public Revenue Impact

The Leased Property is currently a parking lot that generates 104,600 annually in revenues for the City, along with modest revenues paid to the City for the Fillmore's use of the rehearsal/"black box" room. If the site is developed with a hotel annual lease and tax revenue generated is estimated to be \$10.3 million by year five. Over time, the Hotel is estimated to generate:

- City: \$360 million (\$144 million NPV) over 30 years and \$2.4 billion (\$222 million NPV) over 99 years in lease payments, resort taxes, CRA revenues, property taxes and County CDT allocations to the City.
- County: \$117 million (\$41 million NPV) over 30 years and \$1.2 billion (\$82 million NPV) over 99 years in convention development taxes, local option sales taxes and property taxes.
- Schools: \$45 million (\$18 million NPV) over 30 years and \$340 million (\$29 million NPV) over 99 years in property taxes.
- State: \$278 million (\$107 million NPV) over 30 years and \$2.1 billion (\$177 million NPV) over 99 years in sales taxes.
- Total: \$806 million (\$312 million NPV) over 30 years and \$6.1 billion (\$513 million NPV) over 99 years in lease payments and taxes.

Refer to attached **Appendix 6**.

RECOMMENDATION

In my July 2, 2018 memorandum recommending that the Commission direct the Administration to negotiate a Development and Ground Lease Agreement with Miami Beach Connect, I explained that I felt comfortable recommending moving forward with only one bidder since the deal proposed was as good, if not better, than the deal we had received three years ago. Unfortunately, negotiations continue and I am concerned about the number of open items Miami Beach Connect desires to further negotiate. I do acknowledge that there are many positive aspects of the deal:

1. The Project incorporates the issues recommended by the Mayor's Blue Ribbon panel;
2. A maximum height of 185 feet;
3. 800 rooms, the Greater Miami Convention Visitor's Bureau (GMCVB's) as well as the Mayor's Blue Ribbon panel recommended target room number to support room blocks for convention events;

4. An efficient approach to vehicle circulation and traffic, by using the majority of the footprint of the site to internalize pickup and drop-offs, and to minimize impacts to 17th Street and Convention Center Drive;
5. A design that is compatible with the renovated MBCC and the surrounding area;
6. The utilization of a world class architect to produce an iconic design;
7. A resilient design that incorporates the use of solar power, green and blue infrastructure, native vegetation, and water & resource conservation;
8. Significant resort tax, property tax and CDT revenues, and the absence of any City funding, subsidy or financing for the project;
9. LEED Gold Certified Building; and
10. No need to tear down the Jackie Gleason Theater.

But I am troubled that the Lessee has sought to reduce its financial proposal by revising the definition of Gross Revenues and by reducing the rent percentage applicable to food and beverage from 2.5% to 1%. I appreciate the impact of unionization, but our deal three years ago included the 2.5% applied to all revenue despite unionization and included the broader definition of Gross Revenues. The impact of these changes is approximately a 23% reduction in the NPV of the rent paid under the lease.

Another issue that concerns me is the extent to which Miami Beach Connect continues to modify lease terms as proposed by the City related to Acceptable Owners, Approved Brands, Approved Transfers, Concurrency and several other more minor Issues. I am not comfortable with the extensive revisions that they have requested that modify the Lease that was provided in the RFP. While changes to terms may be standard in typical commercial transactions, this is a major civic project and the needs of the City and its residents must be protected.

In light of the foregoing, my recommendation is that the Mayor and City Commission hereby approve, following first reading/public hearing, the Development and Ground Lease Agreement attached hereto as Exhibit 1, but direct the Administration to seek lease financial terms consistent with the initial proposal (2.5% of Gross Revenues without any carveouts) and end any further negotiations of lease terms that are marked as "To Discuss" by the proposer in the current draft of the Lease. I would be more comfortable with the proposed Lease revisions, provided the Lease is modified to i) prohibit any transfers of ownership in excess of 10% to a Prohibited Person; and to ii) reach mutual agreement on the Institutional Lender definition consistent with the provision recently submitted by Miami Beach Connect for the City's review. The Administration shall provide an update at second reading and public hearing.

Exhibits:

- Appendix 1: Development and Ground Lease Agreement
- Appendix 2: Proposed boundaries for Leased Property
- Appendix 3: Summary of Proposed Minimum Fixed Rent
- Appendix 4: Draft Ballot Question
- Appendix 5: Planning Analysis
- Appendix 6: Summary of Public Revenue Impact

APPENDIX L

MIAMI BEACH

Development & Ground Lease Agreement

2018-238-KB
FOR THE DEVELOPMENT OF A CONVENTION HOTEL
ADJACENT TO THE MIAMI BEACH CONVENTION CENTER

PROCUREMENT DEPARTMENT
1755 Meridian Avenue, 3rd Floor
Miami Beach, Florida 33139

RFP APPENDIX L

DEVELOPMENT AND GROUND LEASE AGREEMENT

between

MB Mixed Use Investment, LLC

and

**CITY OF MIAMI BEACH, a
Florida municipal corporation**

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DEVELOPMENT AND GROUND LEASE AGREEMENT

THIS DEVELOPMENT AND GROUND LEASE AGREEMENT ("Lease") is executed on the ____ day of _____, 2018, by and between the CITY OF MIAMI BEACH, FLORIDA, a municipal corporation (the "City") and MB MIXED USE INVESTMENT, LLC, a Florida limited liability company (the "Lessee").

RECITALS:

A. The City has a material interest in maximizing the performance of the Miami Beach Convention Center (as hereinafter defined in Section 1.3) and encouraging convention and tourism business in the City. To further those goals, the City desires to facilitate development of an adjacent full service convention center headquarter hotel on real property owned by the City and described more fully in **Exhibit "D"** hereto, to be connected to the Convention Center by an enclosed overhead pedestrian Skybridge (as hereinafter defined in Section 1.3).

B. The City is a Florida municipal corporation with powers and authority conferred under the Florida Constitution, the Municipal Home Rule Powers Act set forth in Chapter 166 of the Florida Statutes, and the Miami Beach City Charter and Code of Ordinances (the "City Code"). The City has all governmental, corporate and proprietary powers to enable it to conduct municipal government, perform municipal and governmental functions, and render municipal services, including the authority to adopt, implement and enforce (together with any other required Governmental Approvals) comprehensive plans, zoning ordinances, redevelopment plans, and other police power and legislative measures necessary to assure the health, safety and general welfare of the City and its inhabitants.

C. This Lease, among other things, is intended to and shall constitute a development agreement between the parties pursuant to Sections 163.3220-163.3243, Florida Statutes, the "Florida Local Government Development Agreement Act" and Section 118-4 of the City's Code.

D. On or about May 17, 2018, the City issued Request for Proposal No. 2018-238-KB, for the Development of a Convention Hotel Adjacent to the Miami Beach Convention Center ("RFP"). After a competitive RFP process, and the City having fully considered this Lease at two duly noticed public hearings in compliance with Section 163.3225 of the Act; having determined that the Hotel Project (as hereinafter defined in Section 1.3) and this Lease are in compliance with the City's Comprehensive Plan and Land Development Regulations (as each are hereinafter defined in Section 1.3) as of _____, ___, 2018; and having further determined that it is in the City's best interest to address the issues covered by this Lease in a comprehensive manner, in compliance with all applicable laws, ordinances, plans, rules and regulations of the City, the City has agreed to enter into this Lease with the Lessee, subject to the terms and conditions herein.

E. On _____, 2018, the Mayor and City Commission, by Resolution No. 2018-_____, approved the execution of this Lease.

NOW THEREFORE, for and in consideration of the foregoing, and of the mutual covenants and agreements contained herein, the parties agree as follows:

ARTICLE I

VOTER REFERENDUM, EFFECTIVE DATE AND DEFINITIONS

Section 1.1. Voter Referendum Requirement. The parties acknowledge and agree that, pursuant to Section 1.03(b)(3) of the City Code, this Lease and the obligations herein are subject to and contingent upon the approval of this Lease by vote of at least sixty percent (60%) of the voters voting thereon in a City-wide referendum on November 6, 2018 (the "2018 Referendum") or such later date in 2019 as further described in this Section (each, a "2019 Referendum" and together with the 2018 Referendum, each, a "Referendum"). In the event that the 2018 Referendum is not successful, or if the ballot question is removed or election results are invalidated by a court of competent jurisdiction, then the Lessee may, within 90 days after the date on which it is determined that the 2018 Referendum was not successful, request that the City Commission consider adopting a resolution calling for a special election for approval of the Lease in a 2019 Referendum. If (a) the City Commission declines to adopt a resolution calling for approval of the Lease in a 2019 Referendum or (b) within such ninety (90) day period, Lessee either fails to so notify the City or notifies the City that it wishes to terminate this Lease, then in any such event, this Lease shall be deemed null and void and the parties shall have no obligations or liabilities of any kind or nature whatsoever hereunder. In the event that, following Lessee's request, the City Commission adopts a resolution calling for a 2019 Referendum and the 2019 Referendum is not successful, or if the ballot question is removed or election results are invalidated by a court of competent jurisdiction, in each case following the last date on which a 2019 Referendum occurred, this Lease shall be deemed null and void and the parties shall have no obligations or liabilities of any kind or nature whatsoever hereunder.

Section 1.2. Effective Date. If a Referendum is successful and all requirements of the City Code and applicable law are satisfied, this Lease shall be effective upon the City Commission's adoption of a resolution accepting the certification of the official results of the applicable election with respect to the applicable Referendum ("Effective Date").

Section 1.3. Defined Terms. As used herein the term:

"Acceptable Owner" has the meaning ascribed to it in **Exhibit "A"**.

"Additional Base Rent" has the meaning ascribed to it in Section 4.4(a)(iii).

"Additional Rent" means any and all payments required of Lessee to the City by the terms of this Lease other than Base Rent.

"Affiliate" means, regarding any Person, any other Person directly or indirectly Controlling, Controlled by or under common Control with such Person. When used in reference to Lessee, for so long as Lessee (or any of its Affiliates) holds an interest, directly or indirectly, in Lessee, "Affiliate" shall include any Person Controlling, Controlled by, or under common Control with Lessee.

"Approval, Approve or Approved" means the written approval or consent of a Party, which unless otherwise specified herein by reference to "sole discretion" or words of similar effect, shall be commercially reasonable and made in good faith and with due diligence.

"Approved Brand" means (a) each of the following national hotel brands, provided that with respect to any such operator engaged by Lessee after the fifth anniversary of the Opening Date, such operator's reputation for quality and quality of operation at such time **[PARTIES NEED TO CLARIFY]** is generally known and recognized by the hotel industry as not having substantially declined, as of the time in question, in comparison to their reputation for quality and quality of operation as of the Effective Date: Marriott (i.e., the Marriott, Marriott Marquis, Renaissance, Gaylord, Westin, Sheraton or JW Marriott brands), Omni, Hyatt Regency, La Meridien, Hilton and Intercontinental, (b) from and after the twentieth (20th) anniversary of the Opening Date, any other "Upper Upscale" brand as then rated by Smith Travel Research and generally recognized in the hospitality industry as an experienced convention center hotel brand, or (c) any other hotel brand Approved by City pursuant to this Lease. For avoidance of doubt, from and after the twentieth (20th) anniversary of the Opening Date, Lessee may elect to operate or cause the Hotel to be operated as a "non-branded" hotel, provided, that the Hotel must comply with the Hotel Standards set forth on **Exhibit "B"**.

"Approved Operator" means (a) any Approved Brand or (b) any management company approved by an Approved Brand to either (i) serve as the Hotel Operator pursuant to a franchise agreement with the Approved Brand or (ii) operate another Approved Brand hotel.

"Approved Plans" means the renderings and diagrams attached hereto as **Exhibit "E"** depicting the Mandatory Hotel Project Design Elements (other than the Skybridge), which renderings and diagrams the City has Approved as of the Effective Date, as may be modified from time to time in accordance with the terms of this Lease.

"Approved Skybridge and Off-Site Improvements Plans" means the renderings and diagrams depicting the Skybridge and Off-Site Improvements to be Approved by the City Manager prior to the Possession Date, which, following Approval by the City Manager, may be modified from time to time in the same manner as the Approved Plans in accordance with the terms of this Lease. The Skybridge will have finishes consistent with the finishes in the connecting point in the Convention Center, or as needed to comply with the Hotel Operator's generally applicable national brand standards. The repairs to the Fillmore Theater as part of the Off-Site Improvements will be done consistently with the quality of the Fillmore Theater prior to the work being done by Lessee in connection with the Hotel Project.

"Arbitrator" shall have the meaning ascribed to it in Section 7.10(a).

"Assignment of Contracts and Agreements" means an assignment from Lessee, as assignor, to the City, as assignee, assigning in favor of the City, on a non-recourse basis without any warranties or representations from Lessee, all of Lessee's right, title and interest in and to all contracts and agreements (other than the Hotel Project General Construction Contract and the Assignment of Plans and Approvals) executed in connection with the design, construction and equipping of the Hotel Project prior to the Completion of Construction, including such contracts and agreements with design professionals, which assignment shall be in form and substance reasonably satisfactory to the City (together with any necessary consents required in connection with such assignment), which assignment shall be an absolute assignment from Lessee to the City, provided that for so long as no Event of Default has occurred and is continuing hereunder, the City shall give Lessee a license of all such contracts and agreements, with the right to enforce all of the terms thereof, for the duration of the Term; provided, further that for so long as a First Leasehold Mortgage encumbers the Hotel Project, the City agrees to permit Lessee to make an assignment of such contracts and agreements to such First Leasehold Mortgagee (which First Leasehold Mortgagee shall have priority with respect thereto pursuant to the

non-disturbance, recognition and attornment agreement entered into pursuant to Section 6.1(b) hereof).

"Assignment of Hotel Project General Construction Contract" means an assignment from Lessee, as assignor, to the City, as assignee, assigning in favor of the City all of Lessee's right, title and interest in and to the Hotel Project General Construction Contract, which assignment shall include a duly executed consent by the Hotel Project General Contractor and shall otherwise be in form and substance reasonably satisfactory to the City (together with any necessary consents required in connection with such assignment), which assignment shall be an absolute assignment from Lessee to the City, provided that for so long as no Event of Default has occurred and is continuing hereunder, the City shall give Lessee a license of the Hotel Project General Construction Contract, with the right to enforce all of the terms thereof, for the duration of the Term; provided, further that for so long as a First Leasehold Mortgage encumbers the Hotel Project, the City agrees to permit Lessee to make an assignment of the Hotel Project General Construction Contract to such First Leasehold Mortgagee (which First Leasehold Mortgagee shall have priority with respect thereto pursuant to the non-disturbance, recognition and attornment agreement entered into pursuant to Section 6.1(b) hereof).

"Assignment of Plans and Approvals" means an assignment from Lessee, as assignor, to the City, as assignee, assigning in favor of the City all of Lessee's right, title and interest in and to all Approved Plans, designs, Governmental Approvals and other work product produced by Lessee and any other Person for use in the development, construction and operation of the Work, which assignment shall include a duly executed consent by each Person other than the Lessee having an interest in such Approved Plans, designs, Governmental Approvals and other work product and shall otherwise be in form and substance reasonably satisfactory to the City (together with any necessary consents required in connection with such assignment), which assignment shall be an absolute assignment from Lessee to the City, provided that for so long as no Event of Default has occurred and is continuing hereunder, the City shall give Lessee a license of all such Approved Plans, designs, Governmental Approvals and other work product assigned to the City for the duration of the Term; provided, further that for so long as a First Leasehold Mortgage encumbers the Hotel Project, the City agrees to permit Lessee to make an assignment of such Approved Plans, designs, Governmental Approvals and other work product to such First Leasehold Mortgagee (which First Leasehold Mortgagee shall have priority with respect thereto pursuant to the non-disturbance, recognition and attornment agreement entered into pursuant to Section 6.1(b) hereof).

"Audited Gross Operating Revenues Schedule" means a schedule prepared in accordance with the Uniform System and reconciled in accordance with GAAP, and showing all Gross Operating Revenues and Gross Operating F&B Revenues for a Lease Year. Such Audited Gross Operating Revenues shall be based on Lessee's audited financial statements for such Lease Year.

"Bankruptcy Code" means Title 11 of the United States Code entitled "Bankruptcy," as amended.

"Base Rent" shall have the meaning ascribed to it in Section 4.4(a).

"Brand Approvals" means the written confirmation from the Initial Hotel Operator approving the design of the Hotel Project, and, prior to Opening, approving the FF&E to be installed in the Hotel Project.

"Budgeted Improvement Costs" means the estimated Improvement Costs as of the date hereof, as set forth in **Exhibit "C"**.

"Business Day" means a day other than a Saturday, a Sunday or a day on which the offices of the City, or national banks in Miami-Dade County, Florida are closed for business.

"Certificate of Occupancy" means a certificate of occupancy or certificate of completion, as applicable, for the buildings and structures on the Leased Property, and shall include any such certificate designated as "Temporary" in nature, provided it allows for occupancy of the Hotel by paying guests.

"City" shall mean the City of Miami Beach, a Florida municipal corporation, having its principal offices at 1700 Convention Center Drive, Miami Beach, Florida 33139. In all respects hereunder, City's obligations and performance is pursuant to City's position as the owner of the Hotel Site acting in its proprietary capacity. In the event City exercises its regulatory authority as a governmental body, the exercise of such regulatory authority and the enforcement of any rules, regulations, laws and ordinances (including through the exercise of the City's building, fire, code enforcement, police department or otherwise) shall be deemed to have occurred pursuant to City's regulatory authority as a governmental body and shall not be attributable in any manner to City as a party to this Lease or in any way be deemed in conflict with, or a default under, the City's obligations hereunder.

"City Code" has the meaning ascribed to it in the recitals hereto.

"City Commission" shall mean the governing and legislative body of the City.

"City Delays" shall mean the number of days in which the City performs any obligation under Section 2.13 hereof in excess of the number of days set forth for such performance therein.

"City Manager" shall mean the Chief Administrative Officer of the City. The City Manager shall be construed to include any duly authorized representatives designated in writing with respect to any specific matter(s) concerning this Lease (exclusive of those authorizations reserved to the City Commission or regulatory or administrative bodies having jurisdiction over any matter(s) related to this Lease).

"City's Representative" has the meaning ascribed to it in Section 2.9(b).

"Commence Construction" or "Commencement of Construction" means, with respect to the Hotel Project, the commencement of bona-fide pouring of the concrete foundation for the Hotel Project, provided that the pour is completed in the ordinary course.

"Complete Construction" or "Completion of Construction" means the date Lessee has completed the Hotel Project substantially in accordance with the requirements of the Approved Plans and all conditions of permits and regulatory agencies to obtain a Certificate of Occupancy have been satisfied, all applicable Governmental Authorities have issued a Certificate of Occupancy, the Hotel has been accepted by the Hotel Operator, and the Hotel Project is ready for occupancy, utilization and continuous commercial operation for the uses and purposes intended by this Lease, without material interference from incomplete or improperly completed Work, and substantially all of the FF&E required for the Opening Date has been purchased, delivered to and installed in the Hotel Project to the extent required by the Hotel Operator.

"Comprehensive Plan" means the comprehensive plan which the City Commission has adopted and implemented for the redevelopment and continuing development of the City pursuant to Chapter 163 Part II, of the Florida Statutes.

"Concurrency Requirements" shall have the meaning ascribed to it in Section 3.3.

"Construction Lender" means the Institutional Lender selected by Lessee to provide the Construction Loan.

"Construction Loan" means the loan or loans to be provided by the Construction Lender(s) to the Lessee for development and construction of the Hotel Project in an aggregate amount not more than 85% of the Budgeted Improvement Costs.

"Construction Loan Commitment" means a financing commitment, term sheet or similar agreement by the Construction Lender that has been executed and delivered by and between Lessee and the Construction Lender(s) that confirms availability (subject to satisfaction of the terms and conditions contained therein) of the Construction Loan to fund the construction of the Hotel Project in accordance with the requirements of this Lease.

"Control," "Controlling" or "Controlled" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, by Governmental Requirements or otherwise, or the power to elect in excess of fifty percent (50%) of the directors, managers, general partners or other Persons exercising similar authority with respect to such Person (it being acknowledged that a Person shall not be deemed to lack Control of another Person even though certain decisions may be subject to "major decision" consent or approval rights of limited partners, shareholders or members, as applicable). For avoidance of doubt, if a Person (for purposes of this definition, "Person A") cannot elect in excess of fifty percent (50%) of the directors, managers, general partners or other Persons exercising similar authority with respect to a Person (for purposes of this definition, "Person B") without the consent or approval of another Person or Persons, then Person A shall not be deemed to Control Person B.

"Convention Center" means the Miami Beach Convention Center located at 1901 Convention Center Drive, Miami Beach, Florida, 33139.

"Convention District Fee" has the meaning ascribed to it in Section 4.5(a)(iii).

"Corrective Action Work" has the meaning ascribed to it in Section 8.4(a)(vii).

"CPA" means a national firm of certified public accountants Approved by the City Manager, used by Lessee for the purpose of certifying the annual reports, its financial condition or for any other purpose specified herein.

"Credit Enhancement" means a credit enhancement with respect to, or guaranty of, the financing for the Hotel provided by a Hotel Operator, or an Affiliate thereof.

"Debt Service Coverage Ratio" means the ratio of: (i) Gross Operating Profit for the previous twelve (12) months; to (ii) the amount of Debt Service Payments actually required to be paid in such twelve (12) months. For example, if Gross Operating Revenues and Gross Operating F&B Revenues for a particular

twelve (12) months equal \$3,700,000, Project Expenses equal \$1,000,000 and Debt Service Payments actually required to be paid equal \$1,800,000, the Debt Service Coverage Ratio for that twelve (12) months would be 1.50.

"Debt Service Payments" means all principal, interest and other regularly scheduled sums and amounts paid or payable by Lessee for or during the applicable or pertinent period, in connection with any debt secured by a Leasehold Mortgage.

"Default Rate" means an interest rate equal to five percent (5%) per annum above the highest annual prime rate (or base rate) published from time-to-time in The Wall Street Journal under the heading "Money Rates" or any successor heading as being the rate in effect for corporate loans at large U.S. money center commercial banks (whether or not such rate has actually been charged by any such bank) or if such rate is no longer published, then the highest annual rate charged from time-to-time at a large U.S. money center commercial bank, selected by the City, on short term, unsecured loans to its most creditworthy large corporate borrowers.

"Development Arbitrator" shall have the meaning ascribed to it in Section 7.9(b).

"Development Dispute" means any dispute between Lessee and City (acting in its proprietary capacity) arising prior to the Opening Date with respect to (i) whether a modification to the Hotel Project is a substantial deviation from the Approved Plans or a Prohibited Hotel Project Change requiring City's Approval pursuant to Section 2.2; (ii) any contention that City has unreasonably failed to Approve modifications to the Approved Plans in accordance with this Lease; (iii) any contention that City has unreasonably failed to Approve the proposed Approved Skybridge and Off-Site Improvements Plans or modifications thereto in accordance with this Lease; (iv) any contention that City has unreasonably failed to Approve a Hotel Project General Contractor in accordance with Section 2.8(b); (v) any disagreement as to permitted delays in Outside Dates; or (vi) any disagreement as to permitted delays in the Schedule of Performance pursuant to Section 2.7.

"Development Order" means any order granting, denying, or granting with conditions an application for a Development Permit.

"Development Permit" shall have the meaning set forth in Section 163.3221(5), Florida Statutes (2014).

"Economic Force Majeure" means economic or political conditions or events that materially impair access to debt or equity markets by developers for development of projects in the United States similar to the Hotel Project or allow a committed debt or equity participant to terminate its debt or equity commitment, such as a temporary or long term liquidity crisis or major recession.

"Effective Date" has the meaning ascribed to in Section 1.2.

"Environmental Condition" has the meaning ascribed to it in Section 8.4.

"Environmental Claim" has the meaning ascribed to it in Section 8.4.

"Environmental Laws" has the meaning ascribed to it in Section 8.4.

"Environmental Permit" has the meaning ascribed to it in Section 8.4.

"Environmental Requirements" has the meaning ascribed to it in Section 8.4.

"Equity Commitment" means the commitment of Lessee to contribute an amount in cash to pay Improvement Costs as may be necessary, at the time of determination, when combined with the Initial Hotel Operator Financial Commitment, if any, and the proceeds available under the Construction Loan and Mezzanine Loan, if any, to maintain the Hotel Project In Balance, a portion of which Equity Commitment shall be funded by the Initial Lessee Estimated Equity Contribution but in no event less than the Initial Lessee Minimum Equity Contribution.

"Event of Default" has the meaning ascribed to it in Article VII.

"FF&E" means the furniture, fixtures and equipment for the Hotel Project to be procured and maintained by the Lessee.

"Fillmore Theater" means the performing arts center located at 1700 Washington Avenue, Miami Beach, Florida, adjacent to and east of the Hotel Project and also known as the "Fillmore Miami Beach at the Jackie Gleason Theater".

"First Leasehold Mortgage" means a Leasehold Mortgage which is a first lien on Lessee's interest in this Lease and the leasehold interest created hereby and the Hotel Project.

"First Leasehold Mortgagee" means the Institutional Lender that is a holder of a First Leasehold Mortgage, which shall be evidenced by, and the City shall be able to rely absolutely on, a title report current as of the time of any determination and prepared by a generally recognized title insurance company doing business in Miami-Dade County, Florida, or upon a certificate of Lessee, signed and verified by a Responsible Officer of Lessee.

"First Rent Year" has the meaning ascribed to it in Section 4.4(a).

"Force Majeure Event" means the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies, whether actual or threatened; orders of any civil or military authority; insurrections; riots; acts of terrorism; epidemics; landslides, earthquakes, lightning, fires, hurricanes, storms, floods, washouts and other natural disasters; inability to procure or a general shortage of labor, equipment, facilities, materials or supplies in the open market, or failure or unavailability of transportation generally; or other similar extraordinary causes beyond the commercially reasonable control of the Party claiming such inability. In no event shall "Force Majeure Event" include economic hardship or financial inability to perform specific to the Party nor shall it include Economic Force Majeure.

"Foreign Instrumentality" means a foreign (non-U.S.) government or agency thereof or a Person Controlled thereby.

"Franchise Agreement" means the hotel franchise agreement, as it may be extended, supplemented, amended or replaced from time to time, between Lessee and the applicable Approved Brand, which provides Lessee with the right to use the name or flag of the Hotel (if Lessee does not otherwise have such rights).

"GAAP" means generally accepted accounting principles, as in effect from time to time, as promulgated by the Financial Accounting Standards Board, consistently applied or a system generally recognized in the United States as having replaced GAAP.

"Gaming Establishment" means any establishment offering or otherwise engaged in gambling or wagering of any nature or kind.

"Governmental Approvals" means all permits, approvals, certificates of occupancy, notifications, certifications, registrations, authorizations and other rights and privileges that are required by any Governmental Authority. Notwithstanding anything to the contrary in this Lease, the Lessee retains its rights in accordance with applicable Governmental Requirements to challenge or appeal any denial of Governmental Approvals.

"Governmental Authority" means any federal, state, county, municipal or other governmental department, entity, authority, commission, board, bureau, court, agency, or any instrumentality of any of them, with jurisdiction over the Leased Property, the Lessee Improvements, the Work or the Off-Site Improvements.

"Governmental Requirements" means any law, enactment, statute, code, order, ordinance, rule, regulation, judgment, decree, writ, injunction, franchise, permit, certificate, license, or other similar requirement of any Governmental Authority, now existing or hereafter enacted, adopted, promulgated, entered, or issued, affecting the Leased Property or the construction and operation of the Lessee Improvements. Notwithstanding anything to the contrary in this Lease, the Lessee retains its right to challenge Governmental Requirements in accordance with all other applicable Governmental Requirements, including based on a constitutional objection that a Governmental Requirement violates Lessee's constitutional rights regarding contracts.

"Gross Operating Profit" means the amount calculated by subtracting Project Expenses from the sum of Gross Operating Revenues and Gross Operating F&B Revenues.

"Gross Operating F&B Revenues" means all revenues and income of any nature derived directly or indirectly from Hotel food and beverage operations as determined in accordance with the Uniform System, including revenues and income generated from banquets and catering, lobby bar, the restaurant club, three-meal a day restaurants and/or food and beverage facilities located on the pool deck and surrounding areas within the Hotel (whether any food and beverage establishment is operated by Lessee or a Subtenant [**PARTIES NEED TO CLARIFY**]). Gross Operating F&B Revenues due not include any revenues derived from third-party leased restaurants operated within the ground floor retail areas. Notwithstanding the foregoing, the following shall not constitute Gross Operating F&B Revenues: (i) any gratuities or service charges added to a customer's bill and distributed as compensation to the Hotel's employees; (ii) any credits or refunds made to customers, guests or patrons; and (iii) any sales taxes, excise taxes, or other similar taxes or charges collected by the Hotel and remitted to tax authorities.

"Gross Operating Revenues" means all revenues and income of any nature derived directly or indirectly from the Hotel or from the use or operation of the Leased Property, including gross rooms sales (excluding the value of any redeemed guest loyalty program credits or points), resort fees, online travel bookings net of any commissions paid to an online travel agency or other similar entity, telephone, facsimile and/or internet services, in-room video and parking and valet service receipts (whether the parking or valet services are operated by Lessee or a Subtenant, excluding any revenues derived from

third-party leased restaurants operated within the ground floor retail areas), vending machines, gross receipts, rents (excluding amounts collected by Lessee for payment of operating expenses, taxes or insurance) or license fees from the operation by Lessee or any Affiliate of Lessee of newsstand, gift shop, or business center, or from any other sub-lessees, concessionaires, third-parties conducting operations on the Leased Property or other sources (except as provided in Section 5.6(c) hereof), the fair rental value of space within the Hotel Project occupied by Lessee or any entity affiliated with or employed by Lessee for purposes other than managing the Hotel Project (to the extent the occupants of such space are paying less than the fair market value of such space) and the proceeds of business interruption, other loss of income, use, occupancy or similar insurance, as determined in accordance with GAAP (to the extent not inconsistent with the Uniform Systems of Accounts), and the Uniform System of Accounts, and without any reduction or allowance for uncollectable charges or bad debts. Notwithstanding the foregoing, the following shall not constitute Gross Operating Revenues: (i) any gratuities or service charges added to a customer's bill and distributed as compensation to the Hotel's employees; (ii) any credits or refunds made to customers, guests or patrons; (iii) any sums and credits received for lost or damaged merchandise; (iv) any sales taxes, excise taxes, or other similar taxes or charges collected by the Hotel and remitted to tax authorities; (v) any proceeds from the sale or other disposition of FF&E or capital equipment; (vi) any interest earned with respect to the deposit or investment of proceeds from operation of the Hotel; (vii) any fire and extended coverage insurance proceeds (except that proceeds of business interruption or other loss of income insurance shall be included in Gross Operating Revenues); (viii) any condemnation awards; (ix) Gross Operating F&B Revenues; (x) any proceeds of sale or financing or refinancing of the Hotel; and (xi) any revenues received as part of a frequent guest reward or guest loyalty program.

"Hazardous Substance" has the meaning ascribed to it in Section 8.4.

"Hearing" has the meaning set forth in Section 7.9(c).

"Hearing Date" has the meaning set forth in Section 7.9(c).

"Hotel" means the hotel complex to be developed and constructed on the Hotel Site substantially in accordance with the Approved Plans, which will contain approximately 800 rooms, separately keyed sleeping rooms capable of individual rental on a day-to-day overnight basis to hotel patrons and guests. For the purpose of determining the maximum number of separately keyed sleeping rooms contained within the Hotel at any time during the Term, each such room which is capable of being separately keyed will be deemed to be separately keyed, without regard to the actual use thereof.

"Hotel Operator" means and includes any Approved Operator engaged by Lessee to be responsible for overseeing the day- to-day management of the Hotel Project (or, if at any time there is no such operator, Lessee as operator of the Hotel Project).

"Hotel Project" means Lessee's leasehold created by this Lease and the development, design, construction and purchase of the Lessee Improvements and their subsequent use; the completion of the Work substantially in accordance with the Approved Plans, including (1) the Hotel and all associated infrastructure (including on-site parking and all supporting Hotel facilities and amenities), (2) the Skybridge and all associated infrastructure, (3) the installation of FF&E and other improvements and appurtenances of every kind and description (including all landscaping, planting and other improvements of any type) now located or hereafter erected, constructed or placed upon the Leased

Property; and (4) any and all alterations, renewals and replacements thereof, additions thereto and substitutions therefor.

"Hotel Project General Construction Contract" means the construction contract between Lessee and the Hotel Project General Contractor for the construction of the Hotel Project in accordance with the Approved Plans, within the contract time specified for completion of the Work, for a guaranteed maximum price that will not exceed the sum allocated for construction of the Work in the Budgeted Improvement Costs, and that includes provisions requiring a Performance Bond and Payment Bond and all other terms or conditions required under this Lease.

"Hotel Project General Contractor" means the duly licensed general contractor(s) engaged by Lessee for the construction of the Hotel Project and completion of the Work.

"Hotel Site" means the parcel of real property described in **Exhibit "D"**.

"Hotel Standards" means the standards set forth in **Exhibit "B"**.

"Improvement Costs" means the actual, verifiable costs and expenses paid to third parties, not Affiliates of Lessee (unless such costs paid to Affiliates of Lessee are at fair market value and with notice to the City), in the design, permitting, development, construction and equipping of the Hotel Project;

"In Balance" means, at any time in question, that the sum of (a) the then unfunded amount of the Construction Loan available to Lessee for payment of costs of labor and materials to achieve Completion of Construction of the Hotel Project, plus (b) the then unfunded amount of the Mezzanine Loan, if any, available to Lessee for the payment of costs of labor and materials to achieve Completion of Construction of the Hotel Project, plus (c) the then remaining balance to be funded under the Equity Commitment, plus (d) the then remaining balance to be funded under the Initial Hotel Operator Financial Commitment, if any, plus (e) any additional cash amounts deposited with the City or any Leasehold Mortgagee or any Mezzanine Lender by Lessee in order to fund the difference, if any, between the sum of (a), (b), (c) and (d) above and the then remaining Improvement Costs is adequate to pay all of the then remaining Improvements Costs that are reasonably likely to be incurred through Complete Construction of the Hotel Project.

"Initial Hotel Operator" means the initial Hotel Operator engaged by Lessee.

"Initial Hotel Operator Financial Commitment" means the commitment, if any, of the Initial Hotel Operator to fund, in the aggregate, cash, to be used to pay Budgeted Improvement Costs, in such amount as may be necessary when combined with the Equity Commitment and the proceeds available under the Construction Loan and Mezzanine Loan, if any, to maintain the Hotel Project In Balance.

"Initial Lessee" means MB Mixed Use Investment, LLC, a Florida limited liability company.

"Initial Lessee Estimated Equity Contribution" means an amount up to \$20,000,000 but not less than the Initial Lessee Minimum Equity Contribution to be funded in cash by Initial Lessee or one or more of its Affiliates to pay Improvement Costs.

"Initial Lessee Minimum Equity Contribution" means \$10,000,000.00 to be funded in cash by Initial Lessee or one or more of its Affiliates to pay Improvement Costs.

"Initial Owner" has the meaning ascribed to it in Section 5.2.

"Institutional Lender" means, any of the following entities that is not a Prohibited Person and that has a net worth or assets under management in excess of (i) \$[TBD] with respect to entities providing loans to be secured by Leasehold Mortgages and (ii) \$[TBD] with respect to all other entities: [PARTIES CONTINUING TO DISCUSS]

(a) any federal or state chartered commercial bank or national bank or any of its subsidiaries;

(b) any federal or state chartered savings and loan association, savings bank or trust company;

(c) any pension, retirement or welfare trust or fund, whose loans on real estate are regulated by state or federal laws;

(d) any public limited partnerships, public real estate investment trust or other public entity investing in commercial mortgage loans whose loans on real estate are regulated by state or federal laws;

(e) any licensed life insurance company in the business of making commercial mortgage loans or a subsidiary or affiliate of any such institution, in each case, whose loans on real estate are regulated by state or federal laws;

(f) any agent, designee, or nominee of an Institutional Lender that is an Affiliate (solely as described in clause (a) of the definition thereof) of any Institutional Lender or any other Person that is a subsidiary or an Affiliate (solely as described in clause (a) of the definition thereof) of an Institutional Lender;

(g) a governmental agency;

(h) a charitable organization regularly engaged in making loans secured by real estate;

(i) an investment bank;

(j) a securitization trust that is rated by S&P, Fitch or Moody's (or any like-extant national rating agency);

(k) a hedge fund, opportunity fund, or like entity; and

(l) any other source of funding, public or private, which is otherwise Approved by the City Manager.

In the event of a syndicated loan, if fifty-one percent (51%) or more of the syndicate of lenders are Institutional Lenders, then the syndicated loan shall be deemed to be made by an Institutional Lender. City Manager's failure to notify Lessee of any disapproval of any proposed lender under (l) above within

twenty (20) days from its receipt of a notice by Lessee shall be deemed to constitute the City Manager's conclusive Approval of any such proposed lender.

"Insurance Trustee" has the meaning ascribed to it in Section 9.9(a).

"Land Development Regulations" shall have the meaning set forth in Section 163.3221(8), Florida Statutes and shall also include the definition of "land development regulations" in Section 114-1 of the City Code.

"Lease" means this Development and Ground Lease Agreement, and all exhibits annexed hereto and made a part hereof, as the same may be modified or amended from time to time.

"Leased Property" means the Hotel Site.

"Leasehold Mortgage" means a mortgage, including an assignment of the rents, issues and profits from the Hotel Project or other security instrument in favor of a Leasehold Mortgagee, which constitutes a lien on Lessee's leasehold interest created by this Lease during the Term.

"Leasehold Mortgagee" means an Institutional Lender that is the owner and holder of a Leasehold Mortgage.

"Lease Year" means a year, other than the first and last year of the Term, consisting of twelve (12) consecutive calendar months. The first Lease Year during the term of this Lease shall commence on the Rent Commencement Date and end on December 31st of the year in which the Rent Commencement Date occurs. The second and following Lease Years shall commence on the 1st day of January each calendar year and end on December 31st of such year.

"LEED Status" means a certification by the U.S. Green Building Counsel's ("USGBC") Leadership in Energy and Environmental Design ("LEED") that the Hotel Project has satisfied all of the requirements associated with the then current USGBC Gold LEED certification.

"Lessee" means MB Mixed Use Investment, LLC, a Florida limited liability company, and the successors, assigns or transferees thereof expressly Approved or permitted by the terms and provisions of this Lease. A certified copy of Lessee's articles of organization is on file with the City as set forth on **Exhibit "T"**.

"Lessee Improvements" means any and all permanent buildings, structures and machinery, equipment and fixtures, which are existing and may from time to time and at any time during the Term be erected or located on the Leased Property, including the Hotel and associated infrastructure and the Skybridge and associated infrastructure.

"Liquid Assets" means (a) cash on hand or on deposit in any federal or state chartered commercial bank or national bank or any of its subsidiaries, (b) readily marketable securities, (c) readily marketable commercial paper rated A-1 by Standard & Poor's Corporation (or a similar rating by any similar organization that rates commercial paper), (d) certificates of deposit issued by commercial banks operating in the United States with maturities of one year or less, (e) money market mutual funds, and (f) the uncommitted amount of any available line(s) of credit.

"Management Agreement" means the hotel operating or management agreement, as it may be extended, supplemented, amended or replaced from time to time, between Lessee and the Hotel Operator and which specifies the terms and conditions applicable to the day-to-day management of the Hotel, including the obligation of the Hotel Operator to comply with the Room Block Agreement.

"Mandatory Hotel Project Design Elements" means the design features, components or other elements of the Hotel Project to be developed by the Lessee as further described on **Exhibit "S"**.

"MBCC Project" means the Miami Beach Convention Center Renovation and Expansion Project, consisting of the renovation of the Convention Center, expansion of ballroom and auxiliary spaces, parking levels above portions of the Convention Center, exterior landscaping and a 6 acre public park, the renovation of Convention Center Drive, including relocation of utilities, and other improvements to the Convention Center and surrounding areas.

"MBCC Standard of Operation" means the average standard of physical and operational quality for the MBCC Project facilities and associated infrastructure consistent with the principal convention centers operated in Orlando, Atlanta, New Orleans, Dallas, Houston, Boston, Chicago, San Francisco, San Diego and Los Angeles, as of the Effective Date.

"Mezzanine Borrower" means the borrower under any Mezzanine Loan.

"Mezzanine Lender" means (a) the Institutional Lender selected by Lessee to provide the Mezzanine Loan or (b) a Hotel Operator, or an Affiliate thereof, to the extent it is providing a Mezzanine Loan or Credit Enhancement and is receiving a pledge of the equity interests in Lessee.

"Mezzanine Loan" means a loan to be made by the Mezzanine Lender to the Mezzanine Borrower to provide financing for the Hotel Project, subordinate to the First Leasehold Mortgagee, which may be secured by a lien on the ownership interests in Lessee.

"Mezzanine Loan Commitment" means a mezzanine financing commitment, term sheet or similar agreement by the Mezzanine Lender that has been executed and delivered by and between Lessee and/or Mezzanine Borrower and the Mezzanine Lender that confirms the availability (subject to satisfaction of the terms and conditions contained therein) of the Mezzanine Loan.

"Minimum Fixed Rent" has the meaning ascribed to it in Section 4.4(a)(i).

"MOT Plan" has the meaning ascribed to it in Section 4.1(b)(xv).

"Off-Site Improvements" means any and all improvements not located on the Leased Property shown on the Approved Plans and in accordance with the Governmental Approvals, including demolition of any portion of the Fillmore Theater located on the Leased Property, enclosure of any remaining portion of the Fillmore Theater located outside the Leased Property, and paving and striping of up to twenty-five surface parking spaces for Fillmore Theater personnel as depicted in **Exhibit "U"**.

"Opening Date" means the date on which the Hotel first opens for business to the general public.

"Outside Date" means either of the Outside Opening Date or Outside Possession Date.

"Outside Opening Date" means that date that is sixty (60) months after the Possession Date, the date by which the Opening Date must have occurred, as such date shall be reasonably extended by (i) a Force Majeure Event or Economic Force Majeure in accordance with this Lease; (ii) City Delays; and/or (iii) Unanticipated Circumstances, if applicable.

"Outside Possession Date" means that date that is thirty-six (36) months after the Effective Date, by which date the Possession Conditions must be satisfied, as such date shall be reasonably extended for (i) a Force Majeure Event or Economic Force Majeure in accordance with this Lease; (ii) City Delays; and/or (iii) Unanticipated Circumstances, if applicable.

"Parties" means City and Lessee, and "Party" is a reference to either City or Lessee, as the context may indicate or require.

"Performance Bond and Payment Bond" means a performance bond and a payment bond with regard to the Hotel Project General Construction Contract in the full amount of the guaranteed maximum price thereof, with a good and sufficient surety, in compliance with all applicable Governmental Requirements and in form and content Approved by the City Manager, or such other security as is reasonably acceptable to the City Manager, after consultation with the City Attorney.

"Permitted Transfers" has the meaning ascribed to it in Section 5.3.

"Person" means any corporation, unincorporated association or business, limited liability company; business trust, real estate investment trust, common law trust, or other trust, general partnership, limited partnership, limited liability limited partnership, limited liability partnership, joint venture, or two or more persons having a joint or common economic interest, nominee, or other entity, or any individual (or estate of such individual); and shall include any Governmental Authority.

"Prohibited Person" shall mean any of the following Persons: (A) any Person (whose operations are directed or controlled by an individual) who has been convicted of or has pleaded guilty in a criminal proceeding for a felony or who is an on-going target of a grand jury investigation convened pursuant to United States laws concerning organized crime; or (B) any Person organized in or controlled from a country, the effects of the activities with respect to which are regulated or controlled pursuant to the following United States laws and the regulations or executive orders promulgated thereunder to the extent the same are then effective: (x) the Trading with the Enemy Act of 1917, 50 U.S.C. App. §1, et seq., as amended (which countries are, as of the date hereof, North Korea, Cuba and Venezuela); (y) the International Emergency Economic Powers Act of 1976, 50 U.S.C. §1701, et seq., as amended; and (z) the Anti-Terrorism and Arms Export Amendments Act of 1989, codified at Section 6(j) of the Export Administration Act of 1979, 50 U.S.C. App. § 2405(j), as amended (which countries are, as of the date hereof, Iran, Sudan and Syria); or (C) any Person who has engaged in any dealings or transactions (i) in contravention of the applicable money laundering laws or regulations or conventions or (ii) in contravention of Executive Order No. 13224 dated September 24, 2001 issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), as may be amended or supplemented from time-to-time or any published terrorist or watch list that may exist from time to time; or (D) any Person who appears on or conducts any business or engages in any transaction with any person appearing on the list maintained by the U.S. Treasury Department's Office of Foreign Assets Control list located at 31 C.F.R., Chapter V, Appendix A or is a person described in Section 1 of the Anti-Terrorism Order; or (E) any Affiliate of any of the Persons described in paragraphs (A) through (D) above.

"Possession Conditions" has the meaning ascribed to it in Section 4.1(b).

"Possession Date" has the meaning ascribed to it in Section 4.1(b).

"Prohibited Hotel Project Changes" means

(a) after the Effective Date and prior to the Possession Date, any changes to the Approved Plans that result in any of the following except to the extent previously Approved in a writing executed by the City Manager and expressly providing that the City Manager is thereby Approving a Prohibited Hotel Project Change (which Approval may be granted or withheld by City Manager in his sole and absolute discretion), or which are required because of Governmental Requirements: (i) a failure of the Hotel Project to contain any of the Mandatory Hotel Project Design Elements, or a material change to the design thereof; (ii) failure to obtain any Brand Approval; (iii) a material change in the massing of the development, including the orientation and general configuration of the tower structure or the size and configuration of the tower structure and podium design reflected in the Approved Plans, or (iv) any change that materially affects the façade of the Hotel Project Approved by the City, or otherwise materially affects the exterior appearance of the Hotel Project or materially impairs the ability of the Hotel Project to function as a convention center hotel, or

(b) after the Possession Date and prior to the Opening Date, any changes to the Approved Plans or any actual construction that results in any of the following, except to the extent previously Approved in a writing executed by the City Manager and expressly providing that the City Manager is thereby Approving a Prohibited Hotel Project Change (which Approval may be granted or withheld by City Manager in his sole and absolute discretion), or which are required because of Governmental Requirements: (i) a failure of the Hotel Project to contain any of the Mandatory Hotel Project Design Elements, or a material change to the design thereof; (ii) failure to obtain any Brand Approval; (iii) a material change in the design or actual scope, appearance or quality of any of the Mandatory Hotel Project Design Elements; (iv) a material change in the massing of the development, including the orientation and general configuration of the tower structure or the size and configuration of the tower structure and podium design reflected in the Approved Plans, or (v) any change that materially affects the façade of the Hotel Project Approved by the City, or otherwise materially affects the exterior appearance of the Hotel Project or materially impairs the ability of the Hotel Project to function as a convention center hotel.

"Project Expenses" means:

(a) operating expenses of the Hotel Project incurred to Persons other than Affiliates of the Lessee (unless such expenses paid to Affiliates of Lessee are at a fair market rate and with notice to the City);

(b) wages and benefits paid and payable to the Hotel Operator's full time or part-time on-site or off-site management employees and full or part-time non-management employees; and

(c) management fees, at prevailing market rates.

"Proposed Transferee" has the meaning ascribed to it in Section 7.10(b).

"Public Charges" has the meaning ascribed to it in Section 4.5(a).

"Reconstruction Work" has the meaning ascribed to it in Section 9.9(b).

"Rent" means all payments required pursuant to Section 4.4 and any other payments characterized as rent hereunder, including Base Rent, Additional Rent and Transaction Rent.

"Rent Commencement Date" has the meaning ascribed to it in Section 4.4(a).

"Rent Year" has the meaning ascribed to it in Section 4.4(a).

"Responsible Officer" means any executive officer or manager of Lessee responsible for the administration of the obligations of Lessee in respect of this Lease.

"Room Block Agreement" means the room block agreement, in the form of **Exhibit "L"** attached hereto, to be executed by and between the City and the Lessee, and pursuant to which Lessee agrees to provide the services therein described to City in exchange for the agreements of City hereunder.

"Schedule of Performance" has the meaning ascribed to it in Section 4.1(b)(viii).

"Second Rent Year" has the meaning ascribed to it in Section 4.4(a).

"Section," "Subsection," "Paragraph," "Subparagraph," "Clause," or "Subclause" followed by a number or letter means the section, subsection, paragraph, subparagraph, clause or subclause of this Lease so designated.

"Single Purpose Entity" means:

(a) an entity or organization that does not and cannot by virtue of its organizational documents:

(i) engage in any business other than owning, developing, leasing and operating the Hotel Project; or

(ii) acquire or own material assets other than the Hotel Project and incidental personal property; and that

(b) does not hold itself out to the public as anything but a legal entity or organization separate from any other Person; and

(c) conducts business solely in its name or under a duly registered fictitious name.

"Skybridge" means the overhead, enclosed, climate-controlled pedestrian walkway to be constructed, operated and maintained by Lessee in accordance herewith connecting the Hotel Project to the Convention Center and included in the Hotel Site described on **Exhibit "D"**.

"Sublease" means any lease, sublease, license or other agreement by which Lessee demises, leases, or licenses the use and occupancy by another Person of one or more specific retail, parking/valet, spa or restaurant spaces, or other defined portion of the Hotel Project.

"Subtenant" means any Person using and occupying or intending to use and occupy one or more specific spaces or other defined portion of the Hotel Project pursuant to a Sublease.

"Target Dates" means the following dates that have been targeted by Lessee to achieve the following activities or events:

(a) The "Target Possession Date": the date targeted for satisfaction of the Possession Conditions, which is eighteen (18) months after the Effective Date, as such date shall be reasonably extended for (i) a Force Majeure Event or Economic Force Majeure in accordance with this Lease; (ii) City Delays; and/or (iii) Unanticipated Circumstances, if applicable.

(b) The "Target Completion Date": the date targeted for completion of construction of the Hotel Project, which date is forty-eight (48) months after the Possession Date, as such date shall be reasonably extended for (i) a Force Majeure Event or Economic Force Majeure in accordance with this Lease; (ii) City Delays; and/or (iii) Unanticipated Circumstances, if applicable.

"Term" has the meaning ascribed to it in Section 4.1(a).

"Third Rent Year" has the meaning ascribed to it in Section 4.4(a).

"Transaction Rent" shall have the meaning ascribed to it in Section 4.4(b).

"Transfer" means any sale, assignment or conveyance (including any sublease of the entire Leased Property) or any other transaction or series of transactions in the nature of a sale, assignment or conveyance (including any sublease of the entire Leased Property) of:

- (a) the Hotel Project or any part thereof;
- (b) any legal or beneficial interest in the Hotel Project, or any part thereof;
- (c) any direct or indirect legal or beneficial interest in Lessee (including the syndication of tax benefits); or

any series of such Transfers that have the cumulative effect of a sale, transfer or conveyance (including any sublease of the entire Leased Property) of any of the foregoing (a), (b), or (c).

"Unanticipated Circumstances" means (a) concealed or subsurface conditions not reasonably anticipated by Lessee, including any Environmental Condition and any geothermal system located within or proximate to the Hotel Site, the areas in which the Off-Site Improvements are to be constructed or the areas in which the Skybridge is to be constructed, or under or within any existing improvements located on or within any portion of any of the foregoing, (b) off-site improvements required by any Governmental Authority other than those depicted on the renderings and diagrams attached hereto as **Exhibit "E"**, (c) any relocation of underground utilities located on the Hotel Site and (d) any appeals of Governmental Approvals to a court of competent jurisdiction.

"Uniform System" means the Uniform System of Accounts for the Lodging Industry, 11th Revised Edition, 2014, as published by the Educational Institute of the American Hotel and Motel Association, as revised from time-to-time.

"Work" means the design, permitting, development and construction of the Lessee Improvements in accordance with the Approved Plans, including all design, architectural, engineering and other professional services, demolition and construction services, supervision, administration and coordination services and the provision of all drawings, specifications, labor, materials, equipment, supplies, tools, machinery, utilities, fabrication, transportation, storage, insurance, bonds, permits and conditions thereof, zoning approvals, changes required to comply with building codes and Governmental Approvals, licenses, tests, inspections, surveys, studies, and other items, work and services that are necessary or appropriate for the demolition of existing structures and other preparatory or remediation work on the Hotel Site; utility relocations, installations, hook-ups or other infrastructure as may be required to make the Leased Property suitable for the use of the Hotel Project; total design, construction, installation, furnishing, equipping, and functioning of the Lessee Improvements, together with all additional, collateral and incidental items, work and services required for completion of the Lessee Improvements (including all such items, work and services as are necessary to provide fully functional and functioning Lessee Improvements). The Work also includes completion of all Off-Site Improvements.

Section 1.4. Exhibits. If any exhibit to this Lease conflicts with the body of this Lease, the body of this Lease shall govern.

Section 1.5. Interpretation. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as appropriate. The words "herein," "hereof," "hereunder," "hereinafter," and words of similar import refer to this Lease as a whole and not to any particular Article, Section or Subsection hereof. The terms "include" and "including" and words of similar import shall each be construed as if followed by the phrase "without limitation". This Lease will be interpreted without interpreting any provision in favor of or against either party by reason of the drafting of such provision.

ARTICLE II

THE HOTEL PROJECT IMPROVEMENTS

Section 2.1. Development and Conformity of Plans.

(a) Lessee shall be responsible for preparing all plans and specifications for constructing the Hotel Project. Such plans and specifications shall conform in all material respects to the Approved Plans;

(b) Notwithstanding any other provision or term of this Lease or any Exhibit hereto, the Approved Plans and all work by Lessee regarding the Hotel Project shall conform to the City Code, the Florida Building Code and all other Governmental Requirements and, to the extent consistent with the above, the provisions of this Lease.

Section 2.2. Approved Plans. The City shall have the right to Approve, in its sole discretion, (x) any substantial deviation of the Hotel Project from the Approved Plans and (y) any Prohibited Hotel Project Changes. Notwithstanding any Approval provided pursuant to this Section 2.2, Lessee shall be solely

responsible for obtaining all required final, non-appealable Governmental Approvals as more fully set forth in Article IV of this Lease. Any Approval of the Approved Plans or any component thereof by the City shall be for its own benefit in its proprietary capacity as the owner of the Leased Property and shall not be deemed to mean, and the City, in such proprietary capacity, makes no representation, that such Approved Plans comply with all applicable Governmental Approvals and Governmental Requirements.

(a) Lessee shall submit to the City Manager, prior to Commencement of Construction, any proposed modifications to the Approved Plans for the City Manager's determination of whether such modifications include any substantial deviation of the Hotel Project from the Approved Plans or Prohibited Hotel Project Changes. Modifications to the Approved Plans shall be indicated by "ballooning," highlighting, blacklining or describing such modifications in writing in reasonable detail in an accompanying memorandum. The City shall not be responsible for, and shall not be deemed to have Approved, any modification to the Approved Plans that is not indicated as required by this Section.

(b) Within twenty-one (21) days of receipt of any proposed modifications to the Approved Plans, the City Manager shall notify Lessee, in writing, that he approves such modifications, or the basis for any disapproval of any substantial deviation of the Hotel Project from the Approved Plans or Prohibited Hotel Project Change; provided, however, that the City shall not disapprove any material modification necessitated by Governmental Requirements. City's failure to notify Lessee of any disapproval within such twenty-one (21) day period shall be deemed to constitute the City's conclusive Approval of the proposed modifications to the Approved Plans. The Approved Plans, as amended by such Approved modifications, shall thereafter be the Approved Plans referred to herein.

(c) If the City disapproves of any modification pursuant to this Section 2.2, then Lessee shall, at its election, either (x) submit City's disapproval to expedited arbitration pursuant to Section 7.9 of this Lease, or (y) within thirty (30) days after receiving the City's disapproval notice, submit revised proposed modifications to the Approved Plans for City's review and Approval as provided in this Section 2.2, provided that the time period for approval or disapproval shall be fifteen (15) days.

(d) At any time during the design development phase of the Hotel Project, Lessee may (but shall not be required to) submit to the City Manager any proposed modifications to the Approved Plans for City's review and Approval pursuant to this Section 2.2, so as to mitigate or avoid any potential delays to the Schedule of Performance as a result of disputes regarding the final proposed Approved Plans.

Section 2.3. Lessee's Hotel Project Obligations. Subject to the terms hereof, Lessee is obligated to and shall (i) design, permit, and construct, in a good and workmanlike manner, and at its sole cost and expense, the Hotel Project in all material respects in accordance with and subject to all of the terms and provisions of this Lease and to Complete Construction thereof by the Outside Opening Date, (ii) obtain a certificate of the LEED Status in accordance with Section 133-6 of the City Code and provide reasonable evidence of such certification to City within a reasonable period following the Opening Date, and (iii) operate, maintain, repair and replace, at its sole cost and expense, the Hotel Project in accordance with and subject to all of the terms and provisions of this Lease.

Section 2.4. Payment of Hotel Project Costs.

(a) As between Lessee and the City, the Lessee shall bear and be solely responsible for all costs and expenses related to the design, permitting and construction of the Work, the Hotel Project and its subsequent use, including the following:

(i) Lessee's land use approvals, development fees, and permit fees for the design, construction, and subsequent use of the Hotel Project;

(ii) Lessee's design and construction of the Hotel Project;

(iii) Lessee's financing, construction bonding and insurance, building permits, utility installations and/or hook-ups or other infrastructure, as may be required to make the Leased Property suitable for the use of the Hotel Project;

(iv) Lessee's consultants, accountants, financing charges, legal fees, furnishings, equipment, and other personal property of the Lessee; and

(v) all other Lessee direct or indirect costs associated with the approvals, design, construction, and financing of the Lessee Improvements, and their subsequent use.

(b) Lessee acknowledges that the City shall have no maintenance responsibility for any of the Leased Property and Lessee Improvements, and utilities and infrastructure to be constructed by Lessee.

(c) Lessee shall be exclusively responsible for all matters relating to underground utility lines and facilities, including locating, relocating and/or removal, as necessary. Under no circumstances shall City be responsible for paying the cost of, or otherwise reimbursing Lessee for, relocation, removal, or payment of charges to utility companies for, any utility lines or facilities lying on, under, or around the Leased Property. City shall provide reasonable cooperation and assistance to Lessee in the resolution of issues associated with existing underground utilities. Lessee shall not remove, disturb, or relocate any existing utilities on the Leased Property without the City Manager's prior written Approval.

Section 2.5. Financing Matters.

(a) Lessee shall pay for all Improvement Costs from funds required to be provided under the Equity Commitment, the Initial Hotel Operator Financial Commitment, if any, the Construction Loan and the Mezzanine Loan, if any; provided that if the proceeds of the foregoing sources are not available or are inadequate for any reason, Lessee shall be responsible to provide funds from such other sources as Lessee may identify to pay all costs and expenses necessary to Complete Construction of the Hotel Project and cause the Opening Date to occur in accordance herewith.

(b) Lessee shall be solely responsible for obtaining the Construction Loan and the Mezzanine Loan, if any, for all completion guaranties required in connection with the Construction Loan and the Mezzanine Loan, if any, and for providing all collateral and other security, and otherwise satisfying all conditions thereof and covenants, agreements and obligations of the borrower thereunder. In no event shall City have any responsibility, obligation or liability with respect to the Construction Loan or the Mezzanine Loan, if any, and Lessee shall reimburse City for all of City's third party costs and expenses (including attorneys' fees) reasonably incurred in connection with any requirements or

requests of the Construction Lender in connection with the Construction Loan or the Mezzanine Lender in connection with the Mezzanine Loan, if any.

Section 2.6. No Claim for Value of Lessee Improvements. Lessee shall have no claim against the City for the value of the Lessee Improvements following any termination of this Lease, whether at the natural expiration of the Term or otherwise, except, with respect to any claims against the City acting in its governmental capacity, including any claims related to a condemnation by the City.

Section 2.7. Schedule of Performance. Lessee shall prosecute completion of the Work substantially in accordance with the Approved Plans (with only such changes hereto that do not constitute Prohibited Hotel Project Changes, except as otherwise permitted or Approved pursuant to this Lease), with all commercially reasonable diligence and in good-faith, in good and workmanlike manner, and shall use diligent, good-faith efforts to prosecute the Work in accordance with the Schedule of Performance, time being of the essence. The dates to be reflected in the Schedule of Performance, including the Target Dates, shall not be extended except for (i) a Force Majeure Event, (ii) Economic Force Majeure, (iii) a City Delay and/or (iv) Unanticipated Circumstances. If the Parties disagree with respect to any permitted delays in the Schedule of Performance, such disagreement shall be resolved in accordance with Section 7.9 hereof.

(a) Lessee shall endeavor, through the use of diligent, good-faith efforts, to cause the prosecution of the Work in accordance with the Target Dates, the Outside Dates and other dates to be set forth in the Schedule of Performance, but failure to meet the Target Dates or other date (other than any Outside Date) to be set forth in the Schedule of Performance shall not be a default under this Lease.

(b) As further to be delineated in the Schedule of Performance, Lessee shall Complete Construction and cause the Opening Date to occur by the Outside Opening Date.

Section 2.8. Construction Obligations.

(a) **Bonds.** By no later than Commencement of Construction, Lessee shall provide a Performance Bond and Payment Bond, with all premiums paid and in favor of Lessee with an obligee rider in favor of the City and the First Leasehold Mortgagee. Lessee shall also provide City with a demolition bond or other form of financial instrument reasonably acceptable to City to assure the availability of funds for demolition or removal of any uncompleted facility in the event Lessee, after receipt of a written demand from City, fails to demolish and remove the uncompleted facility following Lessee's failure to substantially complete such facility as required herein.

(b) **Approval of Hotel Project General Contractor.** Lessee's selection of the Hotel Project General Contractor shall be subject to the advance Approval of the City Manager, after consultation with the City Attorney, as to the qualifications and responsibility of the proposed Hotel Project General Contractor to perform the contract, based on the contractor's licensure, bonding capacity, financial capacity, history of compliance with laws, and satisfactory past performance on similar projects. Provided that the Hotel Project General Contractor proposed by Lessee does not have a significant history of material non-compliance with the law, City agrees to Approve any Hotel Project General Contractor proposed by Lessee that satisfies each of the following:

- (i) Has a State of Florida Building and Business License;

- (ii) Has completed at least one project in the past three years under a construction contract that specified a guaranteed maximum price at or above \$100,000,000;
- (iii) Has completed at least one high-rise hotel of at least eight (8) stories and four hundred (400) rooms in the last 5 years; and
- (iv) Has total bonding capacity in excess of \$1 Billion with at least \$250,000,000 available for a single project.

(c) **Construction Obligations.** Prior to the Outside Opening Date, Lessee shall, or shall cause its Hotel Project General Contractor to:

- (i) Perform and complete the Work;
- (ii) Select the means and methods of construction. Only adequate and safe procedures, methods, structures and equipment shall be used;
- (iii) Furnish, erect, maintain and remove such construction plant and such temporary work as may be required; and be responsible for the safety, efficiency and adequacy of the plant, appliance and methods used and any damage which may result from failure, improper construction, maintenance or operation of such plant, appliances and methods;
- (iv) Provide all architectural and engineering services, scaffolding, hoists, or any temporary structures, light, heat, power, toilets and temporary connections, as well as all equipment, tools and materials and whatever else may be required for the proper performance of the Work;
- (v) Order and have delivered all materials required for the Work and shall be responsible for all materials so delivered to remain in good condition;
- (vi) Maintain the Hotel Project site in a clean and orderly manner at all times, and remove all paper, cartons and other debris from the Hotel Site;
- (vii) Erect, furnish and maintain a field office with a telephone at the Hotel Site during the period of construction in which a supervisor-level employee shall be on site during the performance of any Work in connection with the Hotel Project; and cause the Hotel Project General Contractor to require in each subcontract having a price in excess of \$5,000,000 (and to require each subcontractor to require in each sub-subcontract having a price in excess of \$5,000,000) that such subcontractor (and sub-subcontractor) have on-site a supervisor-level employee at all times during the performance of any Work under such subcontract (and sub-subcontract);
- (viii) Protect all Work prior to its completion and acceptance;
- (ix) Restore and repair any properties adjacent and leading to the Hotel Site damaged as a result of construction of the Hotel Project, whether such properties are publicly or privately owned;

(x) Implement, and maintain in place at all times, a comprehensive hurricane and flood plan for the Hotel Site and the Work, and provide a copy of same to the City;

(xi) Upon Completion of Construction, deliver to the City as built drawings and plans and specifications of the Hotel Project; and

(xii) Upon Completion of Construction, deliver to the City, a copy of the final certificate of occupancy or certificate of completion, as applicable, for the Hotel Project.

Notwithstanding any provision hereof to the contrary, (x) at no time during construction of the Hotel Project may Lessee make any Prohibited Hotel Project Changes without the express, prior written Approval of City (which Approval may be granted or withheld by City in City's sole and absolute discretion), (y) [PARTIES CONTINUING TO DISCUSS] the performance and completion of the Work shall not materially interfere with the loading dock operations of the Convention Center or impair or impede access to such operations during a Convention Center event, other than during the construction of the Skybridge, during which Lessee shall use commercially reasonable efforts to minimize such interference and shall cooperate in good faith with the City to minimize such interference with the Convention Center and (z) Lessee shall use commercially reasonable efforts to cause the performance and completion of the Work not to materially interfere with the loading dock operations of the Fillmore Theater.

(d) **Completion of Construction.** Lessee shall carry on any construction, maintenance or repair activity with diligence and dispatch and shall use diligent, good-faith efforts to complete the same in accordance with the Schedule of Performance. Lessee shall not, except if an emergency exists (then only to the extent that the City can grant such an exception), carry on any construction, maintenance or repair activity in any easement area that unreasonably interferes with using and enjoying the property encumbered by such easement.

(e) **Skybridge and Off-Site Improvements.** Lessee shall deliver the proposed Approved Skybridge and Off-Site Improvements Plans to the City for Approval as required to maintain the Schedule of Performance. The 25 surface parking spaces for Fillmore Theater personnel to be constructed by Lessee as part of the Off-Site Improvements will be constructed as depicted on **Exhibit "U"** hereto. Lessee shall have no obligations or liabilities with respect to the ownership or operation of such parking spaces after completion.

Section 2.9. Progress of Construction/City's Representative.

(a) Lessee shall keep the City apprised of Lessee's progress regarding the Work, including Lessee's progress towards meeting the Target Dates and Outside Dates set forth in the Schedule of Performance. Lessee shall deliver written reports of same not less than monthly; and

(b) The City may, from time-to-time, designate one or more employees or agents to be the City's representative ("City's Representative"), who may, during normal business hours, in a commercially reasonable manner, visit, inspect and monitor the Hotel Project, the materials to be used thereon or therein, contracts, records, plans, specifications and shop drawings relating thereto, whether kept at Lessee's offices or at the Hotel Project construction site or elsewhere, and the books, records, accounts and other financial and accounting records of Lessee (which shall be kept at the address

specified in Section 14.5) as often as may be reasonably requested. Further, City's Representative shall be advised of, and entitled to attend, meetings among Lessee, Lessee's representative and the Hotel Project General Contractor or any subset of this group. Lessee will cooperate with the City to enable City's Representative to conduct such visits, inspections and appraisals. Lessee shall make available to City's Representative for inspection, with commercially reasonable notice, daily log sheets covering the period since the immediately preceding inspection showing the date, weather, subcontractors on the job, number of workers and status of construction. To the fullest extent permitted by law, City shall protect from disclosure any records that are confidential and exempt from disclosure under Florida law, provided, however, that nothing herein shall preclude the City or its employees from complying with the disclosure requirements of the Public Records Act, and any such compliance shall not be deemed an event of default by the City under this Lease. City shall use its good-faith, diligent efforts to provide timely written notice to Lessee of any public records request seeking any records of the Lessee that may be within the City's custody, possession or control, to permit Lessee the opportunity to seek to protect such information from disclosure.

Section 2.10. Delivery of Plans.

Promptly after completing the Work and Lessee's receipt of a Certificate of Occupancy, as applicable, for the Work, Lessee will deliver to the City a copy of the plans and specifications, including shop drawings, for the Lessee Improvements.

Section 2.11. Connection of Buildings to Utilities.

(a) Lessee, at its sole cost and expense for the Leased Property and in compliance with all Governmental Approvals and Governmental Requirements, shall install or cause to be installed all necessary connections between the Lessee Improvements, and the water, sanitary and storm drain mains and mechanical and electrical conduits whether or not owned by the City.

(b) Lessee shall pay for the cost, for the Leased Property, if any, of locating, grounding and installing within the Leased Property, as applicable, new facilities for sewer, water, electrical, and other utilities as needed to service the Hotel Project, and, at its sole cost and expense for the Leased Property, will install or cause to be installed inside the property line of the Leased Property, all necessary utility lines, with adequate capacity and the sizing of utility lines for the Hotel Project, as contemplated on the Approved Plans.

Section 2.12. Permits and Approvals. Lessee shall secure and pay for all Governmental Approvals for the Work, including any alterations and renovations made pursuant to Section 2.15, and shall pay any and all fees and charges due to and collected by the City or any other Governmental Authority connected with issuing such Governmental Approvals, if any.

Section 2.13. City and Lessee to Join in Certain Actions. Within fifteen (15) days after receiving a written request from Lessee that is consistent with all Governmental Requirements and in accordance with this Lease, the City, at Lessee's sole cost and expense (including City's reasonable attorneys' fees in reviewing any agreements), shall join Lessee when required by law in any and all applications and agreements for Governmental Approvals as may be commercially reasonably necessary for developing and constructing the Hotel Project, which applications and agreements are necessary because City is the

fee owner of the Leased Property and/or the properties surrounding the Leased Property, and which applications and agreements may include applications for subdivision approval, covenants in lieu of unity of title, easement and operating agreements, and demolition permits and applications for Design Review Board approval for buildings located on the Hotel Site. Lessee shall pay all fees and charges for all such applications. Failure of the City to perform as requested within such fifteen (15) day period shall be deemed a City Delay for the number of days of delay beyond such fifteen (15) day period.

Section 2.14. Compliance with Laws. Lessee will comply with any Governmental Requirements in constructing and operating the Hotel Project.

Section 2.15. Alterations and Renovations. After completing the Work, if Lessee wishes to make alterations or renovations thereof:

(a) no renovation or alteration shall be made until Lessee obtains all required Governmental Approvals, at Lessee's sole cost and expense;

(b) except for FF&E, any renovation or alteration of Lessee Improvements that involves a substantial deviation from the Approved Plans or otherwise substantially affects the overall character or appearance of the exterior of the Hotel Project, unless required by Governmental Requirements shall require the City's approval in its proprietary capacity in its sole discretion; and

(c) all such alterations and renovations shall be performed by duly licensed and insured contractors in a good and workmanlike manner, and in any event, shall be consistent with the Hotel Standards.

Section 2.16. Art in Public Places. Lessee shall comply with the City's Art In Public Places (AIPP) program requirements under Section 82-536 through 82-612 of the City Code, as applicable, and shall contribute to the City's Art in Public Places fund the total of 1.5% of the "construction cost" of the Hotel Project, as such term is defined in Section 82-537 of the City Code, no later than date of execution of the Hotel Project General Contract by Lessee and the Hotel Project General Contractor, as required by the City Code.

ARTICLE III

LAND USES AND DEVELOPMENT OBLIGATIONS

Section 3.1. Covenant Regarding Land Uses. Lessee agrees and covenants to devote, during the Term of this Lease, the Hotel Project only to the uses specified in this Lease and to be bound by and comply in all material respects with all of the provisions and conditions of this Lease. In addition, and except as hereinafter set forth, Lessee shall not have the right to seek or obtain different uses or a change in such uses either by requesting a zoning change or by court or administrative action without first obtaining the City's Approval, which Approval may be granted or denied in the City's sole discretion.

Section 3.2. Applications for Development Approvals and Development Permits. Promptly following the Effective Date of this Lease, the Lessee will initiate and diligently pursue all applications for Development Orders and Development Permits that may be required in connection with the Hotel Project. Lessee shall be solely responsible for obtaining all final, non-appealable Development Orders and Development Permits for the Hotel Project. No extension of any time period herein shall be

deemed to be an extension of any time periods contained within the Development Permits or Development Orders.

Section 3.3. Concurrency.

(a) Lessee shall be solely responsible for obtaining all land use permits, including all permits and approvals required pursuant to Section 163.3180, Florida Statutes, and Chapter 122, City Code, with respect to concurrency requirements for roads, sanitary sewer, solid waste, drainage, potable water, and parks and recreation, (the "Concurrency Requirements"). Prior to applying for its building permit for the Hotel Project, Lessee shall apply for a preliminary concurrency determination for the Hotel Project with the City's concurrency management division. Lessee shall diligently and in good faith comply with all of the requirements of Section 122-8 of the City Code to obtain a preliminary concurrency determination impact certificate, and if the concurrency management division determines that the required public facilities are or will be available to serve the proposed development, the concurrency management division shall issue a preliminary concurrency determination impact of no less than 36 months from the date of issuance of the determination, which shall be specified on the face of the preliminary concurrency determination. In the event the issuance of a preliminary concurrency determination is based on an approved mitigation program, such certificate shall be expressly conditioned upon compliance with such program. Provided that (i) a preliminary concurrency determination impact certificate is issued, (ii) the Design Review Board approves a development order for the Hotel Project and such order becomes final (after all appeal periods have expired without an appeal being filed, or if filed, resolved favorably for Lessee), and (iii), Lessee pays applicable mitigation fees (including impact fees, concurrency fees, and/or mobility fees that may be due) or provides for applicable mitigation prior to building permit, then in that event, a final reservation certificate shall be issued and the available capacity for public facilities will be reduced by the projected demand for the Hotel Project until the reservation of the capacity expires or becomes permanent.

(b) Provided that Lessee complies with the provisions of Section 3.3 (a) above, the City agrees that Concurrency Requirements for the following public facilities and services required to service the Hotel Project have been satisfied or will be satisfied in accordance with the terms of this Lease: potable water transmission capacity; sanitary sewer transmission capacity; storm sewer capacity; local recreation open space; transportation level of service; and solid waste collection capacity. All subsequent development orders or permits that are in conformity with this Lease are hereby found to meet concurrency standards set forth in the Comprehensive Plan, and to be consistent with the presently permitted development as described on Exhibit "H" and applicable zoning regulations, so long as the Leased Property is developed in substantial compliance with the Governmental Approvals described in Exhibit "K".

(c) In addition to the foregoing, the City agrees to prioritize reservation of capacity, as of the Effective Date, for potable water transmission capacity, sanitary sewer transmission capacity and storm sewer capacity facilities and services required to service the Hotel Project; provided, however, that if Miami-Dade County issues a moratorium on new construction for water and sewer services, any such moratorium is beyond the City's control, and City cannot supersede Miami-Dade County's jurisdiction with respect to the reservation of capacity. Upon such reservation, the City will reserve sufficient infrastructure and capacities for potable water transmission, sanitary sewer transmission, and storm sewer based on the Hotel Project as described in this Lease, and such capacity will remain available to serve the Hotel Project. Lessee shall be responsible for the relocation of utilities that come

in contact with the Hotel Site or improvements required to maintain the integrity of existing City systems [PARTIES CONTINUING TO DISCUSS].

Section 3.4. Compliance with Local Regulations Regarding Development Permits. This Lease is not and shall not be construed as a Development Permit, approval or authorization to commence any development, fill, or other land modification. The Lessee and the City agree that the failure of this Lease to address a particular permit, approval, procedure, condition, fee, term or restriction in effect on the Effective Date shall not relieve Lessee of the necessity of complying with the regulation governing said permitting requirements, conditions, fees, terms or restrictions, subject to the terms of this Lease.

Section 3.5. Consistency with the City's Comprehensive Plan. The City has adopted and implemented the Comprehensive Plan. The City hereby finds and declares that the provisions of this Lease dealing with the Hotel Site and the Hotel Project are consistent with the City's Comprehensive Plan and Land Development Regulations (subject to all applicable requirements, permits and approvals).

Section 3.6. Presently Permitted Development. The development that is presently permitted on the Leased Property, including population densities, and building intensities and height, which are subject to this Lease, are more specifically set forth in **Exhibit "H"** hereto.

Section 3.7. Public Facilities to Serve the Leased Property. A description of the public facilities that will service the Hotel Project of the properties subject to this Lease, including who shall provide such facilities; the date any new facilities, if needed, will be constructed; and a schedule to assure public facilities are available concurrent with the impacts of the development is included as **Exhibit "I"** hereto.

Section 3.8. Public Reservations, Dedications. A description of the reservations and/or dedications of land for public purposes that are proposed under the terms of this Lease is included as **Exhibit "J"** hereto.

Section 3.9. Required Development Permits. Attached and made a part hereof as **Exhibit "K"** is a listing and description of certain local development permits approved or needed to be approved for the development of the Hotel Project, provided that City makes no representation or warranty that the information set forth on **Exhibit "K"** is correct or complete, Lessee releases City from any liability with respect to such information and Lessee acknowledges and Lessee agrees that Lessee is solely responsible for confirming the correctness and completeness of such information and obtaining all applicable Governmental Approvals whether or not set forth on **Exhibit "K"**.

Section 3.10. Responsible Wages and Local Employment. The City and Lessee support and encourage the application of responsible wages and City of Miami Beach and Miami-Dade County workforce hiring with respect to the Hotel Project.

Section 3.11. Laws Governing this Lease. For the entire Term of this Lease, the City hereby agrees that the City's Land Development Regulations governing the development of the Leased Property as they exist as of the Effective Date of this Lease shall govern the development of the Leased Property and the Hotel Project during the Term. Notwithstanding the foregoing, the City may apply subsequently adopted laws or policies to the Leased Property and the Hotel Project (particularly as they may relate to quality of life issues such as, but not limited to noise, litter, and hours of operation) as permitted or required by the Act, including, without limitation, Section 163.3233(2), Florida Statutes, as same may be amended from time to time; provided, however, that this provision shall not be deemed to apply to regulations governing height, floor area ratio (FAR), density, parking requirements or permitted uses.

Section 3.12. Duration of Development Rights. Notwithstanding any provision to the contrary in this Lease, the development rights and responsibilities granted to Lessee hereunder shall run for an initial term of ten (10) years from the Effective Date, and may be extended by mutual consent of the City and the Lessee subject to a public hearing(s) pursuant to Section 163.3225, Florida Statutes. Consent to any extension of the development rights granted herein is within the sole discretion of each Party. No notice of termination shall be required by either Party upon the expiration of the development rights granted pursuant to this Lease, provided, however, that the Parties' obligations for the failure to satisfy Possession Conditions shall be as provided for in Section 4.1(f) and any other applicable provisions of this Lease.

Section 3.13. Lessee's Right of Termination. Notwithstanding anything to the contrary herein, including Section 7.2(b) of this Lease, Lessee shall have the right to terminate this Lease prior to the Possession Date due to (i) changes to the Approved Plans required by the City's Design Review Board or any other Governmental Authority (including the City) that render the Hotel Project economically unfeasible in the reasonable business judgment of Lessee; (ii) the Hotel Project cannot meet the Concurrency Requirements, or the costs of concurrency mitigation are, in the reasonable business judgment of Lessee, economically unfeasible; (iii) Lessee, after its diligent good-faith efforts, has been unable to obtain a full building permit for the Hotel Project; or (iv) Unanticipated Circumstances exist. In the event of termination pursuant to this Section 3.13, each Party shall bear its own costs and expenses incurred in connection with this Lease and, neither Party shall have any further liability to the other Party.

ARTICLE IV **GENERAL TERMS OF LEASE**

Section 4.1. Lease of Leased Property to Lessee. Subject to the conditions set forth in this Lease, including the occurrence of the Possession Date, the payment of all Rent and all other payments by Lessee provided herein, and the City's and Lessee's performance of their duties and obligations required by this Lease:

(a) **Demise.** The City, as of the Possession Date, demises and leases to Lessee, and Lessee takes and hires from the City, the Leased Property for a term of approximately ninety-nine (99) years ending on December 31st of the last Lease Year prior to the 99th anniversary of the Possession Date (the "Term"). Within thirty (30) days after the Possession Date, the City and Lessee, upon request of either Party, shall execute a commencement date agreement and/or one or more written memoranda in such form as will enable them to be recorded among the Public Records of Miami-Dade County, in each case, setting forth the beginning and termination dates of the Term, determined according to this Lease, and recording any such other documents as may be required under this Lease.

(b) **Possession Date; Conditions Precedent to Possession.** The Parties recognize that as of the Effective Date there remain various items and matters to be satisfied, obtained and Approved in order that the Hotel Project may proceed as intended by the Parties. The date that the City delivers possession of the Leased Property to Lessee according to this Section 4.1(b), as designated by the City to Lessee in writing, is referred to herein as, the "**Possession Date**." The City shall not be obligated to deliver possession of the Leased Property and Lessee's rights as tenant hereunder shall not become effective until each of the events described in this Section 4.1(b) irrevocably shall have occurred, at which time, the City shall deliver possession of the Leased Property to Lessee, Lessee shall take possession thereof and the lease provisions of this Lease shall become effective. Until that time, this

Lease shall be construed to be in the nature of a development agreement, and not a lease. The conditions precedent to delivery of possession (collectively, the "Possession Conditions") are as follows:

- (i) There exists no uncured Event of Default;
- (ii) Lessee shall have entered into, and delivered to the City a duly executed copy of, the Hotel Project General Construction Contract (and all then existing change orders thereto), in form and substance and with a Hotel Project General Contractor Approved pursuant to Subsection 2.8(b) by the City Manager reflecting the guaranteed maximum price for completion of the Lessee Improvements;
- (iii) Lessee shall have delivered to City written evidence reasonably satisfactory to the City of the existence and availability of (A) Liquid Assets to fund the Equity Commitment, (B) Initial Hotel Operator Financial Commitment, if any, (C) the Mezzanine Loan Commitment, if any, and (D) the Construction Loan Commitment, all of which together demonstrate that the Hotel Project is In Balance;
- (iv) Lessee shall have provided to City, and City Manager shall have Approved, any changes to the Budgeted Improvement Costs, provided that City Manager shall not withhold its Approval so long as Lessee has obtained and delivered to the City written evidence of the existence and availability of (A) Liquid Assets to fund the Equity Commitment, (B) the Initial Hotel Operator Financial Commitment, (C) the Mezzanine Loan Commitment, if any, and (D) the Construction Loan Commitment that demonstrate that the Hotel Project is In Balance;
- (v) Lessee shall have reimbursed the City for the costs associated with the City's voter referendum in connection with this Lease, not to exceed Twenty-Five Thousand Dollars (\$25,000).
- (vi) Lessee shall have obtained, and shall have delivered to City a copy of, all Governmental Approvals necessary for the Commencement of Construction and for the demolition of all improvements currently located within the Hotel Site, the areas in which the Off-Site Improvements are to be constructed and the areas in which the Skybridge is to be constructed;
- (vii) Lessee and the Initial Hotel Operator shall have delivered to the City an instrument or instruments reasonably acceptable to the City (A) certifying that Lessee and the Initial Hotel Operator have duly executed and entered into the Management Agreement, and any related franchise, technical services and/or centralized services agreements, that the Management Agreement, Franchise Agreement and any other such agreements are in full force and effect and there are no defaults (or any events that could ripen into defaults), and that the Management Agreement requires the Hotel Operator to comply with the terms of the Room Block Agreement, (B) acknowledging that for so long as the Initial Hotel Operator is managing and operating the Hotel Project it shall observe and comply with the Room Block Agreement and (C) in the form of an agreement among Lessee, the Initial Hotel Operator and the City, to the effect that if this Lease is terminated as a result of any Event of Default, the Hotel Operator shall, at the City's option, continue to perform under the Management Agreement in accordance with the terms thereof and the Franchise Agreement so long as the Hotel Operator is being paid compensation thereafter accruing under the Management Agreement and the City shall perform, and the Hotel Operator shall accept the City's performance of, the duties and obligations under the Management Agreement to be performed by the Lessee, as "owner," thereunder, but only to the extent accruing from and after the date of termination of this Lease; provided, however, if the First Leasehold Mortgagee enters into a similar agreement with the Lessee and the Hotel

Operator, the City agrees that the Hotel Operator shall continue to perform and such performance shall not be optional on the part of the City;

(viii) Lessee shall have delivered to City, and City Manager shall have Approved, a schedule of performance for the Hotel Project setting forth the dates and times of delivery of the Hotel project, including the Target Dates, the Outside Dates and other milestones for development and approval of the plans and specifications listed in Section 2.2, preparation and filing of applications for and obtaining all applicable Governmental Approvals described on Exhibit "K" for the Hotel Project and the schedule for completion of the Work (the "Schedule of Performance"). City agrees that it shall not withhold Approval thereof so long as the same reflects Completion of Construction by the Outside Opening Date and Lessee has provided reasonable evidence that such schedule is reasonable;

(ix) Lessee shall have presented evidence reasonably acceptable to the City that all insurance coverages required under this Lease are in place;

(x) Lessee shall have delivered to the City Manager reasonable evidence that the Approved Plans have been approved by the First Leasehold Mortgagee and the Initial Hotel Operator;

(xi) Lessee shall have delivered to the City, a duly executed Assignment of Plans and Approvals, a duly executed Assignment of Hotel Project General Construction Contract and a duly executed Assignment of Contracts and Agreements;

(xii) Lessee shall have delivered to the City reasonable evidence that Lessee has invested the Initial Lessee Minimum Equity Contribution prior to the Possession Date, or if the Initial Lessee Minimum Equity Contribution has not been invested prior to the Possession Date, Lessee shall deposit an amount equal to the balance of the unfunded amount of the Initial Lessee Minimum Equity Contribution, less cash amounts deposited with any Leasehold Mortgagee or any Mezzanine Lender by Lessee to satisfy Lessee's equity requirements under the Construction Loan or Mezzanine Loan, in escrow with an escrow agent reasonably satisfactory to the City to be drawn by Lessee on a monthly basis based upon presentation of invoices for Budgeted Improvement Costs;

(xiii) Lessee has provided to the City reasonable evidence that the closing of the Construction Loan has occurred;

(xiv) the representations and warranties made by the Lessee in this Lease pursuant to Sections 4.3(a) and 5.2 remain true and correct in all material respects on and as of the Possession Date;

(xv) Lessee shall have delivered to the City a maintenance of traffic plan for the staging of the Work during the construction period (the "MOT Plan"), which MOT Plan shall have been Approved by the City Manager and which will include minimal disruptions to 17th Street and Convention Center Drive, subject only to closures for short time periods upon Approval by the City Manager as reasonably necessary to complete the Work; and

(xvi) Lessee shall have delivered to the City a parking and transportation plan for the off-site parking and transportation of construction workers and Hotel employees to and from the Hotel, which plan shall have been Approved by the City Manager and which, subject to Lessee's negotiations with the Initial Hotel Operator, may include various traffic mitigation options, including (1) providing

hotel guests with an online link to the City's trolley service map, with points of interest, at reservation confirmation, and a copy of the City's trolley brochure at check-in; (2) offering Hotel guests the ability to purchase, as part of a room reservation, airport shuttle services or transit passes to encourage public transit usage; (3) providing a reservation portal for guests to include their airport arrival times, with the system identifying available shuttle services based on those arrival times; (4) partnering with on-demand multi-passenger services, such as the FreeBee golf carts, as an amenity for hotel guests; (5) offering off-site parking and shuttle services for Hotel employees; (6) utilizing Miami-Dade County's corporate discount program to reduce the costs of transit passes for Hotel employees using transit to work; and/or (7) providing a covered area for bicycle parking within the Hotel Project.

(c) **Pre-Possession Period.** From and after the Effective Date, the Parties shall each use their respective diligent and commercially reasonable efforts to achieve the Possession Date timely.

(d) **Hotel Site Inspections.** Commencing on the date hereof and thereafter until this Lease is terminated or the Possession Date occurs, the City shall permit Lessee commercially reasonably access to the Hotel Site, areas in which the Off-Site Improvements are to be constructed and the areas in which the Skybridge is to be constructed to conduct at Lessee's sole cost and expense, physical inspections, tests, studies, samplings and analyses (including soil borings and invasive environmental testing) of the Hotel Site and such other areas and to the extent necessary to carry out the provisions of this Lease; provided, however, that such access shall not materially interfere with any ongoing operations at the Convention Center or the Fillmore Theater. Lessee, at all times and at its sole cost and expense, shall maintain or shall cause its Hotel Project General Contractor or other contractors in privity with Lessee to maintain, comprehensive general liability insurance as required in Article IX. Lessee shall restore any damage to the Hotel Site and such other areas caused by any such inspections, tests or studies; provided that in no event shall Lessee be responsible for the discovery, exposure or release of hazardous substances or materials in, on or about the Hotel Site that are not introduced to the Hotel Site by Lessee, its agents, representatives, contractors, invitees or employees.

(e) **Indemnification.** Whether or not the Possession Date occurs, Lessee shall indemnify, defend and hold City and its respective officers, employees, agents, representatives, consultants, counsel and contractors (of any tier) harmless from and against all claims, actions, suits, charges, complaints, orders, liability, damages, loss, costs and expenses (including any attorneys' fees and costs of litigation) related to, arising from or in connection with the acts or omissions of Lessee, its agents, representatives, contractors or employees, including injury or death to persons or damage to their property, while exercising Lessee's right to access the Hotel Site and performance of such inspections, tests or studies pursuant hereto, except to the extent resulting from the negligence or willful misconduct of City or its officers, employees, agents, representatives, consultants, counsel and contractors, and except as limited in paragraph (d) above. The indemnification obligations of Lessee set forth in this paragraph shall expressly survive the expiration or termination of this Lease and notwithstanding any provision of this Lease to the contrary, City shall have all rights and remedies available at law or in equity in the enforcement of such indemnification obligations of Lessee or arising from Lessee's failure to perform such indemnification obligations.

(f) **Failure to Satisfy Conditions.** Notwithstanding anything contained in this Lease to the contrary, if: (i) any of the Possession Conditions have not occurred by the Outside Possession Date; or (ii) the Opening Date does not occur by the Outside Opening Date, then notwithstanding anything to the contrary set forth in Section 7.1 below and not in limitation of any of the City's remedies set forth in Article VII of this Lease, Lessee hereby waives any further right to cure, and the City shall be entitled to

immediately revoke the licenses granted to Lessee pursuant to the Assignment of Plans and Approvals, the Assignment of Hotel Project General Construction Contract and the Assignment of Contracts and Agreements upon written notice to the Lessee.

(g) **Easements.** Lessee agrees that this Lease shall be subject to and contingent upon the execution of certain easements, including any applicable access easements. On the Possession Date, the easements in substantially the forms attached hereto as **Exhibit "G"** (the "Easements") shall be executed by all necessary parties. The Parties shall also, prior to the Possession Date, enter into any and all easements which may be required by Lessee to (i) design, permit and construct enclosures regarding the Fillmore Theatre in the area of demolition; and (ii) develop, construct, operate, repair, maintain and reconstruct the Hotel Project, including to connect utilities to the Hotel Site as shown in the Approved Plans. The Parties shall thereafter cause the Easements to be promptly recorded among the public records of Miami-Dade County, Florida.

Section 4.2. Restrictive Covenants.

(a) **Permitted Use.** Lessee shall operate the Hotel Project throughout the Term as a convention headquarter hotel for the accommodation of hotel guests, and for related banquet, meeting and similar purposes, with related retail shops, restaurants and such other amenities as are consistent with the Hotel Standards.

(b) **Use Restrictions.** The Hotel Project shall not be used by Lessee, nor shall Lessee knowingly permit the use thereof by any other Person for the following: (i) any unlawful or illegal business, use or purpose; (ii) any business, use or purpose which is immoral, disreputable (including "adult entertainment establishments" and "adult" bookstores, but excluding in-room "R Rated" television and on-demand movies) or extra-hazardous; (iii) a nightclub where the sale of food is only incidental to the sale of alcoholic beverages and where the establishment is licensed and primarily operated from midnight to 5:00 a.m. as a "Dance hall" or "Entertainment Establishment" as defined by Section 114-1 of the City of Miami Beach Code (other than and specifically excluding the Hotel's lobby bars, rooftop bars or cocktail lounges, pool bars, restaurants, banquet functions or other similar food and beverage operations contemplated as part of the Approved Plans or the Mandatory Hotel Project Design Elements); or (iv) any Gaming Establishment (whether or not such use is permitted by applicable law). Lessee shall have no right to convert the use of the Hotel Project or any portion thereof to any time sharing, time interval or cooperative form of ownership, or to subject the same to any condominium regime.

(c) **Nuisances Disallowed.** Lessee shall not make any use of the Leased Property, nor shall it allow any of its sub-lessees or invitees to make use of the Leased Property, in a manner that creates or reasonably will lead to a public or private nuisance under state or local law. Upon notification by City that such a nuisance is then being allowed on the Leased Property, Lessee shall promptly take steps necessary to abate such nuisance to the City's reasonable satisfaction. City shall retain all of its contract rights to abate a nuisance under the terms of this Lease, as well as its regulatory rights to abate such nuisance in accordance with then-current law.

(d) **No Discrimination.** Lessee shall comply with, and shall cause others to comply with, Governmental Requirements prohibiting discrimination by reason of race, color, national origin, religion, sex, intersexuality, gender identity, sexual orientation, marital and familial status, and age or disability in the sale, lease, use or occupancy of the Hotel Project or any portion thereof. Lessee's compliance with

the City's Human Rights Ordinance, codified in Chapter 62 of the City Code, as may be amended from time to time, shall be a material term of this Lease. Lessee shall cause the requirements of this Section 4.2(d) to be incorporated in the Management Agreement with the Hotel Operator; provided, however, that Lessee shall not be in default hereunder following (i) any discrimination committed by the Hotel Operator or Hotel Operator's employees or (ii) Hotel Operator's non-compliance with the City's Human Rights ordinance, codified in Chapter 62 of the City Code, so long as, in each case, Lessee is enforcing the terms of the Management Agreement to require Hotel Operator's compliance with the requirements of this Section 4.2(d), which enforcement shall include termination of the Management Agreement after the third violation by such Hotel Operator of requirements of this Section 4.2(d) within any five (5) consecutive year period during the Term, as such violations have been finally determined by a court of competent jurisdiction. For avoidance of doubt, Lessee shall be deemed to comply with the preceding sentence so long as Lessee is actively pursuing any necessary litigation associated with such termination of the Management Agreement.

(e) **Lessee's Rights To Operate a Convention Hotel Not Exclusive.** Except as specified herein, it is expressly understood and agreed that the rights granted under this Lease are non-exclusive and City reserves the right to grant similar privileges and similar leases to other lessees on other City-owned or leased property, and to take any and all actions (including the leasing of City property other than the Leased Property for any lawful purpose) that City is permitted to take under federal, state, and local law. Notwithstanding the foregoing, the City shall not for a period of ten (10) years after the Opening Date, permit any other hotel with over 500 separately keyed sleeping rooms to open for business to the general public on City-owned or City-leased property within the geographical area bounded by 5th street to the south, 48th street to the north, the Atlantic Ocean to the east and Biscayne Bay/Intracoastal Waterway to the west.

(f) **Room Block Agreement.** Lessee shall operate, and cause the Hotel Operator to operate, the Leased Property in material compliance with the terms of the Room Block Agreement throughout the Term. In addition, Lessee shall not receive any commission, rebate or other compensation from any hotel located in the City of Miami Beach with respect to any group room block or room bookings made by any such Miami Beach hotel.

(g) **No Ownership Interests in Gaming Establishments in Miami-Dade County.** Lessee, and any Persons with an ownership interest in Lessee, shall not, directly or indirectly, own, operate or manage a Gaming Establishment in Miami-Dade County, Florida; provided, however, that the foregoing restriction shall not prevent Persons having an ownership interest in Lessee, from owning or Controlling in the aggregate five percent (5%) or less of the voting securities of any owner, operator or manager of a Gaming Establishment in Miami-Dade County, Florida.

(h) **Enforceability.** The restrictive covenants contained in this Section 4.2 shall be binding upon the Parties and shall be for the benefit and in favor of, and enforceable by, the Parties, and their successors and assigns, as the case may be. It is further understood that such covenants shall not benefit or be enforceable by any other Person.

Section 4.3. Representations.

(a) **Lessee's Representation.** Lessee represents to the City that its principals and Affiliates are experienced in the development, construction, leasing and operation of hotel properties generally, and that Lessee has independently determined the merits and risks of electing to proceed with the

development of the Hotel Project, and that Lessee is not and, will not be relying upon any information that may have been or hereafter be provided to Lessee with respect to or relating to the financial results derived from, financial merits of investing in, or other economic or other benefits that may be realized from the development, construction, leasing and operation of the Hotel Project or sale of Lessee's interests in this Lease.

(b) **No Representation or Warranties By City.** Lessee acknowledges and agrees that it will be given the opportunity to perform all inspections and investigations concerning the Leased Property to its satisfaction prior to the Possession Date, and the City (i) except as specifically provided in this Lease, is not making and has not made any representations or warranties, express or implied, of any kind whatsoever with respect to the Leased Property, including any representation or warranty of any kind with respect to title, survey, physical condition, suitability or fitness for any particular purpose, the financial performance or financial prospects of the Hotel Project, its value, or any other economic benefit that can be realized or expected therefrom, the presence or absence of Hazardous Substances, the tenants and occupants thereof, the zoning or other Governmental Requirements applicable thereto, taxes, the use that may be made of the Leased Property, or any other matters with respect to this transaction or Lease; (ii) Lessee has relied on no such representations, statements or warranties, and (iii) City will in no event whatsoever be liable for any latent or patent defects in the Leased Property (including any subsurface conditions).

(c) **"AS IS" Condition of Leased Property.** Lessee acknowledges it has relied solely on Lessee's own inspections, tests, evaluations and investigations of and related to this Lease and the Leased Property in its determination of whether to proceed with this Lease and the Hotel Project. As a material part of the consideration of this Lease, Lessee agrees to accept the Leased Property on the Possession Date in its "AS IS" and "WHERE IS" condition "WITH ALL FAULTS" and latent or patent defects, and without representations and warranties of any kind, express or implied, or arising by operation of law.

(d) The provisions of this Section 4.3 shall survive the termination of this Lease.

Section 4.4. Rent and Other Payments. Lessee covenants and agrees to pay the City, from and after the date hereof and during the Term the following Rent, as applicable:

(a) **Base Rent.** Commencing as of the (i) Opening Date (the "Rent Commencement Date"), and except as set forth below, monthly rent in the amount of the greater of (x) (A) two and one half percent (2.5%) of the Gross Operating Revenues for such month plus (B) two and one half percent (2.5%) of the Gross Operating F&B Revenues for such month with respect to those food and beverage outlets set forth in the definition thereof, if any, that do not utilize union labor, plus (C) one percent (1.0%) of the Gross Operating F&B Revenues for those food and beverage outlets set forth in the definition thereof, if any, that utilize union labor or (y) one-twelfth (1/12th) of the Minimum Fixed Rent set forth in Section 4.4(a)(i) of this Lease ("Base Rent").

The Base Rent shall be due and payable on or before the twenty-fifth (25th) day of each month following the month for which the Base Rent is applicable. Prior to the closing of the Construction Loan, Lessee shall provide City with a copy of the pro forma accepted by the Construction Lender in connection with the closing of the Construction Loan.

(i) Minimum Fixed Rent. "Minimum Fixed Rent" shall be an annual fixed rent payable in twelve (12) equal monthly installments, prorated as to any partial month, commencing on the Rent Commencement Date and continuing on the first day of each month thereafter. Attached as **Exhibit "R"** hereto is a schedule setting forth the Minimum Fixed Rent for the period commencing on the Rent Commencement Date and ending on December 31 of the year in which the tenth (10th) anniversary of the Rent Commencement Date occurs; provided that the amount shown for the first year shall apply for the period commencing on the Rent Commencement Date and ending on December 31 of the year in which the first anniversary of the Rent Commencement Date occurs, prorated for any partial calendar years. Commencing on January 1st following the tenth anniversary of the Rent Commencement Date, and every ten (10) Lease Years thereafter (each, a "Minimum Fixed Rent Reset Date"), the Minimum Fixed Rent shall be adjusted to equal the greater of (x) the Minimum Fixed Rent payable for the period immediately preceding the Minimum Fixed Rent Reset Date, or (y) sixty percent (60%) of the average Base Rent payable for each twelve month period during the preceding ten (10) calendar year periods; provided that for the first Minimum Fixed Rent Reset Date item (y) shall be sixty percent (60%) of the average Base Rent for each twelve month period payable during the preceding five (5) calendar year period.

(ii) Each Base Rent payment shall be accompanied with documentation sufficient for City to verify the accuracy of the Base Rent payment, and in a format and of a detail reasonably required by City.

(iii) Each year following the Rent Commencement Date, Lessee shall provide City with the report required in Section 4.4(j)(ii) as to the correct Gross Operating Revenues and Gross Operating F&B Revenues for the previous calendar year. The report shall be prepared in accordance with the American Institute of Certified Public Accountants' requirements for special reports. All Base Rent payments and annual reports are subject to audit under Section 4.4(j). In the event such report reflects that additional Base Rent ("Additional Base Rent") is due to the City with respect to such previous calendar year, Lessee shall deliver such payment to the City contemporaneously with the delivery of such report. In the event such report reflects an overpayment to the City with respect to Base Rent, the City shall return the excess to Lessee within thirty (30) days after receipt of such report.

(iv) Lessee shall be responsible for any applicable sales tax payable in connection with the Rent.

(b) Transaction Rent. Lessee covenants and agrees to pay the City as Additional Rent, within sixty (60) days after the closing of the first three (3) Transfers that effects either a sale of the entire Hotel Project to a Person that is not an Affiliate of Lessee or a Transfer of a Controlling interest in Lessee to a Person that is not an Affiliate of Lessee (other than (i) a Transfer pursuant to a foreclosure of a Leasehold Mortgage or a delivery by Lessee of a deed in lieu thereof, (ii) the first Transfer by a Leasehold Mortgagee following a Transfer pursuant to clause (i), or (iii) a Transfer pursuant to a foreclosure of the pledge of ownership interests of Lessee granted pursuant to a Mezzanine Loan or Credit Enhancement or a delivery by Lessee of an assignment in lieu thereof, or (iv) the first Transfer by the Mezzanine Lender or the beneficiary of a Credit Enhancement following a Transfer pursuant to clause (iii)), an amount equal to the lesser of (x) \$2 million (or a prorated portion thereof if such Transfer is of less than 100% of the ownership interests of Lessee) or (y) 0.25% of the gross sales price (less typical commissions, closing adjustments and credits) in connection with such Transfer (each "Transaction Rent"); provided that Transaction Rent shall be payable in connection with any such Transfer only if the gross sales price in connection with such Transfer exceeds an amount equal to 120%

of the Improvement Costs (provided that any Improvement Costs paid to Affiliates of Lessee shall be included up to but not exceeding fair market value for the services provided by such Affiliates), or a prorated portion thereof if such Transfer is of less than 100% of the ownership interests of Lessee.

(i) An example of calculating Transaction Rent pursuant to Section 4.4(b) is set forth on **Exhibit "O"**.

(c) **Non-subordination of Rent.** The Rent payable to City hereunder shall never be subordinated, including to any sums due under the Construction Loan or any other financing by Lessee, and City shall at all times have a first priority right to payment of the Rent from Gross Operating Revenues and Gross Operating F&B Revenues.

(d) **Payment of Rent and Other Payments.** All Rent and other payments hereunder required to be made to the City shall be paid to the City at the Office of the Director of Finance, Miami Beach City Hall, 1700 Convention Center Drive, 3rd Floor, Miami Beach, Florida 33139 and in such manner or at such other place as the City shall designate from time-to-time in a notice given pursuant to the provisions of Section 14.5.

(e) **Late Payment Charge.** In the event the Lessee fails to make any payments, as required to be paid under the provisions of this Lease, within fifteen (15) days after same shall become due, interest at the Default Rate shall accrue against the delinquent payment(s) from the original due date until the City actually receives payment. The right of the City to require payment of such interest and the obligation of the Lessee to pay same shall be in addition to and not in lieu of the rights of the City to enforce other provisions herein and to pursue other remedies provided under this Lease. All payments of money required to be paid to the City by Lessee under this Lease other than Base Rent, including interest, late fees, penalties and contributions, shall be treated as Additional Rent.

(f) **Dishonored Check or Draft.** In the event that the Lessee delivers a dishonored check, draft or wire transfer to the City in payment of any obligation arising under this Lease, the Lessee shall incur and pay City an amount that is three (3) times the service fee incurred by City for such dishonored check or draft. Further, in such event, the City may require that future payments required pursuant to this Lease be made by cashier's check or other means acceptable to the City.

(g) **Holdover Rental.** In the event that the Lessee remains in possession of the Leased Property beyond the Term or termination of this Lease, the Lessee shall be bound by all of the terms and conditions of this Lease to the same extent as if this Lease were in full force and effect during the time beyond the expiration date of this Lease. However, during any such possession of the Leased Property, as a holdover tenant after the City has demanded the return of the Leased Property, the Lessee shall be liable for double the Base Rent being paid at that time, or, if Section 83.06, Florida Statutes, as amended provides a greater amount, then whatever greater amount is specified in the Florida Statutes.

(h) **No Abatement of Rent.** Except as may be otherwise expressly provided herein, there will be no abatement, diminution or reduction of Rent payable by Lessee hereunder or of the other obligations of Lessee hereunder under any circumstances.

(i) **Lessee Improvements Not Deemed Rent.** The Lessee Improvements will be made by Lessee in order to put the Leased Property in a condition suitable for the operation of the Lessee's business. The cost or value of the Lessee Improvements is intended by the parties to inure solely to the

benefit of the Lessee and no portion of such cost or value is intended to inure to the benefit of the City or constitute rent, license fee or other consideration for the right to occupy the Leased Property or the Lessee Improvements until the surrender of the Leased Property from Lessee to the City at the expiration or earlier termination of this Lease.

(j) **Records and Reporting.**

(i) For the purpose of permitting verification by the City of any amounts due to it, including an account of Gross Operating Revenues, Gross Operating F&B Revenues, Base Rent and Transaction Rent, Lessee shall keep and preserve for at least five (5) years in Miami-Dade County, Florida, at the address specified in Section 14.5, or at its home office, auditable original or duplicate books and records for the Hotel Project, which shall disclose all financial information regarding the Hotel Project, including information required to determine Base Rent and Transaction Rent. All such records shall be maintained in every material respect according to GAAP and, as applicable to the Hotel, the Uniform System. The City shall, on commercially reasonable notice, have the right during normal business hours at the expense of the City unless otherwise provided herein to inspect such books and records and make any examination or audit or copy thereof which the City may require at any time within one year after (a) submittal of the annual certification to City set forth in Subsection 4.4(j)(ii) with respect to the Gross Operating Revenues and Gross Operating F&B Revenues, and (b) a Transfer pursuant to which Transaction Rent is due in accordance herewith, with respect to the gross sales price of such Transfer, as applicable. Records copied by the City, if any, shall be subject to the requirements of the Florida Public Records Act set forth in Chapter 119 of the Florida Statutes ("Public Records Act"). To the fullest extent permitted by law, City shall protect from disclosure any records that are confidential and exempt from disclosure under Florida law, provided, however, that nothing herein shall preclude the City or its employees from complying with the disclosure requirements of the Public Records Act, and any such compliance shall not be deemed an event of default by the City under this Lease. City shall use its good-faith, diligent efforts to provide timely written notice to Lessee of any public records request seeking any records of the Lessee that may be within the City's custody, possession or control, to permit Lessee the opportunity to seek to protect such information from disclosure. If such audit shall disclose a liability for Rent in excess of the Rent theretofore paid by Lessee for the period in question, Lessee shall pay such excess amounts, together with interest at the Default Rate, as Additional Rent within thirty (30) days after receipt of written demand therefor, and if such audit shall disclose an overpayment of the Rent theretofore paid, the City shall return the excess to Lessee within thirty (30) days after receipt of written demand therefore.

(ii) Lessee shall provide the City with an annual Audited Gross Operating Revenues Schedule for each Lease Year during the Term, certified by the Lessee's outside CPA, within one hundred twenty (120) days after the close of each Lease Year (including the Lease Year in which this Lease terminates or is terminated) specifying the Gross Operating Revenues and Gross Operating F&B Revenues, for each of the categories or items identified in the definitions of Gross Operating Revenues and Gross Operating F&B Revenues, as applicable, Base Rent for the applicable Lease Year and Additional Base Rent, if any.

(iii) If Lessee shall fail to deliver the foregoing annual Audited Gross Operating Revenues Schedule to the City within said one hundred twenty (120) day period, the City shall have the right to either conduct an audit itself or to employ an independent certified public accountant to examine such books and records as may be necessary to certify the amount of Rents due with respect to such Lease Year and to obtain the information described above. Lessee shall pay to the City, within thirty

(30) days after receipt of written demand thereof, as Additional Rent, the cost of any audit performed by or for the City pursuant to this item (iii).

(iv) If the City disagrees with the annual Audited Gross Operating Revenues Schedule provided by Lessee, it may conduct its own audit within one year after receipt of same by City, which Lessee shall pay for if said audit demonstrates a deficiency of more than three percent (3%), in the amount of Base Rent due to the City. If in the course of any audit the City identifies a deficiency in excess of five percent (5%) in the amount of Base Rent, the City shall have the right to audit Lessee's books and records for the three (3) prior calendar years. If the City identifies any deficiencies in excess of five percent (5%) in the amount of Base Rent due as a result of an audit of any of those three (3) prior calendar years, the City shall have the right to audit an additional two (2) prior calendar years. Any dispute between the two audits which cannot be resolved by the Parties shall be resolved in accordance with Section 7.8 of this Lease. The cost of any audit by the City which Lessee is required to pay the cost of pursuant to this Section shall be the cost charged to the City by its independent auditors, or if done by City personnel, the direct employee salary cost to the City for the time spent by said employees in performing such audit, but not in excess of what would have been charged to the City for the same service by the City's outside auditors.

(v) Quarterly, commencing on the Possession Date and continuing until the Completion of Construction, and not less often than annually thereafter, Lessee shall deliver to the City a written report detailing the employment by Lessee of City of Miami Beach and Miami-Dade County residents in the construction, operation and maintenance of the Hotel Project.

Section 4.5. Covenants for Payment of Public Charges by Lessee.

(a) **Payment of Public Charges.** Lessee, in addition to the Rent and all other payments due to City hereunder, covenants to pay and discharge before any fine, penalty, interest or cost may be added, all public charges (collectively "Public Charges") including:

(i) All real and personal property taxes, all ad valorem real property taxes, all taxes on Rents payable hereunder and under Subleases, tourist, room and restaurant taxes, restaurant taxes, and public assessments (including, without limitation, permit fees, impact fees and other public charges); and

(ii) Special Assessments pursuant to Section 4.5(d), electric, water and sewer rents, rates and charges levied, assessed or imposed by any Governmental Authority against the Leased Property, including all Lessee Improvements thereon, in the same manner and to the same extent as if the same, together with all Lessee Improvements thereon were owned in fee simple by Lessee; and

(b) Lessee's obligation to pay and discharge Public Charges levied, assessed or imposed against or with respect to the Leased Property shall not commence until the Possession Date. All such charges shall be prorated, to the extent applicable, if the Possession Date is not at the beginning of the calendar year. Lessee, upon written request, shall furnish or cause to be furnished to the City, official receipts of the appropriate taxing authority, or other proof satisfactory to the City evidencing the payment of any Public Charges.

(c) **Contesting Impositions.**

(i) Lessee shall have the right to contest the amount or validity, in whole or in part, of any Public Charges, for which Lessee is, or is claimed to be, liable, by appropriate proceedings diligently conducted but only after payment of such Public Charges, unless such payment would operate as a bar to such contest or materially interfere with the prosecution thereof, in which event, payment of such Public Charges may be postponed if, and only if, Lessee has deposited with City, in its capacity as landlord under this Lease, cash or other security reasonably required by City Manager in the amount so contested and unpaid, together with interest and penalties in connection therewith and any other charges that may be assessed against or become a charge on the Leased Property or any part thereof in such proceedings, less any amounts deposited with any Leasehold Mortgagee or any Mezzanine Lender for such purposes. Upon the termination of any such proceedings, Lessee shall pay the amount of such Public Charges or part thereof, if any, as finally determined in such proceedings, together with any costs, fees, including counsel fees, interest, penalties and any other liability in connection therewith, and may use the cash or other security deposited with the City for such purpose. If Lessee does not so use any such cash or other security deposited with the City, then the City shall promptly return such cash or other security to Lessee upon the termination of any such proceedings.

(ii) City shall not be required to join in any proceedings referred to in this Section 4.5(d) unless:

(1) Governmental Requirements shall require that such proceedings be brought by or in the name of City; or

(2) the proceeding involves the assessment or attempted assessment of a real estate or ad valorem tax on the Leased Property,

in which event the City shall join in such proceedings or permit the same to be brought in the City's name. Notwithstanding the foregoing, City's joinder and cooperation shall be limited to actions necessary to enable Lessee to satisfy technical requirements of any action or proceeding and in no event shall City be required to join in such action or proceeding in any substantive capacity.

(iii) Except for any counsel it retains separately, the City shall not be subjected to any liability to pay any fees, including counsel fees, costs and expenses regarding such proceedings. Lessee agrees to pay such fees, including commercially reasonable counsel fees, costs and expenses or, on demand, to make reimbursement to the City for such payment. The City will endeavor to use in house counsel whenever possible, in accordance with the City's customary practices.

(d) **Special Assessments.** The City retains all its rights to impose nondiscriminatory special assessments or other public charges; provided, however, if at any time the City, in its municipal capacity, subjects non-governmental users to an exclusive franchise for trash removal or other public services, Lessee will be treated the same as similarly sized and situated properties (such as the Miami Beach Loews Hotel).

(e) **No Tax Abatements or Other Public Subsidies to Lessee.** This Lease shall not, in and of itself, entitle Lessee to any City tax abatement, tax rebate, public funding or public financing with respect to any Public Charges, nor shall this Lease prohibit Lessee from seeking or receiving any tax

abatement, tax rebate, public funding or public financing with respect to any Public Charges of any Governmental Authorities other than the City.

Section 4.6. Additional Consideration. Lessee, in addition to the Rent and all other payments due to City hereunder, covenants to pay to the City for joint marketing purposes to promote the Convention Center, the Hotel and the City, an amount equal to one percent (1%) of all gross room revenues but only to the extent paid by Hotel guests as a voluntary surcharge and collected by Lessee (the "Convention District Fee"). Lessee will not challenge or contest the validity of the Convention District Fee.

ARTICLE V **ASSIGNMENT**

Section 5.1. Purpose of Restrictions on Transfer. This Lease is granted to Lessee solely to develop the Hotel Project and its subsequent use according to the terms hereof, and not for speculation in landholding. Lessee recognizes that, in view of the importance of developing the Hotel Project to the general welfare of the City and the general community, the Lessee's qualifications and identity are of particular concern to the community and the City. Accordingly, Lessee acknowledges that it is because of such qualifications and identity that the City is entering into this Lease with Lessee, and, in so doing, the City is further willing to accept and rely on the Lessee's obligations for faithfully performing all its undertakings and covenants.

Section 5.2. Transfers. Lessee represents and warrants that Lessee has not made, created or suffered any Transfers as of the date of this Lease and that the Persons that have an ownership interest in Lessee on the date of this Lease are listed, together with their percentage and character of ownership, on **Exhibit "M"**. No Transfer may or shall be made, suffered or created by Lessee, its successors, assigns or transferees without complying with the terms of this Article V. Any Transfer that violates this Lease shall be null and void and of no force and effect. Notwithstanding anything to the contrary set forth herein, including Section 5.3 hereof, prior to the Opening Date, **[PARTIES NEED TO CLARIFY]** Affiliates of either or both of Terra International Developments or Turnberry Associates, as each exists on the date of execution of this Lease (each, an "Initial Owner"), shall continue, directly or indirectly, to direct the day-to-day management and policies of Lessee.

Section 5.3. Permitted Transfers.

(a) Prior to the Opening Date, other than Permitted Transfers, no Transfer will be permitted without the written Approval of the City Manager.

(b) Each of the following Transfers, shall be permitted hereunder without the City's Approval ("Permitted Transfers"):

(i) a Transfer prior to the Opening Date of a direct or indirect interest in Lessee to an equity investor funding all or any portion of the balance of the Equity Commitment in excess of the Initial Lessee Minimum Equity Contribution (together with any additional amounts funded by Initial Lessee or one or more of its Affiliates), provided that such transferee satisfies the applicable "Acceptable Owner Criteria" set forth on **Exhibit "A"** attached hereto;

(ii) a Transfer after the Opening Date of the entire Hotel Project or any direct or indirect interest in Lessee provided that (i) the transferee satisfies the applicable "Acceptable Owner Criteria" set forth on Exhibit "A" attached hereto; (ii) the City is given written notice thereof together with true and correct copies of the applicable information required under **Exhibit "A"** attached hereto and in accordance with the time frames set forth on **Exhibit "A"** attached hereto in order for City Manager to confirm that the transferee (or the Lessee) is an Acceptable Owner; (iii) no Event of Default has occurred and is continuing and (iv) all of the conditions precedent to the effectiveness of such Transfer as set forth in Section 5.5 hereof are satisfied;

(iii) Any Transfer, if in accordance with the terms and conditions of Article VI, by the First Leasehold Mortgagee, to an agent, designee or nominee of the First Leasehold Mortgagee that is wholly owned or Controlled by such First Leasehold Mortgagee;

(iv) Any Transfer directly resulting from the foreclosure of a First Leasehold Mortgage or the granting of a deed in lieu of foreclosure of a First Leasehold Mortgage or any Transfer made to the purchaser at foreclosure of a First Leasehold Mortgage or to the grantee of a deed in lieu of foreclosure of a First Leasehold Mortgage (if such purchaser or grantee is a nominee in interest of the First Leasehold Mortgagee), and provided further that such Transfer, purchase or grant is in accordance with the terms and conditions of Article VI;

(v) Any Transfer directly resulting from a conveyance to a First Leasehold Mortgagee of Lessee's interest provided it is in accordance with the terms and conditions of Article VI;

(vi) Any Transfer directly resulting from the foreclosure by the Mezzanine Lender of a pledge of ownership interests of Lessee or any Transfer made to the purchaser at a foreclosure of such pledge of ownership interests of Lessee (if such purchaser is a nominee in interest of the Mezzanine Lender), or any assignment in lieu of such foreclosure, provided that such Transfer is in accordance with the terms and conditions of Article VI;

(vii) Any Transfer, or series of Transfers not permitted pursuant to Sections 5.3(b)(i) and 5.3(b)(ii) above, of not more than an aggregate of twenty-five percent (25%) of the direct or indirect ownership interests in Lessee, provided that either there is no change in Control of Lessee as a result of such Transfer or at all times after such Transfer, an Initial Owner or any Affiliate thereof, an Acceptable Owner or other successor Person Approved by the City Manager has the power to direct the day-to-day management and policies of Lessee;

(viii) Any Transfer that occurs by inheritance, devise, bequest or by operation of law upon the death of a natural person who is the owner of a direct or indirect ownership interest in Lessee, provided that, in each case, at all times after such Transfer, the transferor, or in the case of death, the Person who inherits transferor's interest, retains Control of the transferred interest;

(ix) Any Transfer to a trust, partnership or other entity for family estate planning purposes, provided that, in each case, at all times after such Transfer, the transferor retains Control of the transferred interest; or

(x) Any Transfer (A) to an Affiliate of the transferor or (B) among direct or indirect owners of Lessee, provided that, in each case, either there is no change in Control of Lessee as a result of such Transfer or at all times after such Transfer, an Initial Owner or an Affiliate thereof or an

Acceptable Owner or other successor Person Approved by the City Manager has the power to direct the day-to-day management and policies of Lessee;

provided, however, in the case of any Transfer hereunder, the proposed transferee shall not, directly or indirectly, own, operate or manage any Gaming Establishment in Miami-Dade County, Florida and any purported Transfer in violation hereof shall be null and void and of no force and effect; provided, however, that the foregoing restriction shall not apply to a proposed transferee if all Persons owning or Controlling such proposed transferee, own or control in the aggregate five percent (5%) or less of the voting securities of any owner, operator or manager of a Gaming Establishment in Miami-Dade County, Florida.

Section 5.4. Transfer Requiring City's Approval. Regarding any Permitted Transfer pursuant to Section 5.3(b) or any other Transfer that is not a Permitted Transfer, Lessee shall give or cause to be given to the City written notice of a Transfer (in the case of a Permitted Transfer), or written notice requesting Approval of any other Transfer that is not a Permitted Transfer, and submitting all information reasonably necessary for the City Manager (or the City Commission, with respect to Transfers to certain Foreign Instrumentalities as specified herein) to evaluate the proposed transferees and the Transfer and to obtain the City's Approval of same, when such Approval is required under the terms of this Lease. If a Permitted Transfer under Sections 5.3(b)(i) or (ii), said information shall demonstrate that the transferee is an Acceptable Owner as set forth on **Exhibit "A"** attached hereto; if a Permitted Transfer under Sections 5.3(b)(vii) or (x), said information shall demonstrate that either there is no change in Control of Lessee as a result of such Transfer or an Initial Owner or an Affiliate thereof, an Acceptable Owner or, if applicable, other successor Person Approved by the City Manager has the power to direct the day-to-day management and policies of Lessee; if a Permitted Transfer under Sections 5.3(b)(viii) or (ix) said information shall demonstrate that the transferor, or in the case of death, the Person who inherits transferor's interest, retains Control of the transferred interest. If not a Permitted Transfer, Lessee shall provide to the City the information described in Paragraph C of **Exhibit "A"** and the provisions described in Paragraph D of **Exhibit "A"** shall apply. The City's confirmation or Approval process shall proceed as set forth on **Exhibit "A"** attached hereto. Any Approval of a Transfer to a Foreign Instrumentality (other than to any of the member countries of the European Union or the Gulf Cooperation Council, each as existing as of the Effective Date, Canada, Mexico, countries located in South America (excluding Venezuela), Japan, South Korea, Singapore and Australia, or Persons Controlled by any of the foregoing countries) shall be subject to the prior written approval of the City Commission, which approval may be granted, conditioned or withheld by the City Commission in its sole discretion. Any Approval of a Transfer shall not waive any of the City's rights to Approve or disapprove of any subsequent Transfer. Lessee shall from time to time throughout the Term, as the City shall reasonably request, furnish the City with a complete statement, subscribed and sworn to by a Responsible Officer of Lessee, setting forth the full names and address of holders of the ownership interests in Lessee who hold, directly or indirectly, at least a ten percent (10%) interest in Lessee as well as to confirm the percentage ownership interest, if any, of such Responsible Officer.

Section 5.5. Effectiveness of Transfers. No Transfer shall be effective unless and until all of the following conditions precedent are satisfied within thirty (30) days of such Transfer:

- (a) executed copies of the documents that convey title to the transferred interest; and
- (b) where the Transfer is pursuant to Section 5.3(b)(ii), and if it is of the entire Hotel Project, the Person to which any such Transfer is made, by a commercially reasonable, written

instrument and in form recordable among the public records, shall, for itself and its successors and assigns, and especially for the benefit of the City, expressly assume all of the obligations of Lessee under this Lease and agree to be liable and subject to all conditions and restrictions to which Lessee is subject.

Section 5.6. Subletting.

(a) Subject to the other terms and conditions of this Lease, Lessee shall have the right to enter into Subleases of portions of the Leased Property at any time and from time to time during the Term of this Lease with such Subtenants, and upon such commercially reasonable terms and conditions as Lessee shall deem fit and proper, including, without limitation a taxable REIT subsidiary lease under Section 856 of the Internal Revenue Code and an Opco/Propco lease between Lessee and an Affiliate, provided the Sublease is consistent with this Lease (including this Article V) and consistent with the Hotel Standards. At the City's request, Lessee shall allow the City to review and inspect any and all Subleases for the Hotel Project.

(b) Lessee covenants that it will perform and observe in all material respects all the terms, covenants, conditions and agreements required to be performed and observed by it under each Sublease. Lessee agrees that each Sublease shall:

(i) require the Subtenant to maintain adequate books and records including reasonably detailed information on Gross Operating Revenues and/or Gross Operating F&B Revenues (as applicable) of the applicable subleased portion of the Leased Property and to submit the same for inspection and audit by the City and require the Subtenant to comply with Governmental Requirements;

(ii) provide that, if this Lease terminates, the Subtenant shall, if required by the City, pay all rents and all other charges required by such Sublease directly to the City; and

(iii) obligate the Subtenant not to violate any term, covenant or restriction applicable to Lessee that is contained in this Lease. In addition, Lessee shall in all events require and cause Subtenants to perform obligations imposed by the Lease and applicable to such Sublease (specifically including the obligations set forth in this Section 5.6).

(c) Notwithstanding anything to the contrary contained herein, at all times the Base Rent payable to the City with respect to all portions of the Leased Property, whether or not subleased to a Subtenant, shall be based on the Gross Operating Revenues and Gross Operating F&B Revenues of the Leased Property, including any subleased portion of the Leased Property, and shall not be based on the Sublease rent paid by any Subtenant thereunder (and such Sublease rent shall not be included in calculating Gross Operating Revenues or Gross Operating F&B Revenues, as applicable) except solely with respect to a portion of the Leased Property leased to a Subtenant for purposes of operating any areas on the ground floor of the Hotel Project; a gift shop; a car rental facility; FedEx, UPS or a similar delivery service; beachwear and equipment rental; and antennae; in which cases, only such Sublease rent (but not Gross Operating Revenues or Gross Operating F&B Revenues, as applicable, of such Subleased portions of the Leased Property) shall be used for purposes of calculating Gross Operating Revenues and Gross Operating F&B Revenues.

ARTICLE VI
MORTGAGE FINANCING; RIGHTS OF MORTGAGEE AND LESSEE

Section 6.1. Conditions of Financing and Leasehold Mortgage.

(a) Lessee shall have the right to secure one or more financings or re-financings and, in conjunction with and to secure that financing or re-financing, may enter into a First Leasehold Mortgage in favor of a First Leasehold Mortgagee and/or a pledge of its ownership interests in favor of a Mezzanine Lender, provided that:

(i) any such secured financing of the Hotel Project exclusively secures debt of the Lessee or the Mezzanine Borrower directly related to the Hotel Project;

(ii) no First Leasehold Mortgage or other encumbrance executed by the Lessee in connection with such First Leasehold Mortgage or Mezzanine Loan or otherwise will extend to or be a lien or encumbrance upon City's interest in any part of the Leased Property or in any right appurtenant to that interest;

(iii) the First Leasehold Mortgage and any other encumbrance executed by the Lessee in connection with such First Leasehold Mortgage or otherwise shall at all times, without the necessity for the execution of any further documents, be subject and subordinate to the interest of the City in the Leased Property subject to this Article VI; provided that (A) the First Leasehold Mortgagee agrees from time to time upon request and without charge to execute, acknowledge and deliver any instruments reasonably requested by the City under this Lease to evidence the foregoing subordination and (B) the City agrees from time to time upon reasonable request and without charge to execute, acknowledge and deliver any instruments reasonably requested by such First Leasehold Mortgagee or Mezzanine Lender to evidence the City's non-disturbance and recognition of the rights granted to such First Leasehold Mortgagee or Mezzanine Lender pursuant to this Section 6.1;

(iv) the rights of the City in the Leased Property and arising out of this Lease shall not be affected by the First Leasehold Mortgage, First Leasehold Mortgagee, Mezzanine Loan or Mezzanine Lender, nor shall the City be deprived in any other way of its rights in the Leased Property or under this Lease, except to the extent provided in this Article VI or in any subordination, non-disturbance and recognition agreement between the City and such First Leasehold Mortgagee or Mezzanine Lender that is consistent with the terms of this Lease;

(v) Lessee shall at all times remain liable hereunder for the payment of Rent and the performance of all covenants and conditions of this Lease as provided in this Lease;

(vi) at the time of the closing of the financing or re-financing other than for the initial Construction Loan, the initial Mezzanine Loan and any other Leasehold Mortgage loan or Mezzanine Loan that is closed prior to the Opening Date, Lessee certifies to the City that the Hotel Project, after taking into account all existing debt of the Lessee, is projected to have and be able to sustain a Debt Service Coverage Ratio of not less than 1.15 (based on the reasonably projected first stabilized year for any financing that closes prior to the end of the reasonably projected first stabilized year, and based on Lessee's approved operating budget for the current Lease Year for subsequent financings);

(vii) at the time of the closing of the financing or re-financing, the aggregate amount of the principal indebtedness secured by (a) mortgages encumbering Lessee's interest in the Leased

Property and/or (b) pledges of ownership interests of Lessee, does not exceed an amount equal to eighty percent (80%) of the sum of (1) the then value of Lessee's interest in the Leased Property and any improvements previously constructed on the Leased Property, as reasonably determined by a third-party appraiser selected by the City and engaged at Lessee's sole expense, which appraiser must have at least ten (10) years of experience in appraising hotel properties of at least four hundred (400) rooms in the Miami Beach area, (2) the value of any improvements to be constructed on the Leased Property with the proceeds of such financing or re-financing, and (3) all costs incurred, and all reserves required, in connection with such financing or re-financing;

(viii) the First Leasehold Mortgagee shall have a first-priority right and option to retain, apply and disburse the proceeds of any insurance or the proceeds of any condemnation award in accordance with the requirements of its First Leasehold Mortgage before any such proceeds are applied towards the demolition, repair or restoration of the Leased Property in accordance with the provisions of this Lease; and

(ix) Following a foreclosure sale, any purchaser at such foreclosure sale acquiring any right, title or interest in or to this Lease, shall enter into in a written instrument reasonably satisfactory to the City, to assume and agree to perform all of the terms, covenants and conditions of Lessee hereunder arising after the date of such Transfer (provided that City does not waive or relinquish its right, and shall have the right, to enforce its remedies with respect to any Event of Default existing as of the date of such Transfer), that no additional mortgage or assignment of this Lease or pledge of ownership interests of Lessee will be made except in accordance with the provisions contained in this Article VI, and that a duplicate original of such written instrument, duly executed and acknowledged by such purchaser and in recordable form, is delivered to the City immediately after the consummation of such sale, or, in any event, prior to taking possession of the Leased Property.

(b) Prior to the date (i) a First Leasehold Mortgage is recorded or (ii) the Mezzanine Lender, if any, enters into a Mezzanine Loan agreement with Lessee, the First Leasehold Mortgagee or Mezzanine Lender, as applicable, Lessee and the City (by and through the City Manager) shall enter into a non-disturbance, recognition and attornment agreement containing the provisions set forth in Section 6.1(d) below and such other terms and conditions as are reasonably acceptable to the First Leasehold Mortgagee or Mezzanine Lender, as applicable, and the City Manager, after consultation with the City's Chief Financial Officer and City Attorney.

(c) Lessee shall deliver to the City, promptly after execution by Lessee, (i) a true and verified recorded copy of any First Leasehold Mortgage and any amendment, modification or extension thereof, together with the name and address of the First Leasehold Mortgagee and (ii) a true and correct copy of any Mezzanine Loan agreement and any amendment, modification or extension thereof, together with the name and address of the Mezzanine Lender.

(d) For so long as any First Leasehold Mortgage encumbers the Leased Property, or, as applicable, a Mezzanine Lender holds a pledge of Lessee's ownership interest, and provided the conditions of Section 6.1(a) through (c) above have been satisfied:

(i) in any event where the City gives Lessee notice of an Event of Default, the City shall deliver a copy of such notice to the First Leasehold Mortgagee and Mezzanine Lender, at the name and address designated in writing by the First Leasehold Mortgagee and Mezzanine Lender to the City from time to time (the City shall be deemed to have fulfilled its notice obligation by providing the

required notice to the address delivered to the City in accordance with Section 6.1(c) or such other address so designated by the First Leasehold Mortgagee or Mezzanine Lender to the City in writing and shall not be responsible for any liability in the event such address is not current);

(ii) notwithstanding the time allowed for Lessee to cure an Event of Default, the First Leasehold Mortgagee and the Mezzanine Lender shall have the right, but not the obligation, up to fifteen (15) days following the City's notice thereof to cure a monetary default and thereafter keep all Rent and other amounts due hereunder current, and up to thirty (30) days following the City's notice thereof to cure a non-monetary Event of Default (except an Event of Default under Section 7.1(c) hereof, for which the First Leasehold Mortgagee and Mezzanine Lender will not be given any additional time to remedy), but if such non-monetary Event of Default cannot be cured within such thirty (30) day period, then the First Leasehold Mortgagee and Mezzanine Lender shall (except as provided in clauses (iii) and (iv) below) have up to ninety (90) days to cure, provided that it has started to do so within the initial thirty (30) day period and thereafter continues to diligently pursue the cure. The City will accept performance by the First Leasehold Mortgagee and Mezzanine Lender of any covenant, condition or agreement on Lessee's part to be performed hereunder with the same force and effect as though performed by Lessee; and

(iii) notwithstanding the provisions of this Lease to the contrary, including Article VII hereof, no Event of Default by Lessee will be deemed to exist as to the First Leasehold Mortgagee, and the City shall not be permitted to terminate this Lease due to an Event of Default of Lessee, as long as the First Leasehold Mortgagee, in good faith, either (A) commences to cure such Event of Default and prosecute the same to completion in accordance with clause (ii) above, or (B) if the nature of any non-monetary Event of Default (except an Event of Default under Section 7.1(c) hereof, for which the First Leasehold Mortgagee will not be given any additional time to remedy) is such that possession of or title to the Hotel Project is reasonably necessary to cure the Event of Default or if the Event of Default is of the type that cannot commercially reasonably be cured by the First Leasehold Mortgagee (e.g., Lessee bankruptcy) (and which will be waived as to the First Leasehold Mortgagee if the First Leasehold Mortgagee commences to cure all other Events of Default and prosecutes same to completion in accordance with this clause (iii) or clause (ii) above), files a complaint for foreclosure and thereafter prosecutes the foreclosure action in good faith and with due diligence and continuity (subject to any stays, moratoria or injunctions applicable thereto) and obtains possession or title, to the extent a cure cannot be effected without possession or title, directly or through a receiver, and as promptly as practicable after obtaining such possession or title, to the extent a cure cannot be effected without possession or title, commences promptly to cure such Event of Default and to prosecute the same to completion in good faith and with due diligence and continuity; provided, however, that the First Leasehold Mortgagee has delivered to the City, in writing within twenty (20) days following receipt of City's notice of default, its agreement to take the action described in clause (A) or (B) of this clause (iii), and that during the period in which such action is being taken (and any foreclosure proceedings are pending), all of the other obligations of Lessee under this Lease, to the extent they are susceptible of being performed by the First Leasehold Mortgagee (e.g., the payment of Rent), are being duly performed. However, at any time after the delivery of the aforementioned agreement, the First Leasehold Mortgagee may notify the City, in writing, that it has relinquished possession of the Leased Property, or that it will not institute foreclosure proceedings or, if such proceedings have been commenced, that it has discontinued them, and in such event, the First Leasehold Mortgagee will have no further liability under such agreement from and after the date which is 30 days after it delivers such notice to the City (except for any obligations accruing prior to 30 days after the date it delivers such notice), and, thereupon, subject to the rights of the Mezzanine Lender set forth in clause (iv) below, the

City will have the unrestricted right to terminate this Lease and to take any other action it deems appropriate by reason of any Event of Default, and upon any such termination, the provisions of Section 6.1(h) hereof will apply.

(iv) notwithstanding the provisions of this Lease to the contrary, including Article VII hereof, no Event of Default by Lessee will be deemed to exist as to the Mezzanine Lender, and the City shall not be permitted to terminate this Lease due to an Event of Default of Lessee, as long as the Mezzanine Lender and/or First Leasehold Mortgagee, in good faith, either (A) commences to cure such Event of Default and prosecute the same to completion in accordance with clause (ii) or (iii) above, or (B) if the nature of any non-monetary Event of Default (except an Event of Default under Section 7.1(c) hereof, for which the Mezzanine Lender will not be given any additional time to remedy) is such that title to the ownership interests of the Lessee is reasonably necessary to cure the Event of Default or if the Event of Default is of the type that cannot commercially reasonably be cured by the Mezzanine Lender (e.g., Lessee bankruptcy) (and which will be waived as to the Mezzanine Lender if the Mezzanine Lender and/or First Leasehold Mortgagee commences to cure all other Events of Default and prosecutes same to completion in accordance with clause (ii) or (iii) above), has taken all commercially reasonable steps necessary to foreclose the pledge of the Lessee's ownership interests, and prosecutes such action in good faith and with due diligence and continuity (subject to any customary and reasonable restrictions imposed under any intercreditor agreement or similar agreement between any First Leasehold Mortgagee and Mezzanine Lender and/or any stays, moratoria or injunctions applicable thereto) and obtains title to the ownership interests of the Lessee, and as promptly as practicable after obtaining such title, commences promptly to cure such Event of Default and to prosecute the same to completion in good faith and with due diligence and continuity; provided, however, that the Mezzanine Lender has delivered to the City, in writing within twenty (20) days following receipt of City's notice of default, its agreement to take the action described in clause (A) or (B) of this clause (iv), and that during the period in which such action is being taken, all of the other obligations of Lessee under this Lease, to the extent they are susceptible of being performed by the Mezzanine Lender (e.g., the payment of Rent), are being duly performed. However, at any time after the delivery of the aforementioned agreement, the Mezzanine Lender may notify the City, in writing, that it has relinquished title to the ownership interests of the Lessee or that it will not seek to foreclose the pledge of Lessee's ownership interests or, if such foreclosure has commenced, that it has been discontinued, and in such event, the Mezzanine Lender will have no further liability under such agreement from and after the date which is 30 days after it delivers such notice to the City (except for any obligations accruing prior to 30 days after the date it delivers such notice), and, thereupon, subject to the rights of the First Leasehold Mortgagee set forth in clause (iii) above, the City will have the unrestricted right to terminate this Lease and to take any other action it deems appropriate by reason of any Event of Default, and upon any such termination, the provisions of Section 6.1(h) hereof will apply.

(e) From and after the date upon which the City receives the notice described in Section 6.1(c) hereof, the City will not (i) consent to a cancellation or surrender of this Lease (except upon the expiration of the Term), or any amendment or modification hereof or (ii) terminate this Lease other than as provided in this Article VI (except upon the expiration of the Term) without the prior written consent of the First Leasehold Mortgagee and Mezzanine Lender, which consent shall not be unreasonably delayed, conditioned or withheld.

(f) Notwithstanding anything in this Lease to the contrary, foreclosure of a First Leasehold Mortgage or any sale thereunder, whether by judicial proceedings or by any power of sale contained in the First Leasehold Mortgage or applicable law, or any conveyance of the Hotel Project from Lessee to

the First Leasehold Mortgagee or its designee or nominee in lieu of the foreclosure or other appropriate proceedings in the nature thereof, or any foreclosure of a Mezzanine Loan, or conveyance of the Lessee's ownership interest in lieu thereof, shall not:

(i) require the City's consent; or

(ii) provided the First Leasehold Mortgagee or the Mezzanine Lender has complied with the provisions of this Article VI, constitute a breach of any provision of or a default under this Lease.

(g) If the First Leasehold Mortgagee or any other foreclosure sale purchaser subsequently assigns or transfers its interest under this Lease after acquiring the same by foreclosure or by an acceptance of a deed in lieu of foreclosure or subsequently assigns or transfers its interest under any such new lease entered into pursuant to Section 6.1(h) below, and in connection with any such assignment or transfer, the First Leasehold Mortgagee or any other foreclosure sale purchaser takes back a First Leasehold Mortgage to secure a portion of the purchase price, the holder of such First Leasehold Mortgage shall be a First Leasehold Mortgagee entitled to receive the benefit of this Article VI and all other provisions of this Lease intended for the benefit of a First Leasehold Mortgagee. Similarly, if a Mezzanine Lender or a purchaser under a UCC sale obtains title to the ownership interests in Lessee and subsequently assigns or transfers its interests in such ownership interests, or subsequently assigns or transfers its interest under any new lease entered into pursuant to Section 6.1(h) below, and in connection with any such assignment or transfer, the Mezzanine Lender or any other UCC sale purchaser takes back a pledge of the ownership interests of the Lessee to secure a portion of the purchase price, the holder of such pledge shall be a Mezzanine Lender entitled to receive the benefit of this Article VI and all other provisions of this Lease intended for the benefit of a Mezzanine Lender.

(h) Should the Lessee or any First Leasehold Mortgagee or Mezzanine Lender not cure the alleged Event of Default as provided in this Section 6.1, the City has the right to terminate this Lease by reason of any uncured Event of Default as provided in this Lease. If this Lease is terminated by the City in accordance with the foregoing or is terminated as a result of the bankruptcy of the Lessee, the City shall give written notification of such termination to the First Leasehold Mortgagee and Mezzanine Lender, and the City shall, upon written request of the First Leasehold Mortgagee to the City received within thirty (30) days after such notice of termination, enter into a new lease of the Leased Property with such First Leasehold Mortgagee or Lessee (as owned by Mezzanine Lender), as lessee, for the remainder of the Term with the same covenants, conditions and agreements (except for any requirements which have been fully satisfied by Lessee or City prior to termination or which pertain to the ownership of Lessee) as are contained herein.

(i) The City's delivery of the Leased Property to the First Leasehold Mortgagee or Lessee (as owned by Mezzanine Lender), as applicable, as lessee, pursuant to a new lease shall be:

(i) made without representation or warranty of any kind or nature whatsoever either express or implied;

(ii) First Leasehold Mortgagee or Lessee (as owned by Mezzanine Lender), as lessee, shall take such Leased Property "as-is" in its then current condition; and

(iii) upon execution and delivery of such new lease, First Leasehold Mortgagee or Lessee (as owned by Mezzanine Lender), as lessee, at its sole cost and expense shall be responsible for taking such action as shall be necessary to cancel and discharge this Lease and to remove Lessee named herein and any other occupant (other than as allowed by the First Leasehold Mortgagee or Lessee (as owned by Mezzanine Lender), as applicable, as lessee, or the City) from the Hotel Project.

(j) The City's obligation to enter into such new lease of the Leased Property with the First Leasehold Mortgagee or Lessee (as owned by the Mezzanine Lender) shall be conditioned upon, on the date the new lease is executed:

(i) the City receiving payment of all Rent due hereunder through the date of such new lease;

(ii) all monetary defaults hereunder having been cured;

(iii) all non-monetary defaults susceptible to cure having been remedied and cured (or First Leasehold Mortgagee or Lessee (as owned by Mezzanine Lender), as applicable, as lessee, having commenced such cure and continuing to diligently complete the cure in accordance with clauses (iii) or (iv) of paragraph (d) above, as applicable); and

(iv) the City receiving payment of all expenses, including reasonable attorneys' fees and disbursements and court costs, incurred by the City in connection with such Event of Default, the termination of this Lease and the preparation of the new lease, together with interest thereon at the lesser of the Default Rate or the highest rate permitted by law, from the due date or the date expended by the City, as the case may be, to the date of actual payment from First Leasehold Mortgagee or Mezzanine Lender, as applicable.

(k) With respect to the payment of Rent by the First Leasehold Mortgagee or Mezzanine Lender pursuant to this Article VI, if the Rent currently due cannot be determined by the First Leasehold Mortgagee or Mezzanine Lender, as applicable, without possession of or title to the Hotel Project or ownership of the Lessee's equity interests, as applicable, then the First Leasehold Mortgagee or Mezzanine Lender may pay the amount of Base Rent which was paid for the immediately previous period, with the adjustment, upward or downward, to be made ninety (90) days after the First Leasehold Mortgagee obtains possession of or title to the Hotel Project or the Mezzanine Lender acquires title to the ownership interests of the Lessee, as applicable.

Section 6.2. No Waiver of Lessee's Obligations or City's Rights. Nothing contained herein or in any Leasehold Mortgage shall be deemed or construed to relieve Lessee from the full and faithful observance and performance of its covenants, conditions and agreements contained herein, or from any liability for the non-observance or non-performance thereof, or to require, allow or provide for the subordination to the lien of such Leasehold Mortgage or to any Leasehold Mortgagee of any estate, right, title or interest of the City in or to the Leased Property, buildings and structures or this Lease (including the right to Rent, Public Charges, and other monetary obligations of Lessee to the City under this Lease), nor shall the City be required to join in such mortgage financing or be liable for same in any way. City's interest in the Leased Property and this Lease, as the same may be modified, amended or renewed, will not at any time be subject or subordinate to (a) any mortgage now or hereafter placed upon Lessee's interest in this Lease, or (b) any other liens or encumbrances hereafter affecting Lessee's interest in this Lease. City represents and warrants to Lessee that no mortgages currently exist against

its fee interest in the Leased Property, and acknowledges that this Lease shall not be subordinate to any future mortgage against the fee interest in the Leased Property. Notwithstanding anything to the contrary contained in this Lease, if all or any portion of the interest of City in the Leased Property or this Lease shall be acquired by reason of foreclosure of any mortgage, security agreement, lien or other encumbrance or other proceedings brought to enforce the rights of the holder(s) thereof, by deed in lieu of foreclosure or by any other method, and as a result any Person succeeds to such interests of City, this Lease and the rights of Lessee hereunder shall continue in full force and effect and shall not be terminated or disturbed except as otherwise expressly permitted by the terms of this Lease.

Section 6.3. Waiver of Landlord's Lien. City hereby waives any statutory liens and any rights of distress with respect to the improvements, fixtures and all Lessee's personal property constructed on, located at or used in connection with the Leased Property, or the Lessee's interest in the Leased Property. This Lease does not grant a contractual lien or any other security interest to City or in favor of City with respect to the improvements, fixtures or any of Lessee's personal property constructed on, located at or used in connection with the Leased Property, or the Lessee's interest in the Lease Property. The City further agrees to execute and deliver such instruments reasonably requested by any Leasehold Mortgagee or Mezzanine Lender from time to time to evidence the aforesaid waiver of City.

ARTICLE VII

REMEDIES; EVENTS OF DEFAULT

Section 7.1. Default by Lessee. Each of the following occurrences shall constitute an "Event of Default" of Lessee that shall entitle City to terminate this Lease and seek any other remedies as set forth in Section 7.2:

(a) if Lessee fails to pay any installment of Rent, including Base Rent, or any part thereof, when the same becomes due and payable for a period of three (3) Business Days after notice thereof from the City;

(b) if Lessee fails to make any payment of Additional Rent, Public Charges or any other payment required to be paid by Lessee hereunder for a period of 10 Business Days after notice thereof from City to Lessee;

(c) if Lessee fails to satisfy all of the Possession Conditions by the Outside Possession Date;

(d) [intentionally deleted];

(e) if Lessee fails, after Commencement of Construction, to cause the Opening Date to occur by the Outside Opening Date;

(f) if Lessee conducts on the Leased Property any business, the performance of any service, or the sale or marketing of any product or service by Lessee which is prohibited by the terms of this Lease for a period of thirty (30) days after receipt of notice thereof from the City;

(g) if Lessee (i) actively participates in the use of any portion of the Hotel Project as a Gaming Establishment (through venue rental, promotion or other similar activities) for a period of three (3) Business Days after written notice thereof from the City; provided, however, that the City shall

not be obligated to provide written notice of such failure more than two (2) times in any consecutive twelve (12) month period, and the failure of Lessee to comply with the restrictions in Section 4.2(b) prohibiting use of the Leased Property as a Gaming Establishment after the second written notice in any consecutive twelve (12) month period shall constitute an Event of Default by Lessee hereunder without the requirement of any notice or opportunity to cure; or (ii) knows of the use by any Person of any portion of the Hotel Project as a Gaming Establishment and fails for a period of three (3) Business Days after written notice thereof from the City either to (A) cause the violation to cease or (B) commence action to terminate the Sublease and thereafter diligently prosecute eviction of the Subtenant as immediately as possible;

(h) If Lessee or any Person with an ownership interest in Lessee violates Section 4.2(g) (other than as provided in subsection (g) above) or the Acceptable Owner Criteria specified in subparagraph A.4 of **Exhibit "A"** of this Lease; provided, however, in the case of any such violation by any Person with an ownership interest in Lessee, Lessee shall have twelve months to cure such violation after Lessee first becomes aware of such violation, including without limitation, in the case of Section 4.2(g) by divestiture of the ownership interest in the Gaming Establishment (whether by notice from the City or otherwise);

(i) if Lessee fails to maintain or provide evidence of all insurance in compliance in all material respects with Article IX hereof (any lapse in required coverage shall be deemed a failure to comply with Article IX hereof) and such failure continues for a period of ten (10) Business Days from the date of written notice thereof from City;

(j) if Lessee fails to operate the Hotel in compliance in all material respects with the Hotel Standards, and such failure continues for a period of ninety (90) days from the date of written notice thereof from City or if the default is not capable of being cured within such ninety (90) day period, Lessee fails within such period to commence a cure and thereafter diligently and in good faith prosecute the same to completion within a reasonable time, subject to the rights of any First Leasehold Mortgagees, Mezzanine Lenders and sub-lessees hereunder;

(k) if there is a default by Lessee under the Management Agreement and/or Franchise Agreement and as a result of such default the Management Agreement and/or Franchise Agreement is terminated and a replacement Management Agreement and/or Franchise Agreement is not entered into within ninety (90) days thereafter, provided that if Lessee shall have commenced and thereafter shall have continued diligently to replace the Management Agreement and/or Franchise Agreement within such ninety (90) day period and the Hotel Project continues to operate in the ordinary course of business, then Lessee shall have an additional commercially reasonable period of time not to exceed one hundred eighty (180) days within which to enter into a replacement Management Agreement and/or Franchise Agreement;

(l) if prior to the Opening Date, any lawsuit is filed against the Lessee, which is not dismissed within sixty (60) days and the amount in controversy of which is not covered by insurance or bond and which, if adversely determined, would substantially impair the ability of Lessee to perform its obligation to cause the Opening Date to occur by the Outside Opening Date, unless Lessee is contesting such lawsuit in good faith and through appropriate action.

(m) if Lessee fails to observe or perform one or more of the other terms, conditions, covenants or agreements of this Lease not otherwise addressed in this Section 7.1 and such failure

continues for a period of 45 days after written notice thereof by City to Lessee specifying such failure, unless such failure requires work to be performed, acts to be done, or conditions to be removed which cannot by their nature reasonably be performed, done or removed, as the case may be, within such 45 day period, in which case no Default will be deemed to exist as long as (i) Lessee commences curing the same within such 45 day period and diligently and continuously prosecutes the same to completion and (ii) after the Opening Date the Hotel Project continues to operate in the ordinary course of business, to the extent commercially reasonable taking into account the nature of the alleged failure to perform according to the covenant, condition or agreement in question;

(n) if Lessee admits, in writing, that it is generally unable to pay its debts as such debts become due;

(o) if Lessee makes an assignment for the benefit of creditors;

(p) if Lessee files a voluntary petition under the Bankruptcy Code or if such petition is filed against Lessee and an order for relief is entered, or if Lessee files any petition or answer seeking, consenting to or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the Bankruptcy Code or any other present or future applicable federal, state or other statute or law, or seeks or consent to or acquiesces in or suffers the appointment of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of Lessee, or of all or any substantial part of its properties or of the Leased Property or any interest of Lessee therein;

(q) if within 90 days after the commencement of any proceeding against Lessee seeking to have an order for relief entered against it as debtor or to adjudicate it a bankrupt or insolvent, or seeking any reorganization, arrangement, composition, readjustment or adjustment, winding-up, liquidation, dissolution or similar relief under the Bankruptcy Code or any other present or future applicable federal, state or other statute or law of any jurisdiction, domestic or foreign, such proceeding has not been dismissed, or if, within 90 days after the appointment, without the consent or acquiescence of Lessee, of any trustee, receiver, custodian, assignee, sequestrator or liquidator of Lessee, or of all or any substantial part of its properties or of the Leased Property or any interest of Lessee therein, such appointment has not been vacated or stayed on appeal or otherwise, or if, within 30 days after the expiration of any such stay, such appointment has not been vacated;

(r) if any case, proceeding or other action is commenced or instituted against Lessee seeking the issuance of a warrant of attachment, execution or similar process against all or any substantial part of its property, which case, proceeding or other action results in the entry of an order for any such relief which has not been vacated, discharged, stayed or bonded pending Lessee's appeal therefrom within 30 days from the entry thereof;

(s) if Lessee fails, or fails to cause the Hotel Operator, to continuously operate the Leased Property in accordance with Section 13.2 hereof; provided, however, that if such failure is a result of the actions or inactions of the Hotel Operator, and in order to cure such failure, Lessee must enforce its rights against the Hotel Operator and/or terminate Hotel Operator, Lessee shall have a period of twelve (12) months after the initial occurrence of such failure within which to cause the Hotel Operator to continuously operate in accordance with Section 13.2 hereof and/or terminate the Hotel Operator provided that Lessee promptly commences such enforcement rights and/or termination and thereafter pursues such enforcement rights and/or termination in good faith and with due diligence and

during such enforcement and/or termination process, Lessee uses commercially reasonable efforts to continuously operate the Leased Property in accordance with Section 13.2 hereof;

(t) if Lessee, prior to the Opening Date, vacates or abandons the Leased Property or any portion thereof, or voluntarily abandons construction of any portion of the Hotel Project (other than in connection with a Force Majeure Event), which abandonment is not cured within a reasonable time, not less than thirty (30) days, following written notice from City;

(u) if this Lease or the leasehold estate of Lessee hereunder is assigned, subleased, transferred, mortgaged, pledged or encumbered in any manner without compliance with the provisions of this Lease, or if Lessee attempts to consummate any Transfer (by entering into an agreement to sell or assign its interest in this Lease or the Hotel Project or to sublet any portion of the Leased Property which is not conditioned on satisfying the Transfer provisions of this Lease, or by agreeing to a Transfer without complying with the provisions governing same in this Lease), except as expressly permitted herein, and fails to correct such Transfer or such other default under this clause (u) within thirty (30) days after receiving notice from City;

(v) if a levy under execution or attachment is made against Lessee or its property and such execution or attachment has not been vacated or removed by court order, bonding or otherwise within a period of 30 days after such execution of attachment; and

(w) if Lessee or Hotel Operator fails to comply with the Room Block Agreement in a manner that constitutes an Event of Default under such agreement.

Notwithstanding any provision to the contrary herein, the Parties' acts or omissions in connection with Section 3.10 shall not be deemed an Event of Default.

Section 7.2. Remedies for Lessee's Default.

(a) If an Event of Default occurs hereunder, the City may elect any one or more of the following remedies, without limitation:

(i) terminate this Lease and commence an action for eviction immediately upon the occurrence of any Event of Default;

(ii) immediately revoke the licenses granted to Lessee pursuant to the Assignment of Plans and Approvals and the Assignment of Hotel Project General Construction Contract; and

(iii) with respect to any Event of Default under Section 7.1(f), the City shall be entitled, for each month so long as such Event of Default has not been cured, to Base Rent equal to three times the Base Rent being paid at the time of such Event of Default for each month until the earlier of (x) such Event of Default has been cured or (y) City has terminated this Lease pursuant to clause (i) above.

The City's election of a remedy hereunder with respect to any one or more Events of Default shall not limit or otherwise affect the City's right to elect any of the remedies available to it hereunder or as provided by law with respect to that or any other Event of Default.

(b) If this Lease is terminated as provided in Section 7.2(a)(i) hereof as a result of an Event of Default under Section 7.1(c), Lessee will pay or cause to be paid to the City the lesser of: (i) the unfunded portion, if any, of the Initial Lessee Minimum Equity Contribution; or (ii) the actual, documented costs and expenses paid by City to third parties in connection with this Lease, not to exceed \$500,000.00 in the aggregate. If this Lease is terminated as provided in Section 7.2(a)(i) hereof as a result of an Event of Default other than an Event of Default under Section 7.1(c), Lessee will pay or cause to be paid to the City the unfunded portion, if any, of the Initial Lessee Minimum Equity Contribution and will indemnify City against and compensate City from and for any and all reasonable third party costs incurred by City in enforcing its rights and remedies hereunder. If Lessee has already invested the amount of the Initial Lessee Minimum Equity Contribution at the time of termination and has provided reasonable evidence of same to the City, no additional amounts will be due from Lessee;

(c) If an Event of Default occurs, Lessee will nevertheless be obligated to continue to pay all Rent for so long as Lessee has possession of the Leased Property.

(d) Upon the termination of this Lease, Lessee shall quit and peaceably surrender the Hotel Project (which includes the Leased Property and the Lessee Improvements), and all property in its possession to the City in accordance with Sections 7.9 and 11.5.

(e) Upon the termination of this Lease, as provided in this Section 7.2, all rights and interest of Lessee in and to the Hotel Project (which includes the Leased Property and the Lessee Improvements), and every part thereof shall cease and terminate, and the City may, in addition to any other rights and remedies it may have, retain all sums paid to it by Lessee under this Lease.

(f) If this Lease is terminated prior to the Outside Opening Date, to the extent not previously assigned to the City, City shall have the right to cause Lessee to assign to the City (or another Person as "Assignee") all of its rights under (i) the Hotel Project General Construction Contract, the Management Agreement, the Franchise Agreement, if any, the agreements executed by Lessee with the architect for the Hotel Project and any other design professions and any other agreement executed by Lessee in connection with the development, construction and/or fixturing of the Hotel Project that requires payments by Lessee exceeding \$500,000.00 in the aggregate and (ii) to the extent Lessee is able, all other contracts and agreements executed in connection with the Hotel Project, in each case on a non-recourse basis, without any warranties or representations from Lessee, and, subject to the rights of Leasehold Mortgagees and Mezzanine Lenders, to entitle City or Assignee to all of the rights and benefits of Lessee thereunder, and to provide that City or Assignee, upon the assignment of such contracts(s) and agreement(s) pursuant to this section, shall only be responsible for amounts due thereunder for work performed or services rendered with City's or Assignee's consent after such assignment; provided that the other party to any such contracts will continue to have the rights and remedies provided therein for any defaults occurring prior to the assignment to the City or its Assignee.

(g) In the event the City elects to terminate this Lease after an Event of Default and such termination is stayed by order of any court having jurisdiction of any matter relating to this Lease, or by any federal or state statute, then following the expiration of any such stay, the City shall have the right, at its election, to terminate this Lease with five (5) days' written notice to Lessee, Lessee as debtor in possession or if a trustee has been appointed, to such trustee.

(h) As an additional inducement to and material consideration for City agreeing to this Lease, Lessee agrees that in the event a Bankruptcy or Judicial Action (as defined herein) is commenced

which subjects the City to any stay in the exercise of the City's rights and remedies under this Lease, including the automatic stay imposed by section 362 of the United States Bankruptcy Code (individually and collectively, "Stay"), then, provided the Stay is lifted and released as to all Leasehold Mortgagees and Mezzanine Lenders (to the extent the Leasehold Mortgage loan documents and Mezzanine Loan documents, as applicable, include Stay relief provisions), Lessee irrevocably consents and agrees to the Stay being lifted and released against City, and City shall thereafter be entitled to exercise all of its rights and remedies against the Lessee under this Lease. The Lessee acknowledges that it is knowingly, voluntarily, and intentionally waiving its rights to any Stay and agrees that the benefits provided to the Lessee under the terms of this Lease are valuable consideration for such waiver. As used in this Section, the term "Bankruptcy or Judicial Action" shall mean any voluntary or involuntary case filed by or against Lessee under the Bankruptcy Code, or any voluntary or involuntary petition in composition, readjustment, liquidation, or dissolution, or any state and federal bankruptcy law action filed by or against Lessee, any action where Lessee is adjudicated as bankrupt or insolvent, any action for dissolution of Lessee or any action in furtherance of any of the foregoing, or any other action, case, or proceeding that has the effect of staying (or in which a Stay is being obtained against) the enforcement by the City of its rights and remedies under this Lease.

(i) Notwithstanding the foregoing, in the event that Lessee seeks to assume and assign this Lease pursuant to section 365 of the Bankruptcy Code it will be required to provide to the City adequate assurance of future performance which shall consist of evidence that such assignee satisfies the "Acceptable Owner Criteria" set forth in **Exhibit "A"**.

Section 7.3. Default by the City. An event of default by the City shall be deemed to have occurred under this Lease if the City fails to perform any obligation or fulfill any covenant or agreement of the City set forth in this Lease and such failure shall continue for thirty (30) days following the City's receipt of written notice of the non-performance; provided, however, the City shall not be in default of this Lease:

(a) if the City provides Lessee with a written response within said thirty (30) day period indicating the status of the City's resolution of the breach and providing for a mutually agreeable schedule to correct same; or

(b) with respect to any breach that is capable of being cured but that cannot reasonably be cured within said thirty (30) day period, if the City commences to cure such breach within such thirty (30) day period (or as soon thereafter as is reasonably possible) and diligently continues to cure the breach until completion, but no longer than a total of one hundred twenty (120) days.

Section 7.4. Force Majeure and Economic Force Majeure.

(a) Neither the City nor Lessee, as the case may be, shall be considered in breach of or in default of any of its non-monetary obligations, including suspension of construction activities, hereunder by reason of unavoidable delay due to any Force Majeure Event; provided that the Party claiming such Force Majeure Event delivers written notice to the other Party of such Force Majeure Event within twenty-one (21) days after first becoming aware of the occurrence thereof, which notice shall describe in reasonable detail the events giving rise to the Force Majeure Event; and such Party shall diligently attempt to remove, resolve or otherwise seek to mitigate such delay and keep the other Party advised with respect thereto. Time is of the essence with respect to this provision, and any failure by a Party to timely deliver such notice of a Force Majeure Event shall be deemed a waiver of such Party's right to delay performance as a result of such Force Majeure Event. With respect to any Force Majeure

Event that is an "Act of God" (e.g., a hurricane) that is of such an extent that reasonable methods of communication or access are not available, then notwithstanding Section 14.5 of this Lease to the contrary, notice by Lessee shall be deemed sufficiently given to City if transmitted via electronic transmission to the City Manager and City Attorney; provided that as soon as reasonably practicable following the occurrence of such "Act of God" a copy of such notice is delivered pursuant to the terms of Section 14.5 hereof.

(b) **Economic Force Majeure.** If, prior to Possession, Lessee is delayed, hindered or prevented from being able to obtain a Construction Loan Commitment or satisfy the Possession Conditions due to Economic Force Majeure, then the Outside Possession Date and the Outside Opening Date shall each be extended for the period of such delay (but not to exceed eighteen (18) months); provided, that, with respect to any such delay by Economic Force Majeure, the Lessee shall give written notice of such occurrence to City within twenty-one (21) days after Lessee has knowledge of such occurrence, which notice shall describe in reasonable detail the events giving rise to the Economic Force Majeure and Lessee shall diligently attempt to remove, resolve, or otherwise seek to mitigate such delay, and keep City advised with respect thereto. Time is of the essence with respect to this provision, and any failure by Lessee to timely deliver such notice of Economic Force Majeure shall be deemed a waiver of Lessee's right to extend the Outside Possession Date and the Outside Opening Date, as applicable, as a result of such Economic Force Majeure.

Section 7.5. Remedies Cumulative; Waiver. The rights and remedies of the parties to this Lease, whether provided by law or by this Lease, shall be cumulative and concurrent, and the exercise by either Party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies for the same default or breach, or of any of its remedies for any other default or breach by the other Party. No waiver of any default or Event of Default hereunder shall extend to or affect any subsequent or other default or Event of Default then existing, or impair any rights, powers or remedies consequent thereon, and no delay or omission of any Party to exercise any right, power or remedy shall be construed to waive any such default or Event of Default or to constitute acquiescence thereof.

Section 7.6. Right to Cure. If Lessee shall default in the performance of any term, covenant or condition to be performed on its part hereunder, the City may, in its sole discretion, after notice to Lessee and beyond applicable grace and cure periods (or without such notice and cure in the event of an emergency), perform the same for the account and at the expense of Lessee; provided, however: (i) City shall not exercise its rights under this Section 7.6 if the City has not provided the notices required under Section 6.1(d)(i); and (ii) City shall not exercise its rights under this Section 7.6 if any Leasehold Mortgagee or Mezzanine Lender is complying with the provisions of Sections 6.1(d)(ii), (iii) or (iv), as applicable, with respect to such default. If, at any time and by reason of such default that remains uncured beyond applicable grace and cure periods, except for defaults relating to failure to satisfy all of the Possession Conditions by the Outside Possession Date, or defaults that occur prior to the date the Possession Conditions are satisfied and possession is given to Lessee (unless in each case City waives any right to terminate this Lease), the City is compelled to pay, or elects to pay, any sum of money or do any act which will require the payment of any sum of money, or is compelled to incur any expense in the enforcement of its rights hereunder or otherwise, such sum or sums shall be deemed Additional Rent hereunder and, together with interest thereon at the Default Rate, shall be repaid to the City by Lessee upon demand. Notwithstanding the foregoing, sums expended in connection with the Work or Skybridge (or both) shall not be deemed Additional Rent, and Lessee shall not be required to repay City for such sums, unless either (A) City waives its rights to terminate this Lease regarding all then-existing

defaults and Events of Default or (B) if City does not waive its rights to terminate, and this Lease is terminated, then upon any reinstatement of this Lease either by mutual agreement of City and Lessee or by final, non-appealable order of a court of competent jurisdiction.

Section 7.7. Room Block Agreement. No termination or expiration of this Lease shall affect or impair the Room Block Agreement, which shall continue to encumber the Hotel with respect to any of Lessee's successors in accordance with the terms of the Room Block Agreement. Upon expiration or earlier termination of this Lease, the City shall honor bookings under the Room Block Agreement which follow such expiration or earlier termination of this Lease.

Section 7.8. Dispute Resolution.

(a) City and Lessee agree that any dispute, claim or controversy between them relating to or arising under this Lease ("Dispute") will first be submitted, by written notice, to a designated representative of both City and Lessee who will meet at City's place of business or other mutually agreeable location, or by teleconference, and confer in an effort to resolve such dispute. Any decision of the representatives will be final and binding on the parties. In the event the representatives are unable to resolve any dispute within ten (10) days after submission to them, either Party may refer the dispute to mediation. The exclusive venue for any Dispute not resolved by mediation shall be any state or federal court of competent jurisdiction sitting in or for Miami-Dade County, Florida, except for (i) Development Disputes, which shall be resolved in accordance with Section 7.9, or (ii) Disputes relating to City's disapproval of a proposed brand as an Approved Brand or a Proposed Transferee as an Acceptable Owner, which shall be resolved in accordance with Section 7.10.

(b) TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE CITY AND LESSEE HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER OF THEM OR THEIR HEIRS, PERSONAL REPRESENTATIVES, SUCCESSORS OR ASSIGNS MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS LEASE OR ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HERewith, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT TO THE PARTIES ENTERING INTO THIS LEASE.

Section 7.9. Expedited Arbitration of Development Disputes.

(a) If Lessee or City asserts that a Development Dispute has arisen, such asserting Party shall give prompt written notice thereof to the other Party, and such Development Dispute shall be submitted to binding arbitration by the Development Arbitrator in accordance with this Section 7.9.

(b) The Parties shall cooperate to select an independent, neutral, professional arbitrator experienced in the resolution of construction claims and associated subject matter having at least ten (10) years of hotel development or construction experience in the Miami-Dade County area to serve as the arbitrator (the "Development Arbitrator"). If the Parties cannot agree on a single Development Arbitrator, then each Party shall select an arbitrator with such hotel development or construction experience, who shall jointly select a third arbitrator with such hotel development or construction experience and the three arbitrators shall collectively constitute the Development Arbitrator.

(c) The Development Arbitrator shall, no later than five (5) Business Days after being selected, hold a preliminary, informal meeting with City and Lessee in an attempt to mediate such

Development Dispute. If such Development Dispute is not resolved at such meeting, the Development Arbitrator shall at such meeting establish a date (the "Hearing Date"), not earlier than five (5) Business Days after such meeting nor later than twenty (20) days after such meeting for a hearing (a "Hearing") to be held in accordance with this Lease to resolve such Development Dispute.

(d) Lessee and City each shall have the right to make one (1) written submission to the Development Arbitrator prior to the Hearing. Such submission shall be received by the Development Arbitrator and the other Party not later than two (2) Business Days prior to the Hearing Date. The Parties agree that no discovery (as the term is commonly construed in litigation proceedings) will be permitted and agree that neither Party nor the Development Arbitrator shall have discovery rights in connection with a Development Dispute.

(e) The Hearing shall be conducted by the Development Arbitrator. It is the intention of the Parties that the Hearing on a Development Dispute shall be conducted in an informal and expeditious manner. No transcript or recording shall be made. Each Party shall have the opportunity to make a brief statement and to present documentary and other support for its position, which may include the testimony of not more than four (4) individuals, two (2) of whom may be outside experts. There shall be no presumption in favor of either Party's position. Any procedural matter not covered herein shall be governed by procedures mutually agreed upon by the Parties, or if they are unable to agree, in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association (as amended hereby)

(f) The Hearing shall be held in a location selected by the Development Arbitrator in Miami-Dade County, Florida. Provided that the Development Arbitrator is accompanied by representatives of both Lessee and City, the Development Arbitrator may, at its option, visit the Hotel Site to make an independent review in connection with any Development Dispute.

(g) The Development Arbitrator, in rendering its decision with regard to any Development Dispute, shall take into account and at a minimum consider the following factors, which shall be used to guide its decision:

(i) City does not have any Approval rights with respect to the matter of interior design and decor of the Hotel Project except to the extent the same is reflected in the Approved Plans or Mandatory Hotel Project Design Elements;

(ii) the Hotel Project shall be designed and constructed to meet or exceed the Hotel Standards;

(iii) the mutual goal of Lessee and City is that costs in excess of the Budgeted Improvement Costs should be avoided or minimized unless proposed by Lessee and for which Lessee has agreed to provide adequate funds;

(iv) the mutual goal of Lessee and City is that the construction of the Hotel Project be completed and the Opening Date occur by the Outside Opening Date;

(v) the Hotel Project must comply with all Governmental Requirements; and

(vi) the magnitude of the modification to the Approved Plans.

(h) Pending resolution of the Development Dispute, Lessee may not implement the matter which is the subject of such Development Dispute.

(i) The Development Arbitrator shall render a decision, in writing, as to any Development Dispute not later than two (2) Business Days following the conclusion of the Hearing regarding such Development Dispute and shall provide a brief written basis for its decision not later than five (5) Business Days thereafter. Such decision of the Development Arbitrator shall be rendered by (a) the decision of the single Development Arbitrator, (b) the decision of two of the arbitrators comprising the Development Arbitrator, if two are able to agree, (c) the decision of the third arbitrator appointed by each of the Parties' arbitrators, if no two of the three arbitrators are able to agree within such period, or (d) agreement between the Parties prior to and independently of the decision of the Development Arbitrator. As to each Development Dispute, the Development Arbitrator's decision shall be limited to resolution of the Development Dispute in question, and the Development Arbitrator shall have no right whatsoever to impose or grant to either Party any remedy other than a decision as to: (i) whether a modification to the Hotel Project is a substantial deviation from the Approved Plans or a Prohibited Hotel Project Change requiring City's Approval pursuant to Section 2.2; (ii) any contention that City has unreasonably failed to Approve modifications to the Approved Plans in accordance with this Lease; (iii) any contention that City has unreasonably failed to Approve the proposed Approved Skybridge and Off-Site Improvements Plans or modifications thereto in accordance with this Lease; (iv) any contention that City has unreasonably failed to Approve a Hotel Project General Contractor in accordance with Section 2.8(b); or (v) any disagreement as to permitted delays in the Schedule of Performance pursuant to Section 2.7.

(j) The decision of the Development Arbitrator shall be final and binding on the Parties for all purposes and may be entered in any court of competent jurisdiction.

(k) If any matter submitted to the Development Arbitrator hereunder is settled by agreement between the Parties prior to, or independently of, the final determination of the Development Arbitrator, any and all expenses of such binding determination (including fees of the Development Arbitrator) will be shared equally by the Parties; and the expense of such binding determination resolved by final determination of the Development Arbitrator (including fees of the Development Arbitrator) will be borne by the Party against whom such determination has been concluded.

Section 7.10. Disputes Regarding Disapproval of a Proposed Brand or Proposed Transferee.

(a) If (i) Lessee and City disagree as to whether a proposed Approved Brand satisfies the definition of an Approved Brand pursuant to clause (a) of the definition thereof or (ii) Lessee believes that the City is acting unreasonably in disapproving a proposed brand as an Approved Brand, then in either case, the Lessee may refer the matter to mediation in accordance with Section 7.8(a) above, and if the matter is not resolved by mediation, then Lessee, as its sole remedy, may submit such matter to a panel of experts for a binding determination in accordance with this Section 7.10 (an "Arbitrator").

(b) If the City Manager determines that a proposed transferee of the Hotel Project (or any part thereof), any legal or beneficial interest in the Hotel Project (or any part thereof) or any direct or indirect legal or beneficial interest in Lessee (each, a "Proposed Transferee") does not satisfy the definition of an Acceptable Owner and the Acceptable Owner Criteria pursuant to **Exhibit A** attached hereto, and Lessee disagrees, and if the matter is not resolved by the designated representatives of the City and Lessee as provided in Section 7.8(a) above, then solely with respect to any such determination made by the City Manager, Lessee, as its sole remedy, may submit such matter to an Arbitrator in accordance with this Section 7.10. For the avoidance of doubt, in the event the City Manager exercises his or her right to seek the City Commission's direction or Approval of a Proposed Transferee, the Lessee shall not have the right to submit the City Commission's determination or disapproval of a Proposed Transferee to arbitration pursuant to this Section 7.10, but the City Commission shall be subject to the same time period and standards of judgment as would apply to the City Manager as provided in Exhibit A.

(c) If Lessee elects to proceed with an Arbitrator in accordance with this Section 7.10, the determination of whether a proposed brand should be an Approved Brand or a Proposed Transferee is an Acceptable Owner, will be made by (a) an expert selected jointly by the City and Lessee, or (b) if the City and Lessee fail to agree upon a single expert, by an expert selected by the City, an expert selected by Lessee and a third expert appointed by the experts selected by the Parties. Any Arbitrator or expert panelist hereunder will each have at least ten (10) years of professional experience in the hospitality industry as a legal or other consultant. The Parties agree that no discovery (as the term is commonly construed in litigation proceedings) will be permitted and agree that neither Party nor the Arbitrator shall have discovery rights in connection with a Dispute hereunder. The proceeding before the Arbitrator shall be conducted in an informal and expeditious manner. No transcript or recording shall be made. Each Party shall have the opportunity to make a brief statement and to present documentary and other support for its position, which may include the testimony of not more than four (4) individuals, two (2) of whom may be outside experts. There shall be no presumption in favor of either Party's position. Any procedural matter not covered herein shall be governed by procedures mutually agreed upon by the Parties, or if they are unable to agree, in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association (as amended hereby).

(d) The matter submitted to the Arbitrator will be conclusively determined within thirty (30) days of the appointment of the last Arbitrator by (a) the decision of the single expert, (b) the decision of any two of the three experts, if two are able to agree, (c) the decision of the third expert, if no two of the three experts are able to agree within such period, or (d) agreement between the Parties prior to and independently of the decision of the Arbitrator.

(e) With respect to (i) whether a proposed Approved Brand satisfies the definition of an Approved Brand pursuant to clause (a) of the definition thereof, the Arbitrator will determine that such proposed Approved Brand either satisfies such definition or fails to satisfy such definition or (ii) whether the City has acted reasonably in disapproving a proposed Approved Brand pursuant to Section 13.3, the Arbitrator will determine either that the City acted reasonably in disapproving the proposed Approved Brand or that the City acted unreasonably in disapproving the proposed Approved Brand, and the Arbitrator will have no authority to compromise or otherwise modify the issue that is the subject of the determination or (iii) whether a Proposed Transferee satisfies the definition of an Acceptable Owner and the Acceptable Owner Criteria pursuant to **Exhibit A**, the Arbitrator will determine that such Proposed Transferee either satisfies such definition and criteria or fails to satisfy such definition and criteria. If any matter submitted to the Arbitrator hereunder is settled by agreement between the Parties prior to, and independently of, the final determination of the Arbitrator, any and all expenses of such binding determination (including fees of the Arbitrator) will be shared equally by the Parties; and the expense of such binding determination resolved by final determination of the Arbitrator (including fees of the Arbitrator) will be borne by the Party against whom such determination has been concluded.

Section 7.11. Plans and Data. In the event of a termination of this Lease, Lessee shall deliver to City, copies of any and all Subleases and service and maintenance agreements then affecting the Leased Property, all maintenance records, all warranties or guaranties then in effect which Lessee received in connection with any work or services performed or FF&E installed on the Leased Property, the plans and specifications, surveys, studies, reports, cost estimates, designs, Governmental Approvals, keys, combinations to locks, access codes, records, correspondence and any and all other records, files, documents and other items and materials of every kind and nature whatsoever relating to the development, operation, maintenance or ownership of the Hotel Project, all of which shall be delivered by Lessee to the City within thirty (30) days after such termination; provided, however that for so long as a First Leasehold Mortgage encumbers the Hotel Project, the City agrees to permit Lessee to deliver any or all of the foregoing to such First Leasehold Mortgagee (which First Leasehold Mortgagee shall have priority with respect thereto pursuant to the non-disturbance, recognition and attornment agreement entered into pursuant to Section 6.1(b) hereof). Such materials will be provided to City without any representation or warranty of any kind, express or implied (including regarding the truth, accuracy or completeness thereof and fitness for a particular purpose). The obligations of Lessee under this Section 7.11 survive the termination of this Lease.

ARTICLE VIII

PROTECTION AGAINST MECHANICS' LIENS

AND OTHER CLAIMS; INDEMNIFICATION

Section 8.1. Lessee's Duty to Keep Project Free of Liens.

(a) Pursuant to Section 713.10, Florida Statutes, any and all liens or lien rights shall extend to, and only to, the right, title and interest of Lessee in the Hotel Project and shall not encumber or affect the City's fee simple title to the Leased Property.

(b) The right, title and interest of the City in the Leased Property shall not be subject to liens or claims of liens for improvements made by Lessee. Nothing contained in this Lease shall be deemed or construed to constitute the consent or request of the City, express or by implication or otherwise, to any

contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvement of, alteration to, or repair of the Hotel Project, or any part thereof, nor as giving Lessee, any Leasehold Mortgagee, Subtenant, lessee, or sub-lessee any right, power or authority to contract for, or permit the rendering of, any services or the furnishing of materials that would give rise to the filing of any lien, mortgage or other encumbrance against City's interest in the Leased Property, or any part thereof, or against assets of the City, or City's interest in any Rent and other monetary obligations of Lessee as defined in this Lease.

(c) Notice is hereby given, and Lessee shall cause all construction agreements entered into between Lessee and the Hotel Project General Contractor or other contractor in privity with Lessee or subcontractor in privity with the Hotel Project General Contractor or any other subcontractor to provide that:

(i) City shall not be liable for any work performed or to be performed at the Hotel Project or any part thereof for or on behalf of the Lessee, any Leasehold Mortgagee, Subtenant, lessee, or sub-lessee or for any materials furnished or to be furnished to the Hotel Project, or any part thereof, for any of the foregoing; and

(ii) no mechanic's, laborer's, vendor's, materialman's or other similar statutory lien for such work or materials shall be attached to or affect City's interest in the Leased Property, or any part thereof, or any assets of the City, or the City's interest in any Rent or other monetary obligations of Lessee arising under this Lease.

(d) Lessee acknowledges and agrees that the City shall be entitled to record in the public records of Miami-Dade County, Florida a notice of no lien in accordance with Chapter 713.10, Florida Statutes, and that if requested by the City, Lessee will execute and deliver a countersignature to such notice within ten (10) days of the City's request.

Section 8.2. Contesting Liens. If Lessee desires to contest any such lien as described in Section 8.1, it shall notify the City of its intention to do so within thirty (30) days after Lessee has notice of the filing of such lien. In such case, Lessee, at Lessee's sole cost and expense, shall furnish a cash deposit or surety bond in an amount sufficient to pay such lien and any cost (including interest and penalties), liability or damage arising out of such contest. The lien, if Lessee timely provides the bond described above, shall not be an Event of Default hereunder until thirty (30) days after the final determination of the validity thereof provided that, within that time, Lessee shall satisfy and discharge such lien to the extent held valid; provided, however, that the satisfaction and discharge of any such lien shall not, in any case, be delayed until execution is had on any judgment rendered thereon, or else such delay shall be considered to be a monetary Event of Default hereunder. In the event of any such contest, Lessee shall protect and indemnify the City against all loss, expense and damage resulting therefrom as provided in Section 8.3.

Section 8.3. Indemnification.

(a) Lessee acknowledges and agrees that this Lease is not an agreement between City and any architect, engineer, general contractor, subcontractor, sub-subcontractor, or materialman or any combination thereof for the construction, alteration, repair, or demolition of a building, structure, appurtenance, or appliance on the Leased Property, and therefore that the limitations on indemnity provisions in Section 725.06, Florida Statutes, as such statute may be amended from time to time, do not apply to this Lease. Accordingly, to the fullest extent permitted by law, the Lessee shall defend,

indemnify and hold harmless the City and its officers, employees, agents and instrumentalities from any and all liability, losses or damages, including reasonable attorneys' fees and costs of defense, which the City or its officers, employees, agents or instrumentalities may incur as a result of claims, demands, suits, causes of actions or proceedings of any kind or nature first arising following the Effective Date, and arising out of, relating to or resulting from any of the following occurrences or events, whether by the Lessee or its employees, agents, partners, principals, sub-lessees, or contractors: (i) [intentionally deleted]; (ii) the use and operation of the Hotel Project or any part thereof which is not in compliance with the terms of this Lease, (iii) the negligent acts or omissions of Lessee or its employees, agents, partners, principals, sub-lessees, or contractors; (iv) any challenge to the validity of any Transfer by a third party through legal proceedings or otherwise based on the action or inaction of Lessee or its employees, agents, partners, principals, sub-lessees or contractors, except to the extent any liability, losses or damages are caused by the gross negligence or willful misconduct of the City or its officers, employees, agents, or contractors.

(b) Lessee shall investigate and defend all claims, suits, or actions of any kind or nature in the name of the City which are covered by this indemnity obligation, where applicable, including appellate proceedings, and shall pay reasonable costs, judgments, and reasonable attorney's fees which may issue thereon.

(c) Lessee expressly understands and agrees that any insurance protection required by this Lease or otherwise provided by Lessee shall in no way limit the responsibility to indemnify, keep and save harmless and defend the City or its officers, employees, agents and instrumentalities as herein provided. The City shall give to the Lessee reasonable notice of any such claims or actions. The provisions of this section shall survive the expiration or early termination of this Lease.

(d) Lessee covenants and agrees that any contracts entered into by Lessee and the Hotel Project General Contractor or other contractors in privity with Lessee for the Work shall include the indemnities required by this Section 8.3 from the Hotel Project General Contractor or other contractors in privity with Lessee in favor of Lessee and the City.

Section 8.4. Environmental Matters.

(a) **Defined Terms.**

(i) "Environmental Condition" means any set of physical circumstances in, on, under, or affecting the Hotel Project that may constitute a threat to or endangerment of health, or the environment, including:

(1) The presence of any Hazardous Substance in violation of Environmental Laws which were introduced to the Hotel Site ;

(2) The violation, or alleged violation, of any Environmental Laws on the Leased Property;

(3) Any underground storage tanks, as defined in Subtitle I of the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. 6991 et. seq., or the regulations thereunder, for the storage of hazardous wastes, oil, petroleum products, or their byproducts;

(4) The presence of any PCB, asbestos or any other substances specifically regulated under the Toxic Substances Control Act, 15 U.S.C. 2601 or regulations issued thereunder, in violation of Environmental Laws; and any open dump or system of refuse disposal for public use without a permit, as prohibited by 42 U.S.C. 6945 and/or Florida law equivalent, or the regulations issued thereunder.

(ii) "Environmental Laws" means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et. seq., the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et. seq.; the Toxic Substances Control Act, 15 U.S.C. 2601 et. seq.; the Clean Water Act, 33 U.S.C. 1251 et seq.; the Clean Air Act, 42 U.S.C. 7401 et. seq.; the Oil Pollution Act, 33 U.S.C. 2701 et. seq., the Hazardous Materials Transportation Act, 49 U.S.C. 1801 et. seq.; the Refuse Act of 1989, 33 U.S.C. 407; as such laws have been amended or supplemented from time-to-time, and the regulations promulgated thereunder; and any equivalent state or local laws.

(iii) "Hazardous Substance" means any substances or materials presently or hereinafter identified to be toxic or hazardous according to any of the Environmental Laws, including any asbestos, PCB, radioactive substances, petroleum based products, and includes hazardous wastes, hazardous substances, extremely hazardous substances, hazardous materials, toxic substances, toxic chemicals, oil, petroleum products and their by-products, and pollutants or contaminants as those terms are defined in the Environmental Laws.

(iv) "Environmental Permit" means any Governmental Approval required under any Environmental Law in connection with the ownership, use or operation of the Hotel Project for the storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances, or the sale, transfer or conveyance of the Hotel Project, and all supporting documentation thereof.

(v) "Environmental Claim" means any notice of violation, claim, demand, abatement or order or direction (conditional or otherwise) by any Governmental Authority or any person for personal injury (including sickness, disease, or death), property damage, damage to the environment, nuisance, pollution, contamination or other adverse effects on the environment, or for fines, penalties, or restrictions, resulting from or based upon:

(1) The existence or release, or continuation of any existence of a release of, or exposure to, any Hazardous Substance in, into or onto the environment (including the air, ground, water or any surface) at, in or from the Leased Property in violation of Environmental Laws;

(2) The transportation, storage, treatment or disposal of any Hazardous Substance in connection with the activities on the Leased Property in violation of Environmental Laws; or

(3) The violation, or alleged violation, of any Environmental Laws on the Leased Property;

but excluding any of the foregoing to the extent arising from the negligent or intentional actions of the City and its agents after the execution of this Lease.

(vi) "Corrective Action Work" means any and all activities of removal, response, investigation, testing, analysis, remediation taken to:

(1) prevent, abate or correct an existing or threatened Environmental Condition at, about, or affecting the Leased Property but excluding those to the extent arising from the negligent or intentional actions of the City or its agents after the date of execution of this Lease; or

(2) comply with all applicable Environmental Laws, excluding those to the extent arising from the negligent or intentional actions of the City or its agents after the date of execution of this Lease.

(b) **Environmental Indemnification.**

(i) Provided that that Possession Conditions are satisfied and the City delivers possession of the Leased Property to Lessee, Lessee covenants and agrees, at its sole cost and expense, to defend (with counsel selected by Lessee, after consulting with the City), indemnify and hold harmless the City, its successors, and assigns from and against, and shall reimburse the City, its successors and assigns, for any and all Environmental Claims, whether meritorious or not, brought against the City by any Governmental Authority;

(ii) the foregoing indemnity includes indemnification against all costs of removal, response, investigation, or remediation of any kind, and disposal of such Hazardous Substances as necessary to comply with Environmental Laws, all costs associated with any Corrective Action Work, all costs associated with claims for damages to persons, property, or natural resources, and the City's commercially reasonable attorneys' fees and consultants' fees, court costs and expenses incurred in connection therewith;

(iii) this indemnification is in addition to all other rights of the City under this Lease; and

(iv) payments by Lessee under this Section shall not reduce Lessee's obligations and liabilities under any other provision of this Lease.

Notwithstanding anything to the contrary contained in this Lease, neither the Lessee nor Hotel Project General Contractor, or other contractor in privity with Lessee, has a duty to indemnify the City in connection with any Environmental Claims to the extent caused by the negligent or intentional conduct of the City or its agents, employees or contractors.

Section 8.5. Limitation of City's Liability.

(a) Any tort liability to which the City is exposed under this Lease shall be limited to the extent permitted by applicable law and subject to the provisions and monetary limitations of Section 768.28, Florida Statutes, as may be amended, which statutory limitations shall be applied as if the parties had not entered into this Lease, and City expressly does not waive any of its rights and immunities thereunder.

(b) City will not in any event whatsoever be liable for any injury or damage to Lessee (unless caused by the gross negligence of City, its agents, contractors or employees) or to any other Person happening on, in or about the Leased Property and its appurtenances, nor for any injury or damage to the Leased Property or to any property belonging to Lessee (unless caused by the gross negligence of City, its agents, contractors or employees) or to any other Person which may be caused by any fire or breakage, or by the use, misuse or abuse of any of the Lessee Improvements (including any of the common areas within the buildings, equipment, elevators, hatches, openings, installations, stairways, hallways or other common facilities or the improvements to the land described in this Lease), or which may arise from any other cause whatsoever (unless caused by the gross negligence of City, its agents, contractors or employees).

(c) City will not be liable to Lessee or to any other Person for any failure of telephone, computer system, cable TV, water supply, sewage disposal, gas or electric current, nor for any injury or damage to any property of Lessee or to any Person or to the Leased Property caused by or resulting from gasoline, oil, steam, gas, electricity, or hurricane, tornado, flood, wind or similar storms or disturbances, or water, rain or snow which may leak or flow from the street, sewer, gas mains or subsurface area or from any part of the Leased Property, or leakage of gasoline or oil from pipes, appliances, sewer or plumbing works therein, or from any other place, nor for interference with light or other incorporeal hereditaments by any Person (unless caused by the gross negligence of City, its agents, contractors or employees).

ARTICLE IX

INSURANCE AND RECONSTRUCTION

Section 9.1. General Insurance Provisions. Prior to any activity on the Leased Property, and at all times during the Term, Lessee at its sole cost and expense shall procure the insurance specified below. In addition, Lessee shall ensure its Hotel Project General Contractor and tenants maintain the insurance coverages set forth below. All policies must be executable in the State of Florida. All insurers must maintain an AM Best rating of A- or better. The terms and conditions of all policies may not be less restrictive than those contained in the most recent edition of the policy forms issued by the Insurance Services Office (ISO) or the National Council on Compensation Insurance (NCCI). If ISO or NCCI issues new policy forms during the policy term of the required insurance, complying with the new policy forms will be deferred until the expiration date of the subject policy. Said insurance policies shall be primary over any and all insurance available to the City whether purchased or not and shall be non-contributory. The Lessee, its Hotel Project General Contractor or tenants shall be solely responsible for all deductibles contained in their respective policies. All policies procured pursuant to this Article IX shall be subject to maximum deductibles reasonably acceptable to the City. The City of Miami Beach will be included as an "additional insured" on the commercial general liability, automobile liability (to the extent available), and pollution liability policies and as loss payee on the property insurance and builder's risk policy.

Section 9.2. Evidence of Insurance. Prior to Lessee taking possession of the Leased Property, and annually thereafter, Lessee shall deliver satisfactory evidence of the required insurance to the City. Satisfactory evidence shall be: (a) a certificate of insurance for all required coverage; and (b) a copy of the actual insurance policy for builder's risk coverage. The City, at its sole option, may request a certified copy of any or all insurance policies required by this Lease, or the applicable portions thereof if insurance is provided through a master insurance program. All insurance policies must specify they are

not subject to cancellation or non-renewal without a minimum of 30 days notification by the insurer to the City, the City's Risk Management Division and the First Leasehold Mortgagee, with a minimum of 10 days notification by the insurer to the City, the City's Risk Management Division and the First Leasehold Mortgagee prior to cancellation or non-renewal for non-payment of premium. The Lessee will deliver to the City, at least 30 days prior to the date of expiration of any insurance policy, a renewal policy replacing any policies expiring during the Term of this Lease, or a certificate thereof, together with evidence that the full premiums have been paid unless the premiums are being financed; provided that such financing shall be permitted only if such policy provides that the insurer will deliver to the City reasonable advance written notice prior to the cancellation of any coverage thereunder and a reasonable period of time within which the City has the right, but not the obligation, to pay any unpaid premiums to avoid any lapse in coverage. Premiums may be paid in annual installments. All certificates of insurance shall (i) be in a form acceptable to the City, (ii) name the types of policies provided, (iii) refer specifically to this Lease; (iv) evidence the waiver of subrogation in favor of the City as required by Section 9.11 below; and (v) evidence that coverage shall be primary and noncontributory, and that each policy includes a Cross Liability or Severability of Interests provision, with no requirement of premium payment by the City. Lessee shall deliver, together with each certificate of insurance, a letter from the agent or broker placing such insurance, certifying to the City that the coverage provided meets the coverage required under this Lease. The official title of the certificate holder is "City of Miami Beach, Florida." Additional insured certificates for the City shall read "City of Miami Beach, Florida", and shall be addressed to 1700 Convention Center Drive, Miami Beach, FL, 33139, Attn: Risk Management, 3rd Floor.

Section 9.3. Required Coverages. In addition to such insurance as may be required by law, the Lessee shall procure and maintain, or cause others to procure and maintain, without lapse or material change, for so long as it occupies the Leased Property, the following insurance, which may be provided through master blanket insurance policies and/or the insurance program of any applicable Approved Brand:

(a) **Commercial General Liability Insurance** on a comprehensive basis, including contractual liability, to cover the Leased Property and Lessee's operations and indemnity obligations, in an amount not less than \$5,000,000 combined single limit per occurrence for bodily injury and property damage. Such insurance may be provided through a combination of primary and excess/umbrella liability policies.

(b) **Automobile Liability Insurance** covering all owned, non-owned and hired vehicles used by the Lessee in connection with its operations under this Lease in an amount not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage. Coverage must be afforded on a form no more restrictive than the latest edition of the Business Automobile Liability policy, without restrictive endorsements, as filed by the Insurance Services Office (ISO).

(c) **Pollution Liability Insurance** in an amount not less than \$10,000,000 per claim, covering third party claims, remediation expenses, and legal defense expenses arising from on-site and off-site loss, or expense or claim related to the release of Hazardous Materials at the Leased Property. Such policy shall include an annual policy aggregate in the amount of \$10,000,000.

(d) **Builders Risk Insurance** during the course of construction, issued in the name of the Lessee, the Hotel Project General Contractor and the City as their interests may appear, in amount(s) not less than 100% of the insurable value of the Hotel Project completed structure(s), covering perils on an "All Risk" basis, including flood, earthquake, and windstorm. Policy(s) must clearly indicate that

underground structures (if applicable) and materials being installed are covered. Any deductibles are the sole responsibility of the Lessee.

(e) **Commercial Property Insurance** after Completion of Construction in an amount of 100% of the insurable value of all Lessee Improvements under an "all risk" form, including damage by water, flood, subsistence, tornado, hurricane and earthquake in an amount not less than the replacement cost value of the Hotel.

(f) **Business Interruption Insurance** after the Opening Date coverage utilizing a gross earnings value form with limits equal to twelve (12) months of Lessee's projected Gross Operating Revenues and Gross Operating F&B Revenues less non-continuing expenses associated with the Leased Property. The City and Lessee shall jointly review Lessee's projected Gross Operating Revenues and Gross Operating F&B Revenues periodically and the limits of this policy shall be adjusted based on this review.

(g) **Workers' Compensation and Employers Liability Insurance** with limits sufficient to respond to Florida Statute §440. In addition, the Lessee shall obtain Employers' Liability Insurance with limits of not less than: (i) \$500,000 Bodily Injury by Accident, (ii) \$500,000 Bodily Injury by Disease and (iii) \$500,000 Bodily Injury by Disease, each employee.

(h) **Professional Liability**. Lessee shall cause any architects or engineers to maintain architects and engineers errors and omissions liability insurance specific to the activities or scope of work such consultants will perform. If coverage is provided on a "claims made" basis, the policy shall provide for the reporting of claims for a period of five (5) years following the completion of all construction activities. The minimum limits acceptable shall be \$1,000,000 per occurrence and \$3,000,000 in the annual aggregate.

(i) **Terrorism Insurance**. So long as the Terrorism Risk Insurance Program Reauthorization Act of 2015 ("TRIPRA") or a similar or subsequent statute is in effect, terrorism insurance for "certified" and "non-certified" acts (as such terms are used in TRIPRA or a similar or subsequent statute) in an amount equal to the full replacement cost of the Leased Property plus 12 months of business interruption coverage. If TRIPRA or a similar or subsequent statute is not in effect, then the "all risk" property insurance required pursuant to Section 9.3(e) of this Lease shall not exclude coverage for acts of terror or similar acts of sabotage unless terrorism insurance is not commercially available, in which case, Lessee shall obtain stand-alone coverage in commercially reasonable amounts (for purposes of this clause (i), commercially reasonable amounts shall mean amounts that would be (A) obtained by property owners or lessees of properties located in markets similar to that of the Hotel Project and similar in size and type to the Hotel Project and (B) required by prudent Institutional Lenders or landlords in such similar markets with similar properties).

Section 9.4. Premiums and renewals. Lessee shall pay as the same become due all premiums for the insurance required by this Article IX, shall renew or replace each such policy and deliver to the City evidence of the payment of the full premium thereof prior to the expiration date of such policy, and shall promptly deliver to the City all original Certificates of Insurance and copies of all such renewal or replacement policies.

Section 9.5. Adequacy Of Insurance Coverage.

(a) The adequacy of the insurance coverage required by this Article IX may be reviewed periodically by the City in its sole discretion. Except with respect to "CCIP" and "OCIP" policies, the City reserves the right, but not the obligation, to review and reasonably revise the insurance requirements every three (3) years, (including but not limited to deductibles, limits, coverages and endorsements) provided such revisions are commercially reasonable, customary and commonly available regarding properties similar in type, size, use and location to the Leased Property and Lessee Improvements and further provided that such coverage is available at commercially reasonable rates (including fiduciary liability and directors and officers liability insurance);

(b) Lessee agrees that City may, if it so elects, at City's expense, have the Lessee Improvements appraised for purposes of obtaining the proper amount of insurance hereunder. Any review by the City shall not constitute an approval or acceptance of the amount of insurance coverage.

Section 9.6. City May Procure Insurance if Lessee Fails To Do So. If Lessee refuses, neglects or fails to secure and maintain in full force and effect any or all of the insurance required pursuant to this Lease within thirty (30) days after written notice from the City to Lessee and First Leasehold Mortgagee, the City, at its option, may procure or renew such insurance. In that event, all commercially reasonable amounts of money paid therefor by the City shall be treated as Additional Rent payable by Lessee to the City together with interest thereon at the Default Rate from the date the same were paid by the City to the date of payment thereof by Lessee. Such amounts, together with all interest accrued thereon, shall be paid by Lessee to the City within ten (10) days of written notice thereof.

Section 9.7. Effect of Loss or Damage. Any loss or damage by fire or other casualty of or to any of the Lessee Improvements on the Leased Property at any time shall not operate to terminate this Lease or to relieve or discharge Lessee from the payment of Rent, or from the payment of any money to be treated as Additional Rent in respect thereto, pursuant to this Lease, as the same may become due and payable, as provided in this Lease, or from the performance and fulfillment of any of Lessee's obligations pursuant to this Lease. No acceptance or approval of any insurance agreement or agreements by the City shall relieve or release or be construed to relieve or release Lessee from any liability, duty or obligation assumed by, or imposed upon it by the provisions of this Lease.

Section 9.8. Proof of Loss. Whenever any Lessee Improvements, or any part thereof, constructed on the Leased Property (including any personal property furnished or installed in the premises) shall have been damaged or destroyed, Lessee shall promptly make proof of loss in accordance with the terms of the insurance policies and shall proceed promptly to collect or cause to be collected all valid claims which may have arisen against insurers or others based upon any such damage or destruction.

Section 9.9. Insurance Proceeds.

(a) Authorized Payment. All sums payable for loss and damage arising out of the casualties covered by the property insurance policies shall be payable:

(i) directly to Lessee, if the total recovery is equal to or less than \$10,000,000 (as adjusted for inflation over the Term pursuant to Section 14.20 hereof), except that if an Event of Default has occurred and is continuing hereunder, such proceeds, shall be paid over to the Insurance Trustee and disbursed in accordance with Section 9.9(a)(ii). After the completion of all Reconstruction Work in accordance herewith, any remaining proceeds shall be paid over to Lessee subject to its obligations to the First Leasehold Mortgagee. If proceeds are paid directly to Lessee and Lessee defaults in its

obligations to reconstruct the Lessee Improvements as required hereunder, which default remains uncured after the expiration of any applicable grace and cure periods, and as a result City exercises its right to terminate this Lease under Section 7.2(a)(i), Lessee shall pay to City all such proceeds that have been paid directly to Lessee; and

(ii) (A) to a commercial bank or trust company designated by Lessee and Approved by the City Manager, (B) any Leasehold Mortgagee, if required by such Leasehold Mortgagee pursuant to the terms of such Leasehold Mortgage, or (C) any Mezzanine Lender if required by such Mezzanine Lender pursuant to the terms of the Mezzanine Loan documents (but subject to any requirements of any Leasehold Mortgagee) (the "Insurance Trustee"), if the total recovery is in excess of \$10,000,000 (as adjusted for inflation over the Term pursuant to Section 14.20 hereof) or is less than \$10,000,000 but an Event of Default has occurred and is continuing hereunder, to be held by the Insurance Trustee pending establishment of reconstruction, repair or replacement costs and shall be disbursed to Lessee pursuant to the provisions of subparagraph (b) of this Section 9.9.

(b) Disposition of Insurance Proceeds for Reconstruction.

(i) Subject to the requirements of any First Leasehold Mortgage, all insurance proceeds shall be applied for the reconstruction, repair or replacement of Lessee Improvements and the FF&E and other personal property of Lessee located on the Leased Property, so that Lessee Improvements, FF&E and such other personal property shall be restored to a condition comparable to the condition prior to the loss or damage (except to the extent restricted or prohibited by then applicable Governmental Requirements) but in all cases consistent with the Hotel Standards (hereinafter referred to as "Reconstruction Work");

(ii) From the insurance proceeds received by the Insurance Trustee, there shall be disbursed to Lessee such amounts as are required for the Reconstruction Work. Lessee shall submit invoices or proof of payment to the Insurance Trustee for payment or reimbursement according to an agreed schedule of values approved in advance by the City Manager and Lessee; and

(iii) After the completion of the Reconstruction Work, any unused insurance proceeds shall be paid to Lessee subject to the rights of any First Leasehold Mortgagee pursuant to the First Leasehold Mortgage.

Section 9.10. Reconstruction.

(a) In the event of any loss or damage by fire or other casualty of or to any of the Lessee Improvements, FF&E and other personal property of Lessee located on the Leased Property having a value in excess of \$2,500,000, Lessee shall give the City notice thereof within five (5) Business Days, and Lessee, at its sole cost and expense, whether or not such loss or damage has been insured and whether or not such loss or damage is to property having a value in excess of \$2,500,000, covenants and agrees to commence the Reconstruction Work as soon as practicable, but in any event within three (3) months after the insurance proceeds in respect of the destroyed or damaged improvements or personal property have been received by or made available to Lessee, and to fully complete such Reconstruction Work as expeditiously as reasonably possible consistent with the nature and extent of the damage. Lessee shall comply in all respects with the provisions of Section 2.15 with respect to any Reconstruction Work. To the extent any First Leasehold Mortgagee exercises any right or option to retain and apply any portion of the proceeds of any insurance (or condemnation awards) toward payment of the sum

secured by the First Leasehold Mortgage, Lessee shall diligently and expeditiously undertake to secure and close on Leasehold Mortgage loans and/or Mezzanine Loans to finance the Reconstruction Work, and thereafter, to commence and fully complete such Reconstruction Work as expeditiously as reasonably possible consistent with the nature and extent of the damage.

(b) [Intentionally deleted.]

(c) Notwithstanding the foregoing, if, during the last ten (10) years of the Term, the Lessee Improvements are totally destroyed or so damaged as to render them unusable, then (i) Lessee or the City may terminate this Lease by delivery of written notice of such termination to the other Party not later than sixty (60) days after the occurrence of such casualty, whereupon this Lease will terminate as of the date of such casualty. Upon such termination, the insurance proceeds shall be payable as follows: (i) first, to demolish the Lessee Improvements and clear the site of all Lessee Improvements and debris to the City's reasonable satisfaction, (ii) second to reimburse Lessee for the fair market value of the Lessee Improvements as of the date prior to such loss or destruction and (iii) third, the balance, if any, to the City. If neither the Lessee nor the City timely elect to terminate this Lease in accordance with this Section 9.10(c), Lessee shall restore the Lessee Improvements in accordance with Section 9.10(a) hereof.

Section 9.11. Waiver of Subrogation. Where permitted by law, each Party hereby waives all rights of recovery by subrogation or otherwise (including, without limitation, claims related to deductible or self-insured retention clauses, inadequacy of limits of any insurance policy, insolvency of any insurer, limitations or exclusions of coverage), against the other Party, and its respective officers, agents, or employees.

Section 9.12. Inadequacy of Insurance Proceeds. Lessee's liability hereunder to timely commence and complete restoration of the damaged or destroyed Lessee Improvements shall be absolute, irrespective of whether the insurance proceeds received, if any, are adequate to pay for said restoration.

Section 9.13. No City Obligation to Provide Property Insurance. Lessee acknowledges and agrees that City shall have no obligation to provide any property insurance on any Lessee Improvements or property of Lessee located on the Leased Property. If City does provide any property insurance coverage, Lessee acknowledges that such insurance shall be for the sole benefit of the City and Lessee shall have no right or claim to any such proceeds.

Section 9.14. Compliance. Lessee's compliance with the requirements of this Article IX shall not relieve the Lessee of its liability, or be construed to relieve or limit, Lessee of any responsibility, liability, or obligation imposed under any other portion of this Lease, or by law, including, without limitation, any indemnification obligations which Lessee owes to City.

Section 9.15. Right to Examine. The City reserves the right, upon reasonable notice, to examine the original or true copies of policies of insurance (including binders, amendments, exclusions, riders and applications), or applicable portions of any master insurance policy, to determine the true extent of coverage. The Lessee agrees to permit such inspection and make available such policies or portions thereof at the offices of the City.

Section 9.16. Personal Property. Any personal property of the Lessee or of others placed in the Leased Property shall be at the sole risk of the Lessee or the owners thereof, and the City shall not be

liable for any loss or damage thereto for any cause except as a result of the gross negligence or willful misconduct of the City or its employees, agents or contractors.

ARTICLE X

CONDEMNATION

Section 10.1. Complete Condemnation.

(a) If the entire Hotel Project shall be taken or condemned for any public or quasi-public use or purpose, by right of eminent domain or by purchase in lieu thereof (in each case, a "Taking"), or if such Taking shall be for a portion of the Hotel Project such that the portion remaining is not sufficient and suitable, on a commercially reasonable basis, for the operation of the Hotel, then this Lease shall cease and terminate as of the date on which the condemning authority takes possession; and

(b) If this Lease is so terminated, the entire award for the Hotel Project or the portion thereof so taken shall be apportioned among the City and the Lessee as of the day immediately prior to the vesting of title in the condemning authority, as follows:

(i) First, Lessee shall be entitled to the then fair market value of its interest under this Lease and in the Lessee Improvements, less the discounted value of such Lessee Improvements as allocated to the City, together with any and all business damages suffered by Lessee (subject, however, to the rights of the First Leasehold Mortgagee thereto);

(ii) Second, but only if the City is not the authority condemning the Hotel Project, the City shall receive the then fair market value of the Leased Property so taken or condemned considered as vacant, unimproved, and unencumbered, together with the value of the City's remainder interest in the Lessee Improvements which have been taken; and

(iii) the City and Lessee shall each receive one-half (1/2) of any remaining balance of the award, except that the Lessee shall receive the entire remaining balance of the award if the City is the authority condemning the Hotel Project.

Section 10.2. Partial Condemnation.

(a) If there is a Taking of a portion of the Hotel Project, and the remaining portion can, on a commercially reasonable basis be adapted and used to operate the Hotel in the same manner it was previously operated, then this Lease shall continue in full force and effect; and

(b) In such event, the award shall be apportioned as follows:

(i) First, to the Lessee to the extent required, pursuant to the terms of this Lease, for the restoration of the Hotel Project;

(ii) Second, but only if the City is not the authority condemning the Hotel Project, to the City the portion of the award allocated to the fair market value of the Leased Property which is so taken, considered as vacant and unimproved;

(iii) Third, to the Lessee the amount by which the value of Lessee's interest in the Lessee Improvements and the Leased Property were diminished by the taking or condemnation; and

(iv) the City and Lessee shall each receive one-half (1/2) of any remaining balance of the award, except that the Lessee shall receive the entire remaining balance of the award if the City is the authority condemning the Hotel Project.

Section 10.3. Restoration After Condemnation. If this Lease does not terminate due to a Taking, then:

(a) Lessee shall, with commercially reasonable diligence and good-faith, restore the remaining portion of the Hotel Project in accordance with the provisions of Sections 9.10(a) hereof;

(b) the entire proceeds of the award shall be deposited and treated in the same manner as insurance proceeds are to be treated under Article IX until the restoration has been completed and Lessee and the City have received their respective shares thereof pursuant to this Article X; and

(c) if the award is insufficient to pay for the restoration, Lessee shall be responsible for the remaining cost and expense.

Section 10.4. Temporary Taking. If there is a Taking of the temporary use (but not title) of the Hotel Project, or any part thereof, this Lease shall, but only to the extent it is commercially reasonable, remain in full force and effect and there shall be no abatement of any amount or sum payable by or other obligation of Lessee hereunder. Lessee shall receive the entire award for any such temporary Taking to the extent it applies to the period prior to the end of the Term and the City shall receive the balance of the award.

Section 10.5. Determinations. If the City and the Lessee cannot agree in respect of any matters to be determined under this Article, a determination shall be requested of the court having jurisdiction over the Taking. For purposes of this Article, any personal property taken or condemned shall be deemed to be a part of the Lessee Improvements, and the provisions hereof shall be applicable thereto.

Section 10.6. Payment of Fees and Costs. All fees and costs incurred in connection with any condemnation proceeding described in Article X shall be paid in accordance with the law governing same, as determined by the court, if appropriate.

ARTICLE XI

QUIET ENJOYMENT AND OWNERSHIP OF IMPROVEMENTS

Section 11.1. Quiet Enjoyment.

(a) The City represents and warrants that Lessee, upon paying the Rent, Additional Rent and other monetary obligations pursuant to this Lease and observing and keeping the covenants and agreements of this Lease on its part to be kept and performed, shall lawfully and quietly hold, occupy and enjoy the Leased Property during the Term without hindrance or molestation by the City, acting in its proprietary capacity, or by any Person claiming under the City, acting in its proprietary capacity. The City shall, at its own cost and expense, through the City Attorney's office or other counsel selected by

the City in its sole discretion, defend any suits or actions which may be brought challenging Lessee's right to lawfully and quietly hold, occupy and enjoy the Leased Property in accordance with the preceding sentence. Lessee shall have the right to retain its own counsel in connection with such proceedings, at Lessee's sole cost and expense.

(b) However, if the City is acting in its governmental capacity, any liability under this Section shall only be to the extent permitted by applicable law and subject to the provisions and monetary limitations of Section 768.28, Florida Statutes, as may be amended, which statutory limitations shall be applied as if the parties had not entered into this Lease.

Section 11.2. Waste. Lessee shall not knowingly permit, commit or suffer waste or material impairment of the Hotel Project, or any part thereof; provided, however, demolition of existing improvements on the Leased Property existing on the date hereof or redevelopment or reconstruction of the Hotel Project as permitted under this Lease shall not constitute waste.

Section 11.3. Maintenance and Operation of Improvements. Without limiting the provisions of Article XII, Lessee shall at all times keep the Hotel Project in good and safe condition and repair in accordance with the Hotel Standards, commercially reasonable wear and tear and (subject to Lessee's restoration obligations hereunder) damage by casualty excepted. Regarding the occupancy, maintenance and operation of the Hotel Project, the Lessee shall comply with all applicable Governmental Requirements.

Section 11.4. Ownership of Improvements During Lease.

(a) Prior to the expiration or termination of this Lease, title to the Lessee Improvements shall not vest in the City by reason of its ownership of fee simple title to the Leased Property, but title to the Lessee Improvements shall remain in Lessee.

(b) If this Lease shall terminate, based on a mutual agreement between the parties or an final order from a court with jurisdiction from which the time for appeal has expired, prior to the expiration of the Term and if, at that time, the First Leasehold Mortgagee or Mezzanine Lender shall exercise its option to obtain a new lease for the remainder of the Term pursuant to Article VI, then title to the Lessee Improvements shall automatically pass to, vest in and belong to such First Leasehold Mortgagee or any designee or nominee of such First Leasehold Mortgagee (or Lessee, as owned by Mezzanine Lender or its designee or nominee) permitted hereunder, until the expiration or sooner termination of the term of such new lease.

(c) The City and Lessee covenant that, to confirm the automatic vesting of title as provided in this paragraph, each will execute and deliver such further assurances and instruments of assignment and conveyance as may be commercially reasonably required by the other for that purpose.

Section 11.5. Surrender of Leased Property.

(a) Upon the expiration of the Term or earlier termination of this Lease (subject only to the rights of any First Leasehold Mortgagee), title to Lessee Improvements, free and clear of all debts, mortgages, encumbrances, and liens (which for this purpose shall include all personal property or equipment furnished or installed on the Hotel Project and owned or leased by Lessee), shall automatically pass to, vest in and belong to the City or its successor in ownership and it shall be lawful

for the City or its successor in ownership to re-enter and repossess the Leased Property and Lessee Improvements thereon without process of law; and

(b) The City and Lessee covenant that, to confirm the automatic vesting of title as provided in this Section, each will execute and deliver such further assurances and instruments of assignment and conveyance as may be reasonably required by the other for that purpose.

ARTICLE XII

MAINTENANCE AND REPAIRS

Section 12.1. Standards Generally. The City and Lessee agree that the manner in which the Hotel Project is developed, operated and maintained is important to the City by reason of its interest in having a convention hotel facility for use by its residents and visitors to the City. Therefore, Lessee hereby agrees to develop, operate and maintain the Hotel Project and the Lessee Improvements thereon (including all FF&E) consistent with the Hotel Standards and in good order and repair, and will replace the same when necessary with items of similar utility and value in order to maintain such condition throughout the Term.

Section 12.2. Utilities. City will not be required to furnish any services, utilities or facilities whatsoever to the Leased Property pursuant to this Lease. Any services provided to the Leased Property shall be pursuant to the terms of a separate agreement.

Section 12.3. Cleaning. Lessee shall, at its sole cost and expense, perform or cause to be performed, services which will at all times keep the Leased Property and the Lessee Improvements thereon, whether partially or fully constructed, in a clean, neat, orderly, sanitary and presentable condition.

Section 12.4. Removal of Trash. Lessee shall, at its sole cost and expense, store, dispose of, and remove or cause to be removed from the Leased Property all trash and refuse which might accumulate and arise from its use of the Leased Property.

Section 12.5. Maintenance and Repairs.

(a) Lessee shall be exclusively responsible for maintenance and repair of the Leased Property and the Lessee Improvements, (except for the Off-Site Improvements or to the extent infrastructure maintenance has been transferred by Lessee to a utility company by means of a written contract), to the extent and at the times that are consistent with standard industry practice for each applicable Lessee Improvement. Maintenance and repairs by Lessee, including landscape maintenance, shall be in quality and class equal to or better than the original Work to preserve the Leased Property and Hotel Project in good condition and working order.

(b) In no event shall City be responsible or liable for any maintenance or repair of any Lessee Improvement, fixture, equipment, structure, facility, alteration, or addition thereto on the Leased Property.

(c) Lessee shall be responsible for complying at its cost with any Governmental Requirements, including construction re-certification of any Lessee Improvement on the Leased Property (other than the Off-Site Improvements), including the "40-year recertification" requirement under the current building code.

(d) Maintenance and repair of the Hotel Project must be at a level that is in compliance with the Hotel Standards and that will cause the Hotel Project to be in a usable condition at the expiration or termination of this Lease, and with Lessee having expended sufficient funds that will cause each Lessee Improvement to be useful and functional and code compliant. During the Term of this Lease, Lessee shall (1) adequately and reasonably fund maintenance reserve accounts for each Lessee Improvement on the Leased Property in amounts that are consistent with standard industry practice applicable to each particular Lessee Improvement, (2) periodically expend funds from such accounts for maintenance purposes in an amount and at a time or times that are customary and ordinary for a sound maintenance program for the Leased Property and consistent with commercial development practices prevailing in South Florida and (3) comply at all times with the terms set forth in the Management Agreement and Franchise Agreement from time to time regarding accrual, maintenance and expenditure of reserves, including FF&E reserves.

Section 12.6. Excavation of Land. Except in connection with the construction of the Hotel Project, or redevelopment or reconstruction of the Hotel Project as permitted under this Lease, no excavation of any of the land shall be made, no soil or earth shall be removed from the Leased Property, and no well of any nature shall be dug, constructed or drilled on the Leased Property, except as may be required for environmental monitoring purposes, without the prior written Approval by City Manager.

Section 12.7. Water and Sewerage System. The Lessee shall operate and maintain, at its sole cost and expense, all the components of the water, sanitary sewerage and storm drainage facilities constructed by Lessee as part of the Hotel Project within the boundaries of the Leased Property. Once constructed, Lessee shall not make any alterations or modifications to these facilities without the advance written Approval of the City Manager, which approval shall not be unreasonably withheld. Such consent shall be granted if any such alterations or modifications are required to comply with Governmental Requirements.

Section 12.8. Industrial Waste Facilities. The Lessee shall be fully responsible for all industrial wastes on the Leased Property caused or produced by Lessee, its Subtenants or third-parties operating on the Leased Property and the proper disposal thereof, in accordance with applicable Governmental Requirements.

Section 12.9. Inspections. City and/or its designated representatives shall have the right, during normal working hours, after prior reasonable notice to inspect the Leased Property and the Lessee Improvements to identify those items of maintenance, repair, replacement, modification and refurbishment reasonably required of Lessee to keep the Leased Property and the Lessee Improvements in good order and condition. If Lessee has failed to fulfill its maintenance and repair obligations under this Lease, City shall provide written notice and the Lessee shall perform all corrective work identified in such notice within thirty (30) days of receipt of the notice from City; provided, however that if such corrective work cannot be reasonably accomplished within a thirty (30) day period, then the Lessee shall commence the corrective work within that thirty (30) day period and diligently prosecute same to completion. Trash and debris maintenance shall be corrected within two (2) Business Days following receipt of written notice from City. Failure of City to inspect as aforementioned shall not impose any liability on the City. Nothing in this contractual provision relating to City's inspections shall preclude City from making inspections of the Leased Property in accordance with City's regulatory authority.

Section 12.10. Failure of Lessee to Maintain. If Lessee has failed to properly clean, remove trash and debris, maintain, repair, replace and refurbish the Leased Property as required by this Article XII, the City

shall provide to the Lessee a written list of deficiencies, reflecting the amount of time to be reasonably allowed for the Lessee to correct same. If the Lessee fails to correct or commence to correct such deficiencies within the time allowed and has not registered an objection as to its obligation to do so, the City, at its option, may elect to correct any or all of such deficiencies, in which case, the City shall give Lessee fifteen (15) days further written notice of its intention to do so, and if the Lessee has not corrected or commenced to correct the same within such additional fifteen (15) day period, the City may enter upon the Leased Property and perform all work, which, in the reasonable judgment of the City, is necessary and the City shall add the cost of such work, plus twenty-five percent (25%) for administrative costs, to the Rent due hereunder on the first day of the month following the date of such work, and such cost shall be and constitute a part of the Rent. If Lessee has not corrected or commenced to correct such deficiencies within such additional fifteen (15) day period, the Lessee shall not undertake performance of such repairs or cleanup without specific prior written authorization from the City.

ARTICLE XIII **MANAGEMENT OF HOTEL**

Section 13.1. Hotel Standards.

(a) Lessee covenants and agrees that it will utilize the Hotel Standards, as delineated in **Exhibit "B"**, to maintain and operate the Hotel, and operate or cause for the Hotel to be operated in compliance with this Lease, Management Agreement, Franchise Agreement (as applicable) and Governmental Requirements;

(b) Any commercial operations on the Hotel Project, whether conducted by Lessee, an Affiliate of Lessee or any concessionaire, involving any unreasonably noisy, dangerous or obnoxious activities or the leasing or rental of unreasonably noisy, dangerous or obnoxious equipment, shall require the prior written approval of the City and City may withhold such approval or require the termination of any such commercial operations then in existence on the Hotel Project in its commercially reasonable judgment; and

(c) Lessee shall use commercially reasonable efforts to ensure that any concession, commercial activity, or other Hotel activity shall be generally consistent with the Hotel Standards.

(d) Notwithstanding anything to the contrary contained herein, in the event that the Convention Center is not operated and maintained in accordance with the MBCC Standard of Operation for a period of more than one hundred eighty (180) days after written notice thereof from Lessee to City and City does not commence improvements to restore the Convention Center to the MBCC Standard of Operation within one hundred eighty (180) days after written notice thereof from Lessee and thereafter use commercially reasonable, diligent efforts to complete such cure as soon as reasonably practicable, then as Lessee's sole remedy, Lessee's obligations under the Room Block Agreement shall be suspended until such time as the MBCC Standard of Operation is restored, at which time, Lessee shall be required to comply with its obligations under the Room Block Agreement.

Section 13.2. Covenant to Continuously Operate Hotel.

(a) Subject to the need to make repairs and perform maintenance and any Force Majeure Event in accordance herewith, after the Opening Date, Lessee shall diligently and continuously operate (or cause to be operated) the Hotel for 365 days each year consistent with the Hotel Standards;

(b) Subject to the need to make repairs and perform maintenance and subject to any Force Majeure Events in accordance herewith, after the Opening Date, for each day the Hotel is not operated continuously, the City, in addition to any other remedies available to it under this Lease, shall be entitled to receive a rental which shall be no less per day than the average of the Base Rent payable during the preceding three (3) full Lease Years; and

(c) Notwithstanding the foregoing, Lessee shall have the right from time-to-time to close the Hotel or parts thereof for such commercially reasonable periods of time to make repairs, alterations, remodeling and improvements, including, without limitation, any repairs, alterations, remodeling and improvements in connection with a Hotel brand change or refresh, or for any reconstruction after casualty or condemnation or any Force Majeure Event; provided that the Lessee is using commercially reasonable diligent efforts to repair and restore the Hotel or, as applicable, to mitigate the impact of such Force Majeure Events on its operations.

Section 13.3. Hotel Name. Lessee may enter into a new Management Agreement or Franchise Agreement, or change the name or brand of the Hotel so long as such name or brand is an Approved Brand. In the event Lessee desires to operate the Hotel as a non-branded hotel (which shall be permitted only after the twentieth (20th) anniversary of the Opening Date), the Hotel shall be owned, operated and maintained in a manner consistent with the Hotel Standards and the name of the Hotel in such case shall be determined by Lessee in its sole but reasonable discretion. In determining whether or not to give any Approval of a brand that is not an Approved Brand, the City may consider, by way of example and not of limitation, the public image of the proposed name or flag, its compliance with Exhibit B or other quality classification and whether such image is commensurate with the public image the City desires to project. Provided that no Event of Default is then continuing, Lessee's request for approval shall be deemed approved if (i) the first correspondence from Lessee to City requesting such approval or consent is in an envelope marked "PRIORITY" and contains a bold-faced, conspicuous (in a font size that is not less than fourteen (14)) legend at the top of the first page thereof stating that "FIRST NOTICE: THIS IS A REQUEST FOR CONSENT UNDER SECTION 13.3 OF THE DEVELOPMENT AND GROUND LEASE AGREEMENT, DATED AS OF [REDACTED], 201[REDACTED], AND FAILURE TO RESPOND TO THIS REQUEST WITHIN TWENTY (20) DAYS MAY RESULT IN THE REQUEST BEING DEEMED GRANTED", and is accompanied by the information and documents required above, and any other information reasonably requested by City in writing prior to the expiration of such twenty (20) day period in order to adequately review the same has been delivered; and (ii) if City fails to respond or to deny such request for approval in writing within the first fifteen (15) days of such twenty (20) day period, a second notice requesting approval is delivered to City from Lessee in an envelope marked "PRIORITY" containing a bold-faced, conspicuous (in a font size that is not less than fourteen (14)) legend at the top of the first page thereof stating that "SECOND AND FINAL NOTICE: THIS IS A REQUEST FOR CONSENT UNDER SECTION 13.3 OF THE DEVELOPMENT AND GROUND LEASE AGREEMENT, DATED AS OF [REDACTED], 201[REDACTED]. IF YOU FAIL TO PROVIDE A SUBSTANTIVE RESPONSE (E.G., APPROVAL, DENIAL OR REQUEST FOR CLARIFICATION OR MORE INFORMATION) TO THIS REQUEST FOR APPROVAL IN WRITING WITHIN FIVE (5) DAYS, YOUR APPROVAL SHALL BE DEEMED GIVEN" and City fails to provide a substantive response to such request for approval within such final five (5) day period.

ARTICLE XIV
MISCELLANEOUS PROVISIONS

Section 14.1. No Partnership or Joint Venture. It is mutually understood and agreed that nothing contained in this Lease is intended or shall be construed in any manner or under any circumstances whatsoever as creating or establishing the relationship of co-partners, or creating or establishing the relationship of a joint venture between the City and Lessee, or as constituting Lessee as the agent or representative of the City for any purpose or in any manner whatsoever.

Section 14.2. Recording, Documentary Stamps. A memorandum of this Lease, in form mutually satisfactory to the parties, may be recorded by either Party among the Public Records of Miami-Dade County, Florida and the cost of any such recordation, the cost of any documentary stamps which legally must be attached to any or all of said documents shall be paid in full by Lessee. The Parties shall cooperate in structuring the transactions contemplated hereby in such a manner as to reduce such costs, provided such structure shall not have any adverse consequence for the City.

Section 14.3. Florida and Local Laws Prevail. This Lease shall be governed by the laws of the State of Florida. This Lease is subject to and shall comply with the City Code as the same is in existence as of the execution of this Lease and the ordinances of the City of Miami Beach. Any conflicts between this Lease and the City Code shall be resolved in favor of the latter. If any term, covenant, or condition of this Lease or the application thereof to any Person or circumstances shall to any extent, be illegal, invalid, or unenforceable because of present or future laws or any rule or regulation of any governmental body or entity or becomes unenforceable because of judicial construction, the remaining terms, covenants and conditions of this Lease, or application of such term, covenant or condition to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant, or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law. Any dispute arising out of or relating to this Lease that specifically provides for arbitration (and only such provisions) shall be subject to arbitration as expressly provided herein. In any such arbitration or in any legal action brought by either Party because of a breach of this Lease or to enforce any provision of this Lease, the prevailing Party shall be entitled to reasonable attorneys' fees and paralegals' fees and costs, including those incurred in subsequent actions to enforce or vacate an arbitration award and those incurred on appeal.

Section 14.4. No Conflicts of Interest/City Representatives not Individually Liable. No member, official, representative, or employee of the City shall have any personal interest, direct or indirect, in this Lease, nor shall any such member, official, representative or employee participate in any decision relating to this Lease which affects his or her personal interest or the interest of any corporation, partnership or association in which he or she is, directly or indirectly, interested. No member, official, elected representative or employee of the City shall be personally liable to Lessee or any successor in interest in the event of any default or breach by the City or for any amount which may become due to Lessee or successor or on any obligations under the terms of this Lease.

Section 14.5. Notice. A notice or communication, under this Lease by the City, on the one hand, to Lessee, or, on the other, by Lessee to the City shall be sufficiently given or delivered if in writing and dispatched by hand delivery, or by nationally recognized overnight courier providing receipts, or by registered or certified mail, postage prepaid, return receipt requested to:

- (a) Lessee. In the case of a notice or communication to Lessee if addressed as follows:

To: [PROPOSER]

With Copies To: [PROPOSER]

- (b) City. In the case of a notice or communication to the City, if addressed as follows:
To:

City Manager
City of Miami Beach, Florida
1700 Convention Center Drive, 4th Floor
Miami Beach, Florida 33139

With Copies To:

City Attorney
City of Miami Beach, Florida
1700 Convention Center Drive, 4th Floor
Miami Beach, Florida 33139

or if such notice is addressed in such other way in respect to any of the foregoing Parties as that Party may, from time-to-time, designate in writing, dispatched as provided in this Section 14.5.

Section 14.6. Estoppel Certificates. The City and Lessee shall, within thirty (30) days after written request by the other, execute, acknowledge and deliver to the Party which has requested the same or to any actual or prospective First Leasehold Mortgagee, Mezzanine Lender, or purchaser of the Hotel or any equity interest in Lessee, a certificate stating that:

(a) this Lease is in full force and effect and has not been modified, supplemented or amended in any way, or, if there have been modifications, this Lease is in full force and effect as modified, identifying such modification agreement, and if this Lease is not in force and effect, the certificate shall so state;

(b) this Lease as modified represents the entire agreement between the Parties as to this subject matter, or, if it does not, the certificate shall so state;

(c) the dates on which the Term of this Lease commenced and will terminate;

(d) to the knowledge of the certifying Party all conditions under this Lease to be performed up to that date by the City or Lessee, as the case may be, have been performed or satisfied and, as of the date of such certificate, there are no existing defaults, defenses or offsets which the City or Lessee, as the case may be, has against the enforcement of this Lease by the other Party, or, if such conditions have not been satisfied or if there are any defaults, defenses or offsets, the certificate shall so state; and

(e) the Rent due and payable for the year in which such certificate is delivered has been paid in full, or, if it has not been paid, the certificate shall so state; and

(f) in connection with any request by a prospective First Leasehold Mortgagee or Mezzanine Lender, that such proposed First Leasehold Mortgagee or Mezzanine Lender (as applicable) and such proposed financing satisfy the requirements of Section 6.1, including the requirements of Section 6.1(g).

The Party to whom any such certificate shall be issued may rely on the matters therein set forth; however, in delivering such certificate neither Lessee nor the City (nor any individual signing such certificate on such Party's behalf) shall be liable for the accuracy of the statements made therein, but rather shall be estopped from denying the veracity or accuracy of the same. Any certificate required to be made by the City or Lessee pursuant to this paragraph shall be deemed to have been made by the City or Lessee (as the case may be) and not by the person signing same.

Section 14.7. Provisions not Merged with Deed. Unless otherwise expressed in the instrument of conveyance or transfer, none of the provisions of this Lease are intended to or shall be merged by reason of any deed:

(a) transferring the Hotel Project or any part thereof from Lessee (or its successors or assigns) to the City (or its successors or assigns); or

(b) transferring title to the Leased Property or any part thereof from the City to Lessee, its successors or assigns. Any such deed shall not be deemed to affect or impair the provisions and covenants of this Lease.

Notwithstanding anything to the contrary contained herein, so long as there is a First Leasehold Mortgagee, the City and Lessee agree that the City shall not transfer any fee interest in the Leased Property to Lessee without such First Leasehold Mortgagee's prior written consent.

Section 14.8. Titles of Articles and Sections. Any titles of the several parts, Articles and Sections of this Lease are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 14.9. Counterparts. This Lease may be executed in counterparts, each of which shall be deemed an original. Any such counterparts shall constitute one and the same instrument. This Lease shall become effective only upon execution and delivery of this Lease by the Parties hereto.

Section 14.10. Successors and Assigns; No Third Party Beneficiaries. Except to the extent limited elsewhere in this Lease, all of the covenants conditions and obligations contained in this Lease shall be binding upon and inure to the benefit of the respective successors and assigns of the City and Lessee. Lessee and the City acknowledge and agree that except for a First Leasehold Mortgagee or a Mezzanine Lender, if any, each of which shall have the rights set forth in Article VI hereof, no third party shall have any rights or claims arising hereunder, nor is it intended that any third party shall be a third party beneficiary of any provisions hereof.

Section 14.11. Entire Agreement. This Lease and its Exhibits constitute the sole and only agreement of the Parties hereto with respect to the subject matter hereof and correctly set forth the rights, duties, and obligations of each to the other as of its date. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Lease are of no force or effect and are merged into this Lease.

Section 14.12. Amendments. No amendments to this Lease shall be binding on either Party unless in writing and signed by both Parties. Solely to the limited extent as may be necessary to reasonably facilitate the initial Construction Loan to finance the Hotel Project and the first refinancing thereof and/or the initial Mezzanine Loan and the first refinancing thereof, the City Manager shall have the delegated authority (but not the obligation), after consultation with the City's Chief Financial Officer and City Attorney, to negotiate and execute modifications to Article 9, Article 10, Sections 6.1(a)(vi) through 6.1(a)(ix), and Sections 6.1(b) through 6.1(k) of this Lease; and to negotiate and execute the easements contemplated pursuant to Section 4.1(g) of this Lease. All other amendments must be approved by majority vote of the City Commission, subject to the requirements of the City Charter and applicable law, except that the provisions of Sections 4.2(b), 4.2(g), 4.5(a) through (e), and Section A.1 of Exhibit "A" hereto may not be modified except by approval of such modifications by at least sixty percent (60%) of the voters voting thereon in a City-wide referendum, in the same manner as required for approval of the initial Lease pursuant to Section 1.03(b)(3) of the City Charter, and the Base Rent and Minimum Fixed Rent set forth in Section 4.4(a) may not be modified except by approval of such modification by at least sixty percent (60%) of the voters voting thereon in a City-wide referendum, in the same manner as required for approval of the initial Lease pursuant to Section 1.03(b)(3) of the City Charter. The City shall not be obligated to expend any money or undertake any obligation connected with any such amendment proposed by Lessee, or otherwise connected with any action requested by or for the benefit of Lessee under this Lease, and shall be reimbursed by Lessee for all out of pocket expenses (including third party consultants and attorneys) incurred by the City. Prior to the City taking action regarding any such request, Lessee shall deposit with the City the estimated amount of such costs, as reasonably determined by the City.

Section 14.13. Non-Subordination of City's Interest. The City's fee interest in and ownership of the Leased Property and the City's rights and interest in this Lease (including the rights to Rent, Public Charges and other monetary obligations of Lessee to the City under this Lease) shall not be subject or subordinate to or encumbered by any financing for the Hotel Project or lien or encumbrances affecting Lessee's interest in this Lease or Lessee Improvements or by any acts or omissions of Lessee or any Subtenant hereunder. In this regard, the Rent, Additional Rent, Public Charges and other monetary obligations of Lessee to the City under this Lease then payable at any point in time during the Term shall be paid by Lessee to the City and shall be superior in right to all claims or rights hereunder or described above in this Section, including all Hotel Project operating expenses, the payment of debt service, and any distributions of profits to Lessee or any of its Affiliates or owners. City acknowledges that this Lease shall not be subordinate to any future mortgage against the fee interest in the Leased Property. Notwithstanding anything to the contrary contained in this Lease, if all or any portion of the interest of the City in the Leased Property or this Lease shall be acquired by reason of foreclosure of any mortgage, security agreement, lien or other encumbrance or other proceedings brought to enforce the rights of the holder(s) thereof, by deed in lieu of foreclosure or by any other method, and as a result any Person succeeds to such interests of City, this Lease and the rights of Lessee hereunder shall continue in full force and effect and shall not be terminated or disturbed except as otherwise expressly permitted by the terms of this Lease.

Section 14.14. City Manager's Delegated Authority. Notwithstanding any provision to the contrary in this Lease, nothing herein shall preclude the City Manager from seeking direction from or electing to have the City Commission determine any matter arising out of or related to this Lease, including, without limitation, any Approval contemplated under this Lease (within the timeframe specified therefor as if the Approval was being determined by the City Manager), any proposed

amendment or modification to this Lease or any separate agreement relating to the Hotel Project or otherwise referenced in this Lease.

Section 14.15. Holidays. It is hereby agreed that whenever a notice or performance under the terms of this Lease is to be made or given on a Saturday or Sunday or on a legal holiday recognized by the City, it shall be postponed to the next following Business Day, not a Saturday, Sunday or legal holiday.

Section 14.16. No Brokers. Lessee shall be responsible for, and shall hold the City harmless with respect to, the payment of any commission claimed by or owed to any real estate broker or other Person retained by Lessee and which is entitled to a commission as a result of the execution and delivery of this Lease. The City similarly shall be responsible for, and shall hold Lessee harmless with respect to, the payment of any commission claimed by or owed to any real estate broker or other Person retained by the City and which is entitled to a commission as a result of the execution and delivery of this Lease.

Section 14.17. No Liability for Approvals and Inspections. Except as may be otherwise expressly provided herein, no approval to be made by the City in its capacity as landlord under this Lease or any inspection of the Work or the Hotel Project by the City under this Lease, shall render the City liable for its failure to discover any defects or nonconformance with any Governmental Requirement.

Section 14.18. Radon. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from the county public health unit for Miami-Dade County.

Section 14.19. Lessee Entity. On the date of execution hereof, Lessee is a limited liability company. In the event that at any time during the Term of this Lease and any extensions and renewals thereof, Lessee is a corporation or an entity other than a limited liability company, then any references herein to member, membership interest, manager and the like which are applicable to a limited liability company shall mean and be changed to the equivalent designation of such term which is appropriate to the nature of the new Lessee entity.

Section 14.20. Inflation Adjustments. All adjustments for inflation required under this Lease shall be calculated utilizing the United States Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers; U.S. City average (1982-84=100). If the United States Department of Labor should no longer compile and publish this index, the most similar index compiled and published by said Department or any other branch or department of the federal government shall be used for the purpose of computing the inflation adjustments provided for in this Lease. If no such index is compiled or published by any branch or department of the federal government, the statistics reflecting cost of living increases as compiled by any institution or organization or individual designated by the City and generally recognized as an authority by financial or insurance institutions shall be used as a basis for such adjustments.

Section 14.21. Standard of Conduct. The implied covenant of good faith and fair dealing under Florida law is expressly adopted.

Section 14.22. Waiver of Consequential Damages. Notwithstanding anything contained in this Lease to the contrary, in no event shall either Party be liable to the other for any consequential, exemplary or punitive damages.

Section 14.23. Reservation of Rights. This Lease shall not affect any rights that may have accrued to any Party to this Lease under applicable laws and each Party hereto reserves any and all of such rights.

[signature pages to follow]

IN WITNESS WHEREOF, Lessee has caused this Lease to be signed in its name, and the City of Miami Beach has caused this Lease to be signed in its name by the Mayor, and duly attested to by the City Clerk, and approved as to form and sufficiency by the City Attorney, on the day and year first above written.

WITNESSED BY:

CITY OF MIAMI BEACH, FLORIDA

Print Name:

Print Name:

By: _____

Dan Gelber
Mayor

ATTEST

Approved for form and legal sufficiency

By: _____

City Clerk

By: _____

City Attorney

STATE OF FLORIDA)
COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me this ____ day of _____, 201_, by _____
_____, as _____ of _____
Who is personally known to me or who produced _____ as identification.

Notary Public

Commission Number: _____

Commission Expires: _____

LESSEE

MB MIXED USE INVESTMENT, LLC

Print Name:

By:_____

Name:_____

Title:_____

Print Name:

STATE OF FLORIDA)
COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me this ____ day of _____, 201_, by _____
_____, as _____ of _____
Who is personally known to me or who produced _____ as identification.

Notary Public

Commission Number:_____

Commission Expires:_____

STATE OF FLORIDA)
COUNTY OF MIAMI-DADE)

EXHIBIT "A"
ACCEPTABLE OWNER DEFINITION

A. "Acceptable Owner" means any individual, corporation or other entity which has, at a minimum, the following qualifications:

1. The proposed transferee must comply with Section 4.2(g) of the Lease.
2. The proposed transferee is not a Foreign Instrumentality other than a member country of the European Union or the Gulf Cooperation Council, each as existing on the Effective Date, Canada, Mexico, countries located in South America (other than Venezuela), Japan, South Korea, Singapore and Australia, or a Person Controlled by any of the foregoing countries.
3. The proposed transferee must not be owned, or Controlled by entities or individuals who have been convicted, or are presently under indictment, for felonies under the laws of any foreign or United States of America jurisdiction. But the foregoing shall not apply to individuals or entities owning less than a twenty percent (20%) equity interest in the proposed transferee, other than officers, directors, managers or others who have the power to direct and control the business and affairs of the proposed transferee.
4. The proposed transferee must not in its charter or organizational documents (defined as the articles of incorporation and bylaws for any corporation, the partnership agreement and partnership certificate for any partnership, the articles of organization and limited liability company operating agreement for any limited liability company, the trust agreement for any trust and the constitution of the relevant government for any governmental entity, but expressly excluding any statements, positions, actions or allegations not contained in such charter organizational documents) expressly advocate or have as its stated purpose: (a) the violent overthrow of or armed resistance against, the U.S. government; or (b) genocide or violence against any persons; or (c) discrimination, hatred or animosity toward persons based solely on their race, creed, color, sex or national origin.
5. [A proposed transferee of the entire Hotel Project or of a direct or indirect Controlling ownership interest in Lessee (each, a "Proposed Major Transferee"), or an Affiliate of such Proposed Major Transferee Controlling such Proposed Major Transferee or Person with an ownership interest in such Proposed Major Transferee Controlling such Proposed Major Transferee, must (a) retain or hire an Approved Brand and/or Approved Operator, as applicable, and (b) comply with the Debt Service Coverage Ratio required under Section 6.1(a)(vi) of the Lease and the loan-to-value requirement set forth in Section 6(a)(vii) of the Lease.] [PARTIES CONTINUING TO DISCUSS]
6. A Proposed Major Transferee shall have no outstanding material violations of any applicable law against such Proposed Major Transferee, or any hotel or other property owned or managed by such Proposed Major Transferee, within Florida, which have remained uncured for more than ninety (90) days after such Proposed Major Transferee has knowledge of such violation unless such violation is being contested in good faith so long as the Proposed Major Transferee is able to continue operating such hotel or other property while such matter is being contested. A material violation of applicable law means that the Proposed Major Transferee would be subject to any of the following if found guilty of such violation, or if such violation remains uncured after any applicable period for curing such violation in the statutory or regulatory scheme describing such violation: (i) prohibition from continuing to operate such hotel or other property for any period of time or (ii) a forfeiture of the

Proposed Major Transferee's entire interest in such hotel or other property. [PARTIES CONTINUING TO DISCUSS]

7. A Proposed Major Transferee must not (nor any of the individuals or entities who own at least a twenty percent (20%) equity interest in such Proposed Major Transferee or are officers, directors, managers or otherwise have the power to direct and control the business and affairs of such Proposed Major Transferee) have filed or been discharged from bankruptcy, or have been the subject of an involuntary bankruptcy, reorganization or insolvency proceedings within the past five (5) years (bankruptcy filings by Affiliates shall not disqualify a Proposed Major Transferee, unless such Affiliates are any of the individuals or entities described in the parenthetical immediately above).

B. "Acceptable Owner Criteria": The foregoing categories of requirements set forth in paragraph A above are collectively defined as the "Acceptable Owner Criteria."

C. Evaluation of the Acceptable Owner Criteria:

Solely for the purpose of evaluating whether the proposed transferee has met the Acceptable Owner Criteria set forth in subparagraphs A.1 – A.4, A.6 and A.7 of this Exhibit A, the proposed transferee shall provide the following information to the Lessee and certify that the information provided by the proposed transferee is true and correct and that the proposed transferee meets or exceeds the Acceptable Owner Criteria:

1. solely with respect to a Proposed Major Transferee, information sufficient for the City or any outside vendor engaged by the City to perform a due diligence investigation pursuant to paragraph D below, including copies of any applicable operating licenses;

2. solely with respect to a Proposed Major Transferee, identification and summary description of its principals and its major real estate or other investments;

3. solely with respect to a Proposed Major Transferee, a list of all bankruptcies filed by such Proposed Major Transferee or to which such Proposed Major Transferee was a party-bankrupt, if any; and

4. such other evidence as is commercially reasonably necessary as determined by Lessee to establish that the new entity proposed to be the Acceptable Owner meets the Acceptable Owner Criteria.

D. With respect to any proposed Transfer to a Proposed Major Transferee, City may, at its sole discretion, engage an outside vendor to perform a due diligence investigation at the Lessee's or such Proposed Major Transferee's sole expense, which may include a search of civil, criminal, or bankruptcy proceedings in federal and state jurisdictions; regulatory filings; tax filings; lien, judgment and Uniform Commercial Code searches; business registrations, and the like; provided, however, that City's right to conduct its own due diligence shall not expand or deemed to expand the Acceptable Owner Criteria or impose additional criteria with respect to whether a proposed transferee constitutes an Acceptable Owner. City shall be entitled to engage an independent accounting firm, the reasonable costs of which shall be borne by Lessee or such Proposed Major Transferee, to review the information upon which the Proposed Major Transferee's certifications were based, for the purpose of determining whether the certifications and/or information provided to the City is accurate and complete. Lessee

shall, or shall cause such Proposed Major Transferee to, reimburse City, upon demand, for any reasonable costs incurred by City in connection with such Transfer or proposed Transfer to a Proposed Major Transferee, including the reasonable out-of-pocket costs of making inquiries and investigations into the conformance with the Acceptable Owner Criteria of such Proposed Major Transferee and the reasonable legal costs incurred, if any, in connection therewith.

E. Confirmation/Approval Process for Proposed Transferees:

Regarding the City's confirmation that a proposed transferee is an Acceptable Owner, or the City's approval of a Transfer that is not a Permitted Transfer, the parties hereby agree that:

1. The City Manager shall rely solely on the proposed transferee's certification that the proposed transferee meets the Acceptable Owner Criteria (if a Permitted Transfer), along with the information provided by the proposed transferee and with respect to any Proposed Major Transferee, the results of any due diligence investigation performed by the City.

2. The City Manager shall not unreasonably withhold the City's confirmation if the proposed transferee complies with the Acceptable Owner Criteria.

3. The City Manager shall not unreasonably withhold the City's Approval of a Transfer that is not a Permitted Transfer, except that with respect to a Transfer to a Foreign Instrumentality (other than a member country of the European Union or the Gulf Cooperation Council, each as existing on the Effective Date, Canada, Mexico, countries located in South America (excluding Venezuela), Japan, South Korea, Singapore and Australia or Persons Controlled by any of the foregoing countries), such Transfer shall be subject to the prior written approval of the City Commission, which may be granted, conditioned or withheld by the City Commission in its sole discretion; and

4. If a proposed Transfer requires the City's confirmation or Approval, Lessee shall deliver written notice to the City, which shall include (i) the name and address of the proposed transferee; (ii) the name and address of the proposed transferor; (iii) information describing the nature of the transaction; (iv) the percentage interest being conveyed; and (v) the materials described in paragraph C above.

5. The City Manager shall have up to forty-five (45) days after the delivery of such written notice and the information required under paragraph C above, to determine whether, on a commercially reasonable basis, the proposed transferee meets the Acceptable Owner Criteria set forth in subparagraphs A.1 – A.4, A.6 and A.7 of this Exhibit A if a Permitted Transfer. The City Manager shall have up to sixty (60) days after the delivery of such written notice and the information required under paragraph C above whether to Approve in accordance herewith a Transfer that is not a Permitted Transfer.

6. Provided that no Event of Default is then continuing, Lessee's request for confirmation that the proposed transferee meets the Acceptable Owner Criteria set forth in subparagraphs A.1 – A.4, A.6 and A.7 of this Exhibit A shall be deemed confirmed if the first correspondence from Lessee to the City requesting such confirmation is in an envelope marked "PRIORITY" and contains a bold-faced, conspicuous (in a font size that is not less than fourteen (14)) legend at the top of the first page thereof stating that "THIS IS A REQUEST FOR CONFIRMATION OF A PERMITTED TRANSFER UNDER SECTION 5.4 OF THE DEVELOPMENT AND GROUND LEASE AGREEMENT,

DATED AS OF _____, 2018, AND FAILURE TO RESPOND TO THIS REQUEST WITHIN FORTY-FIVE (45) DAYS WILL RESULT IN THE REQUEST BEING DEEMED CONFIRMED,” and is accompanied by the information and documents required above and City fails to respond or to deny such request for confirmation in writing within such forty-five (45) day period. Provided that no Event of Default is then continuing, Lessee's request for Approval of a Transfer that is not a Permitted Transfer shall be deemed Approved if the first correspondence from Lessee to the City requesting such Approval is in an envelope marked "PRIORITY" and contains a bold-faced, conspicuous (in a font size that is not less than fourteen (14)) legend at the top of the first page thereof stating that "THIS IS A REQUEST FOR APPROVAL OF A TRANSFER UNDER SECTION 5.4 OF THE DEVELOPMENT AND GROUND LEASE AGREEMENT, DATED AS OF _____, 2018, AND FAILURE TO RESPOND TO THIS REQUEST WITHIN SIXTY (60) DAYS WILL RESULT IN THE REQUEST BEING DEEMED APPROVED” and is accompanied by the information and documents required above and City fails to respond or to deny such request for Approval in writing within such sixty (60) day period. Any Transfer shall be subject to the deemed Approval provisions set forth above in this subparagraph E.6, provided, however, that the City Commission shall have sixty (60) days after receipt of written notice from Lessee of any proposed Transfer to a Foreign Instrumentality (other than a member country of the European Union or the Gulf Cooperation Council, each as existing on the Effective Date, Canada, Mexico, countries located in South America (excluding Venezuela), Japan, South Korea, Singapore and Australia or Persons Controlled by any of the foregoing countries), to approve or disapprove of such proposed Transfer, and if the City has not notified Lessee, in writing, of the City Commission's approval of such Transfer within such sixty (60) day period, then such Transfer shall be deemed approved.

7. If the City notifies Lessee, in writing, within the first thirty (30) days of such forty-five (45) or sixty (60) day period, as applicable, that the information submitted is, on a commercially reasonable basis, incomplete or insufficient (and specifies in what ways it is incomplete or insufficient), then Lessee shall supplement such information, on a commercially reasonable basis, and the City Manager (or City Commission, with respect to Transfers to Foreign Instrumentalities requiring City Commission approval) shall have twenty (20) days after such supplemental information is provided to make its determination whether the proposed transferee meets the Acceptable Owner Criteria set forth in subparagraphs A.1 – A.4, A.6 and A.7 of this Exhibit A or to Approve a Transfer that is not a Permitted Transfer.

8. If the City Manager does not confirm that the proposed transferee does not meet the Acceptable Owner Criteria set forth in subparagraphs A.1 – A.4, A.6 and A.7 of this Exhibit A or disapproves a Transfer that is not a Permitted Transfer, the City Manager shall provide to Lessee specific written, commercially reasonable reasons for such action. The failure to object to the proposed transferee or Transfer within the applicable time period set forth above shall be deemed to be the confirmation by the City of the proposed transferee as an Acceptable Owner (subject to compliance with the Acceptable Owner Criteria set forth in subparagraphs A.5 of this Exhibit A, if applicable, which shall be confirmed upon closing of the applicable Transfer) or Approval of the proposed Transfer, except with respect to a proposed Transfer to a Foreign Instrumentality (other than a member country of the European Union or the Gulf Cooperation Council, each as existing on the Effective Date, Canada, Mexico, countries located in South America (excluding Venezuela), Japan, South Korea, Singapore and Australia or Persons Controlled by any of the foregoing countries), which the City Commission must expressly approve in writing, as provided above, in order for such Transfer to be effective.

9. No confirmation by the City of a proposed transferee as an Acceptable Owner or its meeting of the Acceptable Owner Criteria shall have the effect of waiving or estopping the City from

later claiming that said Acceptable Owner is no longer operating or maintaining the Hotel Project according to the terms of this Lease.

F. Interpretation:

1. All acts and omissions as well as rights and duties shall be done in a commercially reasonable manner, unless the standard of "sole discretion" is used.

2. The implied covenant of good faith and fair dealing under Florida law is expressly adopted.

EXHIBIT "B"

HOTEL STANDARDS DEFINITION

The Lessee shall operate the Hotel, or cause for the Hotel to be operated, so that (with the requirements in paragraphs A, B and C being the "Hotel Standards"):

A. If the Hotel is operated as a branded hotel other than an Approved Brand as defined in clause (i) or clause (iii) of the definition thereof, which shall only be permitted from and after the twentieth (20th) anniversary of the Opening Date, it must meet the level of service and quality comparable to other hotels in the "Upper Upscale" chain scale segment as then determined by Smith Travel Research and generally recognized in the hospitality industry as an experienced convention center hotel brand;

B. If the Hotel is operated as a non-branded hotel, which shall be permitted only after the twentieth (20th) anniversary of the Opening Date, it meets a sufficient number of the standards then required to be able to obtain a 3.5 diamond rating from the American Automobile Association ("AAA");

If at any time during the Term of this Lease any such rating system described in paragraphs A or B above is discontinued or the standards for such rating system are materially changed, the Parties shall mutually and reasonably agree to substitute an alternate rating system that is most nearly equivalent to the discontinued or changed rating system.

C. Notwithstanding the foregoing, in the case of either paragraph A or B above, Lessee shall be deemed to have satisfied the Hotel Standards as long as it is operating the Hotel Project (or causing the Hotel Project to be operated) in a manner substantially similar to the operation of the following convention center hotels as of the Effective Date: Hilton Americas-Houston, Hilton Orlando, Marriott Marquis Washington DC, San Francisco Marriott Marquis, Hyatt Regency Orlando, Hyatt Regency Denver at the Colorado Convention Center, The Westin Charlotte, and the Sheraton Chicago Hotel and Towers and the Loews Miami Beach or any convention center hotel of a similar size and purpose as the Hotel operated by an Approved Brand.

For paragraph B above, the Lessee does not have to actually obtain the AAA 3.5-diamond or equivalent rating, but it must be able to meet the standards for obtaining it. If the Lessee elects, in its sole discretion, not to obtain that rating, the City shall have the right once every thirty-six (36) months to require the Lessee to retain a hotel consultant proficient in the AAA Diamond ratings and with at least ten (10) years' experience in the hotel industry to produce a report within sixty (60) days of the City's request that states the Hotel does or does not meet the Hotel Standards set forth in Paragraph B above.

The City has the right to accept or reject the report. If it rejects the report, the City shall retain its own hotel consultant proficient in the AAA Diamond ratings who shall also have at least ten (10) years' experience in the hotel industry. That consultant shall produce a report at any time explaining in commercially reasonable detail why the report by the Lessee's hotel consultant is or is not correct.

After the City's hotel consultant's report is delivered to the Lessee, the City and Lessee shall not take any formal action for thirty (30) days. They may elect to discuss or mediate the matter during that period of thirty (30) days.

At the end of that period of time, if the City does not agree that the Hotel is being operated in accordance with the Hotel Standards, then the matter may be resolved in accordance with Section 7.8, using a mediator with substantial experience in the hotel industry.

In the event of a determination that the Hotel Standards are not being met, Lessee shall have six (6) months within which to take the necessary action to cause the Hotel to be operated in accordance with the Hotel Standards.

EXHIBIT "C"
BUDGETED IMPROVEMENT COSTS
Hotel Project Costs

Preliminary Development Budget

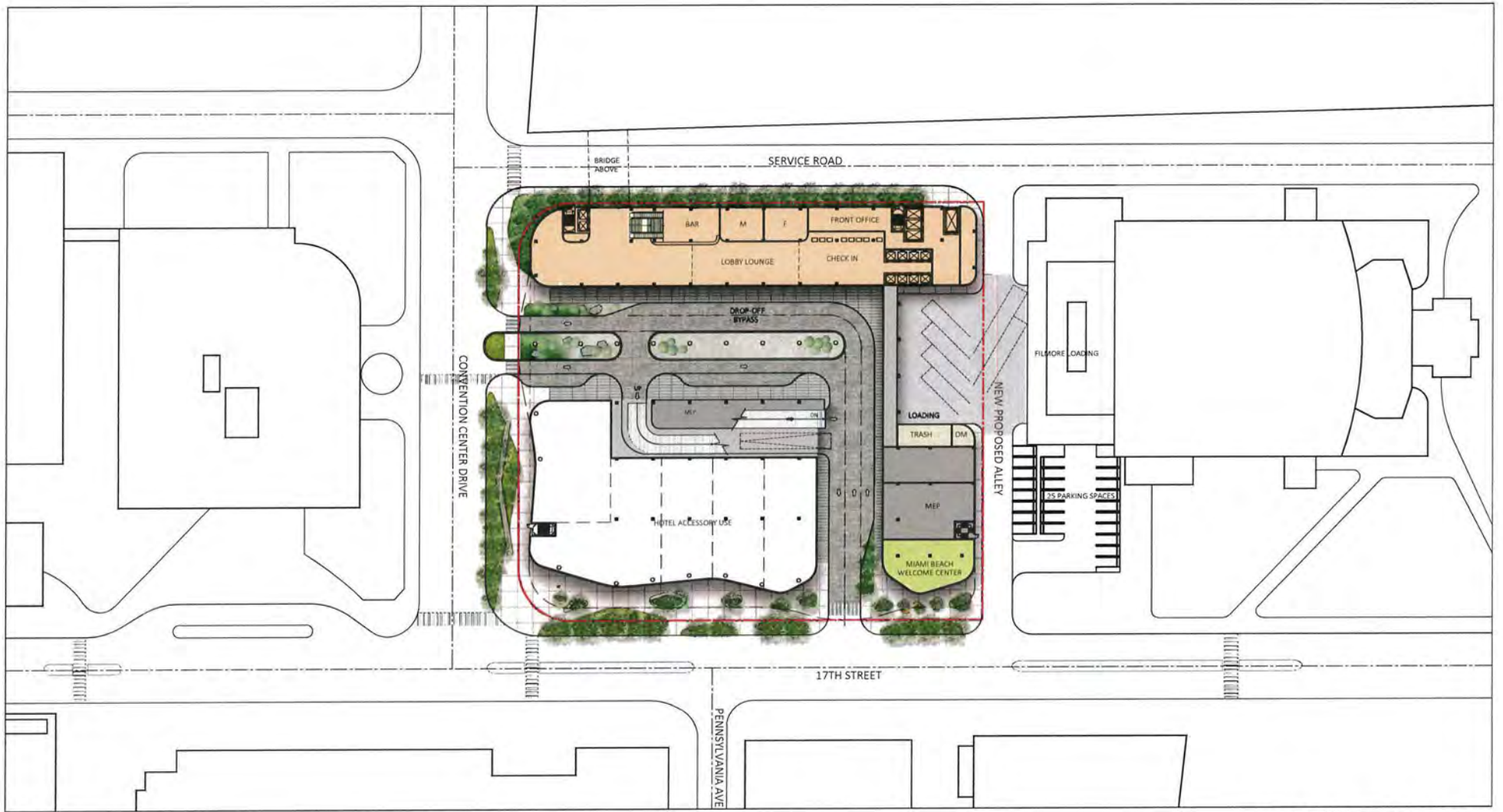
Description	Total	Per Room	% Total
Hard Costs (Including Contingency)	\$235,900,006	\$297,103	65.1%
Furniture, Fixtures & Equipment	\$27,790,000	\$35,000	7.7%
Architect & Engineering	\$14,346,305	\$18,068	4.0%
Pre-opening / Working Capital	\$7,000,000	\$8,816	1.9%
Development Fees	\$14,485,829	\$18,244	4.0%
Art in Public Places	\$3,205,078	\$4,037	0.9%
Other Soft Costs	\$42,561,312	\$53,604	11.8%
Contingency (HC & SC)	\$2,559,881	\$3,224	0.7%
Interest Reserve	\$12,259,348	\$15,440	3.4%
Closing Costs	\$2,000,000	\$2,519	0.6%
Total Development Budget	\$362,107,759	\$456,055	100.0%

EXHIBIT "D"
LEGAL DESCRIPTION OF HOTEL SITE

See Appendix 2 of July 17, 2018 Commission Memorandum

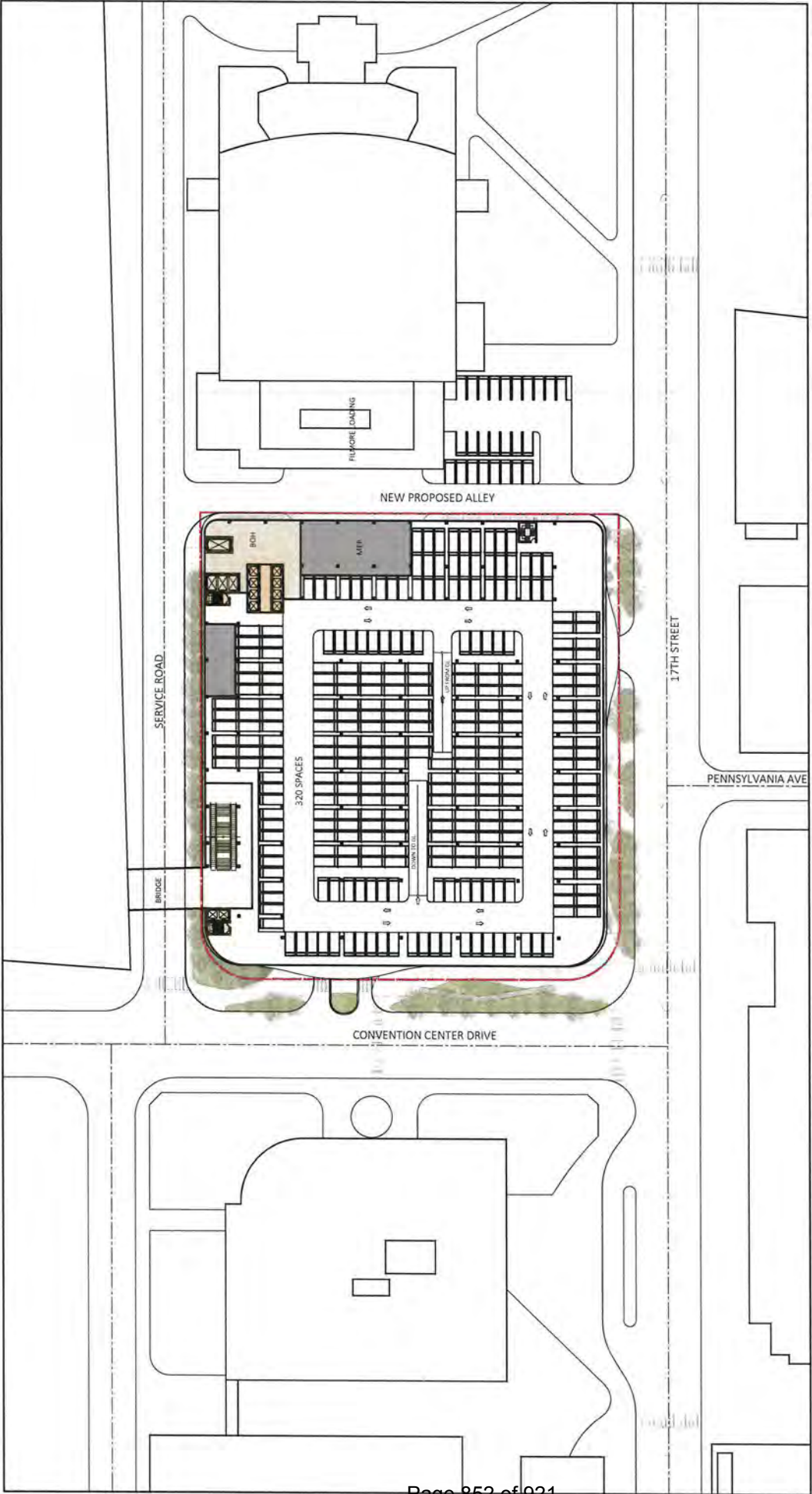
EXHIBIT "E"
APPROVED PLANS
(see attached pages)

PLANS



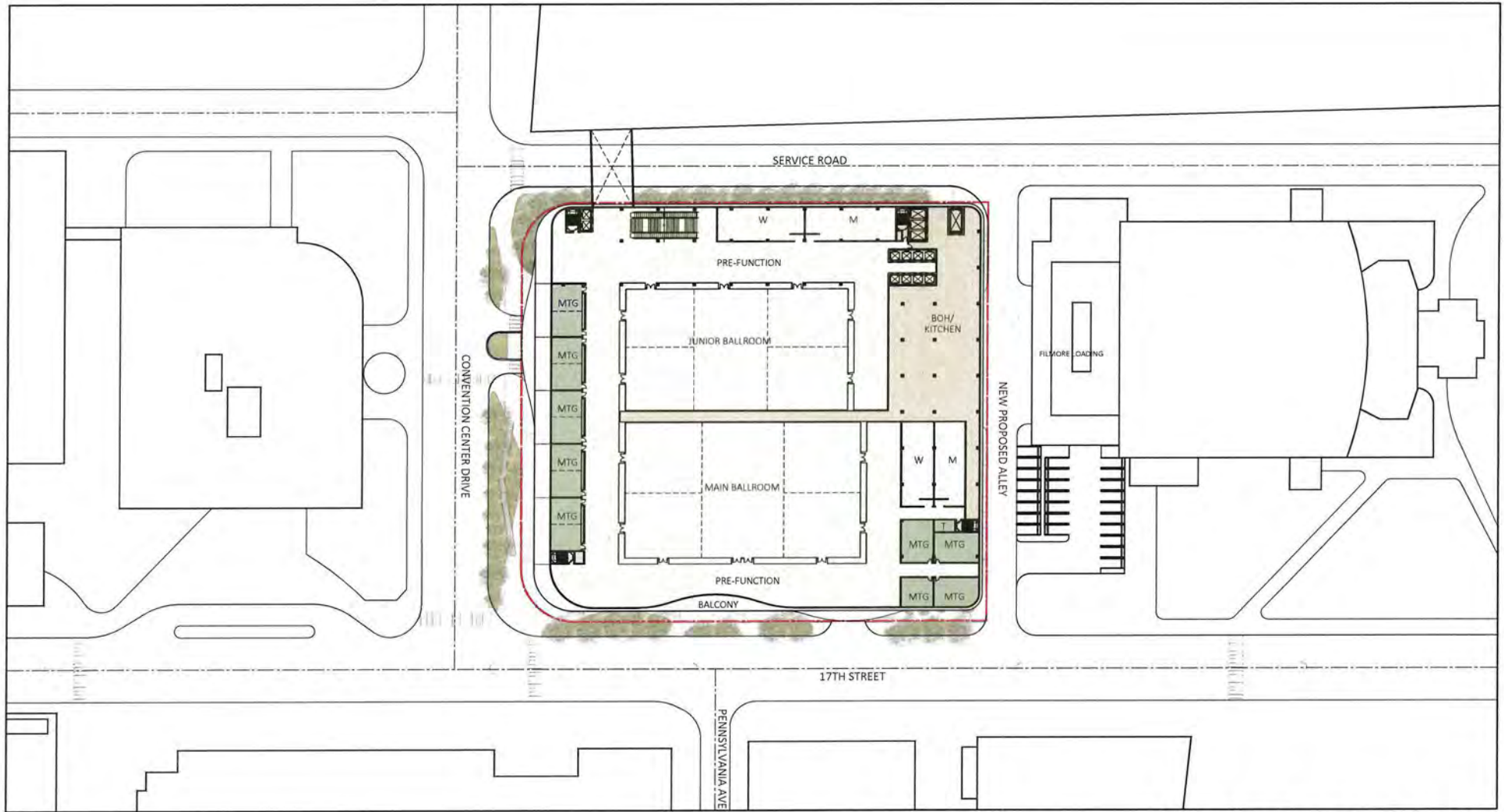
GROUND FLOOR

MBCC HOTEL
MIAMI, FL 33139



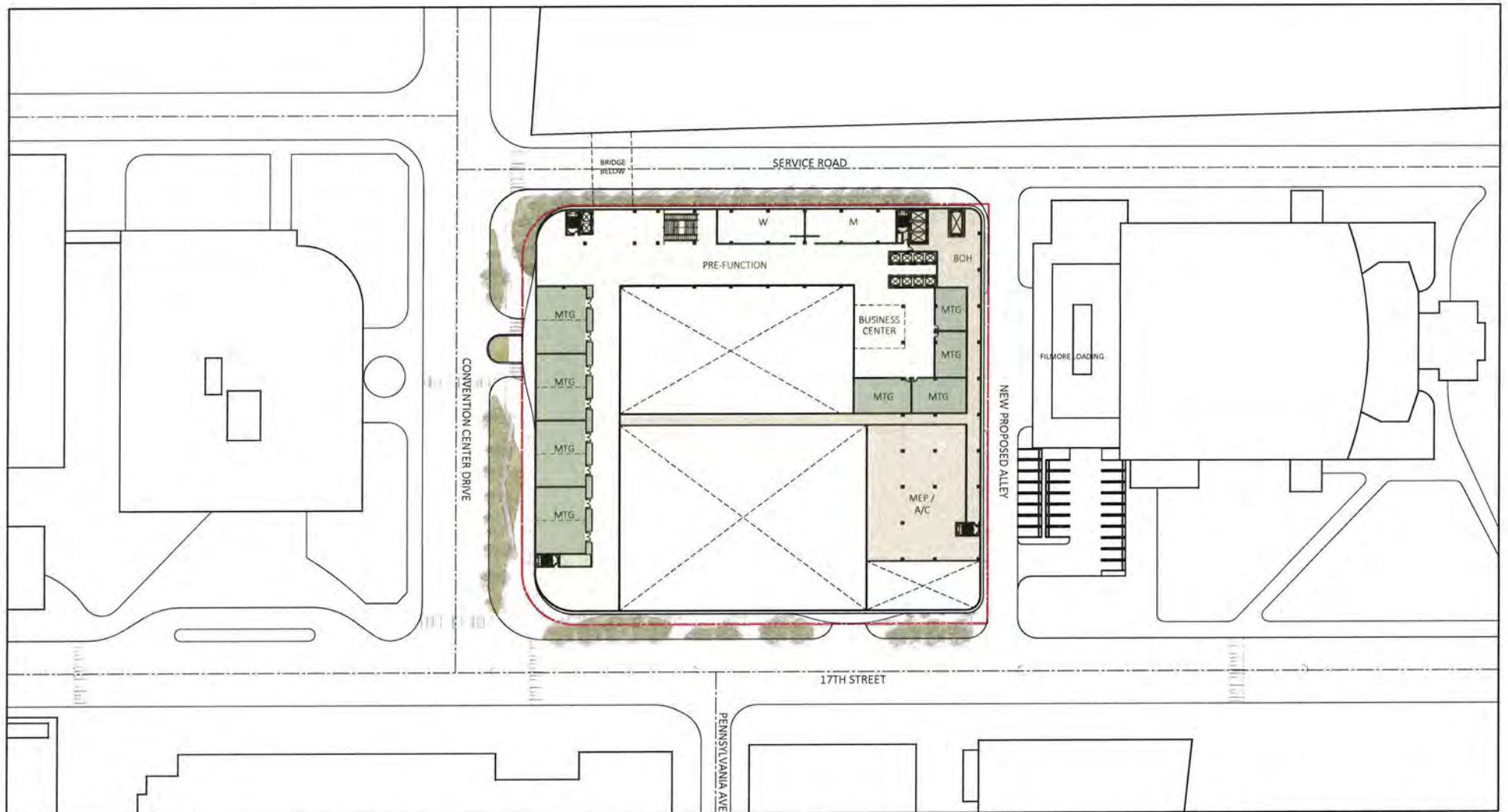
LEVEL 02 - PARKING

MBCC HOTEL
MIAMI, FL 33139



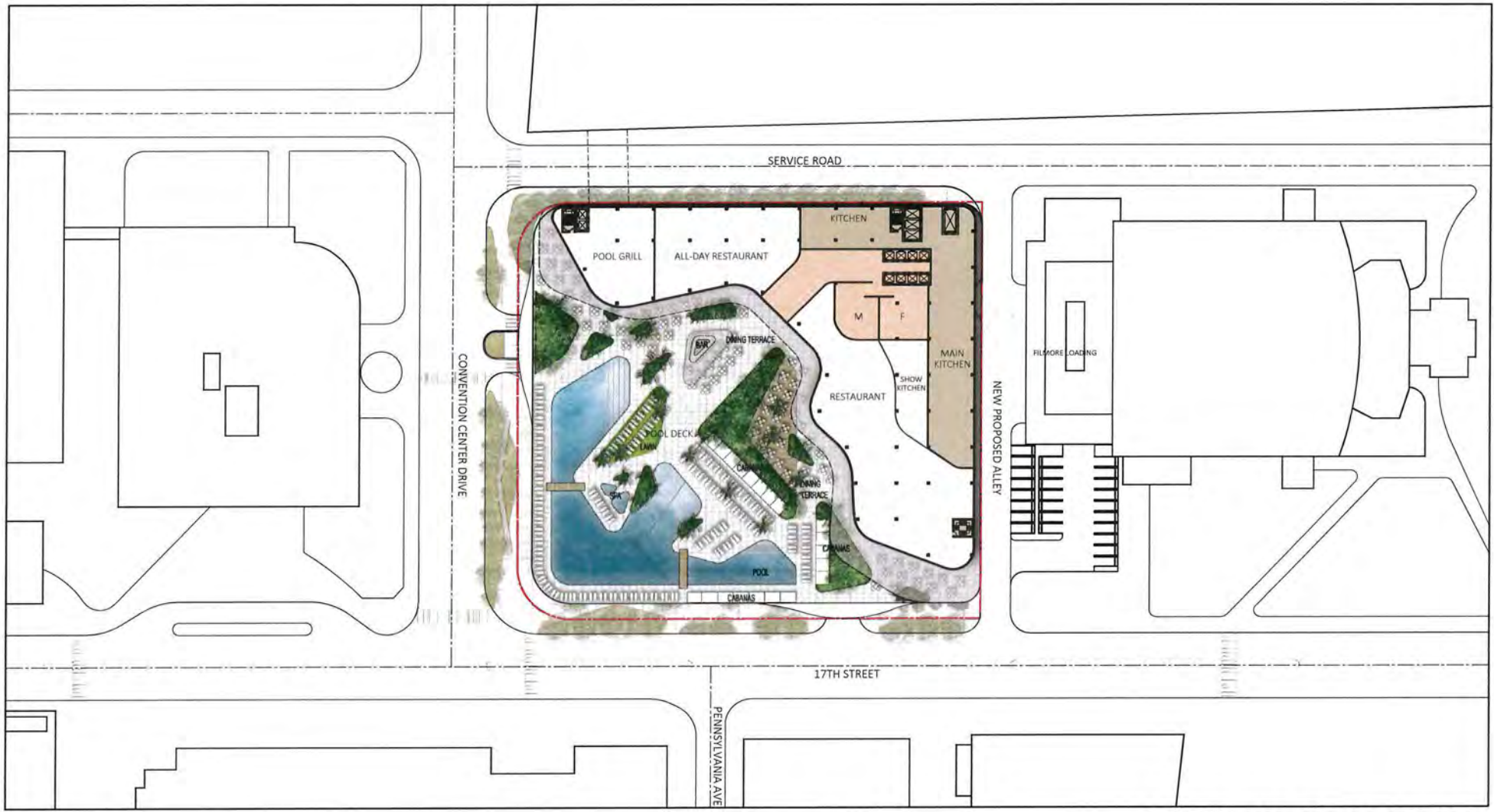
LEVEL 03 - BALLROOM

MBCC HOTEL
MIAMI, FL 33139



LEVEL 04 - MEETINGS

MBCC HOTEL
MIAMI, FL 33139

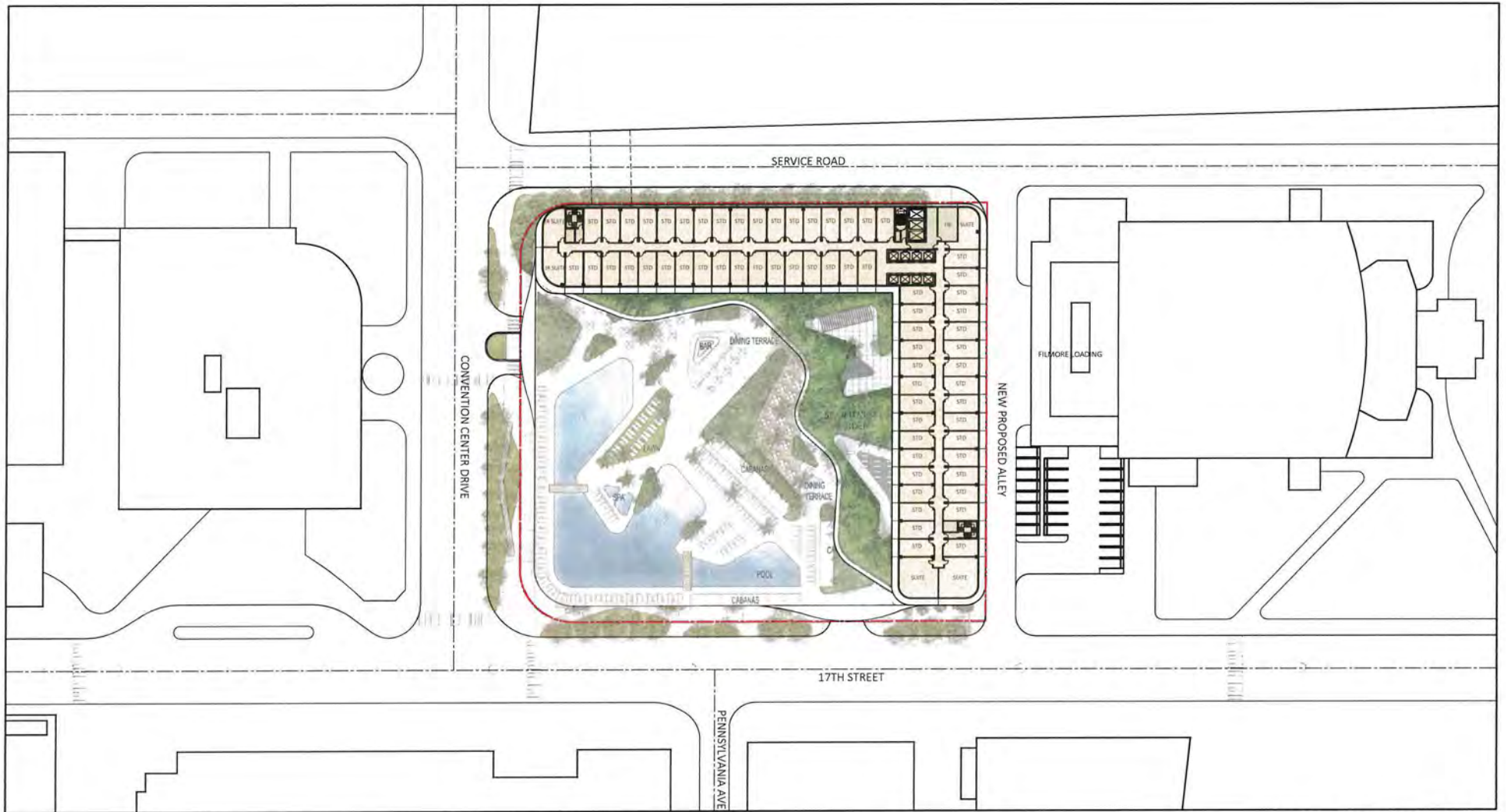


LEVEL 05 - POOL DECK

MBCC HOTEL
MIAMI, FL 33139

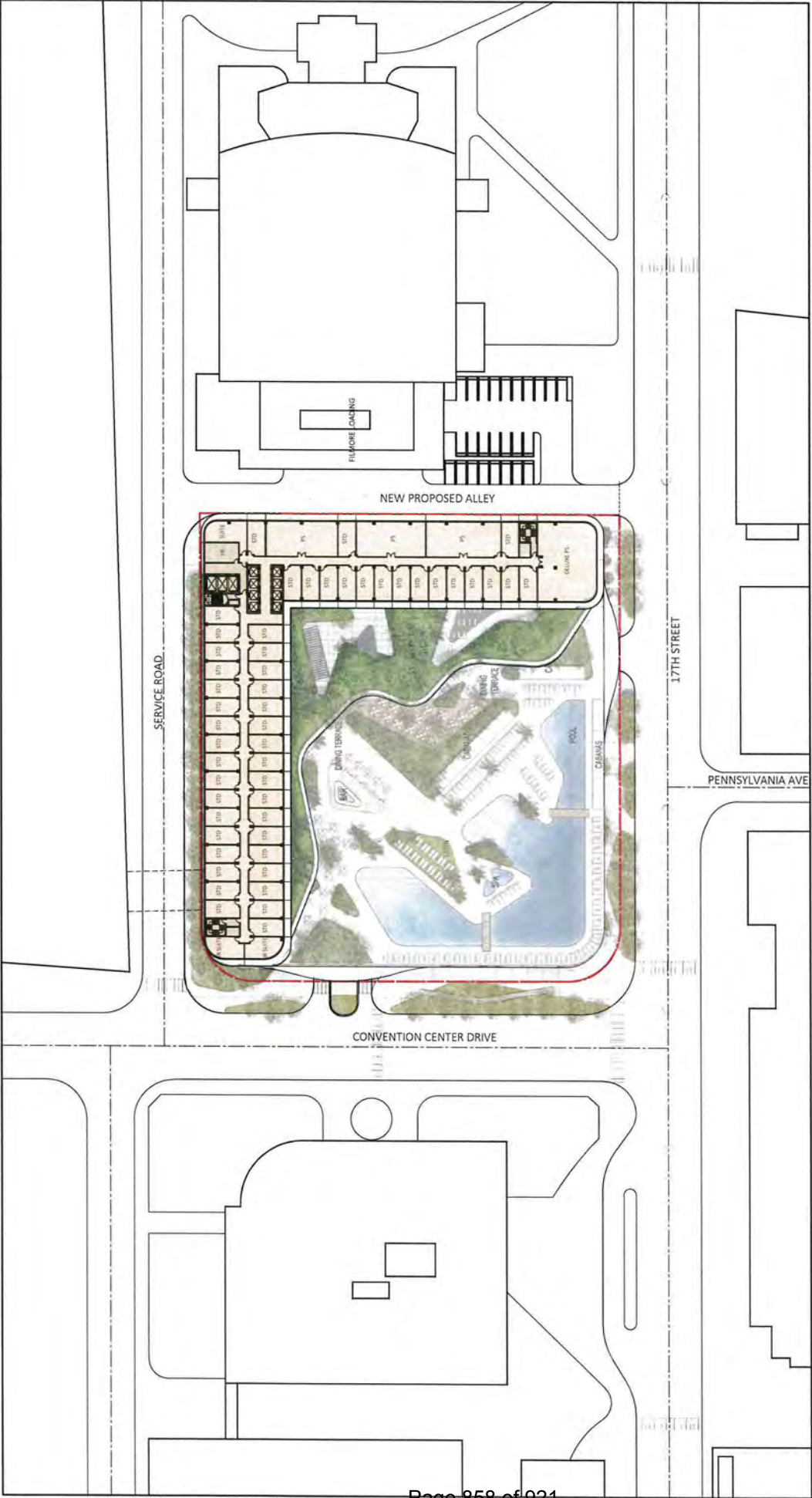


Page 856 of 921



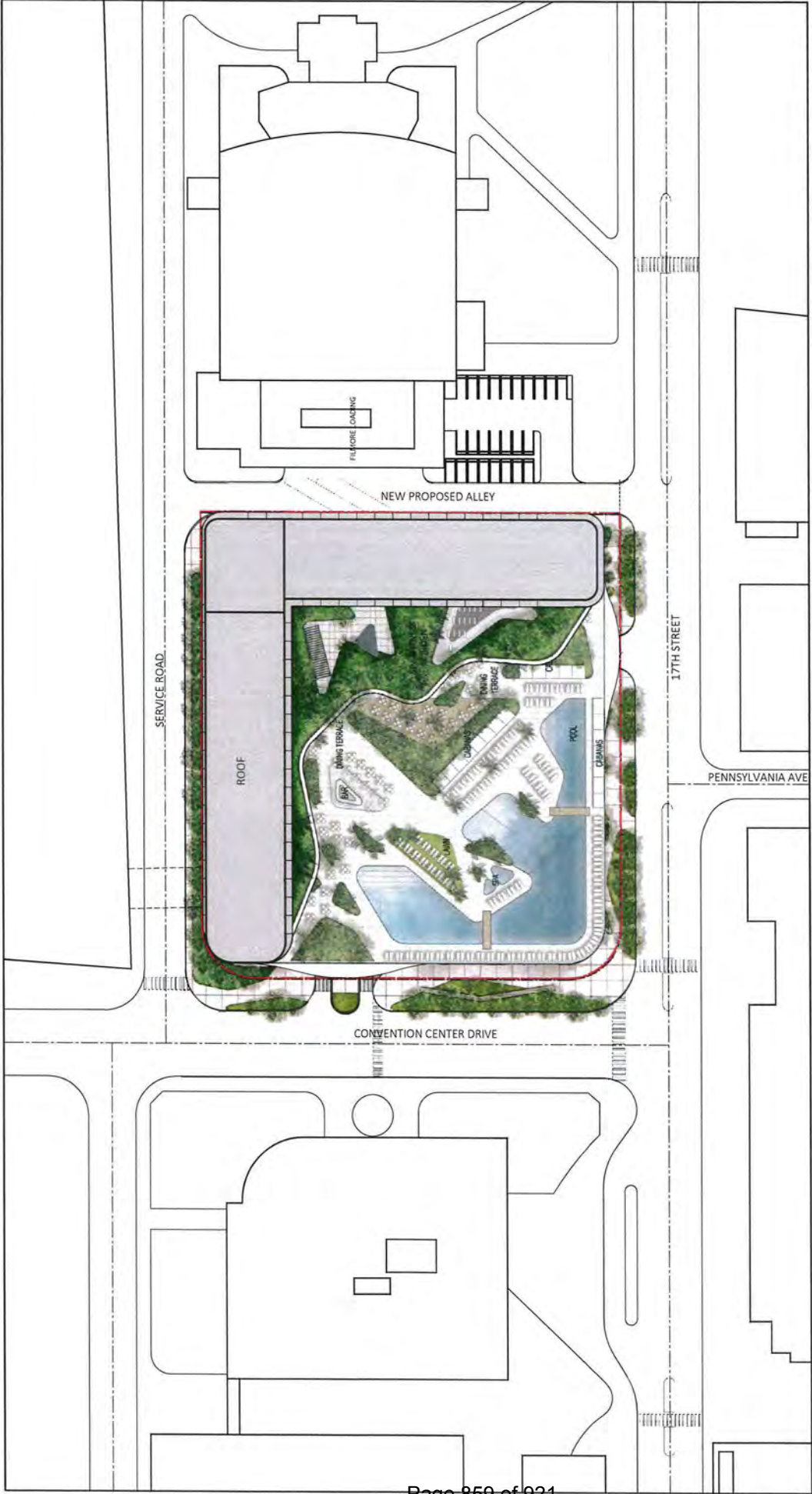
LEVELS 07 - 16

MBCC HOTEL
MIAMI, FL 33139



LEVEL 17

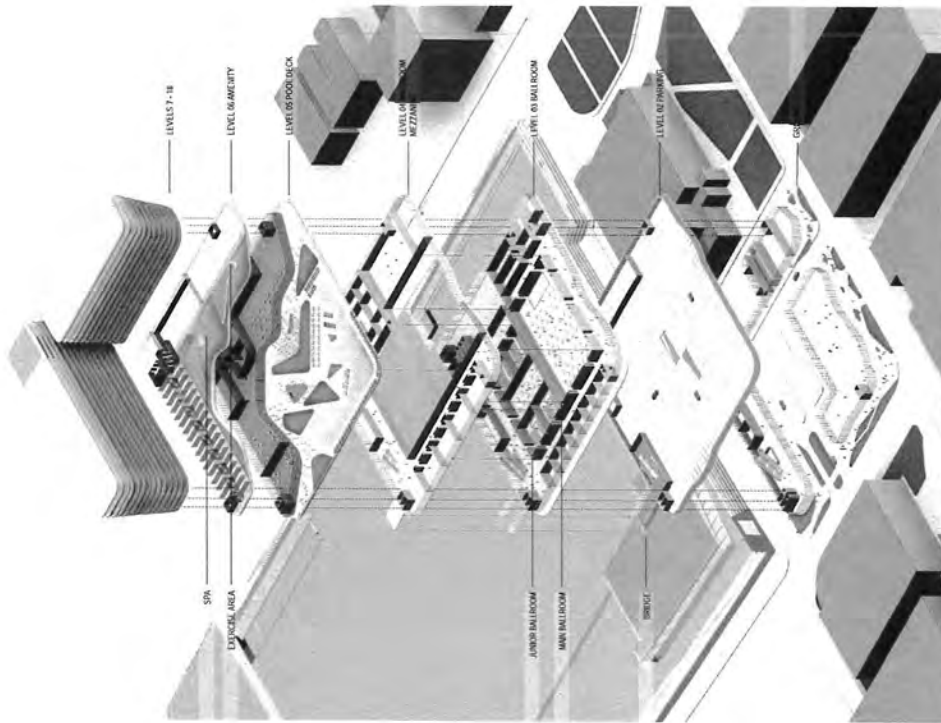
MBCC HOTEL
MIAMI, FL 33139



ROOF PLAN

MBCC HOTEL

MIAMI, FL 33139



AXO

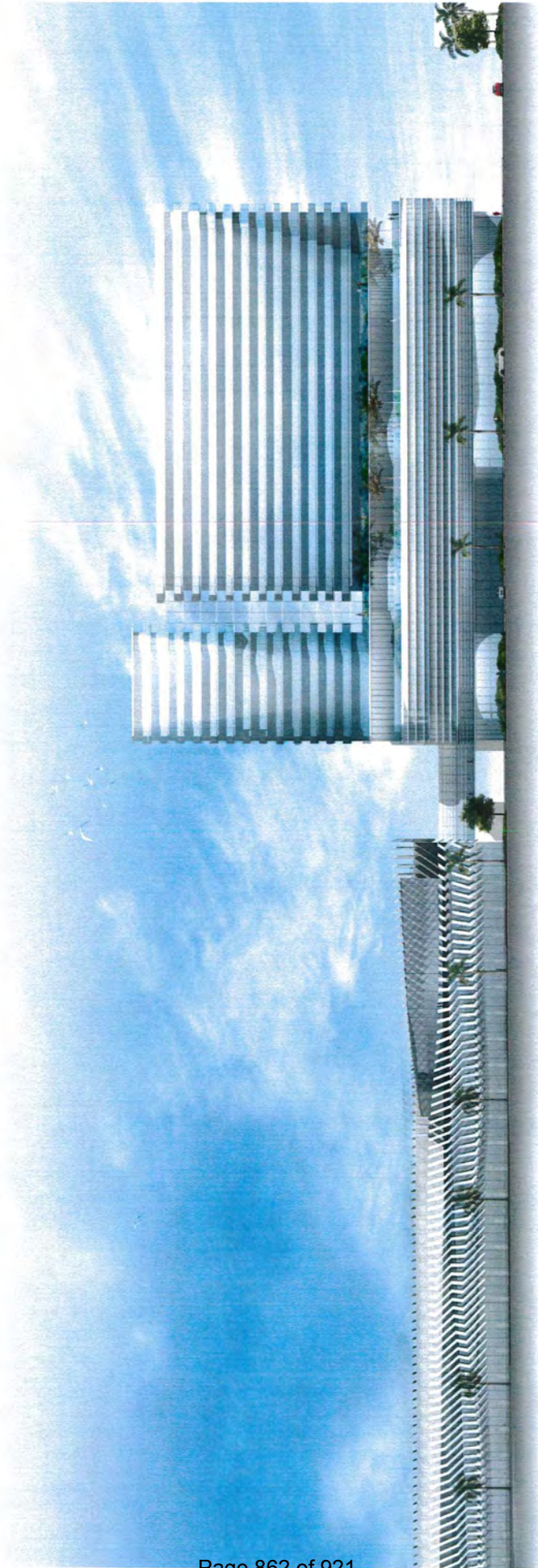
MBCC HOTEL
MIAMI, FL 33139



- LEVEL 17
- LEVEL 16
- LEVEL 15
- LEVEL 14
- LEVEL 13
- LEVEL 12
- LEVEL 11
- LEVEL 10
- LEVEL 09
- LEVEL 08
- LEVEL 07
- LEVEL 06 AMENITY
- LEVEL 05 POOL DECK
- LEVEL 04 BALLROOM MEZZANINE
- LEVEL 03 BALLROOM
- LEVEL 02 PARKING
- BFE + FRB

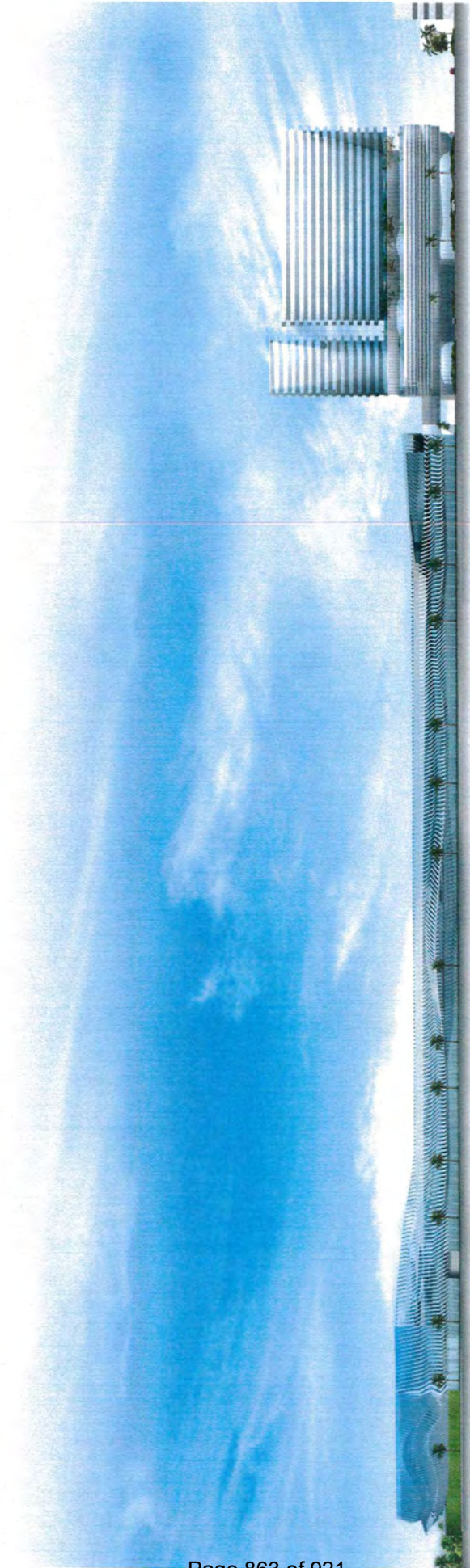
WEST ELEVATION

MBCC HOTEL
MIAMI, FL 33139



WEST ELEVATION

MBCC HOTEL
MIAMI, FL 33139



WEST ELEVATION

MBCC HOTEL

MIAMI, FL 33139

EXHIBIT "F"
RESERVED

EXHIBIT "G"

FORM OF EASEMENTS

GRANT OF EASEMENT AND AGREEMENT

THIS GRANT OF EASEMENT AND AGREEMENT (this "Easement") is made this ____ day of _____, 20__, by the CITY OF MIAMI BEACH, a Florida municipal corporation (the "City"), having its principal place of business at 1700 Convention Center Drive, Miami Beach, Florida 33139 in favor of MB MIXED USE INVESTMENT, LLC, a Florida limited liability company ("Lessee"), having its principal place of business at _____

WHEREAS, the City owns that certain property situated, lying and being in Miami-Dade County, Florida, as more particularly described in Exhibit "A" attached hereto (the "Property"),

WHEREAS, the City and the Lessee entered into that certain Development and Ground Lease Agreement dated as of _____, 20__, a memorandum of which is recorded in Official Records Book _____, at Page _____ of the Public Records of Miami-Dade County (the "Development and Ground Lease Agreement"), which constitutes a development agreement pursuant to the Florida Local Government Development Act, Section 163.3220, et seq., Florida Statutes (the "Act") and which contemplates the development and ground lease of the portion of the Property depicted in Exhibit "B" (the "Leased Property") for an 800-room full-service convention hotel and related facilities, to be connected to the Miami Beach Convention Center located at 1901 Convention Center Drive, Miami Beach, Florida ("Convention Center") by an enclosed overhead pedestrian skybridge (the "Hotel Project"),

WHEREAS, pursuant to the Development and Ground Lease Agreement, the City has agreed to grant to the Lessee a non-exclusive access easement for the purpose of ingress and egress through, over, on, upon and across the right-of-way which is more particularly described in Exhibit "C" attached hereto ("Easement Parcel 1") for the purpose of permitting Lessee to access the Leased Property including, without limitation, its parking, loading docks and/or service areas, and reserving unto City and its contractors, agents, employees, invitees and licensees (collectively, the "City Parties") the right to ingress and egress through, over, on, upon and across the Easement Parcel 1 for all purposes, including but not limited to providing pedestrian and vehicular access to the Convention Center and The Fillmore Theater located at 1700 Washington Avenue, Miami Beach, Florida ("Fillmore Theater"), and their respective loading docks and service areas,

WHEREAS, pursuant to the Development and Ground Lease Agreement, the City has agreed to grant to the Lessee a non-exclusive access easement over the area more fully described in Exhibit "D" hereto ("Easement Parcel 2"), for the purpose of permitting Lessee to construct the Skybridge and the Off-Site Improvements, as those terms are more particularly described in the Development and Ground Lease Agreement, and to maintain the Skybridge in accordance with the Development and Ground Lease Agreement, and

WHEREAS, collectively, Easement Parcel 1 and Easement Parcel 2 shall be referred to herein as the "Easement Parcels",

WHEREAS, granting the foregoing easements is a condition of the effectiveness of the Development and Ground Lease Agreement and the issuance of development permits and approvals in order to develop the Hotel Project,

NOW THEREFORE, in consideration of Ten and No/100 Dollars (\$10 00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and Lessee agree as follows

1 The City hereby grants to the Lessee a non-exclusive access easement through, over, on, upon and across **Easement Parcel 1** for the purpose of ingress and egress to and from the Leased Property and its parking, loading docks and/or service areas, for so long as Lessee uses the Leased Property in accordance with the terms of the Development and Ground Lease Agreement. The City hereby expressly reserves for itself, the other City Parties and their respective successors and/or assigns, the unrestricted right to use Easement Parcel 1 for purposes of providing pedestrian and vehicular access to the Convention Center and the Fillmore Theater, and their respective loading docks and service areas and for any and all other purposes that do not unreasonably interfere with the Lessee's use of Easement Parcel 1 for the rights granted herein, including but not limited to granting other easements or licenses at the same location. The City shall be responsible for the maintenance and operation of Easement Parcel 1 at the City's sole cost and expense.

2 The City hereby grants Lessee a non-exclusive access easement over, on, under, upon, and across **Easement Parcel 2** to perform all acts necessary to ensure fulfillment of all requirements of [insert permit or order no.] with respect to the construction of the Skybridge and/or Off-Site Improvements referenced in the Development and Ground Lease Agreement and as reasonably necessary to maintain the Skybridge in accordance with Lessee's obligations under the Development and Ground Lease Agreement. The City hereby expressly reserves for itself, the other City Parties and their respective successors and/or assigns, the unrestricted right to use the Easement Parcel 2 for any and all other purposes that do not unreasonably interfere with the Lessee's use of Easement Parcel 2 for the rights granted herein, including but not limited to granting other easements or licenses at the same location.

3 The Easement Parcels are subject to all liens, encumbrances, covenants, conditions, restrictions, reservations, contracts, leases and licenses, easements, and rights of way pertaining to the Property, whether or not of record, as identified on Exhibit "E" hereto (the "Encumbrances"). The use of the word "grant" shall not imply any warranty on the part of the City with respect to the Easement Parcels.

4 The Lessee shall maintain insurance on the Easement Parcels at all times as required by the Development and Ground Lease Agreement. Such insurance policy shall name the City as an additional insured and loss payee (with respect to property coverage) thereunder; shall be written by insurance companies licensed to do business in Florida and with an AM Best rating of A- or better; and must specify it is not subject to cancellation or non-renewal without a minimum of 30 days notification by the insurer to the City with a copy to the attention of Risk Manager, 1700 Convention Center Drive, Miami Beach, Florida 33139 ("Risk Manager"), with a minimum of 10 days notification by the insurer to the City and the City's Risk Manager prior to cancellation or non-renewal for non-payment of premium. The Lessee shall provide the City with a certificate of insurance evidencing said coverages.

5 City covenants, warrants and represents that it is the fee simple owner of the Leased

Property and Easement Parcels, and has the right, title, and capacity to grant the easements granted herein, subject only to the Encumbrances

6 Lessee shall not materially interfere with the use by and operation and activities of City Parties on the Easement Parcels, and Lessee shall use such routes and follow such procedures on the Easement Parcels as result in the least damage and inconvenience to City and its invitees, agents, employees, guests, lessees and/or licensees.

7 Lessee shall be responsible for any damage to the Property or any property of third parties resulting from the exercise or use of the Easement Parcels by the Lessee or its contractors, agents, officers, members, employees, invitees or licensees (collectively, the "Lessee Parties"), including but not limited to soil erosion, subsidence or damage resulting therefrom. Lessee shall promptly repair and restore to its original condition any of the Property that may be altered, damaged or destroyed in connection with the exercise or use of the Easement Parcels by the Lessee Parties. This Easement is made on the express condition that City is to be free from all liability by reason of injury or death to persons or injury to property from whatever cause arising out of any of the Lessee Parties' exercise or use of the Easement Parcels, including any liability for injury or death to the person or property of any of the Lessee Parties or to any property under the control or custody of any of the Lessee Parties. Lessee hereby covenants and agrees to defend and indemnify the City Parties and save them harmless from any and all liability, loss, costs, or obligations on account of, or arising out of, any such injury or losses caused or claimed to be caused by the exercise or use of the Easement Parcels by the Lessee Parties, however occurring, except to the extent caused solely by the willful or grossly negligent acts or omissions of City or the City Parties.

8 This Easement shall inure to the benefit of and be binding upon the heirs, legal representatives, successors and assigns of the City and Lessee, as applicable.

9 Lessee alone shall pay any and all taxes, charges or use fee(s) levied by any governmental agency against Lessee's interest in the Easement Parcels. Lessee shall not cause liens of any kind to be placed against the Easement Parcels or any of the Property except in connection with a Leasehold Mortgage.

10 Any notices required or permitted to be given under this Easement shall be in writing and shall be deemed to have been given if delivered by hand, sent by recognized overnight courier (such as Federal Express) or mailed by certified or registered mail, return receipt requested, in a postage prepaid envelope, and addressed as follows

If to the City at:

City of Miami Beach, City Hall
1700 Convention Center Drive
Miami Beach, Florida 3313
Attn. City Manager, City Attorney

With a copy to:

If to Lessee at.

c/o _____

Attn _____

With a copy to

Notices personally delivered or sent by overnight courier shall be deemed given on the date of delivery and notices mailed in accordance with the foregoing shall be deemed given five (5) days after deposit in the U S mails The terms of this Section shall survive the termination of this Easement

11 Construction

a This Easement shall be construed and governed in accordance with the laws of the State of Florida All of the parties to this Easement have participated fully in the negotiation and preparation hereof, and, accordingly, this Easement shall not be more strictly construed against any one of the parties hereto

b In construing this Easement, the use of any gender shall include every other and all genders, and captions and section and paragraph headings shall be disregarded

c All of the exhibits attached to this Easement are incorporated in, and made a part of, this Easement.

d The recitals to this Easement set forth above are true and correct and are incorporated herein by this reference

e The dominant estate is intended to be appurtenant to the Development and Ground Lease Agreement and is co-terminus with the Lessee's rights thereunder

12 Severability. In the event any term or provision of this Easement be determined by appropriate judicial authority to be illegal or otherwise invalid, such provision shall be given its nearest legal meaning or construed as deleted as such authority determines, and the remainder of this Easement shall be construed to be in full force and effect

13 Time of Essence. Time shall be of the essence for each and every provision hereof

14 Entire Agreement This Easement, together with the documents referenced herein, constitute the entire agreement and understanding among the parties with respect to the subject matter hereof, and there are no other agreements, representations or warranties other than as set forth herein This Easement may not be changed, altered or modified except by an instrument in writing signed by the party against whom enforcement of such change would be sought

IN WITNESS WHEREOF, the undersigned has caused this Easement to be executed by execution of this instrument as of this _____ day of _____, 201_

(Signature pages to follow)

Witnesses:

CITY OF MIAMI BEACH, FLORIDA,
a municipal corporation

Sign Name _____

By: _____

Mayor

Print Name: _____

Sign Name _____

Print Name: _____

ATTEST:

City Clerk

STATE OF FLORIDA)

) SS:

COUNTY OF DADE)

The foregoing instrument was acknowledged before me this ____ day of _____,
20__ by _____, as _____ of _____. He is
personally known to me or has produced _____ as identification and who
did (did not) take an oath.

NOTARY PUBLIC

Typed or Printed Name of Notary

My Commission Expires: _____

Serial No., if any: _____

ACKNOWLEDGED AND ACCEPTED this _____ day of _____, 20__ by _____:

Witnesses

LESSEE

Sign Name: _____

Print Name: _____

By: _____

Sign Name _____

Print name: _____

Print Name. _____

STATE OF FLORIDA)
) SS:
COUNTY OF DADE)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__ by _____, as _____ of _____. He is personally known to me or has produced _____ as identification and who did (did not) take an oath.

NOTARY PUBLIC

Typed or Printed Name of Notary
My Commission Expires: _____
Serial No., if any: _____

Exhibit "A"

[MBCC Parcel - Folio No. 02-3227-000-0090]

Exhibit "B"

Hotel Site Legal Description

[See Appendix 2 of July 17, 2018 Commission Memorandum]

Exhibit "C"

Easement Parcel 1 (Right-of-way)

[exact description to be finalized as part of the development process pursuant to the Lease]

Exhibit "D"

Easement Parcel 2 for

Construction of Skybridge and Off-site Improvements and Maintenance of Skybridge

[exact description to be finalized as part of the development process pursuant to the Lease]

EXHIBIT "H"
PRESENTLY PERMITTED DEVELOPMENT

(a) Permitted Development and Uses. The Leased Property is in the CCC Civic and Convention Center District, a zoning district created to accommodate the facilities necessary to support the Convention Center. The main permitted uses in the CCC Civic and Convention Center District are parking lots, garages, performing arts and cultural facilities; hotel; merchandise mart; commercial or office development; landscape open space; parks. Property located in the CCC Civic and Convention Center District may be used for the purposes permitted and regulated in these land use designations and zoning districts, as further limited by the City's Land Development Regulations, provided, however, that the Leased Property may only be used in accordance with the terms and conditions of this Lease.

(b) Density, Building Heights, Setbacks and Intensities. The maximum density, heights, setbacks and intensities for any development on the Leased Property shall be regulated by the City's Land Development Regulations, Comprehensive Plan and any Governmental Requirements. The development regulations in the CCC Civic and Convention Center District are as follows: (1) maximum floor area ratio of 2.75. There are no lot area, lot width, population densities or unit size requirements for the CCC Civic and Convention Center District. Building height and story requirements are as follows: (1) Maximum building height for hotels: 300 feet; for all other uses: 100 feet. (2) Maximum number of stories for hotels: 30; for all other uses: 11 stories. The development regulations (setbacks, floor area ratio, signs, parking, etc.) shall be the average of the requirements contained in the surrounding zoning districts as determined by the City's Planning and Zoning Director. Notwithstanding the foregoing, the permitted height for the Hotel Project shall not exceed 185 feet, measured from Base Flood Elevation plus maximum Freeboard (BFE + 5 feet), and further, as provided in the City's Land Development Regulations, including, without limitation, Section 142-1161 of the City Code.

THIS EXHIBIT DESCRIBES THE PRESENTLY PERMITTED DEVELOPMENT FOR PURPOSES OF THE ACT ONLY. THE PROJECT SHALL CONFORM TO THE DESCRIPTION, TERMS AND CONDITIONS SET FORTH IN THIS LEASE.

EXHIBIT "I"
PUBLIC FACILITIES

The proposed development will be serviced by those roadway transportation facilities currently in existence as provided by state, county, and local roadways. The proposed development will also be serviced by public transportation facilities currently in existence, as provided by Miami- Dade County, the City of Miami Beach, and such other governmental entities as may presently operate public transportation services within the City of Miami Beach. Sanitary sewer, solid waste, drainage, and potable water services for the proposed development shall be those services currently in existence and owned or operated by Miami-Dade County, the Miami-Dade County Water and Sewer Department, the City of Miami Beach, and State of Florida. The proposed development shall be serviced by those existing educational facilities owned or operated by the Miami-Dade Public Schools District, if applicable. The proposed development shall be serviced by those existing parks and recreational facilities owned or operated by the United States Government within Miami Dade County, by the State of Florida, by Miami-Dade County, and by the City of Miami Beach. The proposed development shall be serviced by those existing health systems and facilities operated by the United States Government within Miami-Dade County, by the State of Florida, by Miami-Dade County, and by the City of Miami Beach.

The proposed development will also be serviced by any and all public facilities, as such are defined in Section 163.3221(12) of the Act, that are described in the Comprehensive Plan, specifically including those facilities described in the Infrastructure Element and the Capital Improvements Element therein, a copy of which is available for public inspection in the offices of the City Clerk of the City of Miami Beach. Notwithstanding the foregoing, the Hotel Project may be required to provide for some of its own services, including solid waste removal and stormwater drainage.

EXHIBIT "J"

PUBLIC RESERVATIONS AND DEDICATIONS

None, except for any easements or reservations contemplated under Section 4.1(g).

EXHIBIT "K"
REQUIRED DEVELOPMENT PERMITS AND VARIANCES

The following constitutes a generalized list of local permits anticipated as necessary to be approved by the terms of this Lease:

1. Design Review Board, Planning Board, and/or Board of Adjustment approvals, pursuant to Chapter 118 of the City of Miami Beach Code.
2. Utility Permits
3. Demolition Permits
4. Building Permits
5. Environmental Permits
6. Hazardous Materials Removal Permit, if removal of hazardous materials is found necessary.
7. Public Works Permit, Paving and Drainage
8. Public Works Permit, Water and Sewer
9. Public Works Revocable Permits
10. Certificates of Use and/or Occupancy
11. Any variances or waivers that may be required pursuant to Chapters 114 through 142 of the City of Miami Beach Code
12. All other local governmental approvals as may be applicable to the subject property from time to time pursuant to the terms of this Development and Ground Lease Agreement, including but not limited to restrictive covenants in lieu of unity of title

EXHIBIT "L"

**ROOM BLOCK AGREEMENT
by and between**

**CITY OF MIAMI BEACH, FLORIDA
and
MB MIXED USE INVESTMENT, LLC**

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ROOM BLOCK AGREEMENT

THIS ROOM BLOCK AGREEMENT ("Agreement") made and entered into as of the ____ day of _____, 201__ (the "Effective Date") by and between **City of Miami Beach, Florida** ("City"), a Florida municipal corporation, and **MB Mixed Use Investment, LLC** ("Lessee"), a Florida limited liability company, recites and provides as follows.

RECITALS

The City has a material interest in maximizing the quality and performance of convention business attracted to the Convention Center, as hereinafter defined in Section 1.15, and encouraging convention and tourism business in the City.

In furtherance of those goals, and to facilitate the development of a full service convention center hotel connected to the Convention Center, the City has entered into the Development and Ground Lease Agreement (as hereinafter defined in Section 1.17) with Lessee, under which the parties have agreed, among other things, to enter into a room block agreement pursuant to which specific percentages of the Hotel's guest rooms will be reserved for specific periods of time for attendees, participants and planners of conventions and trade shows at the Convention Center. City and Lessee agree that the room block agreement described in the Lease (and, accordingly, this Agreement) constitutes a contract for the provision of services by Lessee to and for the benefit of City, which services are being provided in exchange for the covenants and agreements of City set forth in the Lease.

City and Lessee intend that this Agreement satisfy such room block agreement requirement in the Lease.

Lessee has or will execute and enter into a Management Agreement (as hereinafter defined) with the Initial Hotel Operator (as defined in the Lease) pursuant to which, among other things, Lessee shall require, and the Initial Hotel Operator must agree, to perform the obligations assigned to Lessee and/or Operator (as hereinafter defined) herein during the term of such Management Agreement and to otherwise operate the Hotel in a manner which complies with this Agreement.

In consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged and confessed by the parties hereto, City and Lessee hereby covenant and agree with each other as follows:

ARTICLE I **DEFINED TERMS**

In this Agreement, these terms shall have the following meanings:

1.01 "18-Month Room Block Request" is defined in Section 3.01(c).

1.02 "Acceleration Notice" is defined in Section 3.01(e).

1.03 "Active Negotiations" means (x) for purposes of Section 3.01(b) and (c), that Lessee or Operator, on the one hand, and a bona fide potential Hotel guest, on the other hand, have exchanged written correspondence between them that reflects an indication of mutual interest for consummating a transaction whereby such Hotel contracts to block or books guest rooms at the Hotel, and neither

Lessee or Operator, on the one hand, nor such bona fide potential Hotel guest on the other hand, has indicated that it no longer has any interest in pursuing such negotiations and (y) for purposes of Section 3.02(a), that the GMCVB or the City or its representatives, on the one hand, and a Potential Convention Center Customer, on the other hand, have exchanged written correspondence between them that reflects an indication of mutual interest for consummating a City-Wide Event and neither the GMCVB or the City, on the one hand, nor such Potential Convention Center Customer, on the other hand, has indicated that it no longer has any interest in pursuing such negotiations.

1.04 “Adjusted Maximum Event Room Block” is defined in Section 3.01(b)(i).

1.05 “Agreement” is defined in this Agreement’s preamble.

1.06 “Amended Offer” is defined in Section 3.01(d).

1.07 “Available Guest Rooms” means, as of any date in question, all of the Hotel’s guest rooms (including suites), excluding any guest rooms that are reasonably projected to be unavailable on the dates in question due to scheduled renovations (including, without limitation, renovations as a result of a hotel brand change or brand refresh), repairs (including, without limitation, repairs due to events of casualty that have occurred), or maintenance, and excluding any of the Hotel’s guest rooms that have been condemned in a taking and as to which physical possession is projected to have been taken by the condemnor prior to the date in question.

1.08 “Block Notice” is defined in Section 3.01(d).

1.09 “Block Release Request Notice” is defined in Section 3.02(b).

1.10 “Business Day” means a day other than a Saturday, a Sunday or a day on which national banks in Miami-Dade County, Florida are closed for business. If any action is required to be performed, or if any notice, consent or other communication is given, on a day that is not a Business Day, such performance shall be deemed to be required, and such notice, consent or other communication shall be deemed to be given, on the first Business Day following such non-Business Day. Unless otherwise specified herein, all references herein to a “day” or “days” shall refer to calendar days and not Business Days.

1.11 “City” means the City of Miami Beach, Florida, a municipal corporation of the State of Florida.

1.12 “City Manager” means the Chief Administrative Officer of the City. The City Manager shall be construed to include any duly authorized representatives designated in writing with respect to any specific matter(s) concerning the Room Block Agreement (exclusive of those authorizations reserved to the City Commission or regulatory or administrative bodies having jurisdiction over any matter(s) related to the Lease).

1.13 “City-Wide Event” means a convention, trade show or other event requiring a three (3) night stay, during which a Potential Convention Center Customer (i) needs to use a minimum of 115,000 gross square feet of exhibit or meeting space in the Convention Center for not less than three (3) days (including the day preceding the commencement of and the day following the conclusion of such event) and (ii) in connection with such event, requests 1,500 or more guest rooms on the peak night and 4,000 or more guest rooms in the aggregate be made available in hotels in the City (including the Hotel) and

surrounding metropolitan areas. A City-Wide Event shall also include the annual Orange Bowl football game hosted by the Orange Bowl Committee and any Super Bowl football game that may take place in Miami-Dade County or Broward County (without regard to whether either event utilizes the Convention Center in any way).

1.14 [Intentionally deleted]

1.15 "Convention Center" means the Miami Beach Convention Center located at 1900 Convention Center Drive, Miami Beach, Florida.

1.16 "Cure Period" is defined in Section 2.02(b).

1.17 "Development and Ground Lease Agreement" or "Lease" means that certain Development and Ground Lease Agreement between Lessee and City dated _____, 201_, as may be amended from time to time in accordance with its terms.

1.18 "Effective Date" is defined in this Agreement's preamble.

1.19 "Event Block Minimum Rate" is defined in Section 4.01(e).

1.20 "Event of Default" is defined in Section 8.01.

1.21 "Event Night" means any night during a City-Wide Event (including the day preceding the commencement of and the day following the conclusion of such event, as contemplated in the definition thereof) for which (i) City has exercised its rights under Section 3.01(a) by giving a Room Block Request Notice to the Operator and (ii) in response to such Room Block Request Notice, 250 or more rooms have been booked, blocked or reserved by the Operator either (x) pursuant to a contract with the Potential Convention Center Customer or (y) pursuant to Initial Offers or Amended Offers that have been accepted or are still outstanding (and, if such contracts are terminated or any of such offers are subsequently terminated or rejected, then any of the blocked rooms that were subject thereto shall no longer be considered blocked for purposes of this definition). If rooms are blocked under this Agreement for multiple City-Wide Events on the same night, that night will be considered to be a single Event Night for purposes of the Maximum Event Night Ceiling but in no event shall any night during a City-Wide Event be considered an Event Night for purposes of the Maximum Event Night Ceiling if City has not given a Room Block Request Notice for that night to the Operator.

1.22 "Event Room Block" means a block of guest rooms (including suites) at the Hotel offered to or reserved for the attendees of a City-Wide Event in response to a Room Block Request Notice.

1.23 "Force Majeure" means and includes causes without fault and beyond the control of a party, whether or not foreseeable, including, without limitation, fire, explosion, accident, flood, windstorm, earthquake, or other disaster or calamity, disruption of utility service; restrictive new governmental laws or regulations; acts of war (whether declared or undeclared), invasion, blockade, or sabotage; terrorism or threat thereof; riot, civil disturbance, insurrection or acts of public enemies; and strike, lockout or other labor action and inability to procure materials; provided that neither a material disruption of or material adverse change in financial, banking or capital market conditions or a material adverse change in the business, financial condition, operations, assets, liabilities or prospects of either party shall excuse any failure or delay in performance under this Agreement.

1.24 "GMCVB" means the Greater Miami Convention & Visitors Bureau.

1.25 "Hotel" means the hotel to be constructed by Lessee on the Hotel Site pursuant to the Lease, together with all supporting hotel facilities and amenities.

1.26 "Hotel Site" means the parcel of real property described on Exhibit A attached hereto and made part hereof.

1.27 "Initial Offer" is defined in Section 3.01(b).

1.28 "Known Release Dates" is defined in Section 3.02(d).

1.29 "Lessee's Initial Projected Event Block Rate Schedule" is defined in Section 4.01(b).

1.30 "Lessee's Subsequent Projected Event Block Rate Schedule" is defined in Section 4.01(c).

1.31 "Managed Hotels" means full-service, convention center hotels within the United States of America operated as first-class hotels containing no less than 400 rentable guest rooms operated under a brand name and managed by the Operator or any entity controlled by, under common control with or that controls Operator.

1.32 "Management Agreement" means the hotel operating or management agreement between Lessee and the Operator that exists from time to time, as it may be amended or replaced from time to time.

1.33 "Maximum Event Night Ceiling" means the maximum number of Event Nights in any calendar month during which Lessee or Operator shall be obligated to provide Event Room Blocks pursuant to this Agreement. The Maximum Event Night Ceiling is fourteen (14) Event Nights per calendar month.

1.34 "Maximum Event Room Block" means eighty percent (80%) of all of the Hotel's Available Guest Rooms.

1.35 "Midweek" means Sunday through Thursday, inclusive.

1.36 "Notice" or "notice" means each and every communication, request, reply, or advice required or permitted to be given, made or accepted by any party to this Agreement to any other party to this Agreement, each of which shall be given in writing, and deemed received by the intended recipient, in accordance with Section 9.04.

1.37 "Offer Expiration Date" is defined in Section 3.01(e).

1.38 "Opening" means the opening of the Hotel to the public for business.

1.39 "Operator" means the entity responsible for overseeing the day to day management of the Hotel. The initial Operator (sometimes herein called the "Initial Hotel Operator") of the Hotel is _____, a _____ corporation.

1.40 "Lessee" means the entity defined as "Lessee" in this Agreement's preamble and each subsequent Lessee of all or any part of the Hotel Site. An entity shall be deemed to be the "Lessee" hereunder only during the term of its leasehold of the Hotel Site.

1.41 "Potential Convention Center Customer" means a person, entity, group or association (or any combination thereof) that is planning a City-Wide Event.

1.42 "Public Records Act" is defined in Section 4.04.

1.43 "Rate Quote" is defined in Section 3.01(b).

1.44 Intentionally Omitted.

1.45 "Room Block Contract" is defined in Section 3.01(f).

1.46 "Room Block Request Notice" is defined in Section 3.01(a).

1.47 "Sales Representative" is defined in Section 3.01(a).

1.48 "Special Event Block Minimum Rate" is defined in Section 4.01(e).

1.49 "Standard of Operation" is defined in Section 6.01.

1.50 "Standard of Operation Failure Notice" is defined in Section 2.02(a)(ii).

1.51 "Suspension Period" is defined in Section 2.02(b).

1.52 "Term" is defined in Section 2.01.

1.53 "Weekend" means Friday and Saturday.

ARTICLE II

TERM OF THIS AGREEMENT

2.01 Commencement of the Term. The term of this Agreement (the "Term") shall commence on the Effective Date.

2.02 Expiration of Term; Suspension Period.

(a) The Term shall continue until the earlier to occur of:

(i) the date upon which the Convention Center is no longer designated by the City as the City's principal convention center; and

(ii) the termination of this Agreement pursuant to Section 8.01 of this Agreement.

(b) The Term shall be suspended for so long as the Convention Center is no longer operated and maintained substantially consistent with the Standard of Operation (the "Suspension Period"); provided, that, no suspension of the Term pursuant to this Section 2.02(b) shall be deemed to

have occurred unless and until (1) Lessee has provided to City written notice (the "Standard of Operation Failure Notice") of any alleged failure by City to operate and maintain the Convention Center in a manner substantially consistent with the Standard of Operation, which notice (to be effective as such) must state with reasonable specificity the reasons why Lessee believes that the Convention Center is no longer being operated or maintained substantially consistent with the Standard of Operation (e.g., if Lessee believes the Convention Center is not being maintained in substantial accordance with the Standard of Operation, Lessee's notice shall describe the deficiencies in maintenance with reasonable specificity), and (2) City has failed to remedy such failure within one hundred eighty (180) days following receipt of such Standard of Operation Failure Notice (such 180-day cure period to be extended for delays resulting from Force Majeure and, if the nature of the failure is such that the same cannot reasonably be expected to be cured within said 180-day period, such 180-day period shall be extended such period of time as is reasonably necessary to effect such cure so long as City commences the cure promptly and uses commercially reasonable, diligent efforts to complete such cure as soon as reasonably practicable; the 180-day cure period, as the same may be extended as provided for in this clause, is herein called the "Cure Period"). Notwithstanding the foregoing, City shall have the right to contest Lessee's determination that the Convention Center is not being operated or maintained substantially in accordance with the Standard of Operation by giving Lessee notice of such contest within thirty (30) days following receipt of the Standard of Operation Failure Notice. If City elects to contest Lessee's determination, then the commencement of the Cure Period shall be delayed until the date of determination by a court of competent jurisdiction that the Convention Center was not being operated and maintained substantially consistent with the Standard of Operation. At such time as the Convention Center is operated and maintained substantially consistent with the Standard of Operations, the Suspension Period shall terminate and the parties shall operate in accordance with the terms hereof.

ARTICLE III

ROOM BLOCK COMMITMENT; RELEASE OF BLOCK

3.01 Room Block. During the Term, City may from time to time require the Operator to offer an Event Room Block to Potential Convention Center Customers in connection with a City-Wide Event in accordance with, and subject to the limitations set forth in, this Agreement. Notwithstanding anything herein to the contrary, City shall not have the right to require the Operator to offer an Event Room Block to Potential Convention Center Customers if (a) the number of Event Nights requested in the Room Block Request Notice for such Event Room Block would cause the Maximum Event Night Ceiling to be exceeded, or (b) the total number of rooms requested to be blocked in such Room Block Request Notice on any Event Night exceeds the number of rooms Operator is required to offer to block pursuant to Section 3.01(b)(i). Subject to the limitations set forth in the preceding sentence and elsewhere in this Article III, the right to require that the Operator so offer the Event Room Block will be exercised in accordance with the following procedures:

(a) A management, sales or booking representative of City or, if authorized by City, the GMCVB (the "Sales Representative"), will notify the Operator that a Potential Convention Center Customer is seeking offers from local hotels to accommodate, among other needs, the guest room needs of the Potential Convention Center Customer for a City-Wide Event (the "Room Block Request Notice"). The Room Block Request Notice will (i) identify the Potential Convention Center Hotel Customer, (ii) if the same is generally available to City, set forth a documented history of the group's room block events for the most recent three year period including a comparison of the number of rooms blocked and the actual number of rooms actually used, (iii) specify each specific date for which the Potential Convention Center Customer will require blocks of guest rooms (including those dates

commonly known as “move in” and “move out” dates), and (iv) specify the number of guest rooms in the Hotel the Potential Convention Center Customer is seeking to block on each of the specific dates. Notwithstanding the provisions of Section 9.04 or the definition of “Notice” set forth above, the Room Block Request Notice will be communicated to the Operator in the same manner as such notifications are customarily communicated by the Sales Representative to other hotels in the City. However, a copy of all Notices required or permitted to be provided by the Sales Representative or City under this Article III shall be delivered to Lessee, and such notices to Operator shall not be effective unless and until a copy of such notices are delivered to Lessee.

(b) Unless such deadline is extended in writing by the Sales Representative, within five (5) Business Days after Operator’s receipt of a Room Block Request Notice for a City-Wide Event that is no sooner than thirty (30) months from the date of such notice (or, if applicable by the operation of Section 3.01(c) below, eighteen (18) months from receipt of such notice), the Operator will deliver to the Potential Convention Center Hotel Customer (with a copy to the Sales Representative and City) an initial written offer in response to the Room Block Request Notice (the “Initial Offer”). In the Initial Offer the Operator will:

(i) offer to the Potential Convention Center Customer to block, on each specific date that the Potential Convention Center Customer requires a block of guest rooms as specified in the Room Block Request Notice, the lesser of (A) the actual number of the guest rooms in the Room Block Request Notice for each specific date, or (B) the Maximum Event Room Block after deducting from the Maximum Event Room Block the following (which amount shall be referred to as the “Adjusted Maximum Event Room Block”):

1. any previously offered room blocks under this Agreement for other City-Wide Events covering such dates, which offers have either been accepted or are still outstanding;

2. any guest rooms released by City pursuant to Section 3.01(j) or Section 3.02 and that have actually been booked by Operator or are the subject of Active Negotiations. If such guest rooms are the subject of Active Negotiations, then at the request of City Lessee and Operator shall (x) attempt to cause such proposed Hotel guest with whom such Active Negotiations are being held to select other dates for the use thereof that would permit Operator to accommodate the room block set forth in the Room Block Request Notice or (y) require that Operator accelerate negotiations with such potential Hotel guest by requiring such potential Hotel guest to execute a contract to block or book such rooms that are the subject of such Active Negotiations within the fifteen (15) Business Days following City’s request to Operator under this clause (y), failing which, for purposes hereof, such rooms shall no longer be considered under Active Negotiations; and

3. in the case where the Maximum Event Night Ceiling for such month to which such block relates had previously been reached but, due to subsequent cancellations of bookings there remain, as of the date of request for the Initial Offer, available Event Nights for such month, then less the number of rooms booked, blocked or reserved by Operator (i.e., rooms that were booked or reserved, or were offered by Operator to be booked, blocked or reserved under offers that

have either been accepted or are still outstanding) following the date such Maximum Event Ceiling Night had been reached and prior to such cancellations¹, and

(ii) quote a specific room rate for a standard single and double room and suites (the “Rate Quote”). In making the Rate Quote, the Operator will take into account seasonality (i.e., using group event guest room rates received in a calendar month as the basis for quotes for the same month in subsequent calendar years), Midweek versus Weekend rates, and special events that occur regularly during the applicable period); provided, that, the Rate Quote shall not take into account non-recurring special events that occur in a particular month which inflate group event room rates (such as Super Bowls, NCAA Men’s or Women’s basketball tournaments, Major League Baseball playoffs and similar sporting or entertainment events). In addition, rates for groups whose stay consists of both Midweek and Weekend days shall be determined in accordance with Operator’s booking policies described in Section 3.01(f). The amount of the Rate Quote in the Initial Offer will be at the sole, but good faith, discretion of the Operator.

(c) Notwithstanding anything to the contrary set forth in Section 3.01(b) or any other provision of this Agreement to the contrary:

(i) the Operator shall offer the Adjusted Maximum Event Room Block to a Potential Convention Center Customer for a City-Wide Event that will commence between eighteen (18) and thirty (30) months from the date of such notice (a “18-Month Room Block Request”), and Operator shall be obligated to issue an Initial Offer (and otherwise perform its obligations hereunder) for such a City-Wide Event only if the number of rooms requested in such 18-Month Room Block Request are available as of the date of receipt of such Room Block Request Notice (i.e., rooms that (x) have not been booked, blocked, or reserved, (y) are not the subject of Active Negotiations regarding same, and (z) have not been previously offered by Operator to be booked, blocked or reserved under offers that have either been accepted or are still outstanding) on the Event Nights for which rooms are requested in such Room Block Request Notice; provided, however, that

(ii) the Operator shall designate one consecutive four (4) day period each calendar month to be able to offer the Adjusted Maximum Event Room Block to a Potential Convention Center Customer for City-Wide Events commencing not less than eighteen (18) months and not more than thirty (30) months from the first day of such calendar month. Operator shall determine the consecutive four (4) day periods for each respective month during the applicable period and shall notify City of the schedule on a monthly basis.

¹ The following is an example of the intended operation of this clause (3). Assume that on January 1, 2020, the Maximum Event Night Ceiling was achieved for the month of January 2024. Then assume that, in accordance with its right to do so pursuant to Section 3.01(l), during the month of January 2020 the Operator books 200 room nights for the month of January 2024. Then assume that a block for 400 rooms booked for January 2024 and that comprised part of the Maximum Event Night Ceiling was canceled on February 1, 2020. Then assume that a Room Block Request is delivered on March 1, 2020 for a block in January 2024. The 200 rooms booked by Operator in January 2020 would be deducted from the calculation of the Maximum Event Room Block under clause (3).

(d) The Rate Quote included by Operator in the Initial Offer shall be determined in Operator's sole, but good faith, discretion, and in determining such rate, Operator shall be entitled to take into account, among other considerations, the level of food and beverage services that the Operator anticipates the Potential Convention Center Customer will purchase in the Hotel. After reviewing the Initial Offer, the Sales Representative may consult with the Operator regarding the Rate Quote contained in the Initial Offer. If prior to acceptance of the Initial Offer (or any amendment thereto voluntarily offered by the Operator to the Potential Convention Center Customer), City reasonably and in good faith believes that it might be in City's or the City's best interest to compel the Lessee to offer the Potential Convention Center Customer an alternative rate structure, City may, after consultation with the Operator and within thirty (30) days following receipt of the Initial Offer, elect to require (which election shall be communicated by Notice from City to the Operator) the Operator to offer to the Potential Convention Center Customer a rate lower than the rate in the Initial Offer, but in no event lower than the Event Block Minimum Rate or, for up to six (6) City-Wide Events annually as determined at the City's sole discretion, the Special Event Block Minimum Rate, as applicable (such written election being the "Block Notice"). Upon receipt of the Block Notice, Operator shall, within two (2) Business Days thereafter, amend the Initial Offer by substituting the rate specified by City, which shall be no lower than the Event Block Minimum Rate, as the Rate Quote (the "Amended Offer").

(e) Subject to the remaining provisions of this Section 3.01(e), the Initial Offer or the Amended Offer (if applicable) shall remain open for acceptance by the Potential Convention Center Customer until the sixtieth (60th) day following the date of the Initial Offer or Amended Offer, as the case may be; provided, that in the case of an Initial Offer or Amended Offer given in response to a 18-Month Room Block Request, then Operator may at any time provide the Potential Convention Center Customer with written notice (the "Acceleration Notice") that such Initial Offer or Amended Offer will expire on the fifteenth (15th) Business Day following the date of such Acceleration Notice unless the Potential Convention Center Customer executes and returns the Room Block Contract to the Operator. If such customer fails to execute and return the Room Block Contract within such fifteen (15)-Business Day period, the offer shall expire, and the Operator shall have no further obligation to City or the Potential Convention Center Customer in regard to such City-Wide Event under the Initial Offer or the Amended Offer, as the case may be. The date of expiration of the Initial Offer or Amended Offer, as the case may be, determined pursuant to this Section 3.01(e) is herein referred to as the "Offer Expiration Date".

(f) If either the Initial Offer or the Amended Offer is accepted by the Potential Convention Center Customer prior to the Offer Expiration Date, Operator shall endeavor to negotiate a binding contract with the Potential Convention Center Customer applying Operator's customary booking policies to the Event Room Block (the "Room Block Contract"), including policies relating to contracts, advance deposits and cancellation, provided that these policies shall adhere in all material respects to the general customs employed by the Operator at its Managed Hotels, if any. Lessee will use its good faith efforts to cause Operator to consider changes to Operator's customary booking policies to the extent necessary to accommodate any prevalent and material local booking customs or practices. If a Potential Convention Center Customer has not for any reason (other than Operator's breach of its obligations set forth in the preceding sentence) signed a contract with the Operator with respect to such Initial Offer or Amended Offer, as the case may be, on or before the Offer Expiration Date, then such offer will expire, whereupon the Lessee shall have no further obligation to City or the Potential Convention Center Customer in regard to such City-Wide Event under the Initial Offer or the Amended Offer, as the case may be. However, if such offer expires at a time when there are more than thirty (30) months (or, by the operation of Section 3.01(c), eighteen (18) months) prior to the first Event Night of

the Potential Convention Center Customer's City-Wide Event, nothing in this Agreement shall prohibit City from issuing a new Room Block Request Notice for such City-Wide Event in accordance with, and subject to the provisions of, this Section 3.01, provided that Lessee shall have no obligation to include the same terms as were included in the Initial Offer or the Amended Offer, as the case may be, that had previously expired for such City-Wide Event in the Initial Offer Lessee delivers to City in connection with such new Room Block Request Notice.

(g) If a Potential Convention Center Customer signs a Room Block Contract with the Operator but later provides written notice to the Operator that it is terminating such contract, the Operator, after Notice to City from the Lessee or Operator, will have no further obligation to City in regard to the Event Nights covered by the Room Block Request Notice (which shall be deemed released from the obligations hereunder), but only if such written termination notice is given by the Potential Convention Center Customer on a date less than thirty (30) months before the first Event Night. If such notice of termination is given on a date more than thirty (30) months before the first Event Night, then, unless rooms are blocked under this Agreement for such Event Nights for another City-Wide Event, the Event Nights covered by the Room Block Request Notice for such City-Wide Event will not be included in calculating the Maximum Event Night Ceiling, and City may again deliver a Room Block Request Notice in accordance with, and subject to the limitations set forth in, this Section 3.01; provided, however, Operator will have no obligation to cancel any bookings to accommodate such subsequent request (for example, as provided in Section 3.01(l), once the Maximum Event Night Ceiling has been reached the Operator is free to book rooms hereunder for such month and Operator shall not be obligated to cancel any rooms reservations for such month to accommodate a replacement block). City recognizes that the Lessee or Operator may be entitled to collect cancellation fees from such Potential Convention Center Customer and City hereby consents thereto and agrees that City shall have no right or claim to all or any portion of such fees except as provided in the Lease. Similarly, the Lessee recognizes that City may be entitled to collect cancellation fees from such Potential Convention Center Customer pursuant to the contract between City and the Potential Convention Center Customer, if any, and the Lessee hereby consents thereto and agrees that Lessee shall have no right or claim to all or any portion of such fees.

(h) If a Potential Convention Center Customer signs a Room Block Contract with the Operator, then Operator will reserve rooms included in an Event Room Block for such customer for purchase by the persons attending the applicable event until the date required under the Room Block Contract executed with such Potential Convention Center Customer, after which time any unbooked rooms shall be released from such Event Room Block and may be rented for the dates covered by such Event Room Block at any rate to any person Operator selects without restrictions imposed by this Agreement.

(i) Operator shall have the unrestricted right to commit up to twenty (20%) of the Available Guest Rooms on any given date (and any other rooms that are not subject to being blocked by City pursuant to this Agreement) to the Hotel's commercial or group guests. In addition, Operator shall have the unrestricted right to commit any and all rooms not subject to a room block commitment pursuant to this Agreement for any date that is less than thirty (30) months in advance; provided, however, if an 18-Month Room Block Request is delivered to Operator, Operator shall issue an Initial Offer with respect to such request only to the extent required pursuant to Sections 3.01(c)(i) and 3.01(c)(ii)

(j) If Operator has a potential booking that would not be permitted under the terms of this Agreement, Operator may by notice to City (with a copy to Lessee) request that it be

entitled to make such booking. City shall have five (5) Business Days in which to respond to such request by notice to the Operator; provided, that a failure to respond shall be deemed a rejection of such request (but such deemed rejection shall not prevent Operator from making multiple requests for such release).

(k) For the avoidance of doubt, the Operator shall have the right to freely book all rooms within the Hotel for any day on which the Convention Center cannot accommodate a City-Wide Event because less than one hundred fifteen thousand (115,000) square feet of meeting or exhibit space is available on such day for use by a Potential Convention Center Customer (such determination to be made as of the time Operator makes or extends an offer to make such booking) or (ii) that is an Event Night during a calendar month in which the Maximum Event Night Ceiling has been reached.

(l) Once the Maximum Event Night Ceiling is reached for a month, the Operator shall have the right to freely book the available rooms at the Hotel for that month, regardless of when the booking is made (e.g., it may be more than thirty (30) months in advance).

(m) Notwithstanding the foregoing, if a Potential Convention Center Customer has (i) a documented history of causing material property damage or unusually heavy wear and tear in connection with group events or (ii) poor credit or a questionable payment history, then Operator shall have the right, at its option, to decline to accommodate such Potential Convention Center Customer upon notice to the City given within five (5) days following the date of the Room Block Request Notice; provided, that such notice to the City under this paragraph shall set forth with particularity the basis for the Operator's conclusions. In the event the City disagrees with the Operator's conclusions, the parties agree to meet and confer and attempt in good faith to reach agreement as to whether to accept or decline the Potential Convention Center Customer

3.02 Release of Block

(a) Notwithstanding anything to the contrary set forth in this Agreement, but subject to Section 3.02(b) below, Operator shall have the right to commit a block of more than twenty percent (20%) of the Available Guest Rooms to non-Potential Convention Center Customer business for a date more than thirty (30) months in the future, and the rooms in excess of twenty percent (20%) shall be released from the terms of this Agreement for such dates, unless any of the following are true:

(i) A Room Block Request Notice satisfying the requirements set forth herein has been delivered that covers any of the dates reflected in the Block Release Request Notice, unless any Initial Offer or Amended Offer delivered by Operator in response thereto has expired without the execution by the Potential Convention Center Customer of a Room Block Contract with Operator or, if such a contract was executed, the same has been terminated by the customer;

(ii) The GMCVB or the City is in Active Negotiations with a Potential Convention Center Customer for a City-Wide Event that includes any of the dates covered by the Block Release Request Notice; or

(iii) The dates covered by the Block Release Request Notice have historically been booked in hotels in the City for a City-Wide Event and City reasonably concludes that the release of the block in the Hotel will jeopardize the booking of such City-Wide Event.

(b) If Operator desires to commit a block of more than twenty percent (20%) of Available Guest Rooms pursuant to Section 3.02(a) above, Operator shall send a Notice to City (a “Block Release Request Notice”) specifying (i) the dates as to which such request applies, (ii) the number of event night rooms to which such request applies, and (iii) either that (x) to Operator’s knowledge, none of the items in clauses (i) through (iii) of Section 3.02(a) are true or (y) even though one or more of the items in clauses (i) through (iii) are true, such Block Release Request Notice describes a group that is proposing to contract for regularly recurring events (including on a rotating basis with other municipalities) at the Hotel and/or the Convention Center, and City should consider such request for the release in light of the possible repeat nature of the proposed business. Within five (5) Business Days after receipt of a Block Release Request, City shall deliver written notice to Operator either (i) confirming the release of the requested rooms for the specific dates set forth in such Block Receipt Request or (ii) disapproving such release with an explanation as to which item in clause (i) through (iii) of Section 3.02(a) permits City to disapprove. If City fails to either (x) confirm the release of rooms in a Block Release Request Notice or (y) disapprove the release of rooms in a Block Release Request, in each case of (x) and (y), in writing within such five (5) Business Day period, then such release shall be confirmed.

(c) Operator shall, upon request by City following any release made pursuant to this Section 3.02, use its good faith efforts to accommodate any Event Room Block subsequently requested covering any of the dates for which a release has been provided by City under this Section 3.02.

(d) City will provide Operator a list of known release dates on a periodic basis (not less than semi-annual) identifying all future dates the Convention Center cannot be utilized for City-Wide Events due to maintenance, move in/out periods, or any other reason (“Known Release Dates”). If the City subsequently eliminates such dates from a subsequent list of Known Release Dates, such date(s) shall be subject to all applicable provisions of this Agreement, unless rooms have been booked, blocked or reserved by the Operator pursuant to a contract with a hotel customer or group (and, if such contracts are terminated, then any of the blocked rooms that were subject thereto shall no longer be considered blocked for purposes herein).

ARTICLE IV **ROOM BLOCK PRICING**

4.01 Event Block Minimum Rates; Special Event Block Minimum Rates.

(a) The Event Block Minimum Rates and Special Event Block Minimum Rates shall be as follows:

(i) The Event Block Minimum Rate shall be an amount equal to 105% of the average group rate for the applicable period reflected in the Lessee’s Initial Projected Event Block Rate Schedule or Lessee’s Subsequent Projected Event Block Rate Schedule (each as defined below), as applicable, as further described in Section 4.01(e).

(ii) The Special Event Block Minimum Rate shall be an amount equal to 100% of the average group rate for the applicable period reflected in the Lessee’s Initial Projected Event

Block Rate Schedule or Lessee's Subsequent Projected Event Block Rate Schedule (each as defined below), as applicable, as further described in Section 4.01(e).

(b) Concurrent with the Commencement of Construction, Lessee shall have provided to City and the City shall have approved a schedule of the projected Event Block Minimum Rates and Special Event Block Minimum Rates for the first five (5) calendar years after the Opening (the "Lessee's Initial Projected Event Block Rate Schedule"). The Lessee's Initial Projected Event Block Rate Schedule shall include a schedule for both Event Block Minimum Rates and Special Event Block Minimum Rates, and will include varying rates for room type and for periods within each applicable calendar year to account for seasonality and day of the week (e.g., Midweek, Weekend). The rates for each such year included in Lessee's Initial Projected Event Block Rate Schedule shall represent Lessee's good faith forecast of the rates that will be included in the pro forma budget for the operation of the Hotel for such year and are the projections and forecasts being used by Lessee in making its decisions, and planning for, bookings in the operation of the Hotel and the conduct of Lessee's business generally.

(c) By no later than January 1 of each year commencing after the date hereof, Lessee shall provide City a schedule of the projected Event Block Minimum Rates and Special Event Block Minimum Rates for the ensuing five (5) calendar year period (each such schedule, an "Lessee's Subsequent Projected Event Block Rate Schedule"). The rates (x) for the first twelve (12) months covered by the Lessee's Subsequent Projected Event Block Rate Schedule shall be those set forth in the pro forma operating budget for the Hotel for such 12-month period that has been approved by Lessee and Operator, and (y) for each other year covered thereby shall represent Lessee's and Operator's then-current good faith forecast of the rates that Lessee and Operator project will be included in the actual pro forma budget adopted for the operation of the Hotel for such years and are the forecasts and projections being used by Lessee in making its decisions, and planning for, bookings in the operation of the Hotel and the conduct of Lessee's business generally. For each year, subsequent to January 1, Lessee may deliver one (1) updated Lessee's Subsequent Projected Event Block Rate Schedule, which will replace the Lessee's Subsequent Projected Event Block Rate Schedule previously delivered for such year.

(d) Each of the Lessee's Initial Projected Event Block Rate Schedule and each Lessee's Subsequent Projected Rate Schedule shall, when delivered to City, be accompanied by (i) reasonable evidence that the same has been approved by both Lessee and Operator, and (ii) a certification from Lessee to City indicating that the Event Block Minimum Rate and Special Event Block Minimum Rate for each year set forth therein represents (x) for the first twelve (12) months covered thereby those set forth in the Lessee's pro forma operating budget for such 12-month period that has been approved by Lessee and Operator, and (y) for each other year covered thereby, Lessee's and Operator's good faith forecast of the rates that Lessee and Operator project will be included in the actual pro forma budget adopted for the operation of the Hotel for such year and are the forecasts and projections actually being used by Lessee in making its decisions, and planning for, bookings in the operation of the Hotel and the conduct of Lessee's business generally.

(e) The rates reflected in the Lessee's Initial Projected Event Block Rate Schedule and each of the Lessee's Subsequent Projected Event Block Rate Schedules, as increased up to one hundred and five percent (105%) of such rates, shall be the "Event Block Minimum Rate" for each of the five (5) years covered by, as applicable, the Lessee's Initial Projected Event Block Rate Schedule or the then current Lessee's Subsequent Projected Event Block Rate Schedule. The rates reflected in the Lessee's Initial Projected Event Block Rate Schedule and each of the Lessee's Subsequent Projected

Event Block Rate Schedules, at one hundred percent (100%) of such rates, shall be the “Special Event Block Minimum Rate” for each of the five (5) years covered by, as applicable, the Lessee’s Initial Projected Event Block Rate Schedule or the then current Lessee’s Subsequent Projected Event Block Rate Schedule.

(i) The parties recognize that the Event Block Minimum Rate and Special Event Block Minimum Rate may change each year (but only once per year and then only with the issuance of the Lessee’s Subsequent Projected Event Block Rate Schedule), it being understood that each Lessee’s Subsequent Projected Event Block Rate Schedule (and the rates reflected therein) shall supersede all previously issued Lessee’s Subsequent Projected Event Block Rate Schedules even though the same relate to the same years (the following is an example of the “rolling” nature of the determination of the Event Block Minimum Rate: assume that the Lessee issues, on December 1, 2020, an Lessee’s Subsequent Projected Event Block Rate Schedule. That schedule will cover the period commencing January 1, 2021 and ending December 31, 2025 [the “2021 Schedule”]. Then assume that on December 1, 2021, Lessee issues a Lessee’s Subsequent Projected Event Block Rate Schedule. That schedule will cover the period commencing January 1, 2022 and ending on December 31, 2026 [the “2022 Schedule”]. The 2022 Schedule will, as to any Block Notice issued on or after January 1, 2022, supersede the 2021 Schedule and all prior schedules covering the years 2022, 2023, 2024 and 2025 and shall govern the determination of the Event Block Rate with respect to such Block Notice).

(ii) If a Block Notice is issued for a City-Wide Event where the first Event Night will occur on a date in a calendar year that is not covered by the then current Lessee’s Subsequent Projected Event Block Rate Schedule (i.e., the date of such first Event Night is beyond the five (5) year period covered by the then current Lessee’s Subsequent Projected Event Block Rate Schedule), the Event Block Rate reflected in the then current Lessee’s Subsequent Projected Event Block Rate Schedule shall be used but shall be adjusted by an usual and customary industry inflation factor as reasonably agreed upon by Lessee, Operator and City.

4.02 Intentionally Omitted.

4.03 Confidentiality. Subject to its obligations under the Florida Public Records Act (the “Public Records Act”) in force in the State of Florida from time to time, City will not disclose any Initial Offer or Amended Offer, any information provided by Operator under Section 3.01(m) or any information obtained pursuant to Section 4.01 to any person or entity other than (i) its employees, accountants, counsel and other consultants who have a need to know such information, (ii) the Lessee and its officers, directors, employees, accountants, counsel and other consultants, (iii) the Lessee’s existing and proposed lenders, (iv) Operator and its officers, directors, employees, accountants, counsel and other consultants, (v) prospective purchasers of the Hotel or (vi) in connection with any legal proceeding (or alternative dispute resolution procedure) between City and Lessee and/or Operator, provided that City shall use reasonable efforts to obtain confidential treatment of same. Neither Lessee nor Operator will disclose any information provided by City to Lessee or Operator hereunder to any person or entity other than (1) their respective affiliates, and the employees, accountants, counsel and other consultants of Lessee, Operator and their respective affiliates who have a need to know such information and their respective partners, members, shareholders, and other holders of direct or indirect beneficial interests in Lessee or Operator, (2) the Lessee’s existing and proposed lenders and investors and any proposed replacement Operator, (3) prospective purchasers of the Hotel or (4) in connection with any legal proceeding (or alternative dispute resolution procedure) between City and

Lessee and/or Operator, provided that Lessee and Operator shall use reasonable efforts to obtain confidential treatment of same.

(a) Subject to City's obligations under the Public Records Act, City shall use its good faith efforts to provide timely written notice to Lessee and Operator of any request received by City pursuant to the Public Records Act requesting information held by City to which Lessee or Operator may assert "confidential business information" or "trade secret" status under the Public Records Act, all for the purpose of providing Lessee and Operator an opportunity to seek to protect such information from disclosure by timely filing an appropriate action in a court of competent jurisdiction seeking non-disclosure of the requested information.

ARTICLE V **STANDARDS OF HOTEL OPERATION**

5.01 Standards. At all times during the term of this Agreement, the Lessee shall, to the extent the Hotel is being operated (or, pursuant to the Lease, required to be operated), cause the Operator to operate and manage the Hotel in accordance with the Management Agreement and (to the extent the Hotel is required to be operated pursuant to the Lease) the applicable provisions of the Lease. At all times when there is no Management Agreement, Lessee shall, to the extent the Hotel is being operated, operate, or cause an Operator to operate, the Hotel in a manner generally consistent with the general physical and service standards applicable to other upscale convention center hotels and (to the extent the Hotel is required to be operated pursuant to the Lease) in accordance with the applicable provisions of the Lease.

ARTICLE VI **STANDARDS OF CENTER OPERATION AND OTHER CITY COVENANTS**

6.01. **Standards.** During the Term, City shall operate and maintain the Convention Center to at least the average standard of quality consistent with the principal convention centers operated in Orlando, Atlanta, New Orleans, Dallas, Houston, Boston, Chicago, San Francisco, San Diego and Los Angeles, as of the Effective Date (the "Standard of Operation").

6.02 **Restrictive Covenant.** At all times during the term of this Agreement, the City shall comply with the restrictive covenant set forth in Section 4.2(e) of the Lease.

ARTICLE VII **NO LIABILITY FOR PROPOSED CONVENTION CENTER CUSTOMER;** **LESSEE RESPONSIBILITY TO CAUSE OPERATOR TO PERFORM; INDEMNITY**

7.01 No Liability to City. In no event shall City be in any way responsible or liable for the performance by any Potential Convention Center Customer of its obligations under its contract with the Lessee or Operator or for any charges, liabilities or other sums owed by, or liabilities of, such Potential Convention Center Customer (or for those for whom it blocks rooms) to either Lessee or Operator.

7.02 Lessee and Operator Responsibility; Authority to Grant Consents and Make Decisions. Lessee shall cause Operator to perform all of the covenants and agreements of the Operator under this Agreement, and to cause the Operator to observe all of the covenants and agreements of Operator hereunder, and by entering into a Management Agreement Operator shall, notwithstanding any contrary provision of its Management Agreement, be directly responsible to City for the performance of

the Operator's obligations hereunder. Furthermore, all actions, consents, decisions, elections, offers, and determinations made hereunder by the Operator with respect to covenants and obligations of the Operator under this Agreement shall be binding upon both Lessee and Operator for purposes of this Agreement. As of the Effective Date, Lessee has delegated the performance of the obligations and rights assigned to the Operator hereunder to the Initial Hotel Operator under a Management Agreement (for so long as the same remains in effect) and, upon its termination, shall delegate any or all of such responsibilities hereunder to any subsequent Operator pursuant to a subsequent Management Agreement, but no such delegation shall release or relieve Lessee from its obligation to perform, or cause to be performed, all of its covenants and agreements set forth herein.

All consents, decisions, waivers, and determinations to be made or given hereunder by City may be made and given by the City Manager (or any person designated from time to time by the City Manager by Notice to Lessee and Operator) and no inference to the contrary shall be made because the defined term "City" is used in some places in this Agreement and the phrase "City Manager" is used in others.

7.03. Indemnification. The Lessee shall indemnify, defend and hold harmless the City and its officers, employees, agents and instrumentalities from any and all liability, losses or damages, including attorney's fees and costs of defense, which the City or its officers, employees, agents or instrumentalities may incur as a result of any third party claims, demands, suits, causes of actions or proceedings of any kind or nature arising out of, relating to or resulting from the performance of the Room Block Agreement by the Lessee, Operator, or their respective employees, agents, partners, principals or subcontractors. The Lessee shall pay all claims and losses in connection therewith, and shall investigate and defend all claims, suits or actions of any kind or nature in the name of the City, where applicable, including appellate proceedings, and shall pay all costs, judgments, and attorney's fees which may be incurred thereon. The above indemnification provisions shall survive the expiration or termination of this Agreement.

ARTICLE VIII

EVENTS OF DEFAULT

8.01 Default. A default under the terms of this Agreement shall occur if any party hereto shall default in the performance of any of the terms, conditions or covenants contained in this Agreement to be performed or observed by it, and such party does not remedy such default within thirty (30) days after Notice or, if the default is of such character as to require more than thirty (30) days to remedy, then if such party fails to commence to cure and correct the default within said thirty (30) day period and thereafter prosecute such corrective action diligently and without interruption and complete the cure thereof within ninety (90) days following the original Notice of such default (an "Event of Default"). Notwithstanding the foregoing, the failure of Lessee or Operator to comply with the provisions of Article III hereof within the time frames set forth therein shall, if not cured within three (3) Business Days following written notice from City to Lessee and Operator, constitute an Event of Default by Lessee hereunder without the need of any additional Notice and without any further opportunity to cure such Event of Default. All Notices of default shall be provided to Lessee and to Operator and shall also be given to Lessee's mortgagee (provided such mortgagee has provided Notice to City of its name and address where Notices to it hereunder are to be sent).

8.02 Remedies. If an Event of Default shall have occurred because of a breach of any provision hereof by City, on the one hand, or Lessee on the other hand then the nondefaulting party shall have the right, at any time after the occurrence of said Event of Default to (i) initiate and thereafter prosecute an action in equity for the specific performance of any covenants or obligations to be performed by the defaulting party hereunder (City shall also have the right to seek and obtain an order of specific performance against the Operator so as to compel Operator, in its capacity as such under the Management Agreement, to comply herewith) or (ii) exercise such other rights as shall be available at law or in equity. In no event, however, shall this Agreement be terminated due to an Event of Default (provided that the foregoing shall not limit the provisions of Section 2.02).

Each party acknowledges and agrees that its covenants, obligations and agreements set forth in this Agreement are a material and fundamental inducement to the City in executing and delivering the Lease and any other agreements referenced therein, such that actual damages may not be an adequate remedy at law for the breach hereof by City, the Lessee or the Operator. Accordingly, any party shall be entitled to seek relief mandating action by City, the Lessee and/or Operator hereunder in accordance with this Agreement. In addition, each party recognizes and agrees that monetary damages could not be calculated to compensate the other party for any breach by the defaulting party of the covenants and agreements contained in this Agreement. Each party may restrain and enjoin any breach or threatened breach of any covenant, duty or obligation of the other party contained in this Agreement without the necessity of (i) posting a bond or other security, (ii) any showing of irreparable harm, balance of harms, consideration of public interest or the inadequacy of monetary damages as a remedy, or (iii) that the administration of an order for injunctive relief would be impracticable. In the event of any breach or threatened breach of any covenant, duty or obligation contained in this Agreement, the party breaching (or threatening breach) stipulates and agrees that the balance of hardships which weigh in favor of injunctive relief and that non-breaching party may seek and obtain injunctive or other form of ancillary relief from a court of competent jurisdiction in order to maintain the status quo and enforce the terms of this Agreement on an interim basis pending the outcome of the dispute or controversy hereunder.

Lessee agrees to include in each Management Agreement a provision similar to the foregoing whereby the Operator makes such agreements to Lessee with respect hereto and specifically agrees that City shall have the right to specifically enforce against the Operator the provisions of this Agreement.

8.03 Lessee's Reservation of Rights. Notwithstanding anything to the contrary contained in this Agreement, this Agreement shall in no way limit Lessee's or Operator's rights and remedies against a Potential Convention Center Customer resulting from such Potential Convention Center Customer's default under any contract, including any Room Block Contract, with Lessee or Operator.

ARTICLE IX

ADDITIONAL PROVISIONS

9.01 Exculpation. The liability of Lessee (and of any successor "Lessee") under this Agreement shall be limited to its interest in the Hotel. City agrees that none of the Lessee's or Operator's direct or indirect partners, members, managers, joint venturers, shareholders, directors, officers, agents and employees shall have any personal liability with respect to, or arising out of, this Agreement. In no event shall any officer, director, agent, or consultant of City, nor any employee or public official of the City, ever have any personal liability with respect to or arising out of this Agreement.

Nothing within this Section 9.01 shall limit the right of any party to seek specific performance of the terms and provisions of this Agreement as provided in Article VIII.

9.02 Miscellaneous. If any term of this Agreement or any application thereof shall be invalid or unenforceable, the remainder of this Agreement and any other application of such term shall not be affected thereby. This Agreement may be changed, waived, modified or supplemented only by an instrument in writing signed by Lessee and City. The headings in this Agreement are for purposes of reference only and shall not limit or define the meaning hereof. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall together constitute one and the same instrument.

9.03 Estoppel Certificate. Within ten (10) Business Days after request therefor by any party hereto or by Operator or by the holder of any loan made to Lessee or Operator, the other party(ies) and Operator shall execute and deliver to the requesting party a statement in writing and reasonably satisfactory to the requesting party and directed to the requesting party (and, if requested, to the holder of any loan made to Lessee or Operator) certifying to such factual matters as may be reasonably requested by such requesting party, including without limitation (if such be the case) that (a) this Agreement is unmodified and in full force and effect, (b) to the certifying party's knowledge the requesting party is not in default hereunder or, if in default, the nature thereof in reasonable detail, and (c) there are no defenses or offsets to the Agreement claimed by the other party.

9.04 Notices. Each Notice to be provided or given hereunder must be in writing (in some instances in this Agreement the words "written Notice" or "notice in writing" may be used and in others simply the word "Notice" or "notice" may be used; no inference is to be drawn therefrom as all Notices must be in writing) and must be delivered or provided in one of the following methods: (a) certified mail, return receipt requested, postage pre-paid and addressed to the party to whom such Notice is intended to be delivered; or (b) personal delivery to the addressee by courier or other means of hand delivery. Notice delivered by certified mail pursuant hereto shall be effectively given and received on the third (3rd) business day following deposit of the same in the United States Mail, postage pre-paid, addressed properly to the party to whom such notice intended. Notice by personal delivery shall be effectively given and received upon acceptance thereof by the addressee as confirmed in writing by a receipt executed by and retained by the party delivering such Notice.

to City:

City of Miami Beach
1700 Convention Center Drive

Miami Beach, Florida 33139
Attention: _____

with a copy to:

City Attorney's Office
City of Miami Beach
1700 Convention Center Drive, 4th Floor
Miami Beach, Florida 33139

to the Lessee:

with a copy to:

to the Operator:

Any mortgagee, trustee or beneficiary under any mortgage or deed of trust on the Hotel may by Notice to the parties set forth hereinabove designate an address to which Notices to it hereunder shall be sent. Any such party may from time to time by Notice as herein provided, designate a different address to which Notices to it shall be sent.

9.05 Transfer of Lessee's or Operator's Interest.

(a) In the event of the sale, assignment or transfer by Lessee of its leasehold interest in the Hotel Site (other than a collateral assignment to secure a debt of Lessee) to a successor in interest (who shall, upon acceptance of title to or an interest in the Hotel Site or any part thereof, be deemed to have assumed the obligations of Lessee hereunder arising from and after the date of such acceptance), the transferring Lessee shall be released or discharged from all of its covenants and obligations hereunder, except such obligations as shall have accrued prior to any such sale, assignment or transfer; and City agrees to look solely to such successor in interest of Lessee for performance of such subsequently occurring obligations. Notwithstanding the provisions of the preceding sentence, any successor Lessee hereunder shall in all respects be obligated to honor any contract or agreement previously executed with a Potential Convention Center Customer in accordance with its terms and shall be bound by any outstanding Initial Offers or Amended Offers, each Room Block Request Notice and the Event Rate then in effect subject to and in accordance with the provisions of Article III.

(b) In the event that the Management Agreement with any Operator shall expire or terminate for any reason then the Operator under such Management Agreement shall be relieved from any obligations arising hereunder from and after the date upon which, as a consequence thereof, such Operator is no longer operating the Hotel. Lessee shall be obligated to secure the written consent and agreement of any replacement third-party Operator to comply with all of the terms, provisions and conditions set forth herein; provided, that, a failure by the Lessee to do so shall in no way release or relieve Lessee or any such third-party replacement Operator from performing the obligations of the Lessee and Operator hereunder.

9.06 Superiority of Agreement; Covenant Running with the Hotel Site. The provisions of this Agreement shall constitute a restrictive covenant running with the Hotel Site binding upon each Lessee thereof, and any and all operators or managers of the improvements thereon, and each and every other

person or entity claiming or holding any interest in the Hotel Site, shall inure to the benefit of the City, and shall apply to any hotel now or hereafter located on the Hotel Site, or any portion thereof.

9.07 **Gender; Singular and Plural** As used herein, the neuter gender includes the feminine and masculine, the masculine includes the feminine and neuter, and the feminine includes the masculine and neuter, and each includes a corporation, partnership or other legal entity when the context so requires. The singular number includes the plural, and vice versa, whenever the context so requires.

9.08 **Nature and Extent of Agreement.** This Agreement contains the complete agreement of the parties regarding the terms and conditions of the Agreement. There are no oral or written conditions, terms, understandings or other agreements pertaining to the room block arrangements which have not been incorporated herein.

9.09 **Governing Law.** This Agreement shall be governed as to performance, interpretation and jurisdiction by the laws of the State of Florida, without regard to conflicts of law rules. This Agreement shall be enforceable in Miami-Dade County, Florida, and if legal action is necessary by either party with respect to the enforcement of any or all of the terms or conditions herein, exclusive venue for the enforcement of same shall be in Miami-Dade County, Florida.

9.10 **Binding Effect.** Subject to express provisions hereof to the contrary, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns during the Term hereof. Furthermore, and notwithstanding any provision hereof to the contrary, City may at any time, without the need of prior notice to or consent from the Lessee, assign this Agreement to any other entity designated by the City (provided that no such assignment shall be effective against Lessee until Notice thereof is provided to Lessee, and provided further that such assignee expressly assumes all of the obligations of City hereunder and agrees to be bound by the terms and provisions of this Agreement. In addition, the Operator shall be an express third party beneficiary of the obligations, duties and covenants of City hereunder.

(signature pages to follow)

Each of the parties hereto have caused this Agreement to be duly executed by their lawfully authorized representatives effective as of the Effective Date.

Lessee:

MB MIXED USE INVESTMENT, LLC, a Florida limited liability company

By: _____

Name: _____

Title: _____

CITY OF MIAMI BEACH, FLORIDA

By: _____

Dan Gelber

Mayor

Approved for form and legal sufficiency

By: _____

City Attorney

ATTEST

By: _____

City Clerk

EXHIBIT A
HOTEL SITE

See RFP Appendix F or G, as applicable

EXHIBIT "M"
OWNERSHIP INTERESTS IN LESSEE

TO BE INSERTED

EXHIBIT "N"

UNIFORM SYSTEM SUMMARY OF OPERATING STATEMENT

[INCLUDE SUCCESSFUL PROPOSER'S PRO FORMA]
(See attached pages)

EXHIBIT "O"

TRANSACTION RENT

EXAMPLE OF TRANSACTION RENT CALCULATION

The example of Transaction Rent in this **Exhibit "O"** is for illustrative purposes only, and assumes Improvement Costs (with Improvement Costs paid to Affiliates of Lessee included up to but not exceeding fair market value for the services provided by such Affiliates) of \$450,000,000.00 for a hurdle of \$540,000,000.00.

1. Assuming that, for the first Transfer for which Transaction Rent would be payable, (i) Owner #1 sells a 51% Controlling interest in the Lessee to Owner #2 for a gross sales price (less typical closing adjustments and credits) of \$250,000,000, then no Transaction Rent would be payable in connection with this first Transfer, as the gross sales price did not exceed \$270,000,000 00 (50% of the \$540,000,000 00 hurdle)

2. Assuming that, for the second Transfer for which Transaction Rent would be payable, (i) Owner #2 sells a 51% Controlling interest in the Lessee to Owner #3 for a gross sales price (less typical closing adjustments and credits) of \$300,000,000 00, then the Transaction Rent payable in connection with such Transfer would be calculated as follows

Gross sales price (less adjustments)	\$300,000,000.00
Transaction Rent:	\$750,000 00 (i.e., 25% of \$300,000,000)

3. Assuming that, for the third Transfer for which Transaction Rent would be payable, a 75% interest in the Lessee is sold for an aggregate of \$450,000,000 00, with Owner #3 selling a 40% interest in the Lessee to Owner #4 for a gross sales price (less typical closing adjustments and credits) of \$240,000,000, and Owner #1 selling a 35% interest to Owner #4 for a gross sales price (less typical closing adjustments and credits) of \$210,000,000, then the Transaction Rent payable to City would be calculated as follows

Owner #3 Transfer

Gross sales price (less adjustments)	\$240,000,000 00
Transaction Rent:	\$600,000.00 (i.e., 25% of \$240,000,000)

Owner #1 Transfer

Gross sales price (less adjustments)	\$210,000,000.00
Transaction Rent	\$525,000 (i.e., 25% of \$210,000,000)

EXHIBIT “p”

[RESERVED]

EXHIBIT "Q"

RESERVED

EXHIBIT "R" ²

SCHEDULE OF MINIMUM FIXED RENT
[UPDATE BASED ON FINAL NEGOTIATED AMOUNTS]

Year	Lease Amount
1	\$400,000
2	\$800,000
3	\$1,200,000
4	\$1,600,000
5	\$2,000,000
6	\$2,040,000
7	\$2,080,800
8	\$2,122,416
9	\$2,164,864
10	\$2,208,162

*As provided in Section 4.4(a), this amount shall apply from the Rent Commencement Date to December 31 of the year in which the first anniversary of the Rent Commencement Date occurs, prorated for any partial months and partial calendar years.

EXHIBIT "S"

MANDATORY HOTEL PROJECT DESIGN ELEMENTS

A full-service convention hotel, including:

1. approximately (but not to exceed) 800 rooms (with a breakdown between kings, double/double or double/queen rooms and suites necessary to obtain the Brand Approval by the Initial Hotel Operator);
2. if required by the Initial Hotel Operator, a club lounge;
3. a minimum of approximately 59,000 net square feet (+/- 5%) of hotel conference space for meetings or other events, including a minimum of 20,000 net square feet (+/- 5%) grand ballroom, 16,000 net square feet (+/- 5%) junior ballroom, and 23,000 net square feet (+/- 5%) of breakout meeting space;
4. appropriate space for kitchen facilities, used for room service and serving conference and meeting rooms;
5. food and beverage locations of a total square footage size that is not greater than the square footage size of food and beverage locations that are consistent with the size and number of rooms in comparable 4 Diamond hotels in comparable locations, not less than 600 seats, in the aggregate, contained within a three-meal restaurant, specialty restaurant, pool bar and grill, lounge and lobby bar (such restaurants and bars are to be developed primarily along the perimeter of the ground floor of the Hotel Project) and as necessary to obtain Brand Approval from the Initial Hotel Operator;
6. a non-specialty retail facility which may consist of a sundry and/or coffee shop(s) selling products such as news, coffee, overnight supplies, and travel necessities as necessary to obtain Brand Approval from the Initial Hotel Operator;
7. a pool, fitness center and spa;
8. the exterior elements depicted in Exhibit E, subject to a height restriction of a maximum one hundred and eighty five (185) feet, in accordance with the provisions of the City's Land Development Regulations;
9. a minimum of .40 parking spaces per room on-site, in accordance with the provisions of the City's Land Development Regulations; and
10. the Skybridge.

For the avoidance of doubt, the Lessee may elect to include in the Hotel Project ballroom and meeting space of a size that is greater than the 5% variances provided for above without City's Approval (and Lessee shall not be deemed to have made a Prohibited Hotel Project Change or to have failed to include the Mandatory Hotel Project Design Elements as a result of the inclusion of such excess ballroom and meeting space).

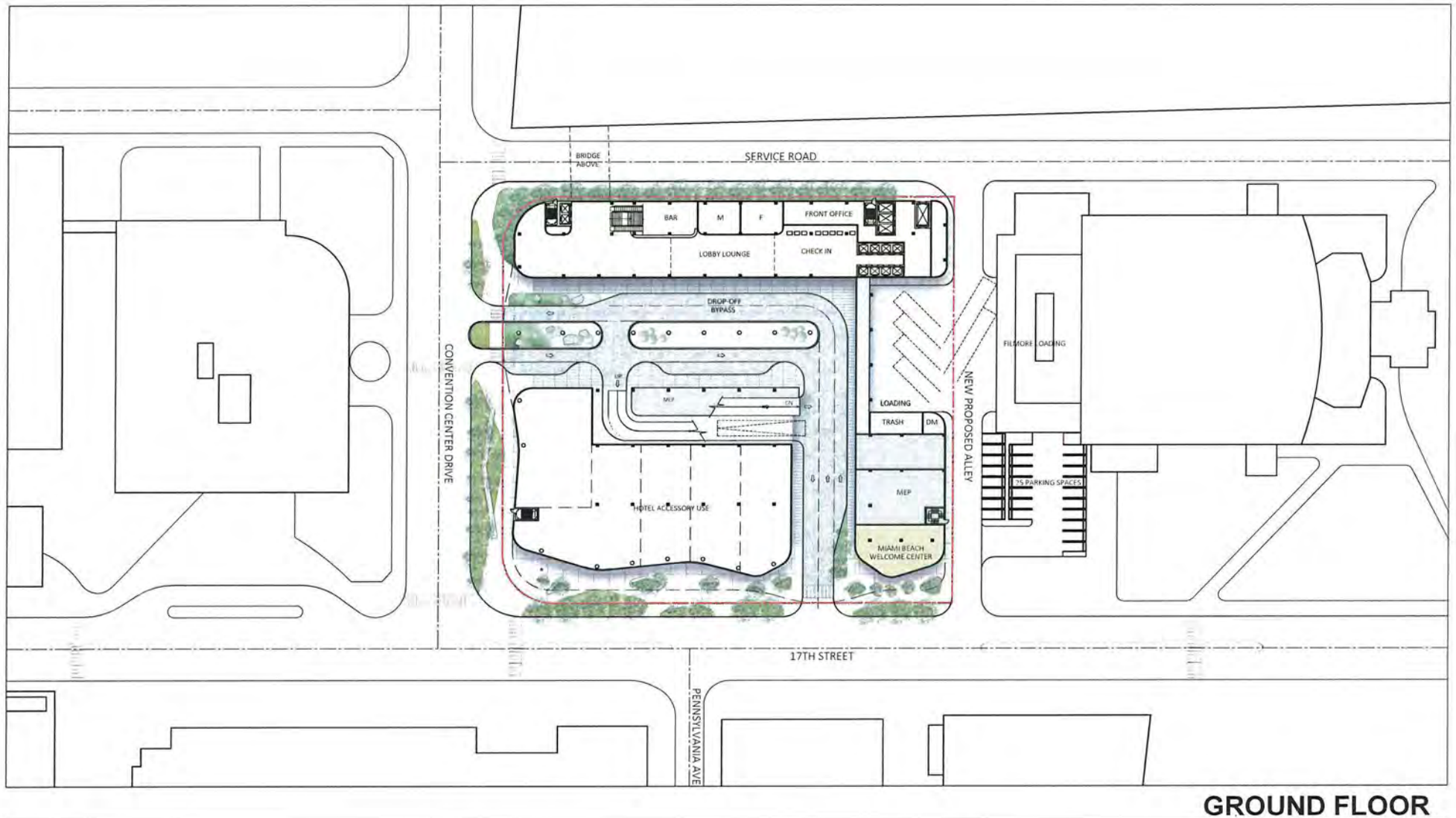
EXHIBIT "T"

LESSEE'S ARTICLES OF ORGANIZATION

EXHIBIT "U"

FILLMORE THEATER PARKING

(See attached page)



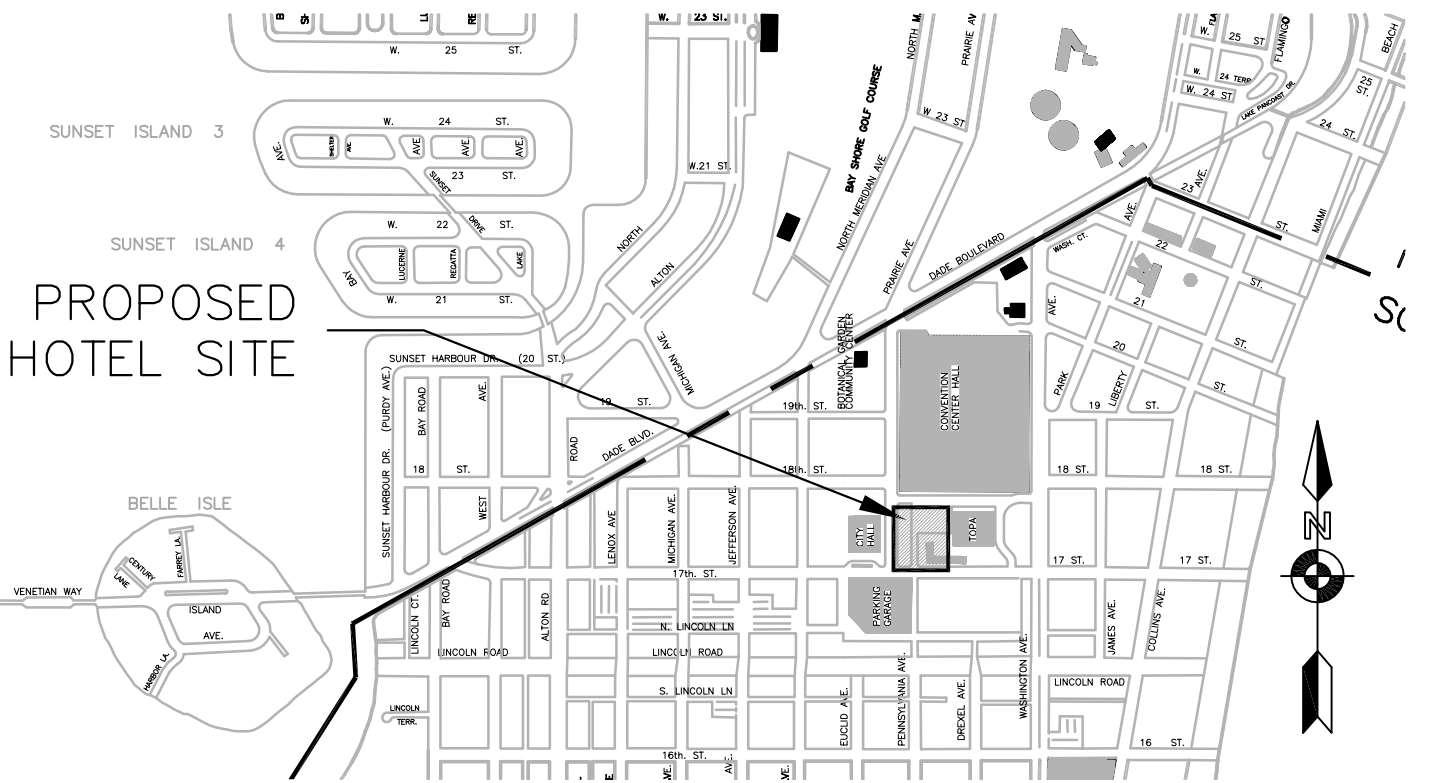
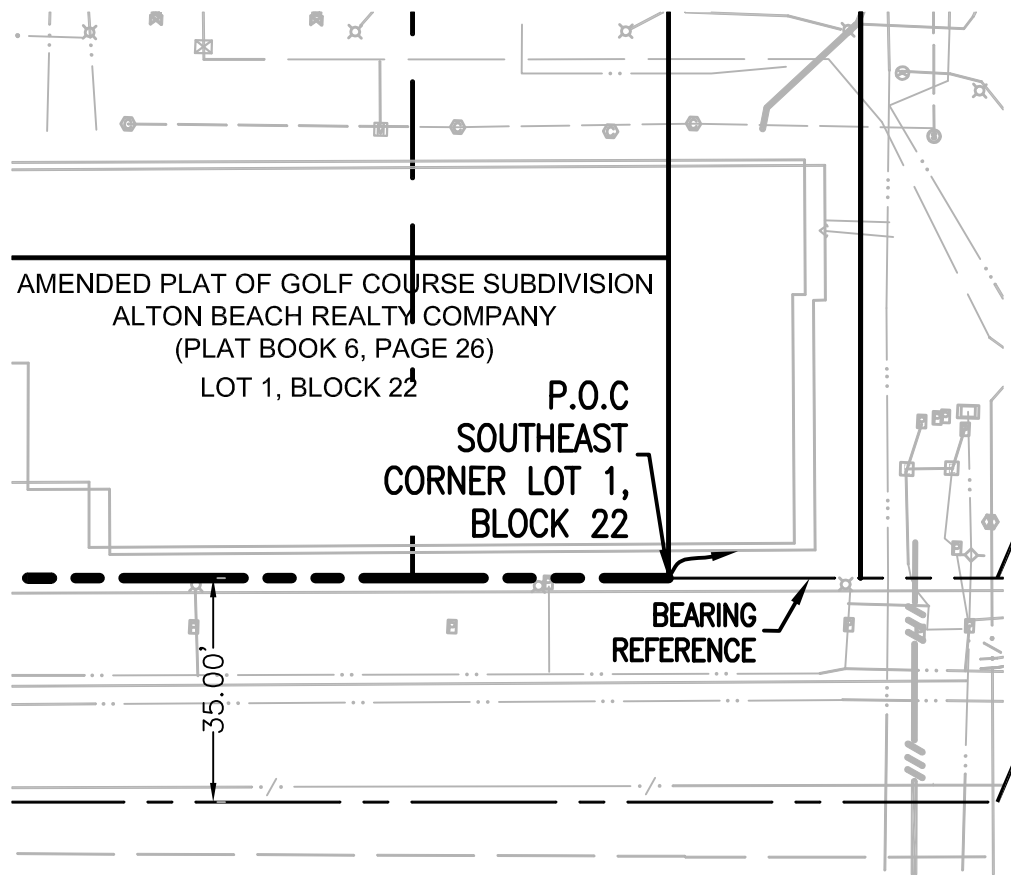
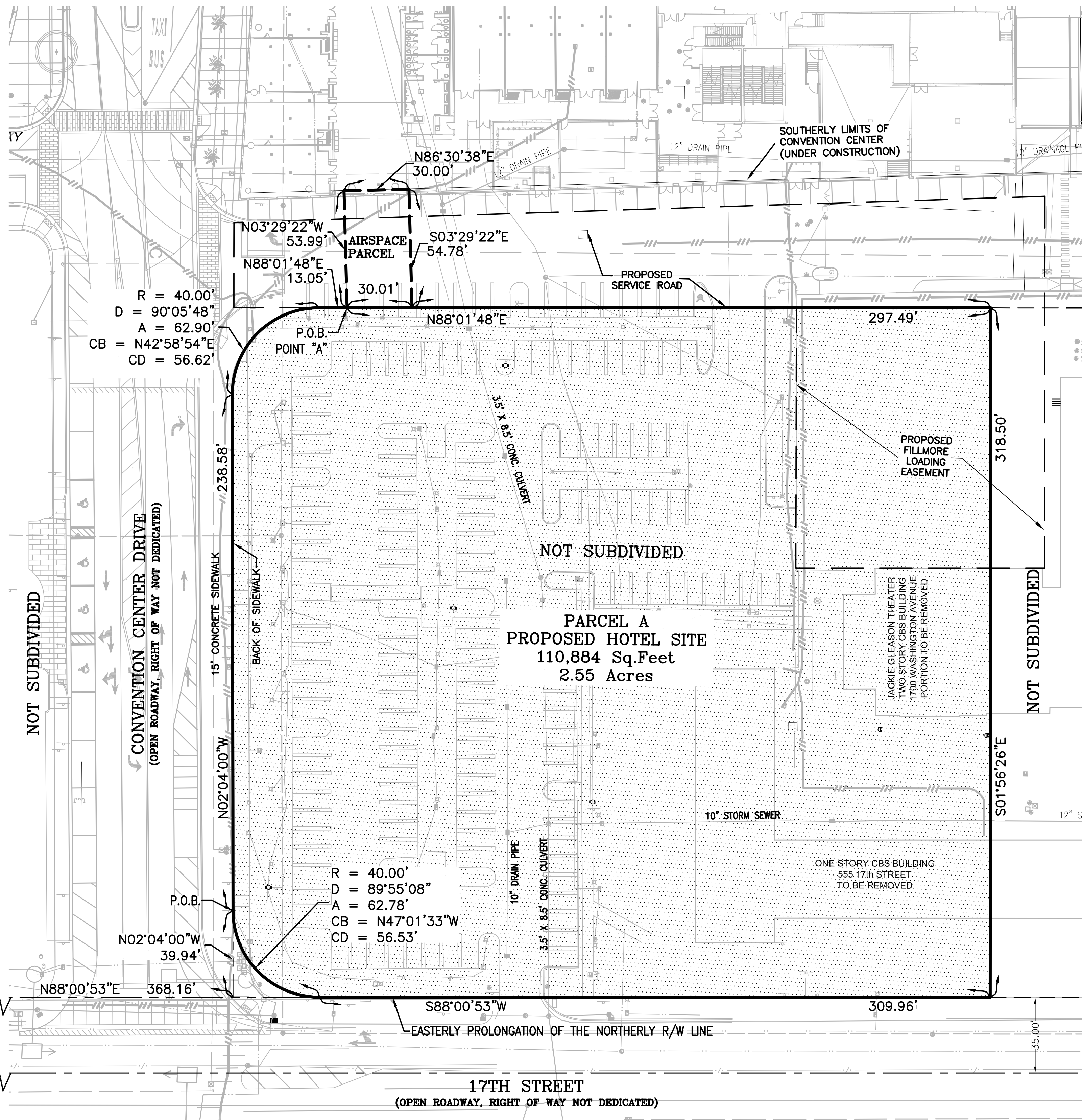
MBCC HOTEL
MIAMI, FL 33139

LEGEND

P.O.C. POINT OF COMMENCEMENT
P.O.B. POINT OF BEGINNING
R/W RIGHT OF WAY
R RADIUS
A ARC LENGTH
CA CENTRAL ANGLE
CB CHORD BEARING
CD CHORD DISTANCE

SKETCH OF DESCRIPTION

SCALE:1"=30' (24"X36" SHEET)



LOCATION SKETCH

(NTS)

LEGAL DESCRIPTION

BEING A PARCEL OF LAND LYING IN SECTION 34, TOWNSHIP 53 SOUTH, RANGE 42 EAST, CITY OF MIAMI BEACH, MIAMI-DADE COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF LOT 1, BLOCK 22, ACCORDING TO THE AMENDED PLAT OF GOLF COURSE SUBDIVISION OF THE ALTON BEACH REALTY COMPANY, AS RECORDED IN PLAT BOOK 6, PAGE 26, OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA; THENCE N88°00'53"E, ALONG THE EASTERLY PROLONGATION OF THE NORTHERLY RIGHT OF WAY LINE OF 17TH STREET, SAID RIGHT OF WAY BEING 70 FEET IN WIDTH AS SHOWN ON SAID PLAT BOOK 6, PAGE 26, A DISTANCE 368.16 FEET; THENCE N02°04'00"W, ALONG THE EASTERN EDGE OF AN EXISTING 15 FEET WIDE SIDEWALK LYING ON THE EAST SIDE OF CONVENTION CENTER DRIVE AS NOW LAID OUT AND IN USE, A DISTANCE OF 39.94 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE N02°04'00"W ALONG SAID EXISTING SIDEWALK, A DISTANCE OF 238.58 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 40.00 FEET, A CHORD WHICH BEARS N42°58'54"E; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 62.90 FEET, THROUGH A CENTRAL ANGLE OF 90°05'48"; THENCE N88°01'48"E A DISTANCE OF 13.05 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "A"; THENCE CONTINUE N88°01'48"E A DISTANCE OF 297.49 FEET; THENCE S01°56'26"E, TO THE INTERSECTION WITH SAID EASTERLY PROLONGATION OF THE NORTHERLY RIGHT OF WAY OF 17TH STREET, A DISTANCE OF 318.50 FEET; THENCE S88°00'53"W, ALONG SAID EASTERLY PROLONGATION OF THE NORTHERLY RIGHT OF WAY OF 17TH STREET, A DISTANCE OF 309.96 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 40.00 FEET, A CHORD WHICH BEARS N47°01'33"W; THENCE NORTHWESTERLY ALONG THE ARC SAID CURVE A DISTANCE OF 62.78 FEET, THROUGH A CENTRAL ANGLE OF 89°55'08" TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 110,884 SQUARE FEET OR 2.55 ACRES MORE OR LESS.

TOGETHER WITH:

AN AIRSPACE PARCEL BEING A PARCEL OF LAND LYING IN SECTION 34, TOWNSHIP 53 SOUTH, RANGE 42 EAST, CITY OF MIAMI BEACH, MIAMI-DADE COUNTY, FLORIDA, HAVING AS ITS LOWER BOUNDARY, A HORIZONTAL PLANE AT ELEVATION 23.69 FEET (NORTH AMERICAN VERTICAL DATUM OF 1988), HAVING AS ITS UPPER BOUNDARY, A HORIZONTAL PLANE AT ELEVATION 52.44 FEET (NORTH AMERICAN VERTICAL DATUM OF 1988), THE PERIMETRICAL BOUNDARIES OF WHICH ARE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT SAID POINT "A"; THENCE N03°29'22"W A DISTANCE OF 53.99 FEET; THENCE N86°30'38"E A DISTANCE OF 30.00 FEET; THENCE S03°29'22"E A DISTANCE OF 54.78 FEET; THENCE S88°01'48"W A DISTANCE OF 30.01 FEET TO THE POINT OF BEGINNING SAID POINT ALSO BEING POINT "A".

SURVEYOR'S NOTES:

- THIS IS NOT A SURVEY.
- BEARING SHOWN HEREON ARE BASE UPON FLORIDA STATE PLANE COORDINATE SYSTEM, EAST ZONE NAD 1983/90, REFERENCED TO THE NORTHERLY RIGHT-OF-WAY LINE OF 17TH STREET. WHICH IS ASSUMED TO BEAR N88°01'48"E.
- IMPROVEMENTS SHOWN HEREON ARE FOR GEOGRAPHIC REFERENCE PURPOSES ONLY. REFERENCE TOPOGRAPHIC SURVEY OF MIAMI BEACH CONVENTION CENTER, DRAWING WORK ORDER 024187, DATED: 10/28/2014, AND OTHER INFORMATION PROVIDED BY THE CITY OF MIAMI BEACH (CAD FILE).
- THIS SKETCH OF DESCRIPTION IS NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER.
- THE ELEVATIONS OF AIR RIGHTS AND PROPOSED CONVENTION CENTER BUILDING LINE PROVIDED BY FENTRESS ARCHITECTS.

SURVEYOR'S CERTIFICATE:
I hereby certify that the attached "SKETCH TO ACCOMPANY LEGAL DESCRIPTION" was prepared in accordance with Chapter 5J-17 Florida Administrative Code, pursuant to Section 472.027, Florida Statutes.

Not valid without the signature and original raised seal of a Florida Licensed Surveyor and Mapper.

Biscayne Engineering Company, Inc.
529 West Flagler Street, Miami, FL. 33130
Tel. (305) 324-7671, Fax (305) 324-0809
State of Florida Department of Agriculture
LB-0000129

WOLFGANG S. HUECK, PSM
for the firm,
Professional Surveyor and Mapper
No. 6519 State of Florida

04/30/18
DATE

File Name: 86130-PROPOSED HOTEL_REV 05-15-18.dwg

Survey Reference:

Field Book: N/A Page: N/A Work Order: 03-86130

Date: 04/30/18 Sheet: 1 of 1 Drawing: EC-01

MIAMI BEACH
PUBLIC WORKS DEPARTMENT
1700 CONVENTION CENTER DRIVE, MIAMI BEACH, FL. 33139

NEIGHBORHOOD: CONVENTION CENTER DISTRICT

TITLE: LEGAL DESCRIPTION AND SKETCH OF PROPOSED MIAMI BEACH CONVENTION CENTER HOTEL SITE

BISCAYNE ENGINEERING
SURVEYORS, ENGINEERS
PLANNERS
SINCE 1898
MIAMI-DADE
529 W. FLAGLER ST. MIAMI, FL 33130
TEL (305) 324-7671, FAX (305) 324-0809

CITY MANAGER: JIMMY L. MORALES
DIRECTOR: ROY COLEY
ACTING CITY ENGINEER: LUIS SOTO, P.E.

ENGINEER OF RECORD: N/A
DESIGN ENGINEER: N/A
DRAWN BY: X.N.
CHECKER: W.H.
SCALE: AS NOTED

ACCEPTED BY:
BRIAN T. BELLINO, P.S.M.
CITY SURVEYOR MANAGER

5					
4					
3					
2					
1					
NO.	DATE	REVISION	APP'D. BY		

Appendix 3 Summary of Proposed Minimum Fixed Rent

		Minimum Fixed Rent	Growth	Variable Rent	Growth	Percentage Rent	Growth
1	2023	\$400,000		\$1,450,000		\$1,850,000	
2	2024	800,000	100.0%	1,323,962	-8.7%	2,123,962	14.8%
3	2025	1,200,000	50.0%	1,130,740	-14.6%	2,330,740	9.7%
4	2026	1,600,000	33.3%	835,649	-26.1%	2,435,649	4.5%
5	2027	2,000,000	25.0%	528,547	-36.8%	2,528,547	3.8%
6	2028	2,040,000	2.0%	564,404	6.8%	2,604,404	3.0%
7	2029	2,080,800	2.0%	601,736	6.6%	2,682,536	3.0%
8	2030	2,122,416	2.0%	646,086	7.4%	2,768,502	3.2%
9	2031	2,164,864	2.0%	681,038	5.4%	2,845,902	2.8%
10	2032	2,208,162	2.0%	723,118	6.2%	2,931,279	3.0%
11	2033	2,252,325	2.0%	737,580	2.0%	2,989,905	2.0%
12	2034	2,297,371	2.0%	752,332	2.0%	3,049,703	2.0%
13	2035	2,343,319	2.0%	767,378	2.0%	3,110,697	2.0%
14	2036	2,390,185	2.0%	782,726	2.0%	3,172,911	2.0%
15	2037	2,437,989	2.0%	798,380	2.0%	3,236,369	2.0%
16	2038	2,486,749	2.0%	814,348	2.0%	3,301,097	2.0%
17	2039	2,536,484	2.0%	830,635	2.0%	3,367,119	2.0%
18	2040	2,587,213	2.0%	847,248	2.0%	3,434,461	2.0%
19	2041	2,638,958	2.0%	864,193	2.0%	3,503,150	2.0%
20	2042	2,691,737	2.0%	881,477	2.0%	3,573,213	2.0%
21-99		<u>518,891,349</u>		<u>169,923,959</u>		<u>688,815,308</u>	
Total		<u><u>\$560,169,920</u></u>		<u><u>\$186,485,536</u></u>		<u><u>\$746,655,455</u></u>	
NPV @5%		\$45,095,161		\$17,095,020		\$62,190,182	

Note: Every five (5) years, the Minimum Fixed Rent will be reset to the greater of (a) the existing Minimum Fixed Rent , or (b) 60% of the average of the actual rent paid during the past five (5) years

Appendix 4 – Draft Ballot Question*

Referendum Re: Approval of City's Lease of City Property for Convention Center Hotel

Should City lease the 2.6 acre property at northeast corner of 17th Street and Convention Center Drive to MB Mixed Use Investment, LLC for 99 years, requiring, per Resolution 2018-_____:

- Construction/operation of privately-funded 800 room Hotel with maximum height of 185 feet,
- No City funding,
- No gambling,
- Annual rent to City after Hotel opens, including greater of: minimum guaranteed rent (\$16,616,242 over first ten years, adjusted thereafter), or percentage of Hotel's revenues?

YES _____

NO _____

*If the Lease is approved following first reading/public hearing on July 17, 2018, a Resolution calling for a special election for voter approval of the Lease, in accordance with Section 1.03(b)(3) of the City Charter, will be considered at the July 25, 2018 City Commission meeting.

MEMORANDUM

TO: Jimmy L. Morales, City Manager

FROM: Thomas R. Mooney, AICP
Planning Director



DATE: July 6, 2018

SUBJECT: **Analysis of Proposed Ground Lease Agreement for a Convention Hotel at the approximately 2.55 acre site located on the 1700 Block of Convention Center Drive.**

BACKGROUND

Section 82-38 of the Code of the City of Miami Beach requires that any proposed sale or lease of City-owned land be analyzed from a planning perspective so that the City Commission and the public are fully apprised of all conditions relating to the proposed sale or lease.

The proposal is to execute a lease agreement between the City of Miami Beach (landlord) and MB Mixed Use Investment, LLC, a joint venture between local Miami Beach companies Turnberry and Terra Group, with a registered operating name Miami Beach Connect ("MB Connect") (lessee), for the development of a Convention Hotel at the approximately 2.55 acre site located on the 1700 Block of Convention Center Drive. The following is an analysis based on the criteria delineated in the Code.

ANALYSIS

1. **Whether or not the proposed use is in keeping with city goals and objectives and conforms to the city comprehensive plan.**

Consistent – The future land use designation of the site is **Public Facility: Convention Center Facilities (PF-CCC)**. The proposed Convention Hotel use is consistent with the purpose of the PF-CCC designation which permits the following:

Public Facility: Convention Center Facilities (PF-CCC)

Purpose: To provide development opportunities for existing convention center and facilities necessary to support the convention center.

Uses which may be permitted: Convention facilities.

Intensity Limits: Intensity may be limited by such set back, height, floor area ratio and/or other restrictions as the City Commission acting in a legislative capacity determines can effectuate the purpose of this land use category and otherwise implement complementary public policy. However, in no case shall the intensity exceed a floor area ratio of 2.75.

2. **The impact on adjacent property, including the potential positive or negative impacts such as diminution of open space, increased traffic, noise level or enhanced property values, improved development patterns and provision of necessary services. Based on the proposed use of the property, the city shall determine the potential impact of the project on city utilities and other infrastructure needs and the magnitude of costs associated with needed infrastructure improvements. Should it become apparent that further evaluation of traffic impact is needed, the proponent shall be responsible for obtaining a traffic impact analysis from a reputable traffic engineer.**

Consistent – No negative impacts are anticipated by the proposed use of the property.

A preliminary traffic analysis indicates that there will be a net reduction of peak hour trips in the area as a result of the proposal, since it will encourage conventions where guests arrive to the area by shuttles or other means rather than by single occupancy vehicles. Additionally, guests will arrive throughout the day, as opposed to trade shows, which generate most traffic impacts during peak-hours when roadways are most congested. However, additional reviews will take place as the project develops further.

The site is currently used as a paved, surface parking lot; therefore there will be no diminution of public open space.

The use should enhance commercial property values, because it will provide additional patrons for the area's businesses.

3. **A determination as to whether or not the proposed use is in keeping with a public purpose and community needs, such as expanding the city's revenue base, creating jobs, creating a significant revenue stream, and improving the community's overall quality of life.**

Consistent – This proposed use is in keeping with a public purpose and community needs. The lease agreement expands the City's revenue base. It is expected that the convention hotel will improve the quality of conventions drawn to the convention center, which will generate jobs and encourage economic development, and reduce peak-hour traffic congestion.

4. **A determination as to whether or not the development is in keeping with the surrounding neighborhood, will block views or create environmental intrusions, and evaluation of the design and aesthetic considerations of the project.**

Consistent – The surrounding area consists of civic uses, including the Convention Center, City Hall, and public parking garages. Therefore, the development will not block views for other property owners or create environmental intrusions. The proposed height of the hotel will be limited to 185 feet, as opposed to the maximum allowable height of 300 feet in the underlying zoning district, in order to better conform to the surrounding urban fabric. The design and aesthetic considerations will be further analyzed as part of the Design Review process that is required of new development pursuant to the Land Development Regulations.

5. The impact on adjacent properties, whether or not there is adequate parking, street and infrastructure needs.

Consistent – The convention hotel will be providing adequate parking on-site pursuant to the requirements of the Land Development Regulations. Vehicle loading and queuing will take place entirely within the property so as to minimally impact surrounding streets. Additional modifications may be made to the surrounding streets and infrastructure as the project is developed further.

6. Such other issues as the city manager or his authorized designee, who shall be the city's planning director, may deem appropriate in analysis of the proposed disposition.

Not applicable – The Planning Department has no other issues it deems appropriate to analyze for this proposal.

CONCLUSION

The proposed use for the site is consistent with the Goals, Objectives, and Policies. The use will generate no negative impacts for the surrounding area. The property would continue to serve the public interest.

TRM/RAM
T:\AGENDA\2018\07 July\Planning\Convention Hotel - Planning Analysis.docx

Appendix 6 Summary of Public Revenue Impact

CITY	2027 (Yr 5)	Over 30 years		Over 99 years	
		Total	NPV @ 5%	Total	NPV @ 5%
Minimum Fixed Rent	\$2.0m	\$71m	\$27m	\$560m	\$45m
Variable Rent	0.5m	26m	11m	186m	17m
Lease Payments	\$2.5m	\$98m	\$38m	\$747m	\$62m
Voluntary 1% Surcharge *	0.7m	27m	10m	206m	17m
Taxes					
CRA City (thru 3/2044)	0.9m	21m	10m	21m	10m
CRA County (thru 3/2044)	0.7m	16m	8m	16m	8m
New Resort Tax (Hotel 1%)	0.0m	0m	0m	0m	0m
Resort Tax (Hotel 4%, F&B 2%)	3.9m	152m	59m	1,163m	97m
CDT Allocation (thru 2044)	1.5m	32m	15m	32m	15m
Property Taxes**	0.1m	15m	4m	250m	13m
Subtotal	7.0m	236m	96m	1,482m	143m
CITY TOTAL	\$10.3m	\$360m	\$144m	\$2,434m	\$222m
COUNTY	2.1m	117m	41m	1,210m	82m
Convention Devl. Tax (3%)	0.8m	58m	20m	654m	42m
Local Option Sales Tax (1%)	1.2m	46m	18m	353m	29m
Property Taxes**	0.1m	13m	4m	203m	11m
Subtotal County					
SCHOOLS (Property Tax)	1.2m	45m	18m	340m	29m
OTHER PROPERTY***	0.1m	5m	2m	41m	3m
STATE SALES TAX (6%)	7.2m	278m	107m	2,120m	177m
TOTAL	\$20.9m	\$806m	\$312m	\$6,146m	\$513m

* Assumes one restaurant leased to a third-party operator. Restaurant lease of 5% of Gross Revenues, city gets 2.5% of the lease instead of the gross revenue

** 95% of general property taxes allocated to CRA through 3/2044

*** Regional property tax and Children's Trust property tax

Key Assumptions:

All analysis completed on a calendar year basis

Year 1 through 10 based on developer proforma

Assumed 2% growth rate beginning in year 11 and beyond

NPV to 2019

\$1.5m of County CDT allocated to City beginning in third year of hotel opening through 2044

Sources: Developer, City of Miami Beach, JLL