

MIAMI BEACH

Finance and Citywide Projects Committee Meeting

City Hall, Commission Chambers, 3rd Floor, 1700 Convention Center Drive

October 25, 2019 - 8:00 AM

Commissioner Ricky Arriola, Chair

Commissioner Michael Góngora, Vice-Chair

Commissioner Mark Samuelian, Member

Commissioner Micky Steinberg, Alternate

John Woodruff, Liaison

Morgan Goldberg, Support Staff

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OLD BUSINESS

1. **DISCUSSION TO EXPLORE WAYS THE CITY CAN ASSIST THE HOUSING AUTHORITY OF THE CITY OF MIAMI BEACH TO DEVELOP ITS PROPERTIES IN NORTH BEACH TO CREATE AFFORDABLE AND WORKFORCE HOUSING**
May 8, 2019 - C7 E
Sponsored by Commissioner Alemán
Office of Housing & Community Services
2. **DISCUSSION REGARDING ESTABLISHING A HISTORIC PRESERVATION FUND**
April 11, 2018 - C4 O
Sponsored by Vice-Mayor Arriola
Finance/Planning
3. **DISCUSSION THE MAYOR'S PANEL ON OCEAN DRIVE MOTION TO DEVELOP AN IMPROVED LIGHTING PLAN FOR SAFETY FOR LUMMUS PARK**
July 17, 2019 - C4 F
Sponsored by Commissioner Samuelian
Economic Development
4. **DISCUSSION ON UPDATING MINIMUM WAGES ON CITY FUNDED CONSTRUCTION CONTRACTS**
January 16, 2019 - C4 M
Sponsored by Commissioner Steinberg
Procurement/CIP
Status: Supplemental updated on 10/24/19.
5. **DISCUSSION REGARDING THE REVIEW OF THE JULIA TUTTLE BUS RAPID TRANSIT DEMONSTRATION PROJECT**
May 16, 2018 - C4 R

Sponsored by Commissioner Samuelian

Transportation and Mobility

Status: Supplemental updated on 10/24/19.

6. **UPDATE ON THE PROGRESS OF THE TRAFFIC MITIGATION STRATEGY TO HELP REDUCE TRAFFIC IMPACTS OF THE CONNECTING MIAMI CONSTRUCTION PROJECT**

UPDATE ON FDOT AND CITY CONSTRUCTION PROJECTS AND TRAFFIC MITIGATION STRATEGIES

March 13, 2019 - R7 G and June 5, 2019 - R9 E

Sponsored by Commissioner Samuelian and Commissioner Góngora

Transportation

Status: Supplemental updated on 10/24/19.

NEW BUSINESS

7. **DISCUSSION REGARDING CITY'S WALK-IN CENTER AND PROCESSES**

September 11, 2019 - R9 O

Sponsored by Commissioner Samuelian

Office of Housing & Community Services

8. **DISCUSSION ON REVISIONS TO THE EVENT SPONSORSHIP GUIDELINES**

September 11, 2019 - C4 A

Tourism and Culture

9. **DISCUSSION REGARDING TERMINATING THE CITY'S CONTRACT WITH COCA COLA**

July 17, 2019 - R9 I

Sponsored by Vice-Mayor Arriola

Marketing & Communications

10. **DISCUSSION REGARDING IMPLEMENTING A TOTAL BAN ON SINGLE-USE PLASTICS ON MIAMI BEACH PENDING THE FLORIDA RETAIL FEDERATION'S LITIGATION AGAINST THE CITY OF CORAL GABLES**

July 17, 2019 - R9 J

Sponsored by V.M Arriola, Co-Sponsored by Mayor Gelber & Commissioners Góngora, Malakoff, &Steinberg

Office of the City Attorney/Environment & Sustainability

11. **UPDATE FROM THE ECONOMIC DEVELOPMENT DEPARTMENT REGARDING STEPS TAKEN TO STREAMLINE THE BUSINESS PERMITTING PROCESS, IMPROVE BUSINESS RETENTION AND ATTRACT NEW BUSINESSES**

December 12, 2018 - C4 E

Sponsored by Vice-Mayor Arriola

Economic Development

12. **DISCUSSION REGARDING SPONSORSHIP OF THE AMERICAN BLACK FILM FESTIVAL**

September 11, 2019 - C4 E

Sponsored by Vice-Mayor Arriola

Tourism and Culture

13. **NEW LEASE AGREEMENT BETWEEN THE MIAMI BEACH REDEVELOPMENT AGENCY (RDA) AND MARIE BLACHERE, LLC (TENANT) FOR APPROXIMATELY 2,697 SQUARE FEET OF GROUND FLOOR RETAIL SPACE AT THE ANCHOR SHOPS GARAGE,**

LOCATED AT 1560 COLLINS AVENUE, SUITE 2, MIAMI BEACH, FLORIDA (PREMISES), FOR A PERIOD OF NINE (9) YEARS.

Economic Development

Status: Supplemental updated on 10/24/19.

DEFERRED ITEMS

14. DISCUSSION REGARDING STORMWATER CONNECTION FEES FOR COMMERCIAL PROPERTIES

July 17, 2019 - C4 E

Sponsored by Commissioner Alemán

Public Works

Status: Item deferred to the November 22, 2019 FCWPC meeting, pending analysis.

15. DISCUSSION REGARDING THE ANIMAL WELFARE COMMITTEE'S RECOMMENDATION TO FUND A PET ADOPTION FACILITY

July 17, 2019 - C4 N

Sponsored by Vice-Mayor Arriola and Co-Sponsored by Commissioner Samuelian

Public Works

Status: Item deferred to the November 22, 2019 FCWPC meeting.

16. DISCUSSION REGARDING AN AMENDMENT NO. 1 TO AGREEMENT OF LEASE (AMENDMENT) BY AND BETWEEN THE CITY OF MIAMI BEACH (CITY OR OWNER) AND CLPF-LINCOLN, LLC (CLARION OR TENANT), INVOLVING THE MIXED-USE PROJECT LOCATED AT 1691 MICHIGAN AVENUE, MIAMI BEACH, FLORIDA A/K/A THE LINCOLN (PROJECT), CONTAINING A PARKING GARAGE, OFFICE SPACE AND GROUND FLOOR RETAIL SPACE (IMPROVEMENTS); SAID AMENDMENT PROVIDING CLARION THE OPPORTUNITY TO CREATE A VERTICAL SUBDIVISION OF THE IMPROVEMENTS INTO THREE PARCELS COINCIDING WITH THE CURRENT THREE USES OF THE IMPROVEMENTS, NAMELY, A GARAGE PARCEL, AN OFFICE PARCEL AND A RETAIL PARCEL

Economic Development

Status: Item deferred to the November 22, 2019 FCWPC meeting, pending response from tenant.

17. DISCUSSION TO EXPLORE IMPROVING CAPITAL ASSET CONDITIONS (E.G., STREETS, SIDEWALKS, BUILDINGS) BY INCREASING ANNUAL FUNDING FOR PAY-AS-YOU-GO (PAYGO) FUND

July 31, 2019 - C4 B

Sponsored by Commissioner Samuelian

Office of Management and Budget

Status: Item to be heard at the November 22, 2019 FCWPC meeting.

18. DISCUSSION REGARDING THE ANNEXATION OF THE WESTERNMOST ISLANDS OF THE VENETIAN ISLANDS AND MAKING THEM A PART OF MIAMI BEACH, AND TO REVIEW PROPERTY TAXES, ECONOMIC IMPACT, AND VALUE

September 12, 2018 - R9 F

Sponsored by Commissioner Góngora

Office of the City Manager

Status: Item deferred to the November 22, 2019 FCWPC meeting, pending discussions with City of Miami.

19. DISCUSSION REGARDING THE ANNEXATION OF NORTH BAY VILLAGE, AND TO

REVIEW PROPERTY TAXES, ECONOMIC IMPACT, AND VALUE

September 12, 2018 - R9 E

Sponsored by Vice-Mayor Arriola

Office of the City Manager

Status: Item deferred to the November 22, 2019 FCWPC meeting, pending discussions with North Bay Village.

20. **DISCUSSION REGARDING IMPLEMENTING TACTICAL URBANISM PROJECTS THROUGHOUT THE CITY**

July 17, 2019 - C4 I

Sponsored by Vice-Mayor Arriola

Economic Development

Status: Item deferred to the November 22, 2019 FCWPC meeting.

21. **DISCUSSION REGARDING THE JUNE 18, 2019 ANIMAL WELFARE COMMITTEE MOTIONS ON EXTENDING THE CAT FEEDER AND WATERING PROGRAM AS WELL AS INCREASING THE FUNDING FOR THE TRAP, NEUTER, AND RELEASE (TNR) PROGRAMS**

September 11, 2019 - C4 C

Sponsored by Commissioner Samuelian

Public Works

Status: Item to be heard at the November 22, 2019 FCWPC meeting.

22. **DISCUSSION ON A HOTEL ROOM BLOCK ATTRITION POLICY TO SECURE INCREASED MIAMI BEACH CONVENTION CENTER BOOKINGS**

September 11, 2019 - R9 M

Tourism and Culture

Status: Item to be heard at the November 22, 2019 FCWPC meeting.

23. **DISCUSS MODIFYING COMPONENTS OF THE COLLABORATION, FUNDING, AND MANAGEMENT AGREEMENT BETWEEN THE CITY AND THE SABRINA COHEN FOUNDATION, INC. FOR AN ADAPTIVE RECREATION CENTER**

October 16, 2019 - C4 I

Sponsored by Commissioner Malakoff

Parks and Recreation

Status: Item to be heard at the November 22, 2019 FCWPC meeting.

24. **UPDATE AND STATUS REVIEW OF THE FAIRWAY PARK IMPROVEMENT PROJECT**

October 16, 2019 - C4 J and R9 T

Sponsored by Commissioner Samuelian and Commissioner Steinberg

Office of Capital Improvement Projects

Status: Item to be heard at the November 22, 2019 FCWPC meeting.

25. **REVIEW OF ALL CITY DEPARTMENTS FOR JUSTIFICATION AND EFFICIENCY**

October 16, 2019 - C4 U

Sponsored by Commissioner Góngora

Office of Management and Budget

Status: Item to be heard at the November 22, 2019 FCWPC meeting.

26. **DISCUSSION REGARDING THE BIGBELLY PROGRAM**

October 16, 2019 - R7 H

Public Works

Status: Item to be heard at the November 22, 2019 FCWPC meeting.

27. **DISCUSS A COMPOSTING PROGRAM IN NORTH BEACH SIMILAR TO THE PROGRAM AT THE MIAMI BEACH BOTANICAL GARDEN**

May 8, 2019 - C4 E

Sponsored by Commissioner Alemán

Environment & Sustainability

Status: Update to be provided 6 months after initiation of program, item to be heard at the December 20, 2019 FCWPC meeting.

28. **UPDATE ON THE CITY'S BLUEWAYS MASTER PLAN**

July 17, 2019 - C4 K

Sponsored by Vice-Mayor Arriola

Parks and Recreation

Status: Item deferred to the January 2020 FCWPC meeting, pending resolution of concerns caused by the Blueways Master Plan amendment.



COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: October 25, 2019

SUBJECT: **DISCUSSION TO EXPLORE WAYS THE CITY CAN ASSIST THE HOUSING AUTHORITY OF THE CITY OF MIAMI BEACH TO DEVELOP ITS PROPERTIES IN NORTH BEACH TO CREATE AFFORDABLE AND WORKFORCE HOUSING**

HISTORY:

The Mayor and Commission referred this item to the Finance and Citywide Projects Committee (FCWPC) at its May 8, 2019 meeting. Commissioner John Elizabeth Aleman is the sponsor. The item was briefly discussed at the September 20, 2019 meeting of the FCPWC but the Housing Authority of the City of Miami Beach did not get to present.

BACKGROUND

The Housing Authority of the City of Miami Beach (HACMB) has several lots in North Beach that it plans to develop to create workforce and affordable housing units. These properties are located at:

- 1144 Marseille Drive (22 units projects)
- 165 - 185 South Shore Drive (40 units projected)
- 280 – 330 South Shore Drive (50 units projected)

On June 10, 2019, HACMB issued Request For Qualifications (RFQ) #1-2019 for co-developer for new construction in Miami Beach to seek a development partner for these undeveloped North Beach properties. On August 20, 2019, the HACMB's Board of Commissioners selected the Housing Trust Group, LLC to provide the necessary development services for the HACMB's North Beach properties.

On August 26, 2019, HACMB submitted a funding application to the Florida Housing Finance Corporation (FHFC) for the development of 22 units of workforce housing at 1144 Marseille Drive. The funding was made available by FHFC through the Community Development Block Grant – Disaster Recovery (CDBG-DR) Program. The city provided several affidavits in support of the Housing Authority's application. Miami Beach is located within a U.S. Department of Housing and Urban Development's (HUD) designated Most Impacted and Distressed (MID) area and qualifies for the funding. This is specially allocated, one-time funding made available to support long-term recovery efforts following Hurricane Irma.

The demographic commitment for the CDBG-DR funding is for workforce households earning at or below 80% of the Area Median Income (AMI) serving general occupancy (no age restrictions). The proposed development includes studios, one-bedroom and two-bedroom units. The total estimated development cost of the project is \$5.7 million. HACMB will serve as the owner and developer of the development. The FHFC anticipates making final funding recommendations in December 2019.

The HACMB and the Housing Trust Group expect to submit funding applications to the FHFC for the development of its other vacant land properties in the coming months. The chart below indicates the Area Median Income for our area:

Area Median Income (AMI) - \$54,900									
Income Level Determines Housing Program Eligibility		Household of 1	Affordable Rent	Household of 2	Affordable Rent	Household of 3	Affordable Rent	Household of 4	Affordable Rent
	30%	\$17,800	\$445	\$20,350	\$508	\$22,900	\$572	\$25,750	\$643
	50%	\$29,650	\$741	\$33,900	\$847	\$38,150	\$953	\$42,350	\$1,058
	60%	\$35,580	\$889	\$40,680	\$1,017	\$45,780	\$1,144	\$50,820	\$1,270
	80%	\$47,450	\$1,186	\$54,200	\$1,355	\$61,000	\$1,525	\$67,750	\$1,693
	90%	\$53,370	\$1,334	\$60,975	\$1,524	\$68,625	\$1,715	\$76,200	\$1,905
	100%	\$59,300	\$1,482	\$67,750	\$1,693	\$76,250	\$1,906	\$84,670	\$2,116
	110%	\$65,230	\$1,630	\$74,525	\$1,863	\$83,875	\$2,096	\$93,137	\$2,328
	120%	\$71,160	\$1,779	\$81,300	\$2,032	\$91,500	\$2,287	\$101,640	\$2,541
	130%	\$77,090	\$1,927	\$88,075	\$2,201	\$99,125	\$2,478	\$110,070	\$2,751
	140%	\$83,020	\$2,075	\$94,850	\$2,371	\$106,750	\$2,668	\$118,580	\$2,964

One of the funding opportunities being sought by the Housing Authority has the following unit mix:

AMI Level	% of Project	# of Units
30%	16%	14
60%	60%	54
80%	24%	22

ANALYSIS:

Increasing affordable housing options is a key element of the *2019 Strategic Plan: Through the Lens of Resilience* and its importance is echoed in the Greater Miami and the Beaches *Resilient 305* strategy as Objective 5, Action 18. The Housing Authority will build the projects to be LEED Gold and will include the resilience features required by the city.

While HACMB expects to secure funding to develop these properties, the agency has asked if the City could explore the reduction of City-related fees for affordable housing including building permit fees, concurrency fees, and impact fees. The Building Department has advised it cannot waive certain fees.

In addition, the Housing Authority has requested that the parking requirement, which currently stands at .5 spaces per unit, be further reduced to zero or .25 spaces per unit to allow for the development of additional units. Below are the projected parking spaces required by project:

1144 Marseille Drive	22	11	6
165 - 185 South Shore Drive	40	20	10
280 - 330 South Shore Drive	50	25	13

CONCLUSION:

The Planning Department is supportive of a request to eliminate the parking requirements for these lots as the creation of parking spaces could potentially dissuade the use of mass transit for households. From a long-term basis, the expectation would be that building amenities would influence the tenants of the building, i.e. a building without parking would discourage people owning cars. However, given the uncertainty as to the eventual tenant make-up, supports a reduction from the current 0.5 parking space per unit parking space to a 0.25 per unit parking. Under the current code, the minimum parking requirements can be reduced by up to 50 percent provided that all thresholds for alternative parking (such as dedicated ride share drop off/pick up, bike storage, etc.) are met. The Housing Authority's modeling for the site suggests that 0.25 will be adequate to meet tenant needs.

In addition, the Planning Department is supportive of the reduction or waiver of impact fees. The reduction of concurrency fees (soon to be mobility fees) would require legislative action by the City Commission.

Furthermore, the administration will support HACMB's applications for funding to the Florida Housing Finance Corporation (and other funders as they are identified) by providing the municipal certifications required during the funding application process. These affidavits typically involve the Planning Department to certify zoning appropriateness and the Public Works Department to certify water, sewer and road capacity.

Applicable Area

North Beach

**Is this a Resident Right to
Know item?**

No

**Does this item utilize G.O.
Bond Funds?**

No

Strategic Connection

Mobility - Support affordable, compatible workforce housing.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: October 25, 2019

SUBJECT: **DISCUSSION REGARDING ESTABLISHING A HISTORIC PRESERVATION FUND**

ANALYSIS:

Discussion at Committee.

**Is this a Resident Right to
Know item?**

No

**Does this item utilize G.O.
Bond Funds?**

No

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: October 25, 2019

SUBJECT: **DISCUSSION THE MAYOR'S PANEL ON OCEAN DRIVE MOTION TO
DEVELOP AN IMPROVED LIGHTING PLAN FOR SAFETY FOR LUMMUS
PARK**

ANALYSIS:

Discussion at Committee.

Applicable Area

Citywide

**Is this a Resident Right to
Know item?**

Yes

**Does this item utilize G.O.
Bond Funds?**

No

Strategic Connection

Neighborhoods - Evolve parks and green spaces to meet the changing needs of the community.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: October 25, 2019

SUBJECT: **DISCUSSION ON UPDATING MINIMUM WAGES ON CITY FUNDED CONSTRUCTION CONTRACTS**

HISTORY:

Applicable Area

Citywide

Is this a Resident Right to Know item?

No

Does this item utilize G.O. Bond Funds?

No

ATTACHMENTS:

Description	Type
<input type="checkbox"/> Proposed Ordinance Revisions	Ordinance

ARTICLE II. - CONSTRUCTION CONTRACTS-MINIMUM WAGES AND BENEFITS

Sec. 31-27. – Establishment of minimum wages.

Every construction contract in excess of ~~\$1,000,000.00~~1,500,000 to which the City of Miami Beach is a party shall include a provision that the rate of wages and fringe benefits, or cash equivalent, for all laborers, mechanics and apprentices employed by any contractor or subcontractor on the work covered by the contract, shall be not less than the prevailing rate of wages and fringe benefit payments or cash equivalence for similar skills or classifications of work as established by the Federal Register, in the City of Miami Beach, Florida.

Every three years commencing in ~~1997~~2023, the city manager shall present a report to the city commission regarding increases in the Construction Cost Index for South Florida, if any, and shall recommend to the city commission whether there should be an adjustment to the ~~\$1,000,000.00~~1,500,000 threshold. In the event that the city manager recommends an adjustment, the city commission shall hold a public hearing regarding an amendment to this article to provide for the adjustment.

(Ord. No. 86-2507, § 1, 7-9-86; Ord. No. 94-2960, § 1, 12-21-94)

Sec. 31-28. - Implementation by the Federal Register.

The prevailing wage rate and fringe benefit payments to be used in implementation of this article shall be those last published by the United States Department of Labor in the Federal Register prior to the date of issuance of specifications by the City of Miami Beach in connection with its invitation for bid.

(Ord. No. 86-2507, § 1, 7-9-86; Ord. No. 94-2960, § 1, 12-21-94)

Sec. 31-29. - Notice requirement.

On the date on which a laborer or mechanic commences work on a construction contract to which this article applies, the contractor shall be required to post a notice in a prominent place at the work site stating the requirements of this article.

(Ord. No. 86-2507, § 1, 7-9-86; Ord. No. 94-2960, § 1, 12-21-94)

Sec 31-30. - Preemption by federal funding.

When construction contracts involve federal funding or are otherwise subject to the provisions of the Davis-Bacon Act [40 U.S.C. 276(a)], this article shall not apply, and the minimum wages to be paid the various classes of laborers, mechanics and apprentices shall be based upon the wages determined by the Secretary of Labor in accordance with the Davis-Bacon Act [40 U.S.C. 276(a)].

(Ord. No. 86-2507, § 1, 7-9-86; Ord. No. 94-2960, § 1, 12-21-94)

Sec. 31-31. - Exceptions.

The provisions of section 31-27 shall not apply to the following City of Miami Beach projects:

- ~~(a) Water, except water treatment facilities and lift stations.~~
- ~~(b) Sewer, except sewage treatment facilities and lift stations.~~
- ~~(c) Storm drainage.~~

Proposed Ordinance Revisions (19-10-23)

- ~~(d) Road construction, except bridges or structures requiring pilings.~~
- ~~(e) Beautification projects which may include resurfacing new curbs, gutters, pavers, sidewalks, landscaping, new lighting, bus shelters, bus benches and signage.~~
- ~~(f) Proposed parking garage projects located at Seventh Street and Collins Avenue, Tenth Street and Collins Avenue, Thirteenth Street and Collins Avenue, Twelfth Street and Washington Avenue and the Seventeenth Street garage renovation project; however future parking structures not specified herein and estimated to cost in excess of \$1,000,000.00 shall not be exempt.~~

(a) Emergency projects pursuant to Section 2-396 of the City Code.

In determining whether a construction project meets the ~~\$1,000,000.00~~1,500,000 estimated cost threshold in section 31-27, all segments of the project, except land acquisition, architectural/engineering design, and legal costs, shall be considered as one entirety. Construction projects for which the estimated cost exceeds ~~\$1,000,000.00~~1,500,000 shall not be bid in a manner which would avoid the requirements of section 31-27.

(Ord. No. 86-2507, § 1, 7-9-86; Ord. No. 94-2960, § 1, 12-21-94)

Secs. 31-32—31-39. - Reserved.



COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: October 25, 2019

SUBJECT: **DISCUSSION REGARDING THE REVIEW OF THE JULIA TUTTLE BUS
RAPID TRANSIT DEMONSTRATION PROJECT**

HISTORY:

At its June 29, 2018 meeting, the Finance and Citywide Projects Committee (FCWPC) passed a motion recommending that staff:

- 1) work with Miami-Dade County to finalize the Beach Express North bus express rapid transit (BERT) interlocal agreement and business plan;
- 2) explore the possibility of modifying the existing Route 150 (Airport Express) to provide interim BERT-like service in advance of the Beach Express North BERT service;
- 3) explore providing a subsidy to City of Miami Beach employees that use the BERT service; and
- 4) provide quarterly updates to FCWPC regarding the status of the Beach Express North BERT demonstration project.

ANALYSIS:

Following are updates on the current status of the Beach Express North BERT project, potential Route 150 interim modifications, and the City's transit pass program.

BERT

The City, County and FDOT continue to meet and coordinate. Recent correspondence from the FDOT State Secretary Kevin Thibault states a service commencement date of 2023 for the BERT service. The County has submitted the required Project Justification Report to FDOT for review. At the latest meeting on September 13, FDOT discussed project implementation schedule and scope.

Design and construction funds for the Julia Tuttle Causeway inside shoulder modifications required for the Beach Express North BERT service are included in the FDOT District 6 Tentative Work Program for Fiscal Years 2021-2025; however, the operation and maintenance funds awarded through the Miami-Dade Transportation Planning Organization SMART

Demonstration Program for the BERT service are not included in the FDOT Work Program at this time. It is worth highlighting that the City has committed to funding 50% of the annual operation and maintenance costs of the BERT service for a three-year period, for a total approximate amount of \$5.1 million. As such, City staff has formally requested that FDOT include the state's 50% share of the annual operating cost of the BERT service in its Work Program.

Additionally, FDOT contracted HDR Engineering to develop the design drawings for the Julia Tuttle Causeway inside shoulder modifications and the bus by-pass lanes (queue jumpers). A kick-off meeting was held on September 13, 2019. HDR will conduct a technical review; update the design scoping report; develop design drawings, construction cost estimate, and a concept of operations report; and guide the implementation of the project.

The schedule for BERT implementation process is as follows:

- technical review – September 2019
- concept of operations for BERT service – October 2019
- feasibility analysis report – November 2019
- design development, including preparing final engineering plans/specifications/construction cost estimates and obtaining design variances/exceptions and approvals – 2020 - 2021
- construction award - April 2022
- project construction and BERT service commencement - TBD

Approvals needed during the design process include:

- FDOT approval of the project justification report and concept plans
- South Florida Water Management District environmental resource permit
- cultural resources clearance and environmental certification from FDOT
- Federal Highway Administration (FHWA) approval

Route 150/Airport Express

The City has been working with Miami-Dade County to implement interim modifications to the existing Route 150/Airport Express to achieve BERT-like service in advance of the future Beach Express North BERT project. As such, both the County and Transit Alliance's Better Bus Project have assessed Route 150 and made recommendations for changes to the existing service.

A report prepared by Cambridge Systematics for Miami-dade County dated September 18, 2019 and entitled "Route 150/Airport Flyer Route Modification Opportunity with Beach Express North BERT" evaluated the Route 150 modifications proposed by the City. The report concurred with the route alignment proposed by the City, which recommends service between Earlington Heights metrorail station and Miami Beach via Julia Tuttle Causeway and 41st Street to Collins Avenue, then proceeding south along Collins Avenue and terminating at City Center rather than at South Pointe Drive where the service currently terminates. The next step is for the County to review and approve the route modifications for potential implementation as part of an upcoming bus service line-up, which occurs in the spring and fall of each year.

On a parallel path, the Transit Alliance's Better Bus project is evaluating the performance of all County bus routes, including Route 150. In September 2019, two network concepts were released by Transit Alliance: the coverage concept and the ridership concept. These concepts presented two different bus network designs based on two different goals. The coverage

concept maximizes job access and widens stop spacing while ensuring that everyone who is within a quarter of a mile of transit today is still near a stop. The ridership concept proposes a network that shifts service away from low density areas and increases service frequency in the densest and busiest places in the County, including in Miami Beach.

In both Better Bus concepts, Route 150 is eliminated and replaced by a new Route 120 that connects Miami Beach, Downtown Miami, and Miami International Airport (MIA) along Flagler Street rather than Julia Tuttle Causeway. The Better Bus project's goal is to provide access to Miami Beach and Miami International Airport along a new route with a higher population density in order to increase ridership; however, the new route would operate as a local service rather than an express service.

The Better Bus project concepts were presented to the Transportation, Parking, and Bicycle-Pedestrian Facilities Committee (TPBPFC) at its October 7, 2019 meeting. At the meeting, the committee passed a motion endorsing the ridership concept; however, the TPBPFC did not support the proposed elimination of Route 150 because it eliminates a direct express route between Miami Beach and MIA which the committee felt is valuable.

The Better Bus project was referred by the City Commission on September 25, 2019 to the Neighborhood/Community Affairs Committee (NCAC) and will be presented to NCAC on October 23, 2019.

Miami Beach Transit Pass Program

City employee participation in this fully subsidized program has been steady per below:

- August 2019: 61 participants (11 residents, 50 non-residents)
- September 2019: 63 participants (11 residents, 52 non-residents)
- October 2019: 67 participants (11 residents, 56 non-residents)

CONCLUSION:

The Administration will continue to work with FDOT and the County to expedite the design and implementation of the Beach Express North BERT service as well as interim modifications to the County's Route 150/Airport Express service to provide a reliable mobility option for the City's workforce commuters.

Applicable Area

Citywide

Is this a Resident Right to Know item?

No

Does this item utilize G.O. Bond Funds?

No

Strategic Connection

Mobility - Increase multi-modal mobility citywide and connectivity regionally.



COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: October 25, 2019

SUBJECT: **UPDATE ON THE PROGRESS OF THE TRAFFIC MITIGATION STRATEGY TO HELP REDUCE TRAFFIC IMPACTS OF THE CONNECTING MIAMI CONSTRUCTION PROJECT**

UPDATE ON FDOT AND CITY CONSTRUCTION PROJECTS AND TRAFFIC MITIGATION STRATEGIES

HISTORY:

The Connecting Miami Signature Bridge project is a partnership between the Florida Department of Transportation (FDOT) and the former Miami-Dade Expressway Authority (MDX), with construction limits on State Road (SR) 836 beginning at NW 17th Avenue and continuing through the SR 836/I-395/I-95 (Midtown) interchange to the MacArthur Causeway bridge.

The project commenced in summer 2018 and is anticipated to be completed by fall 2023. The City is concerned with the cumulative impact to mobility in and around Miami Beach as a result of the multi-year construction of the Connecting Miami Signature Bridge project and other active and future FDOT projects in the City, including:

- I-95 concrete replacement from NW 29th Street to NW 131st Street
- MacArthur Causeway east bridge rehabilitation
- Alton Road/Dade Boulevard bridge rehabilitation
- Alton Road and Michigan Avenue intersection - new additional southbound left turn lane
- Indian Creek Drive resurfacing between 63rd Street and Abbott Avenue
- Julia Tuttle Causeway inside shoulder improvements for beach express north bus express rapid transit (BERT) service
- Alton Road reconstruction from Michigan Ave to 43rd Street and from 43rd Street to Allison Island
- Collins Avenue resurfacing from 4400 block to 4700 block
- Venetian Causeway bridge reconstruction
- Harding Avenue resurfacing from 96th Street to Indian Creek Drive

Additionally, the City has several major roadway construction projects planned, including the

West Avenue corridor and Indian Creek Drive between 26th Street and 41st Street, which will overlap with the Connecting Miami Signature Bridge and the above FDOT projects.

Traffic Mitigation

At the March 13, 2019 City Commission meeting, the City Commission adopted a resolution directing the Administration to pursue traffic mitigation strategies, including an agreement specific to communication protocols about the Connecting Miami Signature Bridge project. The mitigation strategies include:

1. accelerate the implementation of the Beach Express North bus express rapid transit (BERT) demonstration service and interim Route 150/Airport Express modifications
2. enhance service of Route 101/A
3. explore waiving tolls on the Venetian Causeway
4. active work zone traffic monitoring and management
5. explore waterborne transportation service connecting Downtown Miami and Miami Beach

In April 2019, City staff met with FDOT. City staff requested that some of the projects be deferred until the Connecting Miami Signature Bridge project is finished. FDOT will consider changes to the sequencing and phasing of projects to minimize impact, financial impact, and impact to residential areas due to nighttime work.

Additionally, at the City's request, FDOT has developed a comprehensive, coordinated, and interactive map of all FDOT construction projects affecting Miami Beach, including projects on I-95 and the causeways. This map is updated and disseminated to the community on a weekly basis, and active city projects will be included soon.

ANALYSIS:

Below is a status update on each of the traffic mitigation strategies based on recent interagency coordination.

1. Accelerate the implementation of the Beach Express North bus express rapid transit (BERT) service and interim Route 150 (Airport Express) modifications

BERT

Recent correspondence from the FDOT State Secretary Kevin Thibault states a service commencement date of 2023 for the BERT service. The County has submitted the required Project Justification Report to FDOT for review. At a July 23, 2019 meeting with FDOT State Secretary Kevin Thibault, District Six Secretary Jim Wolfe, and City staff, Secretary Wolfe committed to coordinate a meeting with County staff, FDOT staff, and City staff to discuss moving the BERT project forward. This meeting occurred on September 13, 2019. Staff and FDOT have met twice, however, FDOT has not committed to completing the inside shoulder improvements on the Julia Tuttle Causeway prior to 2023.

Design and construction funds for the Julia Tuttle Causeway inside shoulder modifications required for the Beach Express North BERT service **are** included in the FDOT District 6 Tentative Work Program for Fiscal Years 2021-2025; however, the operation and maintenance funds awarded through the Miami-Dade Transportation Planning Organization SMART Demonstration Program for the BERT service **are not** included in the FDOT Work Program at this time. It is worth highlighting that the City has committed to funding 50% of the annual operation and maintenance costs of the BERT service for a three-year period, for a total approximate amount of \$5.1 million. As such, City staff has formally requested that FDOT include its 50% share of the annual operating cost of the BERT service in its Work Program.

Additionally, FDOT contracted HDR Engineering to develop engineering drawings for the Julia Tuttle Causeway inside shoulder work, including the bus by-pass lanes (queue jumpers). A kick-off meeting was held on September 13, 2019. HDR will conduct a technical review; update the

design scoping report; develop design drawings, cost estimate, and a concept of operations report; and guide implementation.

The schedule for the HDR work is shown below:

- technical review - September 2019
- concept of operations - October 2019
- final report - November 2019
- design development, including final engineering plans/specifications/construction cost estimates, design variances/exceptions and approvals – 2020 - 2021
- construction award - April 2022

Approvals needed during the design process include:

- FDOT approval of the project justification report and concept plans
- South Florida Water Management District environmental resource permit
- cultural resources clearance and environmental certification from FDOT
- Federal Highway Administration (FHWA) approval

Route 150/Airport Express

The Better Bus Project being led by the Transit Alliance in partnership with the County assessed the County's current bus network. Both the ridership and coverage concepts developed by Transit Alliance recommend eliminating Route 150/Airport Express due to poor productivity (i.e. high operating cost and low ridership). Under both concepts, service between Miami International Airport and Miami Beach would be provided by other bus routes; however, not as an express service. Transit Alliance will present the Better Bus concepts at the October 23, 2019 Neighborhood/Community Affairs Committee meeting for review and discussion.

2. Enhance service of Route A

Route A is operated by the County and runs along the Venetian Causeway between Omni Station in Miami and Publix at Sunset Harbour. Similar to Route 150 above, Route A is also being assessed as part of Transit Alliance's Better Bus Project. Both the ridership and coverage concepts developed by Transit Alliance include enhancing Route A to operate 7 days a week without a mid-day gap in service. Under the ridership concept, service would operate every 20 minutes from 5AM to midnight; and under the coverage concept, service would operate every 30 minutes from 5AM to midnight. Explore waiving tolls on the Venetian Causeway

3. Explore waiving tolls on the Venetian Causeway

Waiving tolls on the Venetian Causeway has been approved in the past to mitigate congestion on the MacArthur Causeway as a result of construction. FDOT has drafted a Joint Participation Agreement establishing the parameters and cost sharing for waiving the tolls on Venetian Causeway which is under the jurisdiction of Miami-Dade County. The draft agreement is currently under review by the County.

4. Active work zone traffic monitoring and management

The City's traffic monitoring and management contractor has continued to work closely with the FDOT SunGuide 511 Traffic Management Center to inform motorists in advance of any lane/ramp closures and detours using the City's and FDOT's digital message signs strategically located throughout the City and along the causeways, I-95, I-395/SR 836, and I-195/SR 112. All information for weekend lane/ramp closures is provided to the City ahead of time and disseminated by the City via email blasts, social media, and traffic text alerts.

5. Explore waterborne transportation service connecting Downtown Miami and Miami Beach

Pursuant to a competitive solicitation recently issued by the County, Poseidon Ferry is pursuing

an east-west passenger ferry service between Downtown Miami and South Beach and potentially additional routes along Biscayne Bay using double deck vessels with an air-conditioned lower deck. The service would cater to commuters (Monday – Friday during morning and afternoon peak periods) and the proposed fare structure is intended to be competitive with current public transit fares. The City is working with Poseidon Ferry, the City of Miami, and the County to assist in securing docking locations that will be needed to operate the cross-bay ferry service, including potential enhancements to transit service connecting to docking facilities to facilitate the first/last mile of the trip. A docking location on the north end of the Miami Beach Marina (in proximity to 5th Street) is being evaluated. This location is served by the South Beach trolley and is in proximity to the Alton Road/5th Street parking garage which can serve as a park-and-ride facility.

Other strategies underway

- Interactive map of City and FDOT projects

The City's GIS team has developed a comprehensive interactive map which will have information on all city projects, including anticipated lane closures, as well as the lane/ramp closure information from the FDOT interactive map. This consolidated map will help staff identify any conflicting detours and schedules on projects in order to help reduce the cumulative impact of construction on the community. The map is under final review by staff.

- Commuter vanpool

The South Florida Vanpool Program is subsidized by South Florida Commuter Services (SFCS) and is available to commuters traveling to/from Miami Beach. In collaboration with SFCS, the City's Transportation and Mobility Department is planning outreach campaigns to encourage use of this program to reduce cross-causeway single occupancy vehicle trips.

Applicable Area

Citywide

Is this a Resident Right to Know item?

No

Does this item utilize G.O. Bond Funds?

No

Strategic Connection

Mobility - Increase multi-modal mobility citywide and connectivity regionally.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: October 25, 2019

SUBJECT: **DISCUSSION REGARDING CITY'S WALK-IN CENTER AND PROCESSES**

HISTORY:

The Mayor and Commission referred this item to the Finance and Citywide Projects Committee at its September 11, 2019 meeting. Commissioner Mark Samuelian is the sponsor.

BACKGROUND

Who are the homeless?

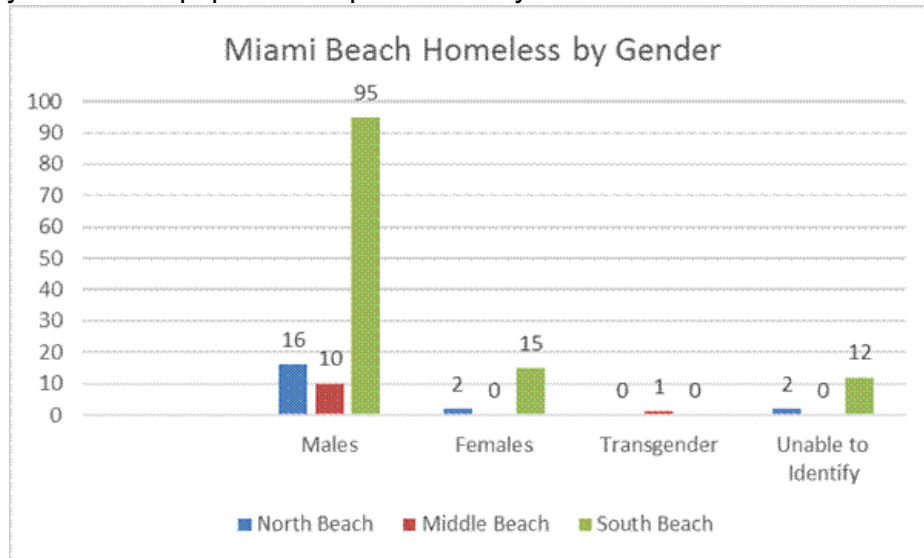
Homelessness is an international problem with local impacts. According to the U.S. Department of Housing and Urban Development's Annual Point-in-Time Count, there are 552,830 people experiencing homelessness in the United States on any given night. The point-in-time count is conducted by volunteers and staff twice a year in a countywide effort to count people who appear homeless. The most recent count, which was held on August 15-16, 2019. The count for Miami Beach was 169 --- an eight percent drop from the previous year. Miami-Dade County's overall count was 1,148, a four percent increase.

The chart below tracks the annual January point-in-time count for the past four years as well as the actual number of self-identified homeless persons that the city has encountered through its Homeless Outreach Team and Police. As the data demonstrates, the population is highly transient. Furthermore, despite the relative stability of the Point-in-Time Count, the actual number of homeless people who have passed through our city is down by 25 percent since FY 15/16:

	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Point in Time Census	156	133	124	153
Total Homeless Citywide	1,998	1,571	1,377	1,480
Average Daily Homeless	115.51	90.82	87.05	97.27

Data Source: City of Miami Beach Client Management Information System (CIMS) and Morning Counts

Thankfully, our city's proactive homeless prevention efforts are effective at ensuring that few families become homeless in our city through proactive rent and utility assistance services. If a family does become homeless, the city provides immediate housing services including the use of hotels when shelters are at capacity or a family becomes homeless overnight. While there are homeless women in the city, the city's homeless population is predominantly male¹:



1-The chart depicts the demographic breakdown for the August 15, 2019 Point-in-Time Count.

The City currently provides homeless services to persons who live and/or work within the City as demonstrated by:

- Last verifiable residential address within City including loving evictions
- Eviction from verifiable address within City
- Aged out of Miami Beach foster care home
- Receipts for hotel stay within City within previous 30 days
- Child's enrollment in Miami Beach feeder pattern school
- Discharges from Mount Sinai Medical Center with multiple hospital encounters over at least 30 days
- Homeless persons served by the Miami Beach Library and St. Francis' Church whose staff verify person's status via their respective programs
- Community members who can verify homeless status over at least a 30-day period

Verified non-housed resident as documented by street outreach encounters or police field contact forms as documented for at least 30-day period

ANALYSIS:

What does the city do to address homelessness?

Our residents have ranked homelessness as their highest priority according to the *2019 City of Miami Beach Resident Survey* with 22% ranking it as the most important city service and ranking satisfaction at 30%.

In order to serve the needs of our community's homeless persons, the city provides a variety of services including:

Services	Objective
Street outreach	Engage the homeless on the streets, in libraries, and houses of worship and avail them to services to end

	their personal homelessness
Walk-in center	Physical location that the homeless can go to get help
Shelter beds	Providing short-term housing to enable homeless clients the ability to access services and employment to end their personal homelessness
Care coordination	Strengths-based case management that supports individualized care plan designed for client independence and sustainable housing
Identification document replacement	Replace birth certificates, identification cards, work permits, etc. to enable employment and application for entitlements and housing
Employment transition program	Provides a 32-hours paid employment experience and new work and interview clothes for people transitioning from the streets to shelter and easing back into the workforce
Family/friends reunification	Reconnects a homeless person to natural supports who are willing and able to provide stability and a fresh start. The city provides bus transportation within the contiguous 48 states
Down payment/rent assistance	Provides security and/or down payment assistance to homeless clients who have established a sustainable income source that can support independent housing
Transportation	Connecting homeless clients to day services and detoxification care
ACCESS Florida services	On-site application for state-managed entitlements including Supplemental Nutrition Assistance Program and LifeLink cell phone providing clients a running start to stabilization and then employment
Client advocacy with Social Security Administration	For clients entitled to disability, retirement or survivors' benefits, advocacy provides much-needed support and guidance through a complicated, burdensome process
Wage theft advocacy	Vulnerable populations, such as the homeless, are often victims of wage theft and are unfamiliar with the avenues available to reclaim what they have rightfully earned
Criminal records expungement	Arrests are a common experience for many homeless. Expunging these records can eliminate a barrier that prevents gainful employment which, in turn, can lead to independence
Lazarus Program outreach	Targeted mental health outreach for mentally ill, chronically homeless adults
Free tax preparation services	For low-income wage earners, the annual tax refund check is a fresh financial start. With free tax preparation services, homeless clients can access this personal resource and reposition themselves for independence (oftentimes in conjunction with the city's rent assistance program)

The city is currently finalizing details for a joint effort with Miami Beach Community Health Center to

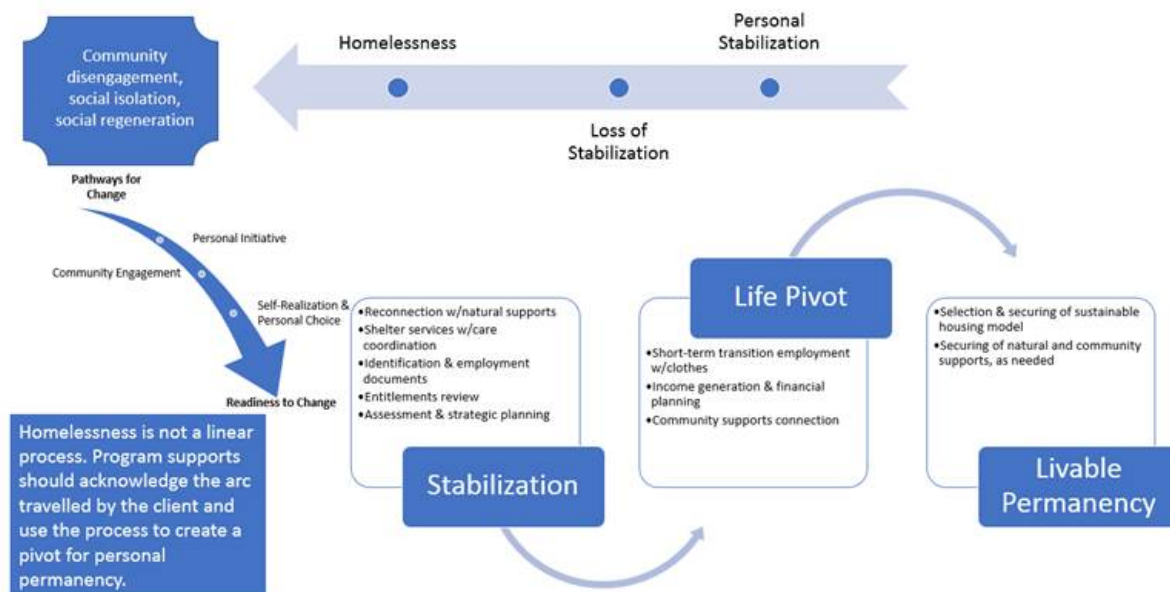
provide outpatient addiction services for homeless adults who wish to end their addiction and are prepared to accept shelter and care coordination services. In addition, the city is also preparing a funding proposal to South Florida Workforce to align job placement services with outreach to expedite employment placement as part of the stabilization process from homelessness to independence.

While the city operates the only municipal homeless walk-in center, its most effective engagement tool is street outreach. In addition to its own outreach workers, the city partners with HOPE in Miami-Dade, Inc. to engage the faith community in outreach efforts. The city also works with Camillus House and resident volunteers to do outreach Monday through Friday.

What causes homelessness?

Homelessness is rarely caused just because a person loses their housing. Homelessness, as demonstrated through our client interactions and service histories and reported by Homeless Hub, is the culmination of a series of behaviors and events such as loss of employment, addiction, family disintegration, criminal behaviors, reticence to abide by society's rules and expectations, lack of savings/financial resources, mental illness, etc. While a traditional Continuum of Care model presumes that the problem of homelessness is triggered when a person becomes homeless, the city's engagement of the population has demonstrably shown that the factors of homelessness converge just before the actual loss of housing creating a destabilization that then leads to homelessness. The traditional model of homelessness is a linear experience that begins with the loss of housing and ends with the securing of housing.

All homeless clients were housed at some point in their life, experienced destabilizing events that threatened their housing, subsequently became homeless, and then sought a solution to their housing challenges that fit into their respective social framework (including personally-secured housing, government-supported housing and even ongoing homelessness). The graphic below, created by city staff to demonstrate a typical client service path, synthesizes this process through the client's perspective.



A study recently published by the Los Angeles Times examined survey results from more than 4,000 point-in-time surveys conducted in Los Angeles. The survey found that “76% of individuals living outside on the streets reported being, or were observed to be, affected by mental illness, substance abuse, poor health or a physical disability.”

While the city offers shelter as part of its efforts to help the homeless, most of the city's homeless persons decline services. Of the 1,480 people who self-identified as homeless this past fiscal year, only 442 accepted shelter. Alternatively, 206 adults accepted relocation services and very few availed themselves to any other service.

More so, an in-depth analysis of the homeless adults who received relocation services found that 81% had multiple homeless experiences prior to arriving to the city. Of these, 74% had an arrest history and 44% had been arrested for violent offenses. When relocated, only 53% returned to where they were before they came to Miami Beach. This data reinforces not only the transient nature of the population but also the behavioral factors that can influence their homelessness.

What do other cities do?

Homelessness is arguably one of the greatest social challenges confronting communities across America. From New York to California and on to Alaska and Hawaii, the cost and frustration of homelessness has spurred a variety of strategies with mixed results.

This year, the city of New Orleans touted the success of its Housing First efforts which prioritize the provision of housing for homeless persons who are chronically homeless and present a disabling condition. The report, which was shared through the Associated Press, “shows the number of chronically homeless — those with disabilities who have been on the street or in a shelter for more than one year — is down significantly, but the number of other homeless adults has increased by 20% in the past two years. And the number of families seeking shelter in New Orleans is up this year.”

Housing First is an expensive effort. The local area government assumes the private housing costs of these clients in addition to the operating costs for support services (such as mental health and addiction services) which are voluntary as Housing First clients are not compelled to address the conditions that lead to their individual homelessness. More so, the local government commits to continuing the housing subsidies until either the client chooses to assume the housing cost for himself, the client abandons the unit, or the client dies. Please note that clients can pay no more than 30% of their income towards housing costs when enrolled in a Housing First program which results in ongoing subsidies even when the client contributes towards the rent.

Miami Beach supports permanent housing for its homeless client in two ways: providing rent assistance to transition from shelter to private, sustainable housing and promoting the city's First-time Homeowner Program which provides down payment assistance for first-time homeowners who provide 2% down.

In Seattle, the city has endorsed the use of homeless camps by providing internet access, waste receptacles and portable bathrooms as stopgap measures while resources were aligned to help the homeless access traditional services. Rather than reducing the number of homeless, “trends show that combined efforts of Puget Sound, including the Seattle/King County Coalition on Homelessness... that the numbers experiencing homelessness in the region are continuing to climb.”

In Los Angeles, the homeless population has grown as more money has been invested in the problem. One of the initiatives initially lauded was the effort to provide restrooms for the homeless. When the proposal for restrooms was first undertaken, the cost was minimal and was immediately approved for funding. According to the Los Angeles Times, the City of Los Angeles “has estimated that staffing and operating a mobile bathroom can cost more than \$300,000 annually. During budget

talks this spring, city officials estimated that providing toilets and showers for every homeless encampment in need would cost more than \$57 million a year.” As the discussion regarding increased costs continues, “the Los Angeles Homeless Services Authority recently reported that the homeless population grew by 16% in the city this year, reaching more than 36,000.”

Los Angeles followed San Francisco which was the first to launch mobile bathrooms to serve the homeless. In San Francisco, the toilets cost roughly \$200,000 each to operate annually, depending on the hours, said Rachel Gordon, a spokeswoman for San Francisco Public Works, as reported by the Los Angeles Times. In 2019, San Francisco reported that 8,011 people met the federal definition of homeless, an increase of 17 percent from 2017.

Why does the city employ multiple strategies?

In addition to shelter, the city offers a variety of services that are foundational to employment, housing and entitlements including the replacement of birth certificates, state-issued identification and replacement immigration documents, among others. Homeless clients may access these services even if they decline shelter or relocation services. By making these services available, homeless clients may take charge of their circumstances and solve their personal homelessness on their own terms without the structured framework of shelter and care coordination which are meant to provide support and guidance through a tumultuous and challenging process.

The city’s various strategies and services balance the need to end homelessness with the individual’s right to self-determination and independence. Our supports, including shelter and rent assistance, are meant to leverage a person’s decision to end their personal homelessness with the services needed to achieve independence.

What happens when the 555 building is demolished?

The 555 building, which currently houses the walk-in center, is slated for demolition. Efforts to find alternate programming space has been challenging as prospective neighbors do not want homeless services next to their businesses. As such, the team has been exploring a variety of mobile models including the use of a mobile office or recreational vehicle to create a “mobile walk-in center.”

The city’s Risk Management Office conducted a safety analysis of the walk-in center and noted various concerns associated with employee safety. Currently, the city employs an armed security guard in the walk-in center to address issues that arise with inebriated and unruly clients. These safety concerns are magnified with mobile office vehicles as they provide limited space and mobility and pose a potential risk for city staff engaging persons in close quarters.

The administration favors a hybrid mobile outreach model that employs city staff to engage homeless clients on the street and processes them for placement and services at a determined secured site to minimize the amount of time clients spend in vehicles. Clients would access services through street outreach and pre-designated pick-up points citywide (such as the city facilities like the police department and major congregation points such as Ocean Drive) that would be serviced through a fixed pick-up schedule. Office space would be needed to manage files and coordinate services while clients would not need to physically access an office to get help. The staff office would not be a drop-in center. The City of Miami currently employs a fully mobile homeless services model and maintains administrative offices for staff.

The city’s police department currently refers homeless persons to services and can provide shelter placement during night, weekend and holiday hours. This would service ensures that people access services even when the Homeless Outreach Office is closed.

CONCLUSION:

The city employs a variety of strategies and services to support homeless persons’ decision to end their personal homelessness. These efforts have resulted in a 25% decrease in homelessness in the past four years. As noted in the city’s 2019 Strategic Plan, the city will continue to explore innovative

and sustainable ways to address homelessness. However, it has an urgent need to relocate its walk-in center which is slated for demolition.

The administration proposes a mobile outreach model that emphasizes street outreach and pre-designated outreach pick-up points to ensure that the homeless in our community can access help when ready. Administrative offices are still needed to house staff maintaining files and coordinate clients services. However, since clients would be engaged in the field, there would be no need for clients to visit the office eliminating the largest obstacle to securing a site thus far.

Applicable Area

Not Applicable

Is this a Resident Right to Know item?

No

Does this item utilize G.O. Bond Funds?

No

Strategic Connection

Mobility - Address homelessness.



COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: October 25, 2019

SUBJECT: **DISCUSSION ON REVISIONS TO THE EVENT SPONSORSHIP GUIDELINES**

HISTORY:

Historically, the Tourism and Culture department has been referred event sponsorship and fee waiver requests. The current process does not allow for the administration to properly analyze and capture the information required to make a sound fiscal decision, which would determine the legitimacy and worth of tax payer dollars sponsoring events. The administration would like to strengthen our sponsorship application process in order to ensure that funds are given to worthy candidates and to ensure that accountability and fiscal responsibility are exercised at all times.

In Sec. 12-7(a) of Chapter 12 (Arts, Culture and Entertainment) of the City Code, the process currently states that any request for City Sponsorship of an event of \$25,000 or more 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 ("VCA" 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."

In FY 18/19 the City of Miami Beach issued sponsorships and fee waivers in the amount of \$1,954,128.52. The Tourism and Culture department believes that the City of Miami Beach's Sponsorship Request Process should have a clear mandate that all applications should serve one of the following purposes:

1) To serve as an investment in our Resort Tax collection practices, by supporting experiences that can verify an increase in tourism with hotel room blocks (contracts) or confirmed tourist attendance (ex: ticket sales).

2) To serve as a marketing / branding initiative by supporting experiences that place Miami Beach on the international stage via partnership and media / PR exposure.

3) To serve as a way to engage residents by providing unique and engaging experiences that increase their quality of life.

4) To serve to strengthen our cultural tourism initiatives.

In order to achieve the above, the Tourism and Culture Department would like to further elaborate on our existing guidelines, by implementing the following considerations:

- 1) Update Sponsorship Definition
- 2) Mayor and Commission Discretionary Fund totaling \$200,000.
- 3) Sponsorship Score Card
- 4) Sponsorship Term Limits
- 5) Sponsorship Step Down
- 6) Sponsorship Financial Limit

1) Sponsorship Definition:

A sponsorship will be considered as any cash payment to an applicant via this process, but will also now include Fee Waivers, as well as rental waivers for use of City of Miami Beach properties (Miami Beach Convention Center, Fillmore Miami Beach or the Colony Theater). We recommend that these requests be done prior to events taking place and to not accept requests made retroactively.

2) Mayor and Commission Discretionary Fund:

In an attempt to allow the Mayor and Commission more flexibility to sponsor the experiences they feel are important to our community, the administration recommends implementing a discretionary fund for each of the Mayor and Commissioners, which will allow them to support any event requesting cash sponsorships or fee waivers between \$0 and \$25,000.00 dollars.

Event producers would be able to interact directly with the Office of the Mayor and Commission in order to secure this support, which would alleviate significant time and resources that the administration spends on agenda items and sponsorship requests of less than \$25,000.00.

The administration recommends allocations as per the below:

- Mayor - \$50,000.00 fund
- Commissioners - \$25,000 fund x 6 Commissioners
- Total - \$200,000.00 budgeted sponsorship dollars and fee waivers for smaller, community-

based events.

Once these funds were exhausted, applicants would need to go through the CAC or the VCA to receive additional support for sponsorships under \$25,000.00 as the administration will no longer consider sponsorships, or in-kind donations of less than \$25,000.00 as these amounts should be covered by the Cultural Arts Council (CAC) and the Visitor and Convention Authority (VCA).

This discretionary funds would allow the Mayor and Commission to give out multiple sponsorships in smaller allotments to deserving organizations and producers, without taking up significant Commission, FCWPC, Administration, City Attorney and Clerk's Office time preparing agenda items, agreements, etc., for minimal sponsorship amounts.

To outline the time savings, on average, a sponsorship item of less than \$25,000.00 takes appx 8-12 hours of Tourism and Culture administration time to execute:

Researching initial agenda item - 3-5 hours (calls, emails, company research)

Preparing Commission Agenda Item - 60 minutes (writing, revising)

Preparing / Presenting Committee Agenda Item - 2-3 hours

Preparing / Presenting Final Commission Item - 30-60 minutes (if no revisions required from Committee)

Execution of Item - 2-3 hours (calls with entity to inform of Commission decisions, writing contract / agreements, revisions, execution of contract).

Total: 8 – 12 hours per item

The above discretionary funds would allow the Mayor and Commission to sponsor worthy community initiatives in a much more timely manner.

3) Sponsorship Score Card:

For all sponsorships \$25,000 or greater (cash, fee waivers for permits or rental of the MBCC), applicants would need to submit their proposals between May and July for the following fiscal year.

This sponsorship score card outlines the initiatives of the City of Miami Beach as it pertains to event sponsorship via our Sponsorship Mandate and will score applications accordingly to ensure they meet the guidelines of funding.

In order to qualify for funding via the City of Miami Beach Sponsorship Ordinance, you must meet the following criteria:

1) Have applied to the CAC or VCA for funding. If funding was denied, then the applicant would qualify for a CMB Sponsorship with proof of denial, however, if funding was received via the VCA or CAC, the applicant would not be considered for a cash sponsorship, but WOULD be eligible for fee waivers.

2) All applicants for a City of Miami Beach sponsorship in excess of \$25,000 would need to identify a 1 to 1 financial match in a value equal to or greater than the amount being requested (this includes fee waivers).

a) If the applicant is not able to clearly identify a 1 to 1 match, via signed contracts or a Letter of Intent with a sponsor(s) or other donation, the administration would recommend that this is not an event the City should be sponsoring, or that the applicant has not done the legwork required to produce a successful event.

b) The 1 to 1 match cannot come from the CAC, VCA, or other City of Miami Beach department (as these are all the same funding sources).

3) The applicant must submit their request in writing to the Tourism and Culture department who can properly research and to ensure that all agenda items have been vetted and approved by the administration in a clear and accountable manner.

As part of this written request, the applicant should clearly outline their request, with dollar amounts. No cash sponsorship from the City of Miami Beach can be spent on event infrastructure such as staging, barricades or security. Cash sponsorships must be spent on items that will enhance attendee experience (entertainment / programming, art installations, rides, etc.).

Example Sponsorship Request:

Cash Sponsorship - \$50,000

\$25,000 – Main Stage Performer

\$15,000 – Site Performers (acrobats)

\$10,000 – Art Installation

Fee Waivers - \$48,000 based on permitting departments estimates

Total Sponsorship Request - \$98,000

Once the above has been submitted and approved, the administration will score the applicant with the "City of Miami Beach Sponsorship Score Card" and request supporting documents. Should an applicant not be able to fulfill any of the above requirements, the Tourism and Culture Department would notify the applicant that their application is incomplete and no further processing can take place. Should an application remain incomplete, it would be considered null and void and no further action would be taken.

Score Card:

Successful applicants will be adjudicated against the attached "City of Miami Beach Sponsorship Score Card" based on the following criteria (further explanation of each criteria can be found in attachment "Score Card Explanations").

- Proof of 501(c)3 status
- Length of Event (incentive to get producers to shorten load in / load out times)
- History of Event
- Hotel Room Blocks
- Attendance (Local, National, International)
- Resident Discount
- Community Benefits (Education, Small Business, Seniors, Veterans)
- Marketing / PR Exposure
- Utilization of Multiple CMB Venues
- Name / Brand Exposure

The administration recommends that no sponsorships be pursued from applications who score less than 65% of this score card, as it would be seen as the funds not going to worthy experiences as per the City of Miami Beach Sponsorship Mandate. Applicants would be notified of their score, and would be given the chance to increase their score for each of the line items above to become more in line with the CMB sponsorship initiatives (more hotels, international marketing campaign, etc.).

Based on the score received from the Sponsorship Score Card, applicants would receive that percentage of their Sponsorship request:

Example: As per the example above, an approved applicant is requesting the following:

a. Cash Sponsorship - \$50,000

b. Fee Waivers - \$48,000

Total request - \$98,000.00

After completing the sponsorship score card, the applicant received a 72% rating. The applicant could then not receive more than 72% of their ask (\$98,000.00 x 72% = \$70,560.00).

4) Sponsorship Term Limit

No sponsorship agreement can exceed a five-year term and in order to be eligible for a five (5) year term, the event must have been produced within Miami Beach for at least three (3) years prior to the application. All sponsorship contracts, no matter the term or dollar amount must include verbiage that requires an audit of post event data as per the Sponsorship Score Card, before the next year's funding can be approved.

If a sponsorship is for a multi-year agreement, the applicant must prove, via audited statements, that all targets and goals were hit. If not, the administration reserves the right to re-evaluate the score, and reduce the sponsorship or cancel the agreement.

5) Sponsorship Step Down

All cash sponsorships must have a step down over the course of their duration equal to the number of years agreed to. Example: a \$25,000 sponsorship over 5 years would have the following step down:

Year 1 - \$25,000

Year 2 - \$20,000

Year 3 - \$15,000

Year 4 - \$10,000

Year 5 - \$5,000

Applicants who have been producing their events for a minimum of five (5) years within Miami Beach and who maintain a minimum sponsorship score card of 90% every year via verified documents, can be considered to continue their funding without the required step down. These will be on a case by case basis.

6) Sponsorship Financial Limit

In FY 18/19, the City of Miami Beach has sponsored events (cash sponsorships and permit fee waivers) in the amount of \$1,503,000.00, in addition to fee and permit fee waivers in the amount of \$451,128.52. This has resulted in a total of **\$1,954,128.52** in sponsorships and waived fees for FY 18/19. Note: this does not include \$680,500.00 in City Wide Sponsorships and Grants that are administered through other departments (MDPL Grant, Boys and Girls Club, etc.)

The administration recommends that a sponsorship limit of \$1,500,000.00 be set and that the administration not be allowed to sponsor or waive fees in excess of \$1,500,000.00 without Commission approval.

The administration believes that the above methods will increase accountability and financial responsibility, while also allowing applicants to see how they can increase their funding by aligning their events to the overall objectives of the City of Miami Beach. This process is expected to have the following outcome:

1) Resort Tax Collection:

- a. Proper use of sponsorship funds will increase Resort Tax Collection by ensuring we are supporting events that will bring tourists to our city, and fill hotel rooms.
- b. Economic Impact on local businesses and cultural institutions through increased tourism will also be recognized.

2) Miami Beach Brand Equity:

- a. Supporting High Quality events with international marketing reach, will only increase the way in which the world sees Miami Beach, and will help increase tourism year-round.

3) Resident Quality of Life:

- a. Supporting experiences that our residents want to attend.
- b. Supporting experiences that put tourists in hotel rooms, which will help to calm traffic and parking issues, as attendees will be able to explore our city on foot rather than by driving.

CONCLUSION:

The Administration recommends the FCWPC to approve the revisions to the sponsorship guidelines in an attempt to create a more transparent and fair process which ensures greater fiscal responsibility, accuracy and accountability to our residents.

Applicable Area

Citywide

Is this a Resident Right to Know item?

No

Does this item utilize G.O. Bond Funds?

No

Strategic Connection

Organizational Innovation - Ensure strong fiscal stewardship.

ATTACHMENTS:

Description	Type
<input type="checkbox"/> City of Miami Beach Sponsorship Score Card	Other
<input type="checkbox"/> City of Miami Beach Score Card Explanations	Other

CITY OF MIAMI BEACH SPONSORSHIP SCORE		
CATEGORY	SCORE	NOTES
Are you a registered 501(c)3? (Yes = 5 pts. No = 0 pts.)	5	
Length of Event: (number of active event days, minus number of load in / load out days)	0	Take the number of event days and minus load in and load out days. This is to get even producers to tighten up their load in / load out timelines.
History of Event (1-2 years = 2 pts, 2-4 years = 4 pts, 4-6 years = 6 pts, 6-8 years = 8 pts, 10+= years = 10 pts.)	10	
Hotel Room Block (1-100 rooms = 2 pts, 100 - 250 rooms = 4 pts 250 - 500 rooms = 6 points, 500 - 1000 rooms = 8 points, 1000+ rooms = 10 points).	10	verified with hotel contracts or booking codes. We will not accept estimates - hotel rooms must be confirmed through a verified source.
Local Attendees (1-100 = 2 pts, 100 - 250 = 4 pts 250 - 500 = 6 points, 500 - 1000 = 8 points, 1000+ = 10 points).	10	verified by audience audits - GMCVB
National Attendees (1-100 = 2 pts, 100 - 250 = 4 pts 250 - 500 = 6 points, 500 - 1000 = 8 points, 1000+ = 10 points).	10	verified by audience audits - GMCVB
International Attendees (1-100 = 2 pts, 100 - 250 = 4 pts 250 - 500 = 6 points, 500 - 1000 = 8 points, 1000+ = 10 points).	10	verified by audience audits - GMCVB
Resident Benefit (10% - 25% = 2 pts, 25% - 35% = 4 pts, 35% - 50% = 6 pts, 50%+ = 8 pts, Free = 10 pts.	10	verified by TCD
Community Benefits (Educational, Environmental, Small Business, etc.) 1 benefit = 2 pts, 2 benefits = 4 pts, 3 benefits = 6 pts, 4 benefits = 8 pts, 5+ benefits = 10 pts)	10	verified by TCD
Marketing / PR Exposure Local = 3 pts, National = 6 pts, International = 10 pts.	10	This needs to be proven with previous years results
Utilizes additional City of Miami Beach venue (Miami Beach Convention Center, Fillmore, Colony Theatre etc.) = 5 pts	5	Venue needs to be not public property to free up public space.
Name of event incorporates Miami Beach Brand (Miami Beach, Art Deco, South Beach, etc.) = 10 pts	10	"Miami" is not a reference
TOTAL	100	Applicants cannot receive more than 100% of their funding request.

CITY OF MIAMI BEACH SCORE CARD EXPLANATIONS

a. Proof of 501 (c)3 status or partnership with a registered charity

- i. Producers who work with a registered charity as the applicant would ensure that the City of Miami Beach can verify that the funds are going to a legitimate entity and that the funds will be dispersed according to proper financial recording procedures and in line with federal and state laws.
- ii. For Profit Applicants would still be able to apply, they would just not receive full marks if they were not working with a charitable organization.

b. Length of Event

- i. This portion is to be used as an incentive to get producers to shorten their load in and load out time periods, as their funding will be reduced as a result of extended or unnecessarily lengthy load in / load out schedules.
- ii. The administration believes we need to start to free up some of our public space to allow additional events to take place, or simply to allow the community to enjoy their public spaces.

c. History of Event

- i. We want to reward our long-standing events in Miami Beach, while also allowing new events to still qualify for funding.

d. Hotel Room Block

- i. To be proven through hotel contracts or other verified method. This will allow the administration to clearly define economic impact based on hotel room bookings and ensure sponsorships are being used as investment tools in our Resort Tax.
 - 1. Events and sponsorships need to be utilized smartly and be seen as an investment to our community. By ensuring that we are receiving some form of Resort Tax collections off of sponsorships, as well as ensuring that Hotels, Bars and Restaurants are receiving economic impact directly from event attendees, we can ensure a smart and trackable return on investment.
 - 2. Applicants must work with the GMCVB to understand best practices in capturing hotel booking data, or do it independently, after having their processes verified by the Tourism and Culture department (booking codes, street teams, etc.).

e. Attendees

- i. Events will get points awarded for Local, National, and International Attendees.
 - 1. This must be verified via data collected by street teams, who will interview at least 10% of the attendees at the event to collect responses on age, gender, country of origin, average income, tourist or local, where is their hotel located, etc.

- f. Resident Discount Benefit
 - i. Applicants will receive higher funding allotments based on their willingness to offer benefits to our residents. Ex:
 - 1. 10% - 25% off tickets – 2 pts
 - 2. 25% - 35% off tickets – 4 pts
 - 3. Free to Residents – 10 pts.
- g. Community Benefits:
 - i. Applicants will receive higher funding allotments based on their engagement with our Community. Ex:
 - 1. 1 Benefit (Educational) – 2 pts.
 - 2. 4 Benefits (Educational, Senior, Plastic Free, Small Business) – 8 pts.
- h. Marketing / PR Exposure:
 - i. This portion will speak to media coverage, and the reach to which your advertisements and unpaid media coverage achieves:
 - 1. Local (Miami-Dade / South Florida) – 3 pts.
 - 2. National (outside of Florida) – 6 pts
 - 3. International (outside the continental USA) – 10 pts.
- i. Utilizes more than one City of Miami Beach Venue (Fillmore, Colony Theater, Lummus Park, etc.).
 - i. We want applicants to start to think about other venues in Miami Beach that will not always require utilizing public spaces to hold events. We will incentivize the use of these spaces by awarding increased funding for use of these spaces.
- j. Name of the event incorporates Miami Beach (or a reference to is – Art Deco, South Beach, etc.). The word “Miami” would not qualify, “Miami Beach” would.
 - i. We want our applicants to start to help promote our city by connecting their experiences to the City in which they take place – Miami Beach.
 - ii. This connection will build our brand identity and equity, as the community and tourists will continue to identify Miami Beach as a world class tourist destination based on the experiences we are offering.



COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: October 25, 2019

SUBJECT: **DISCUSSION REGARDING TERMINATING THE CITY'S CONTRACT WITH COCA COLA**

HISTORY:

On July 17, 2019 an item discussing the termination of the city's agreement with Coca Cola was dual referred to both the Finance and Sustainability committees.

ANALYSIS:

The following items are attached for your review and consideration:

1. Financial analysis of the contract
2. Current product price list
3. YTD volume report detailing purchases by locations
4. Analysis of Coca Cola's use of allotted special event permits and sampling permits
5. Coca Cola Agreement

Additionally, our legal department was asked to give analysis of the contract terms pertaining to termination. Per their analysis, the Agreement does not contain a termination for convenience clause. In the event that the City wanted to terminate prior to the normal expiration of the term above, it would have to be for cause—i.e. an event of default—and Coca Cola would have 30 days to cure.

If the City were to stop performing its obligations under the Agreement, Coca Cola would be entitled to terminate (following the same 30 day cure period). Coke's remedy for termination would require the City to (1) return Coke's equipment including vending machines and fountain dispensing equipment they've installed throughout City facilities; as well as (2) pay Coca Cola the earned portion of any prepaid sponsorship fee, and other fees or payments, due in the Agreement year in which the termination occurs.

The annual sponsorship fee under the Agreement is \$325,000 per year that Coke pays the City, plus the purchase of a minimum of 22,500 cases of Coke products bottles/cans per year as well as vending commissions of approximately \$40,000 per year.

CONCLUSION:

The following information is presented for your analysis and discussion.

Applicable Area

Not Applicable

Is this a Resident Right to Know item?

No

Does this item utilize G.O. Bond Funds?

No

ATTACHMENTS:

Description	Type
☐ Financial Analysis of Agreement	Other
☐ Product Pricing	Other
☐ Year to Date Volume Sales	Other
☐ Coca Cola Permit History	Other
☐ Coca Cola Agreement	Contract or Agreement

City of Miami Beach and Coca-Cola Refreshments

Analysis of sponsorship contract

ANNUAL REVENUE TO MIAMI BEACH	CASH	IN-KIND
annual sponsorship	\$ 325,000	
Marketing Value		\$ 60,000
Vending commissions <i>Average annual amounts - actuals may vary slightly per year</i>	\$ 40,000	
Complimentary cases of product <i>450 Cases valued at approx 14.50 per case</i>		\$ 6,525
Less commissions to The Superlative Group <i>Annual payments made for the term of the contract</i>	(\$46,500)	
	\$ 318,500	\$ 66,525

TOTAL CASH AND IN-KIND VALUE \$ 385,025

ANNUAL BENEFIT TO COCA-COLA	CASH	IN-KIND
annual minimum cases to be purchased per the contract* <i>22,500 cases - average \$14.50/case</i>	\$ 326,250	
4 Special Event Permits** <i>estimated value of 60K per permit</i>		\$ 240,000
28 Sampling Permits per Year** <i>approx value of \$2,500</i>		\$ 120,000
	\$ 326,250	\$ 360,000

TOTAL CASH AND IN-KIND VALUE \$ 686,250

COST-BENEFIT COMPARISON FOR MIAMI BEACH	CASH	IN-KIND
CITY OF MIAMI BEACH	\$ 318,500	\$ 66,525
COCA-COLA	\$ 326,250	\$ 360,000
	(\$7,750)	(\$293,475)

MISCELLANEOUS INFORMATION

Sign-on bonus	\$ 475,000
One-Time recycling donation	\$ 17,500
Annual rate increase for product purchases	4%

**This includes all parks, facilities, events and contractors that are required to purchase per the agreement such as MBCC, Golf Courses, City Facilities, Boucher Brothers, etc. The City has never had an issue meeting the minimum requirement of product purchases as these facilities and vendors purchase this product for their daily operations.*

*** Please see the attached report regarding the actual use of permits by Coca Cola*

Pricing - Bottle/Cans

August 1, 2019-July 31, 2020



Product Type	Pack/Size	2019/2020 Case Price
Carbonated Soft Drink Bottles	24/20oz	\$24.43
Dasani Water	24/20oz	\$14.81
Fuze Tea/ MM Refreshments	24/20oz	\$24.43
Carbonated Soft Drinks Cans	24/12oz	\$12.95
Glaceau Vitamin Water	24/20oz	\$36.95
Glaceau Vitamin Water Zero	24/20oz	\$36.95
PowerAde	24/20oz	\$26.00
Minute Maid Juices	24/12oz	\$31.97
Energy Drinks (Monster, NOS, Full Throttle)	24/16oz	\$46.53
Dasani Water	24/12oz	\$12.15
Carbonated Soft Drinks 1 Liter Bottles	12/1L	\$22.29
Coca-Cola Glass Bottles	24/8oz	\$21.90
Coca-Cola Aluminum Bottles	24/8.5oz	\$22.55
Carbonated Soft Drinks 2 Liter	8/2L	\$16.90
Gold Peak Tea	12/18oz	\$19.15
Honest Tea Organic	12/16oz	\$17.24
CO2 Tank	20lb tank	\$30.80



Customer ~ Yr. <FiscalPeriods> **10/2019 vs. YAG**
By: Customer Focus: G_S-City of Miami Beach

Direct Sales Delivery	Name	Volume This	Volume Last
600783650	BOUCHER BROTHERS MANAGEMENT	5,559	6,751
600781406	SERVICE AMERICA CORP	4,642	2,039
600804222	MIAMI BEACH POLICE DEPT	3,611	2,530
600804270	MIAMI BEACH GOLF CLUB	1,036	1,166
600773205	NORMANDY SHORES GOLF COURSE	732	715
600792842	MIAMI BEACH TENNIS MANAGEMENT	393	398
600799118	CITY OF MIAMI BEACH	320	12
600783581	CITY OF MIAMI BEACH ATTN	299	356
500483687	TASTE BAKERY	276	264
600804188	CITY OF MIAMI CITY MGR OFFICE	254	354
600799724	BOUCHER BROTHERS 21 STREET	223	614
600803200	MIAMI BEACH GARDEN CONSERVANCY	150	146
600771923	CITY OF MIA BCH MAYORS OFFICE	129	192
600770387	CITY OF MIAMI BEACH	100	48
500426902	VAN DAALEN TENNIS CENTER	34	105
500419170	BOUCHER BROTHERS TITAN TOWERS	0	21
600787025	CITY OF MIAMI BEACH	0	26
Totals		17,757	15,735

VENDING	Name	Volume This	Volume Last
500585996	FLAMINGO PARK POOL	318	124
600589728	CITY OF MIAMI BEACH	245	248
600589545	13TH STREET GARAGE	196	274
600589692	FLAMINGO PARK	186	340
600589546	17TH STREET GARAGE	185	194
500586282	FLAMINGO PARK BASKETBALL COURTS	145	72
600589567	SCOTT RAKOW YOUTH CENTER	131	125
600589559	MIAMI BEACH POLICE DEPT	119	149
600589549	CITY HALL	97	108
600589560	MIAMI BEACH POLICE DEPT	95	105
500585960	FLAMINGO PARK SOFTBALL	95	55
500926819	SOUTH POINTE PARK	84	0
600589568	SCOTT RAKOW YOUTH CENTER	80	95
600590204	CITY OF MIAMI BEACH MAURICE	77	74
600589552	CITY HALL PARKING GARAGE	73	80
600589747	CITY MIAMI BEACH PARKING GARAG	72	81
600589547	17TH STREET GARAGE	62	159
600589561	NORTH SHORE YOUTH CENTER	59	102
600589745	CITY MIAMI BEACH FAIRWAY PARK	59	13
600589764	CITY MIAMI BEACH	59	94
600589551	CITY HALL PARKING GARAGE	59	119
600590149	CITY OF MIAMI BEACH	57	77
600589548	7TH STREET GARAGE	54	91
600589743	CITY MIAMI BEACH BEACH BANDSHE	48	83
600589765	CITY MIAMI BEACH SUNSET	46	42

500586004	FLAMINGO PARK BASKETBALL COURTS	45	47
600589550	CITY HALL	40	78
600590202	CITY OF MIAMI BEACH SUNSET HA	30	55
500926912	FLAMINGO POOL	11	0
500585999	SOUTH SHORE COMMUNITY CENTER	7	6
Totals		2,834	3,090

Volume Diff	Volume % Chg
-1,192	-17.66
2,603	127.64
1,081	42.73
-130	-11.15
18	2.45
-5	-1.13
308	2,566.67
-57	-16.01
12	4.36
-100	-28.25
-391	-63.65
4	2.74
-63	-32.81
52	108.33
-71	-67.46
-21	-100.00
-26	-100.00
2,022	12.85

Volume Diff	Volume % Chg
194	156.70
-3	-1.28
-78	-28.36
-154	-45.22
-9	-4.54
74	102.52
6	5.03
-30	-19.83
-10	-9.55
-10	-9.59
40	73.45
84	100.00
-15	-15.32
3	4.49
-7	-8.66
-9	-10.56
-97	-61.18
-43	-42.12
46	360.14
-34	-36.74
-61	-50.80
-20	-25.85
-37	-40.80
-35	-41.90
4	8.68

-2	-4.14
-38	-48.53
-26	-46.36
11	100.00
1	21.30
-256	-8.28

Coca Cola Permit History
2012-2019 to date

Special Events

2012 – 0

2013 – 0

2014 – 1

2015 – 1 (Seafood Festival)

2016 – 1 (Seafood Festival)

2017 – 1 (Seafood Festival)

2018 – 1 (Seafood Festival)

2019 – 0

Temporary Sampling

2012 – 9

2013 – 13

2014 – 7

2015 – 6

2016 – 5

2017 - ??

2018 - 3

2019 - 10

7/13/11

2011-27704

March 14, 2012

Mayor Matti Herrera Bower
Mayor of City of Miami Beach
1700 Convention Center Drive
Miami Beach, FL 33138

Dear Mayor:

This letter confirms the agreement made by and among the City of Miami Beach, Florida ("City"), Coca-Cola Refreshments USA, Inc. d/b/a Florida Coca-Cola Bottling Company ("Bottler") and Coca-Cola North America, a division of The Coca-Cola Company ("Company", and collectively with Bottler, "Sponsor"), which sets forth certain exclusive rights granted to Bottler by City, as set forth in the Term Sheet and Exhibits attached thereto, all of which are attached hereto as **Attachment A**.

1. Term Sheet and Definitive Agreement

The Term Sheet and Exhibits attached thereto are hereby incorporated herein in their entirety. This letter and the Term Sheet, together with any other attachments referenced in either, will constitute a legally binding agreement (the "Agreement") when this letter is signed by all parties in the spaces provided below. All capitalized terms not defined in this letter shall have the meanings assigned to them in the Term Sheet. This letter shall prevail in the event of any conflict between the provisions of this letter and the Term Sheet.

2. Advertising Rights

(a) City agrees that Bottler's advertising shall be positioned at all times in such a manner that the advertising message is in no way obscured (electronically or otherwise) and is clearly visible to the general public. The Products shall be prominently listed on any menu boards located at the Facilities and all Equipment (as such term is defined herein) dispensing Products shall be prominently identified with the appropriate trademarks/logos.

(b) City further agrees that all Products will be dispensed in Sponsor's Equipment and that no other trademarked, equipment, coolers or containers will be permitted.

3. Product Rights

(a) City shall purchase or shall cause its Concessionaires to purchase, all Products, (and cups, lids and carbon dioxide, if applicable) directly from Bottler.

(b) City hereby grants to Bottler the exclusive Beverage rights at the Facilities, except as may be otherwise provided for in this Agreement and Exhibits.

(c) If City contracts a concessionaire, City will cause concessionaire to purchase from Bottler all requirements for Beverages (and cups, lids and carbon dioxide, if applicable). Such purchases will be made at prices and on terms set forth in Bottler's existing agreement with concessionaire, if any. If no agreement exists between concessionaire and Bottler, such purchases will be made at prices and on terms set forth in this Agreement. City acknowledges that there will be no duplication of allowances, funding or benefits (including pricing) to City or concessionaire if concessionaire has an existing agreement with Bottler.

4. Equipment and Service

(a) Bottler Equipment and Service: During the Term, Bottler will loan to City, pursuant to the terms of Bottler's equipment placement agreements, at no cost, that Beverage vending equipment reasonably required and as mutually agreed upon to dispense Products at the Facilities ("Bottler Equipment"). In addition, Bottler will provide at no charge regular mechanical repair reasonably needed for Bottler Equipment, as further outlined in Exhibit 7 to the Term Sheet. Prior to Bottler's installation of Bottler's Equipment at a particular Facility, the City shall provide Bottler with written confirmation that it has conducted an inspection of the electrical service at such Facility and that, based on such inspection, the City finds that the electrical service at the Facility is proper and adequate for installation of Bottler's Equipment. Notwithstanding the preceding, if at any time following Bottler's installation of Bottler's Equipment at a Facility, Bottler's Equipment is damaged as the direct result of defective electrical service at the Facility, then the City will reimburse Bottler for the cost of repair or replacement, as the case may be, of Bottler's Equipment, pursuant to the filing of a claim with the City's self-insurance fund. Notwithstanding the preceding, the City shall not be responsible nor liable to Bottler under this subsection for any damages to Bottler's Equipment which is not caused as a direct result of defective electrical service at a Facility (including, without limitation, any damage to Bottler's Equipment which is caused due to the negligence or misconduct of Bottler's employees, contractors, and/or agents, or from any other cause or act other than faulty electrical service).

(b) Fountain Equipment and Service: During the Term, Company will loan to City, pursuant to the terms of Company's equipment placement agreement, at no cost, that Fountain Beverage dispensing equipment reasonably required and as mutually agreed upon to dispense a quality fountain Beverages at the Facilities ("Fountain Equipment")(collectively, Bottler Equipment and Fountain Equipment are called "Equipment"). No ice makers or water filters will be provided. All Fountain Equipment provided by Company will at all times remain the property of Company and is subject Company's equipment agreement, but no lease payment will be charged. To the extent that Fountain Equipment loaned from Company under this Agreement is located at Facilities that are owned, controlled or managed by a concessionaire of City or other persons not party to this Agreement, City will include provisions in its agreements with such concessionaires that recognize that the Fountain Equipment is owned by Company and that obligates the concessionaires to honor the terms and conditions such equipment agreement.

Company (or Bottler) will provide at no charge regular mechanical repair reasonably needed for Fountain Equipment. Any removal, remodel, relocation or reinstallation of dispensing equipment, flavor changes, summerize/winterize, line changes, or service necessitated by damage or adjustments to the equipment resulting from misuse, abuse, failure to follow operating instructions, service by unauthorized personnel, unnecessary calls (equipment was not plugged in, CO₂ or fountain syrup container was empty), or calls that are not the result of mechanical failure (collectively "Special Service Calls"), are not considered regular service and will not be provided free of charge. Charges for Special Service Calls will be charged at Company's (or Bottler's) then current rate and will be invoiced on a semi-annual basis. Charges will include labor, travel time, parts, and administrative costs.

5. Competitive Products Prohibited.

(a) City agrees that it will not knowingly permit any Competitive Products to be sold, distributed, served, sampled, marketed, advertised, or promoted in any manner at the Facilities, or in association with City, the Facilities or the City trademarks, during the Term, except as outlined in this Agreement.

(b) City agrees that City will not grant any rights, or enter into any contractual or other relationship, whereby City, the Facilities, and/or the City trademarks will be, or have the potential to be, associated in any manner, with any Competitive Products, except as outlined in this Agreement and the Term Sheet.

(c) If City learns of any Competitive Products being marketed, advertised, or promoted in any manner which implies an association with City, Facilities or City trademarks (hereinafter referred to as "**Ambush Marketing**"), City will promptly notify Bottler in writing of the Ambush Marketing; and also will promptly use its efforts, and cooperate in good faith with Bottler, to prevent or stop such Ambush Marketing in order to protect the exclusive associational rights granted to Bottler under this Agreement.

(d) Special Promotional Events Exception. See Exhibit 8.

(e) The City will provide Bottler with no less than thirty (30) calendar days prior written notice of each event which it intends to designate as a Special Promotional Event.

(f) The private, personal consumption of Competitive Products by athletes, coaching staff, musicians, actors, comedians, or other entertainment personalities appearing and performing at the Facility is allowed and will not be considered a Special Promotional Event. City shall use efforts to ensure such consumption is limited to private areas and may not be permitted in any area of the Facility to which the public or any member of the print or electronic media has legal access.

(g) Product availability at Facilities for private events. A private event at a Facility shall mean the use of a Facility, either through the rental of the Facility or through the issuance of a City-approved Special Event Permit, by a person(s) or business entity (ies) (i.e. such as a corporation) which is not open or accessible to the general public either free or via a purchased ticket. For example purposes only, private events may include, but not be limited, to the following: weddings, bar mitzvah/bat mitzvah and corporate events. Product availability and exclusivity at private events shall be handled as follows: Only Products will be sold, distributed, sampled or otherwise served at Facilities at any time. Notwithstanding the foregoing, Competitive Products may be distributed at no cost by the user of the Facility for private events, provided that Products will continue to be the only Products sold, distributed, sampled, or otherwise served by Facilities concession operations.

(h) Product availability at Facilities as it relates to charitable events (including, events produced by not-for-profit entities with valid tax exemption from the IRS) at Facilities or at City-Permitted Special Events (e.g., Relay for Life, Aids Walk, American Cancer Society), shall be handled as follows: Only Products will be sold, distributed, sampled or otherwise served at Facilities at any time. Notwithstanding the foregoing, Competitive Products may be distributed at no cost by the charitable organization using the Facility provided that Products will continue to be the only Products sold, distributed, sampled, or otherwise served by Facilities concession operations and that Bottler had opportunity to supply Products for the charitable event and declined.

6. Consideration.

(a) Pricing. Pricing (including price increases) will be implemented as outlined in the Term Sheet.

(b) Credit Card Readers and Funding. Bottler and City will mutually agree to install credit card readers in select Beverage dispensers, which are identified as high traffic locations. Bottler will pay for the credit card readers in an aggregate amount of not to exceed Ten Thousand Dollars (\$10,000). This funding will be earned over the Term of the Agreement. City shall have no responsibility to fund any overage for payment of the credit card readers should they exceed Ten Thousand Dollars (\$10,000). Bottler shall be responsible for all maintenance and repair of the credit card readers. Upon termination or expiration of the Agreement, City shall return all credit card readers to Bottler.

7. Trademarks; Approvals.

(a) City acknowledges that The Coca-Cola Company is the owner of all right and title in the trademarks "Coca-Cola", "Diet Coke", "Sprite", "DASANI", "Minute Maid", "POWERADE", "Fanta" "**vitaminwater**" "Full Throttle", "NOS" and other trademarks of The Coca-Cola Company, and it acquires no rights whatsoever in these trademarks

by virtue of this Agreement. City agrees to submit all proposed uses of The Coca-Cola Company marks to Sponsor for approval prior to use, but such approval shall not be unreasonably withheld.

(b) Bottler acknowledges that City is the owner of all right and title in the service mark "MiamiBeach" and that Bottler acquires no rights whatsoever in the service mark by virtue of this Agreement. Bottler shall have the right to use the City's service mark during the Term in connection with its marketing activities at the Facilities. Bottler agrees to submit all proposed uses of City's service marks to City for approval prior to use, but such approval shall not be unreasonably withheld.

8. Termination

(a) Notwithstanding the other provisions of this Agreement, if any federal, state or local law, rule, regulation or order prohibits, restricts or in any manner interferes with the sale or advertising of Beverages at any time during the Term of this Agreement, and the City fails to cure such breach within thirty (30) days following written notice of same from Bottler then, at its option, Bottler may terminate this Agreement and City shall (i) return any Equipment, and (ii) pay to Bottler the unearned portion of pre-paid Sponsorship Fees for the Agreement Year in which the termination occurs (pro-rated through the date of termination), if any, as well as any other upfront funding deemed earned over the Term, if any, prorated through the date of termination.

(b) City represents and warrants that it has full right and authority to enter into this Agreement and to grant and convey to Bottler the rights set forth herein. In the event of expiration or revocation of such authority, and if the City fails to cure such breach within thirty (30) days following revocation of full right and authority, then at its option, Bottler may terminate this Agreement, and City shall (i) return any Equipment; and (ii) pay to Bottler the unearned portion of pre-paid Sponsorship Fees for the Agreement Year in which the termination occurs (pro-rated through the date of termination), if any, as well as any other upfront funding deemed earned over the Term, if any, pro-rated through the date of termination.

(c) If Bottler breaches any of its material obligations under this Agreement, and fails to cure such breach within thirty (30) days following written notice of same from the City, then City may terminate this Agreement and Bottler shall remove all Equipment from the Facilities, and the City shall be entitled to retain the earned portion of any pre-paid Sponsorship Fees for the Agreement Year in which the termination occurs (pro-rated through the date of termination), if any; other upfront funding deemed earned over the Term, if any, prorated through the date of termination; and any fees or payments due for the Agreement year in which the termination occurs, such as commission fees, if any.

(d) Notwithstanding the above, nothing in this section shall operate to restrict any other remedies that either party may have against the other in the event of a material breach by a defaulting party.

9. Insurance

The Bottler acknowledges that the City is self-insured, as provided in **Attachment B** to this Agreement.

Bottler shall, at its sole cost and expense, obtain, provide and maintain, during the Term, the following types and amounts of insurance, which shall be maintained with insurers licensed to sell insurance in the State of Florida and have a B+ VI or higher rating in the latest edition of AM Best's Insurance Guide:

- 1) Commercial General Liability. A policy including, but not limited to, commercial general liability, including bodily injury, personal injury, property damage, in the amount of \$1,000,000 per occurrence. Coverage shall be provided on an occurrence basis.

2) Workers' Compensation per the statutory limits of the State of Florida and Employer's Liability Insurance.

3) Automobile Liability - \$1,000,000 combined single limit for all owned/non-owned/hired automobiles.

Said policies of insurance shall be primary for Sponsor/Bottler's negligence only to and contributing with any other insurance maintained by Bottler or City, and all shall name City of Miami Beach, Florida as an additional insured on the commercial general liability and automobile liability policies. Sponsor shall provide thirty (30) days written notice to City prior to policy cancellation.

Bottler shall file and maintain certificates of the above insurance policies with the City's Risk Management Department showing said policies to be in full force and effect at all times during the Term.

10. Notices

Any notice or other communication under this Agreement must be in writing and must be sent by registered mail or by an overnight courier service (such as Federal Express) that provides a confirming receipt. A copy of the notice must be sent by fax when the notice is sent by mail or courier. Notice is considered duly given when it is properly addressed and deposited (postage prepaid) in the mail or delivered to the courier. Unless otherwise designated by the parties, notice must be sent to the following addresses:

(A) Notice to Sponsor.

Coca-Cola Refreshments USA, Inc. d/b/a Florida Coca-Cola Bottling Company
3350 Pembroke Road
Hollywood, Florida 33021
Attention: V.P. Market Unit, South Florida
Fax: 954-986-3173
Ticket Addressee: V.P. Market Unit, South Florida
Fax: 954-986-3173

With a copy to: Coca-Cola Refreshments USA, Inc.
2500 Windy Ridge Pkwy
Atlanta, Georgia 30339
Attention: General Counsel

(B) Notice to City.

City of Miami Beach
1700 Convention Center Drive
Miami Beach, Florida 33138
Attention: Hilda Fernandez
Fax: 305-673-7782

11. Governing Law

This Agreement and any dispute arising out of or relating to this Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without reference to its conflict of law rules.

12. Compliance with Law

Each of the parties hereto agrees that it will, in its performance of its obligations hereunder, fully comply with all applicable laws, regulations and ordinances of all relevant authorities and shall obtain all licenses, registrations or other approvals required in order to fully perform its obligations hereunder.

13. Retention of Rights

No party shall obtain, by this Agreement, any right, title or interest in the trademarks of the other, nor shall this Agreement give any party the right to use, refer to, or incorporate in marketing or other materials the name, logos, trademarks, service marks or copyrights of the other, except as may be expressly provided and authorized herein.

14. Jury Waiver

EACH PARTY, TO THE EXTENT PERMITTED BY LAW, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT AND THE TRANSACTIONS IT CONTEMPLATES. THIS WAIVER APPLIES TO ANY ACTION OR LEGAL PROCEEDING, WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE.

15. Entire Agreement

This Agreement and its exhibits contains the entire agreement between the parties with respect to the subject matter hereof. This Agreement may not be assigned without the prior written consent of all parties; provided, however, that Bottler may assign this Agreement in connection with its reorganization or the sale of all or substantially all of its assets. All amendments to or waivers of this Agreement must be in writing signed by all the parties.

The Coca-Cola Company, acting by and through
its Coca-Cola North America Division

By: Susanne Geldart
Print Name: Susanne Geldart
Title: Sr. VP, Southeast Region Sales
3/26/12

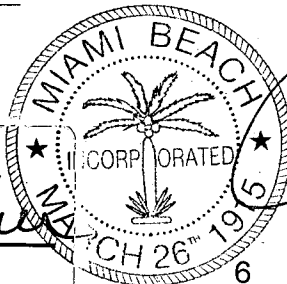
City of Miami Beach

By: Matti H. Bower
Print Name: Matti H. Bower
Title: Mayor
3/16/12

Coca-Cola Refreshments USA, Inc. d/b/a Florida
Coca-Cola Bottling Company

By: Sally Forsyth
Print Name: SALLY FORSYTH
Title: REGION CONTROLLER 3/22/12

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



Robert Pacheco
ATTEST

[Signature] 3-15-12
City Attorney Date

Attachment A

TERM SHEET

EXCLUSIVE NON-ALCOHOLIC BEVERAGE AGREEMENT

CITY OF MIAMI BEACH AND COCA-COLA REFRESHMENTS USA, INC. and COCA-COLA NORTH AMERICA, A DIVISION OF THE COCA-COLA COMPANY

1. DEFINITIONS:	<p><u>Bottler:</u> Coca-Cola Refreshments USA, Inc. d/b/a Florida Coca-Cola Bottling Company</p> <p><u>Company:</u> Coca-Cola North America, a division of The Coca-Cola Company</p> <p><u>Sponsor:</u> Collectively, "Bottler" and "Company"</p> <p><u>City:</u> City of Miami Beach</p> <p><u>Agreement:</u> Exclusive Non-Alcoholic Beverage Agreement</p> <p><u>Facilities:</u> Includes the following Miami Beach property, including any land, building, structures and/or other facilities thereon: Miami Beach Golf Club; the Normandy Shores Golf Club; The Fillmore Miami Beach at the Jackie Gleason Theater (upon the expiration of the current management agreement); the Miami Beach Convention Center; all currently existing City of Miami Beach owned parks and recreational facilities; all currently existing City of Miami Beach owned public parking garages which are either directly operated by the City, through its Parking System, or by a third party who, pursuant to a management or concession agreement with the City, is contractually authorized to operate and manage such garage on behalf of the City; all currently existing public beachfront concessions which are either directly operated by the City or by a third party who, pursuant to a concession or management agreement with the City, is contractually authorized to operate and manage such concession on behalf of the City; and any additional future Facilities or expansion of existing or future Facilities, including but not limited to, the concession facilities at 21st and 46th street and at South Pointe Park and the Miami Beach Convention Center facility expansion, except as may be otherwise be excluded in the Agreement.</p> <p><u>Beverage:</u> all non-alcoholic beverages of any kind including but</p>
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	<p>not limited to coffee products; tea products; concentrated energy drinks, including those in small servings; protein-enhanced dairy beverages; frozen drinks (e.g. ICEE) and smoothies made from concentrate; and the pre-mix and/or post-mix syrups used to prepare fountain Beverages. "Beverage" or "Beverages" shall not include dairy products except as noted above (e.g. milk, yogurt, ice cream), water drawn from the public water supply, or unbranded juice squeezed fresh at the Facilities.</p> <p><u>Products:</u> Beverage products purchased directly from Bottler, or with written Bottler approval from, or Bottler's authorized distributor, or sold through vending machines owned and stocked exclusively by Bottler.</p> <p><u>Competitive Products:</u> Beverages which are not Products.</p>
2. AGREEMENT TERM:	The Term shall begin January 1, 2012 and will continue until December 31, 2021 (the "Term"). When used in this Term Sheet, the term "Agreement Year" means each consecutive twelve-month period during the Term, beginning with the first day of the Term.
3. EFFECTIVE DATE:	January 1, 2012
4. EXPIRATION DATE:	December 31, 2021 as to all Facilities
5. SPONSORSHIP FEE:	<p>\$3,725,000 for the Term of the Agreement.</p> <ul style="list-style-type: none"> • First installment of \$800,000 (includes sponsorship fee for Agreement Year One and signing bonus) will be paid within sixty (60) days of execution of the Agreement by all parties. The portion pertaining to the signing bonus (\$475,000) will be deemed earned over the Term and the portion pertaining to the sponsorship fee for the Agreement Year One (\$325,000) shall be deemed earned evenly on a monthly basis during the first Agreement Year. • \$325,000 due each Agreement Year thereafter during the Term of the Agreement, due upon the anniversary date of the Agreement and will be deemed earned over the Agreement Year. (Subject to purchase of a minimum of 22,500 cases of bottles/cans per year.)
6. COMMISSIONS:	Commissions to be paid quarterly in arrears by Bottler to City based upon cash collected less taxes and as per the Commission Rate Structure according to Bottler's sales records. (Exhibit 1)
7. COMMUNITY: SUPPORT/	Bottler will provide City with a total of \$17,500 in cash for the

COMPLIMENTARY PRODUCT:	<p>purchase of equipment or other products (mutually agreed upon)</p> <p>Bottler shall provide City, upon City's request, with up to 450 standard physical cases of complimentary Product (12 ounce CSD cans and/or DASANI 12 ounce bottles) per Agreement year for a Product bank to be used by the City. If City does not request complimentary Product by the end of each year, any remaining complimentary Product shall be retained by Bottler with no further obligation to Account. Bottler will provide complimentary Product donation report upon Account's request.</p>
8. ADVERTISING & SPONSORSHIP:	<p>Bottler has the exclusive right to advertise Products (i) at the Facilities and (ii) in connection with the Facilities. No permanent or temporary advertising, signage or trademark visibility for Competitive Products are permitted anywhere at the Facilities, except as permitted pursuant to the Agreement. Advertising rights are further delineated in Exhibit 2. Bottler has the exclusive right to advertise the Products as the "Official" or "Exclusive" soft drink, sports drink, dairy-based protein drink, water, tea, energy drink, and/or juice or juice drink, etc. of the Facilities, of the City of Miami Beach and of South Beach. Bottler will be the exclusive advertiser of Products associated with the Facilities.</p>
9. PRODUCT RIGHTS:	<p>Bottler has the exclusive right to sell or distribute Products at the Facilities. No Competitive Products may be sold, dispensed, sampled or served anywhere at the Facilities, or on the City's public rights-of-ways, except as may otherwise be provided for in this Agreement.</p>
10. EXCEPTIONS:	<p>Except for those Facilities specifically enumerated in Section 1., "Facilities" shall NOT include any City of Miami Beach property (including any City-owned land, buildings, structures, and/or other facilities thereon) which—as of the Effective Date—is used, occupied, controlled, and/or managed and operated by a third party (or parties) pursuant to any of the following agreements between the City and such third party(ies): (i) lease agreement; (ii) concession agreement; (iii) operation and management agreement; (iv) development agreement; (v) easement agreement; (vi) license and/or use agreement; (vii) revocable permit; and/or (viii) any other written instrument between the City and such third party(ies) which establishes a contractual right on behalf of such third party(ies) for the use and/or occupancy of City property. This shall include, but not be limited to, any City property occupied by a tenant through a lease or rental agreement (including, without limitation, leases or rental agreements for office,</p>

retail, and/or commercial uses(s) in City-owned buildings); any City property managed and operated, and/or otherwise used, by a third party(ies) pursuant to a management agreement or concession agreement; private upland owner beachfront concessions which are issued a permit by the City (and which are neither operated directly by the City, nor by a third party on behalf of and pursuant to a contract with the City); sidewalk cafes which are issued a permit to operated pursuant to the City's Sidewalk Café Ordinance, as may be amended from time to time; "public-private" projects developed and constructed pursuant to a Development Agreement (pursuant to the requirements of the Florida Local Government Development Agreement Act under Chapter 163, Florida Statutes); any hotel or retail development related to the expansion of the Miami Beach Convention Center that is not managed as part of the Convention Center operations (e.g. adjacent commercial retail, hotel, etc.); public bus shelter advertising managed by a third party under contract with the City; and advertising permitted pursuant to the City's current agreement for the public bike-share concession. Notwithstanding the preceding, the City will: i) make reasonable good faith efforts to meet with the bike-share concessionaire and negotiate an amendment to the existing bike-share concession agreement, which must also be subject to agreement by the bike-share concessionaire, to prohibit the bike-share concessionaire from advertising Competitive Products; ii) if City renews the bike-share concession agreement with the bike-share concessionaire, then, as a condition to such renewal, the City Manager will recommend that such renewal be conditioned that such renewal include a term prohibiting the bike-share concessionaire from advertising Competitive Products; and iii) no advertising of Competitive Products shall be permitted on bike-share station kiosks during the Term should the City, after the Effective Date, approve advertising for placement on bike-share kiosks. Should the City enter into any new bike-share agreements during the Term, no advertising of Competitive Products shall be permitted on the bicycles used for that bike-share agreement(s).

Further, for the following locations which are under a pre-existing concession and/or use agreement (i.e. in effect prior to the Effective Date of the Agreement) with a Competitive Products supplier, those Facilities will come under this Agreement after such Competitive Products agreement is terminated or expires, or until such time as the concession or use agreement with the City for those Facilities is terminated, expires or is subject to any renewal provisions. The current

list of such facilities, and their expiration dates, are as follows:

- 1) 21st Street/46th Street Beachfront Concession/Tim Wilcox, Inc. – 11/30/2012
- 2) South Pointe Park Concession/Blissberry – 11/30/2012
- 3) Normandy Isle Pool Concession Stand/E. Gomez – 11/09/2011

City agrees that it will not knowingly permit any Competitive Products to be sold, distributed, served, sampled, marketed, advertised or promoted at the Facilities, or in association with City, except, and as further explained, in Exhibit 8:

- Third party exhibitor set ups at Facilities or during City-Permitted Special Events in accordance with the City's Special Event Permit Guidelines, as same may be amended from time to time.
- Charitable events at Facilities or at City-Permitted Special Events where Competitive Product are donated to the charitable event;
- Availability at City-Permitted Special Events only within Special Event Permit Area (as such term is defined in the City's Special Event Permit Guidelines, as same may be amended from time to time).
- Up to four (4) sponsorship events at the Miami Beach Golf Club, and up to four (4) sponsorship events at the Normandy Shores Golf Club each Agreement year;
- up to three (3) sponsorship events at the Miami Beach Convention Center each Agreement Year (the number limitation for the sponsorship events at the Miami Beach Convention Center is subject to a review after three (3) Agreement Years);
- a mutually agreed upon number of sponsorship events at the Fillmore Miami Beach at the Jackie Gleason Theater (upon expiration of the existing management agreement); and
- up to four (4) City-issued Special Event Permits for a "City Approved Major Sponsorship Public Event", each Agreement Year, which includes an event sponsored by a manufacturer, distributor, or marketer of Competitive Products under a master sponsorship agreement with the owner or operator of the sponsorship event; an event conducted on a national or regional multi-market basis; and/or an event where a competitor is the presenting, title or other primary sponsor of the event. The number limitation for City-Issued Special Events is subject to a review after three (3) Agreement Years.

	<p>Whenever possible, City will make reasonable good faith efforts to encourage third party users of the Golf Courses and Convention Center, and Special Event organizers, to use Bottler's Products for their non-alcoholic beverage needs. Since third party organizers who apply for Special Event Permits will be permitted to sell only Bottler's Products, City will amend City's Special Events Permit Application and City will provide Sponsor contact information through the City's Special Events Permit Application process.</p>
11. MARKETING PROGRAM:	<p>Bottler agrees to provide Account with annual in-kind marketing support fund with an approximate retail value of Two Hundred Thousand Five Hundred Dollars (\$200,500) as further delineated in Exhibit 3.</p>
12. RECYCLING PARTNER:	<p>Bottler shall be designated the official "Recycling Partner" of Account. In consideration of this designation, Bottler shall provide, at their cost, the services/products delineated in Exhibit 4, with a minimum total value of \$15,000, and up to \$25,000 over the entire Term</p>
13. VENDING PROGRAM/OTHER EQUIPMENT	<p>City agrees that Bottler shall place a minimum of sixty-five (65) Product vending machines in mutually agreed upon locations at the Facilities, and Bottler will loan to City at no cost, Beverage dispensing equipment as reasonably required and as mutually agreed upon to dispense Products at the Facilities, and in accordance with Exhibit 5.</p>
14. CITY SUPPORT:	<p>In consideration of the partnership, City grants to Bottler: Twenty-six (26) rounds of golf each Agreement Year (max of eight during peak season; no more than twelve at Miami Beach Golf Course; benefit does not roll over); a minimum of four (4) free tickets to at least six (6) ticketed events at Facilities each Agreement Year, subject to availability (e.g. Art Basel Miami Beach, Auto Show, South Beach Comedy Festival at the Fillmore, etc.). Additional tickets will be provided as available. Benefit does not roll over.</p>
15. PRICING:	<p>Bottle/Can Pricing: City is entitled to purchase bottle/can Products from Bottler in accordance with the price schedule set forth in Exhibit 6; prices shall remain in effect until July 31, 2012. Thereafter, such prices will be subject to an annual increase of no more than four percent (4%) over the previous Agreement Year's price.</p> <p>Fountain Products or Georgia Coffee Pricing: Bottler will sell fountain Products to City at the National Account prices, as</p>

	<p>announced by the Bottler in January of each year. Georgia Coffee pricing shall be provided quarterly based on commodity markets.</p> <p>Purchasing: All Product shall be purchased directly from Bottler, except for those Products that Bottler identifies can be purchased from an authorized Coca-Cola distributor.</p>
16.TERMINATION:	<p>If City breaches any of its material obligations set forth in this Agreement, and fails to cure such breach within thirty (30) days following written notice of same from Bottler, then, Bottler may terminate this Agreement, and City shall (i) return any Equipment, and (ii) pay to Bottler the unearned portion of any pre-paid Sponsorship Fees for the Agreement Year in which the termination occurs (pro-rated through the date of termination).</p> <p>If Bottler breaches any of its material obligations set forth in this Agreement, and fails to cure such breach within thirty (30) days following written notice of same from City, then, City may terminate this Agreement, and Bottler shall (i) remove any Equipment, and (ii) pay to City the earned portion of any pre-paid Sponsorship Fees or other fees or payments due for the Agreement year in which the termination occurs (pro-rated through the date of termination).</p> <p>City shall not be in default in the event of any claim filed in relation to City's restriction on Competitive Product sampling; provided, however, the Bottler shall have the following remedies: 1) ability to renegotiate financial terms, as appropriate, within a specified time (e.g. 90 days); or, 2) failing to negotiate terms acceptable to both parties within specified time, Bottler may terminate the Agreement, and City shall (i) return any Equipment, and (ii) pay to Bottler the unearned portion of any pre-paid Sponsorship Fees for the Agreement Year in which the termination occurs (pro-rated through the date of termination). Nothing in this section shall operate to restrict either party's other remedies in the event of a material breach by the other.</p>
17.MAINTENANCE & SERVICE:	<p>Bottler agrees to provide reasonable service and maintenance for the equipment during the Term. City shall allow Bottler to enter its premises for the purpose of inspection or performance of such maintenance and repair, or necessary replacement or return of the equipment. Bottler and City will establish a mutually agreed upon refund bank and customer service program, as delineated in Exhibit 7.</p>
18.REPORTS/AUDITING:	<p>Bottler will provide an annual business review report within 90</p>

	days following each Agreement Year during the Term; Commission reports will be provided monthly. The format of such reports shall be mutually agreed upon. City has the right to audit/inspect account statements with reasonable prior notice to Bottler and during normal business hours. If City requests an audit, City agrees to pay for such audit. Account records must be retained for a minimum of two (2) Agreement Years after the payment of the annual Sponsorship Fee is paid, in addition to the current Agreement Year of the Term, and for two (2) Agreement Years following expiration or termination of the Agreement.
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Exhibit 1 to Term Sheet

COMMISSIONS

Workplace Facilities (City Hall, Police Station, and other City Facilities):

<u>Product</u>	<u>Vend Price</u>	<u>Commission Rate</u>
20 oz. PET carbonated/NESTEA®	\$1.25	30%
20 oz. PET Minute Maid®	\$1.25	30%
20 oz. PET DASANI®	\$1.25	30%
300 ml PET DASANI®	\$0.75	30%
20 oz. PET POWERADE®	\$1.50	30%
20 oz. PET vitaminwater®	\$1.75	15%
16 oz. cans Energy Beverages	\$2.00	30%
16.5 oz. PET FUZE ®	\$2.00	15%
15.2 oz. PET Minute Maid® Juices to Go	\$1.50	15%

All other public locations (such as South Beach):

<u>Product</u>	<u>Vend Price</u>	<u>Commission Rate</u>
20 oz. PET carbonated/NESTEA®	\$1.50	30%
20 oz. PET Minute Maid®	\$1.50	30%
20 oz. PET DASANI®	\$1.50	30%
300 ml PET DASANI®	\$1.00	30%
20 oz. PET POWERADE®	\$1.75	30%
20 oz. PET vitaminwater®	\$2.00	15%
16 oz. cans Energy Beverages	\$2.25	30%
16.5 oz. PET FUZE®	\$2.25	15%
15.2 oz. PET Minute Maid® Juices to Go	\$1.75	15%

In Agreement Years Four and Seven, the Vend Prices will increase by twenty-five cents for each Product listed above. For example, in Agreement Year Four, 300ml. DASANI will increase to \$1.00 Vend Price and then in Agreement Year Seven, 300ml. DASANI will increase an additional twenty-five cents to \$1.25. The Commission Rates will not change during the Term of this Agreement. There are two vend rates (one for workplace and one for public locations) that will be outlined in the final formal agreement between the parties, but note that commission rates will remain the same.

Commissions are paid based upon cash collected after deducting taxes, deposits, recycling fees, other handling fees, communication charges and credit and debit card fees, if any. Commissions shall not be payable on any sales from vending machines not filled or serviced exclusively by Bottler. Bottler may adjust the vend prices and/or commission rates as necessary to reflect changes in its costs, including cost of goods, upon prior written notice and approval by City. Commissions will be paid each month following the month in which they are earned, with an accounting of all sales and monies in a form reasonably satisfactory to the City, and shall become immediate property of City.

Exhibit 2 to Term Sheet

ADVERTISING RIGHTS

(Except as otherwise noted, the following rights may not be transferred or assigned by Bottler)

1. Recognition of Bottler as the "Official Non-Alcoholic Beverage Sponsor" of City. Official status will include Official Status Recognition for City across all non-alcoholic beverage categories i.e. "Coca-Cola Official Soft Drink of Miami Beach" and Official Status Recognition for South Beach across all non alcoholic beverage categories (i.e. "POWERADE Official Sports Drink for South Beach")
2. Official Sponsor Status (for Products) of all City-produced citywide Special Events, whether now existing or as may exist in the future (i.e. including, without limitation, and for example purposes only Sleepless Nights); Bottler to have highest sponsorship level and benefits available other than presenting or title sponsorship. In addition, Bottler will be recognized as the "Title Sponsor" of City's "Fire on the 4th Annual Independence Day Celebration" each Agreement Year during the Term.
3. Recognition of Bottler as the "Official Recycling Partner" for the City of Miami Beach & South Beach
4. Joint Bottler/City Logo placement on City and City-related websites (e.g. Miami Beach Convention Center, Miami Beach Golf Club, Normandy Shores Golf Club, Miami Beach Culture web site (MBCulture.com); and any other City websites, whether now existing or as may exist in the future, to such extent as permitted by any federal or state regulations on .gov domains. City will use reasonable commercial efforts to include joint Bottler/City Logo on all printed convention and tourism materials, as appropriate and available.
5. Waiver of any Special Event Permit and/or Permit Application Fees for Bottler's use of certain Account Facilities for up to two (2) mutually agreed upon events per Agreement Year, based on availability. For purposes of the Special Event Permit and/or Permit Application Fee waiver, these Facilities shall include public beachfront areas and Parks and Recreation facilities where Special Events are permitted. All other fees and costs of production, including but not limited to, taxes, security, sanitation, etc., shall be the responsibility of Bottler. Right may not be transferred or assigned.
6. Waiver of any rental or use fees for Bottler's use of certain City Facilities for up to (two) 2 mutually agreed upon events per Agreement Year, based on availability. For purposes of the rental or use fee waiver, these Facilities shall include the use of meeting room space or ballroom space at the Miami Beach Convention Center. All other fees and costs of production, including but not limited to taxes, security, audio/visual, decoration, etc., shall be the responsibility of the Bottler. Right may not be transferred or assigned.
7. Unlimited, royalty-free Product sampling at City produced and/or sponsored events; Royalty-free Product sampling permits per Agreement Year, as follows: 48 permits each Agreement Year, but permits will be limited to not more than six (6) permits in any one month period. Right may not be transferred or assigned. If Sponsor does not use all 48 permits by the end of each Agreement Year, any remaining permits will not roll-over to the following Agreement Year, but will be forfeited.
8. Mutual agreement on the development and use of a joint logo between Bottler and Account.
9. Right to use mutually agreed upon joint logo on any point-of-sale, marketing materials, and/or signage that may be mutually agreed upon.
10. Royalty-free advertisement in City's magazine (i.e. MB Magazine); minimum of a quarter page each issue; larger ad size as may be available. Right may be transferred or assigned.
11. Royalty-free prominent advertisement in any Special Promotional Event programs or collaterals produced for City-produced citywide Special Promotional Events (i.e. including, without limitation, July 4th and Sleepless Nights). City shall use best efforts to provide a full page ad.

12. The right to brand City's public beach concession area(s) with approved Bottler and City joint branding graphics (e.g. concession stands, storage shed, umbrellas, etc.), subject to proposed branding meeting all necessary administrative and regulatory approvals. Implementation of any approved branding shall be at the Bottler's expense. All trademark usage must be pre-approved prior to usage. The erection of any other signage other than vending machine display shall be subject to approval by the City.
13. One Royalty-free joint City/Bottler message PSA advertising panel at the 5th and Alton bus shelter; production/installation costs paid by Bottler. Minimum of full use of one PSA ad panel for the entire term of the Agreement.
14. Minimum of one (1) Royalty-free advertising panel at the 5th and Alton bus shelter, on a space availability (remnant) basis; production/installation costs paid by Bottler. Right may be transferred or assigned.
15. Minimum of one (1) one-month Royalty-free electronic joint City/Bottler message PSA run on Atlantic Broadband and Welcome Channel; Additional months based on ongoing availability;
16. Minimum of one (1) unlimited run on MBTV of City/Bottler message PSA;
17. Royalty-free POF ticket ad based on space availability; production costs paid by Bottler. Right may be transferred or assigned.

The parties agree to perform such additional marketing activities, as the parties may mutually agree upon to drive traffic to the Facilities and to increase Product sales.

Exhibit 3 to Term Sheet

MARKETING PROGRAM

Bottler shall provide City for approval with the proposed annual marketing plan for promotion of the partnership no later than ninety (90) days prior to the beginning of each Agreement Year, except for the first Agreement Year when the marketing plan shall be provided to the City within ninety (90) days after execution of Agreement. The annual value of the marketing plan shall be no less than \$200,500, as determined in good faith by Bottler and based on generally accepted marketing values. Some examples of activation may include the following; however, actual marketing programs will depend on availability of these programs.

- Inclusion of the City in the My Coke Rewards program, or other customer reward program offered by Bottler, through an annual promotional program (e.g. sweepstakes); estimated value \$100,000, or equivalent value. Activation based on availability
- Truck-back promotions program - value: \$24,000/year based on availability
- Box Topper program or other similar high-visibility promotional program; value: \$25,000/year
- Neck Ringer program: a Neck Ringer program shall be available with a minimum distribution of neck ringers
- Touring Program: Bottler will bring the Open Happiness Tour, or such other promotional touring program offered by Bottler, to the City based on availability.
- Bottler to develop and implement at least five (5) strategic marketing partnerships with the Account and the Bottler's other sponsorship partners during the Term of the Agreement. Such strategic marketing partnerships may include, but are not limited to, cross promotion, product, tickets, etc., with other brands or products currently under a sponsorship or other promotional/marketing agreement with the Bottler.
- LeBron James Event/celebrity event; value: \$45,000 based on availability, or equivalent value

City acknowledges the intent of the Bottler to develop a joint marketing logo incorporating the Bottler's mark and the City's mark. Bottler shall obtain approval from the City, in writing, of the joint logo for use in promotion of the Agreement, including, but not limited to, its use in all commercial, marketing, media advertisements, web sites and promotional products.

A party's use of the other party's marks in promotions, on products and signage, shall be first approved by the other party in writing, and all uses of a party's marks shall be acknowledged as that party's intellectual property and include appropriate trademark notices.

The parties agree to perform those additional marketing activities, as the parties may mutually agree upon to drive traffic to the Facilities and to increase Product sales. City agrees to provide Bottler with reasonable marketing assets inventory (e.g., to be used with a My Coke Rewards national consumer sweepstakes, or other such similar sweepstakes) for mutually agreed upon promotions each year during the Term to promote Bottler Products and City.

Exhibit 4 to Term Sheet

RECYCLING PARTNERSHIP

Bottler shall be designated the official "Recycling Partner" of City.

Bottler shall provide, at its cost, the following services/products (value of \$15,000-\$25,000):

- Assess, consult and offer a Recycling Program Plan for bottle/can recycling initiatives
- Propose messaging strategy for the City's bottle/can recycling initiatives (within 90 days after execution of Agreement)
- Provide Temporary recycling bins for special events (minimum of 30) to City at Bottler's cost;
- Provide Recycling bins for placement in Facilities or agreed upon public areas (minimum of 15) to City at Bottler's cost; design subject to review and approval of City;
- Place reverse vending machines (crushers) in vending banks in the Facilities; minimum of five (5) crushers placed during the first five Agreement Years of the Term, at Bottler's cost.
- Use of Recycling Educational Vehicle (REV.) or other Education Recycling material, at City events; scheduled at least one time every 18 months during the Term.

Exhibit 5 to Term Sheet

VENDING PROGRAM

Bottler shall place, at their cost, all vending machines in agreed upon locations pursuant to the following:

- 1) Bottler shall provide to City within 90 days after execution of Agreement the proposed equipment plan for the Agreement Term; to include the machine allocation plan by type (e.g. interactive vending machines, glass front etc.) and location; equipment replacement schedule; and vend front replacement and schedule for existing vending machines that need the vend front replaced. All equipment shall be UL energy star rated.
- 2) Bottler shall install vending machines within 180 days after the proposed equipment plan has been approved by all parties. Both parties agree that the installation of vending machines shall be completed within 180 days after the proposed equipment plan has been approved by all parties. Agreement execution. The already approved beach thematic vend fronts will be used unless other mutually agreed upon vend fronts have been selected and approved, and if beach thematic vend fronts are available. The vend fronts shall include advertising panels for use by the City, as approved by Bottler, provided that the vending machines are equipped with advertising panel(s). Bottler shall pay all costs for the production and installation of the City vend front advertising panels. A minimum of two (2) and a maximum of four (4) City vend panel ads shall be produced/installed each Agreement Year.
- 3) Bottler shall provide within 90 days after execution of Agreement the proposed credit card reader installation plan and schedule. All credit card reader installation shall be completed within Agreement Year One.
- 4) City shall provide all electrical power necessary to operate the vending machines, and City shall pay up to \$200 for the cost of any electrical modifications or connections necessary to accommodate any new vending machine placement, upon mutual agreement of the proposed location for the placement of the vending machine.
- 5) All vending machines remain the property of the Bottler.
- 6) Bottler shall provide a product list to the City to be included in the vending program. Any changes to the Product list shall be provided to the Account prior to Product placement in a vending machine. Bottler shall work with the City's Parks and Recreation Department to identify the appropriate vending products for inclusion in vending machines located in any City park. The City's Park and Recreation Department shall provide approval, in writing, of the Products to be sold in the vending machines placed in City parks.
- 7) Bottler shall maintain vending machines reasonably well-stocked with Products.

Exhibit 6 to Term Sheet

INITIAL PRICE SCHEDULE*

<u>Package</u>	<u>Price per case</u>
20 oz. CSD	\$17.85
12 oz. CSD	\$9.46
15.2 oz. MMJTG	\$23.36
12 oz. DASANI®	\$8.88
1 liter CSD	\$16.29
20 oz. DASANI®	\$10.82
20 oz. vitaminwater®	\$27.00
8 oz. CSD	\$16.00
20 oz. NESTEA®/ Minute Maid® Refreshment	\$17.85
20 oz. POWERADE®	\$19.00
16 oz. Monster®	\$34.00
2 liter CSD	\$12.35
16.9 Honest Tea®	\$12.60
500 ml Gold Peak®	\$13.99
8 oz. aluminum bottle	\$16.48

<u>Post-Mix</u>	<u>Price per gallon</u>
5 gallon BIB CSD and NCB	\$12.24
2.5 gallon BIB CSD and NCB	\$12.78
5 gallon BIB Unsweet NESTEA®	\$11.82
2.5 gallon BIB Unsweet NESTEA®	\$12.40
5 gallon BIB Premium NCB	\$12.75
2.5 gallon BIB Premium NCB	\$13.30
5 gallon BIB Frozen Dispensed	\$13.88
2.5 gallon BIB Frozen Dispensed	\$14.26

Cups
24 ounce \$52.89 per 1,200

Lids
24 ounce \$34.55 per 2,000

CO2
20 lb. cylinder \$25.00 per cylinder (plus \$75.00 deposit)

*All prices are per standard physical case and exclusive of taxes, deposits, handling fees, and recycling fees.

Georgia 64 Oz Brew; Price per Case and package size: (Prices effective for the period: 1/1/2012-3/31/2012) (All coffee is priced FOB to Distributor, prices do not include any distributor markup.)

<u>Product</u>	<u>Package (Frac)</u>	<u>Small Filters</u>	<u>Large Filters</u>
Dark Roast	100, 2.75 oz	\$110.38	\$110.38
Light Roast	128, 2.25 oz	\$117.87	\$117.87
Decaf	75, 2.00 oz	\$67.95	\$67.95
Organic	75, 2.75 oz	\$110.10	\$110.10

Exhibit 7 to Term Sheet

MAINTENANCE & SERVICE

During the Term, Bottler will loan to Account, pursuant to the terms of Bottler's equipment placement agreements, at no cost, that Beverage equipment reasonably required and as mutually agreed upon to dispense Beverages at the Facilities.

Bottler agrees that all equipment shall be new or in "like new" condition and that it shall operate and manage the equipment, services and facilities offered in a first-class manner. Bottler shall provide City with the Maintenance Plan and Schedule for all Bottler equipment within 90 days of execution of Agreement, to include the Bottler's plan and schedule for servicing the City.

Bottler shall provide throughout the Term of this Agreement, at Bottler's expense, all repairs, replacements and technical services necessary to maintain and preserve the Bottler's equipment in a decent, safe, healthy and sanitary condition satisfactory to City and in compliance with applicable laws.

Bottler warrants that it shall correct all mechanical problems with vending machines no later than four (4) business days after notice and no later than twenty-four (24) hours after notice for all other dispensing equipment.

Acts of vandalism to Bottler's equipment will be reported to Bottler immediately and addressed within four (4) business days. If the vending machine is repairable, the vending machine will be repaired within four (4) business days. If the vending machine is not repairable, vending machine will be condemned and swapped within seven (7) business days.

Bottler is the only party allowed to make repairs on Bottler-owned equipment.

All vending machines shall display a "service hotline" sticker to expedite calls. A toll free ("1-800") number shall be provided and a 24-hour per day, seven days a week continuously operating telephone answering service shall be provided.

A reimbursement fund in the amount adequate to handle all necessary refunds between service calls shall be made available to City at designated location(s) mutually agreed upon by City and Bottler. Each person requesting a refund shall complete a form which shall be maintained by the City and provided to the Bottler as required. The reimbursement fund shall be checked by the Bottler no less than once a month and replenished as needed. Information on refunds shall be provided on each machine.

Exhibit 8

The term "Special Promotional Events" ("Event") shall mean and is limited to the following: concerts; theatrical or comedic performances; conventions; trade shows; religious events; athletic events; or other special events occurring at a Facility that meet the following requirements: (i) they are sponsored by a manufacturer, distributor, or marketer of Competitive Products under a master sponsorship agreement with the owner or operator of the subject Event (including, without limitation, a concert or theatrical production company, or a trade show or convention production company, but NOT including in any instance the City or its affiliates or agents); (ii) they are conducted on a national or regional multi-market basis; (iii) they are NCAA collegiate championship athletic events; and, (iv) the event sponsorship agreement referred to in subsection (i) above requires on-site temporary signage for Competitive Products.

The term "Special Promotional Events Exceptions" shall refer to those exceptions granted under the Agreement, for each Agreement year, to permit the following fifteen (15) Special Promotional Events at the following Facilities: (i) four (4) events at the Miami Beach Golf Club; (ii) four (4) events at the Normandy Shores Golf Club (The Miami Beach Golf Club and Normandy Shores Golf Club may also be referred to collectively herein as "Golf Courses"); (iii) three (3) events at the Miami Beach Convention Center ("Convention Center"); and (iv) four (4) City Approved major Sponsorship Public Special Events (as defined below); provided, however, that the number limitation for City Approved Major Sponsorship Public Special Events shall be revisited and reviewed by the parties, in good faith, at the conclusion of the third Agreement Year.

- a. Golf Courses and Convention Center/Special Promotional Events Exception. In any Agreement Year, temporary signage (such as, but not limited to, banners) for Competitive Products may be displayed at each of the Golf Courses during up to four (4) Special Promotional Events, and during up to three (3) Special Promotional Events at the Convention Center ; PROVIDED, HOWEVER, that: (i) Sponsor's Beverage availability, marketing, advertising, promotional, and other rights under this Agreement will not otherwise be affected during any such Event; (ii) Competitive Products may be distributed at no cost, but no Competitive Products will be sold or otherwise made available during the Event(except as permitted in this exception); (iii) no blockage of any signage or other trademark/service mark display Sponsor may have at the Facility will occur during the Event, except for incidental blockage due to the construction and/or placement of a person, stage or other structure necessary to and actually used during the Event; or, in the case of NCAA championship events , religious events or political conventions where no advertising is allowed and all advertisers are treated equal with all signage covered in the seated area of the Facility; (iv) all temporary signage for Competitive Products will be promptly removed from the Facility upon the conclusion of the Event; and (v) at no time will the Competitive Products make any statements, or use any temporary signage, that uses the trademarks/service marks of the City of Miami Beach, South Beach, Golf Courses or the Convention Center, nor in any way associate these Competitive Products with the City of Miami Beach, "South Beach," the Golf Courses, or the Convention Center. The Special Promotional Events at the Golf Clubs and the Convention Center must occur over a period of no more than twenty-four (24) hours. The twenty-four hours does not include set up or tear down time required, or NCAA Championship events or political conventions which may exceed the aforesaid time limitation. The Convention Center may use the three one day

(one day = twenty-four hours) in the aggregate in each Agreement Year during the Term. Aggregate, as used in this paragraph, shall mean the total of twenty-four hours multiplied by the total number of Special Promotional Events permitted, as provided for herein. For example purposes only, the Miami Beach Convention Center are provided three Special Promotional Event Exceptions per Agreement Year. As such, the three Special Promotional Events may occur in the Miami Beach Convention Center for a total of 72 hours in an Agreement year (24 hours x 3 events = 72 hours/year).

- b. City Approved Major Sponsorship Public Special Events/Special Promotional Events Exception. In any Agreement Year, temporary signage (such as, but not limited to, banners) for Competitive Products may be displayed during up to four (4) Special Promotional Events for City Approved Major Sponsorship Public Special Events. The term "City Approved Major Sponsorship Public Special Event" shall refer to a City-approved public event (i.e. where public access is allowed either via no cost or via pre-purchased ticket) held on City property, and permitted pursuant to the City's approved Special Event Permit process, as same may be amended from time to time during the Term of this Agreement (for example purposes only, this may include, but not be limited to events such as Super Bowl Pepsi Jam and Red Bull Illume); and may also include an event sponsored by a manufacturer, distributor or marketer of Competitive Products pursuant to a sponsorship agreement with the owner, operator or promoter of the event; an event conducted on a national or regional multi-market basis; and/or an event where a Competitive Product is the naming, presenting, title, brought to you by, or other primary sponsor of the Event. Temporary signage for Competitive Products at City Approved Major Sponsorship Public Events may be displayed as an Event "naming sponsor", Event "presented by" sponsor, Event "brought to you by" sponsor, or as a sponsor represented as a "Gold" or "Platinum" (or such other equivalent) sponsor of the Event; PROVIDED, HOWEVER, that: (i) Sponsor's Beverage availability, marketing, advertising, promotional, and other rights under this Agreement will not otherwise be affected during any such Event; (ii) no blockage of any signage or other trademark/service mark display Sponsor may have at the Facility will occur during the Event, except for incidental blockage due to the construction and/or placement of a person, stage or other structure necessary to and actually used during the Event; or, in the case of NCAA championship events, religious events or political conventions where no advertising is allowed and all advertisers are treated equal with all signage covered in the seated area of the Facility; and (iii) all temporary signage for Competitive Products will be promptly removed from the Facility upon the conclusion of the Event. At no time will the Competitive Products make any statements or use any temporary signage that uses the trademarks/service marks of the City of Miami Beach, "South Beach," or the Facilities, or in any way associate these Competitive Products with the City of Miami Beach Facilities. Notwithstanding the above, Competitive Products may be distributed, sampled or made available during a City Approved Major Sponsorship Public Special Event for which there is a Special Promotional Events Exception. Such distribution, sampling or availability shall occur ONLY within the approved site plan for the event. However, should concession service (sales) for any non-alcoholic beverage other than Products be required or necessary for the event, and there are no existing concessions at the location of the City Approved Major Sponsorship Public Special Event for which there is a Special Promotional Events Exception, the City Manager shall submit a letter to Sponsor requesting that Sponsor grant a waiver to permit such sale at the Event; outlining the details of the exception and the business reasons for the request and such request shall require Sponsor's prior written approval. Sponsor reserves the right to not approve the limited waiver for this purpose. Sponsor will notify the City Manager of whether the request for waiver will be approved within twenty (20) business days of Sponsor receiving the City Manager's letter. -

The Special Promotional Event Exception for a City Approved Major Sponsorship Public Special Event must occur over a period of no more than seventy-two (72) hours. The seventy-two hours does not include set up or tear down time required, or NCAA Championship events or political conventions which may exceed the aforesaid time limitation. The seventy-two hours may be used in the aggregate in each Agreement Year during the Term. Aggregate, as used in this paragraph, shall mean the total of seventy-two hours multiplied by the total number of Special Promotional Events Exceptions, as provided for herein. As such, the four Special Promotional Events may occur on public property for a total of 288 hours in an Agreement year (72 hours x 4 events = 288 hours/year).

- c. Other permitted Exceptions. Exhibitors at Conventions or trade shows, or third party exhibitor set ups at Facilities shall have the right to serve Competitive Products within their booth provided that same is limited to the duration of the corresponding event and, provided further, that the Competitive Products are not marketed, advertised or promoted in association with the City of Miami Beach and/or the Facilities, and their respective trademarks. For example purposes only, a Cadillac booth at the Auto Show in the Convention Center would be allowed to give away bottled water with the Cadillac Logo. Notwithstanding, Sponsor's Products would continue to be the only Products allowed to be sold, distributed or sampled at the Facility's concession operations.
- d. Competitive Beverages may also be permitted to be distributed, at no cost, at third party events that are not affiliated with the City, but where the City has permitted the event through the issuance of a City of Miami Beach Special Events Permit, subject to the City's notification to Sponsor prior to the event; and, provided further, that the third party event operator is not a manufacturer, distributor or seller of a Competitive Product; that the Competitive Products are not marketed, advertised or promoted in association with the City of Miami Beach or the Facilities, and their respective trademarks; that no Competitive Products will be sold during such event; and that the distribution of the Competitive Product is limited to Special Event Permit Area (as such term is defined in the City's Special Event Permit Guidelines, as same may be amended from time to time through the Term of this Agreement). For example purposes only, a third party event contemplated under this paragraph might include, but not be limited to, a walkathon or marathon where one of the event sponsors might request to be permitted to distribute free bottled water to the event participants. Notwithstanding the above, Sponsor shall have first right of refusal to provide donated Beverages through a sponsorship agreement to the non-profit events, permitted by the City through the issuance of a City of Miami Beach Special Events Permit, known as the White Party, Winter Party and Miami Beach Pride (based on the level of non-alcoholic Beverages provided for the White Party, Winter Party and Miami Beach Pride events in 2012.) for the sale of these Beverages by these three (3) events as part of their annual charity fundraisers. If Sponsor elects to participate, Sponsor will notify the organizer six (6) months prior to start date of White Party, Winter Party and Miami Beach Pride events. If at any time during the Term the Sponsor cannot or does not provide donated non-alcoholic Beverages through a sponsorship agreement to these three (3) non-profit events for this purpose, these three (3) events shall be permitted to secure Competitive Products for use and sale consistent with the use and sale of non-alcoholic Beverages in the 2012 White Party, Winter Party and Miami Beach Pride events.

Per Section 9 of Term Sheet, No Competitive Products may be sold, dispensed, sampled or served anywhere at the Facilities, or on the City's public rights-of-ways, unless otherwise expressly spelled out in the Agreement.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Raul J. Aguila, City Attorney

DATE: October 25, 2019

SUBJECT: **DISCUSSION REGARDING IMPLEMENTING A TOTAL BAN ON SINGLE-USE PLASTICS ON MIAMI BEACH PENDING THE FLORIDA RETAIL FEDERATION'S LITIGATION AGAINST THE CITY OF CORAL GABLES**

ANALYSIS:

Discussion at Committee.

Applicable Area

Not Applicable

Is this a Resident Right to Know item?

No

Does this item utilize G.O. Bond Funds?

No

ATTACHMENTS:

Description

▣ LTC

Type

Other

MIAMI BEACH

OFFICE OF
LTC No. # 474-2019

LETTER TO COMMISSION

TO: Mayor Dan Gelber and Members of the City Commission

FROM: Raul J. Aguila, City Attorney

cc: Jimmy L. Morales, City Manager
Rafael E. Granado, City Clerk

DATE: August 26, 2019

SUBJECT: **Third District Court of Appeal Ruling in *Florida Retail Federation, Inc. v. City of Coral Gables* (Fla. 3d DCA Case No. 3D17-0562)**

The purpose of this memorandum is to advise the City Commission of the Third District Court of Appeal's recent ruling in litigation challenging the Coral Gables Polystyrene Ordinance. In summary, the District Court (i) reversed the trial court ruling finding the Coral Gables Polystyrene Ordinance enforceable, and (ii) upheld three separate State preemption statutes as constitutional. A full copy of the Court's opinion is attached hereto as Exhibit "A".

A. Coral Gables Litigation

On July 18, 2016, Plaintiffs Florida Retail Federation, Inc., and Super Progreso Inc. filed a complaint in Miami-Dade County Circuit Court against the City of Coral Gables, seeking an injunction against enforcement of the Coral Gables Polystyrene Ordinance, and a declaration that the Ordinance was preempted by three separate Florida Statutes: Section 403.708(9) (pertaining to the "packaging of products"); Section 403.7033 (pertaining to "auxiliary containers, wrappings, or disposable plastic bags"); and Section 500.90 (pertaining to "polystyrene products") (altogether, the "Preemption Statutes").

The Circuit Court granted summary judgment in favor of the City of Coral Gables, upholding the Coral Gables Polystyrene Ordinance, and finding all three Preemption Statutes unconstitutional.¹ The Plaintiffs and the State of Florida, as an intervenor, appealed the Circuit Court ruling to the Third District Court of Appeal. The City participated in the appeal by filing an *amicus curiae* ("friend of the court") brief in support of Coral Gables.

On August 14, 2019, the Third District Court of Appeal issued an opinion reversing the Circuit Court's final judgment in favor of Coral Gables, and remanding the case to the Circuit Court to enter final judgment in favor of the Plaintiffs. The District Court held as follows:

1. Sections 403.708(9), 403.7033, and 500.90, Florida Statutes—the "Preemption Statutes"—are constitutional.

¹ Subsequent to the trial court ruling, on May 9, 2017, the City of Coral Gables adopted Ordinance No. 2017-13, prohibiting the use of single-use carry out plastic bags by special event permittees and prohibiting the sale, use, or distribution of single-use carry out plastic bags by retail establishments within the City.

2. By their plain language, the Preemption Statutes “expressly preempt the [Coral Gables] Polystyrene Ordinance.”

B. City of Miami Beach regulations on single-use plastics

Over the past several years, the City has enacted a number of Ordinances restricting the sale or use of single-use plastics. **Importantly, the City’s regulations on single-use plastics remain in place, and were not affected by the Third District Court of Appeal ruling in the Coral Gables litigation.** A summary of the City’s legislation on single-use plastics is as follows:

1. Expanded polystyrene products
 - City Code Section 46-92(c) prohibits any person from carrying “any expanded polystyrene product . . . onto any beach or park within the city, or onto any city marina, pier, dock, or boat ramp”
2. Expanded polystyrene food service articles
 - City Code Chapter 46, Article VI prohibits the sale or use of expanded polystyrene food service articles by food service providers and stores.
 - City Code Section 82-7 prohibits the sale or use of expanded polystyrene food service articles by City contractors and special event permittees in City facilities or on City property.
 - City Code Section 82-385(p) prohibits expanded polystyrene food service articles at sidewalk cafes.
3. Single-use plastic beverage straws and single-use plastic stirrers
 - City Code Section 46-92(c) prohibits single-use plastic beverage straws and single-use plastic stirrers at any City beach, park, marina, pier, dock, or boat ramp.
 - City Code Section 82-8 prohibits the sale or use of single-use plastic beverage straws and single-use plastic stirrers by City contractors and special event permittees in City facilities or on City property.
 - City Code Section 82-385(p) prohibits single-use plastic beverage straws and single-use plastic stirrers at sidewalk cafes.
 - On July 17, 2019, the City Commission approved, on First Reading, an Ordinance prohibiting the sale or use of single-use plastic beverage straws and single-use plastic stirrers by food service providers and stores. The Second Reading/Public Hearing is scheduled for September 11, 2019.
4. Single-use carry out plastic bags
 - City Code Section 82-385(z) prohibits single-use carry out plastic bags at sidewalk cafes.

C. Conclusion

My office is monitoring the Coral Gables litigation, and will continue to evaluate opportunities for the City to strengthen its environmental legislation. In the meantime, if Coral Gables seeks review by the Florida Supreme Court, I will place an item on an upcoming City Commission agenda to request direction from the City Commission to file an *amicus* brief, once again, in support of Coral Gables. If you have any questions, please do not hesitate to contact me.

Third District Court of Appeal

State of Florida

Opinion filed August 14, 2019.
Not final until disposition of timely filed motion for rehearing.

No. 3D17-0562
Lower Tribunal No. 16-18370

Florida Retail Federation, Inc., et al.,
Appellants,

vs.

The City of Coral Gables, Florida,
Appellee.

An Appeal from the Circuit Court for Miami-Dade County, Jorge E. Cueto,
Judge.

Ashley Moody, Attorney General, and Amit Agarwal (Tallahassee), Solicitor
General; Lehtinen Schultz Riedi Catalano De la Fuente, PLLC, and Dexter W.
Lehtinen, and Claudio Riedi, for appellants.

Craig E. Leen, City Attorney, and Miriam S. Ramos, Deputy City Attorney;
Kozyak Tropin & Throckmorton LLP, and Corali Lopez-Castro, Rachel Sullivan
and Mindy Y. Kubs, for appellee.

Erin Deady (West Palm Beach); Derek Howard; Roget V. Bryan, for City of
West Palm Beach, Monroe County, and Islamorada, Village of Islands, as amici
curiae.

Raul J. Aguila, City Attorney, and Nicholas Kallergis, Assistant City Attorney; Jean K. Olin, for City of Miami Beach, as amicus curiae.

Earthjustice and Bonnie A. Malloy (Tallahassee), for Surfrider Foundation, Campaign to Defend Local Solutions, League of Women Voters of Florida, Legal Scholars, 1000 Friends of Florida, ReThink Energy Florida, Florida Wildlife Federation, Save the Manatee Club, and Center for Biological Diversity, as amici curiae.

Before FERNANDEZ, LINDSEY, and HENDON, JJ.¹

LINDSEY, J.

I. INTRODUCTION

In 2016, the City of Coral Gables (the “City”) passed an Ordinance prohibiting food service providers and stores from selling or using expanded polystyrene (i.e. Styrofoam) containers. The Florida Retail Federation and Super Progreso² (collectively “FRF”) filed the underlying complaint seeking a declaration that the City’s Polystyrene Ordinance was preempted by three separate Florida Statutes: sections 403.708(9), 403.7033, and 500.90. Because the trial court erred in finding the three statutes unconstitutional and concluding that the City’s Polystyrene Ordinance was not preempted, we reverse.

II. BACKGROUND

¹ Judge Hendon did not participate in oral argument.

² Super Progreso is a Florida Retail Federation member.

This appeal concerns the validity and preemptory effect of the following three state statutes, which the trial court concluded were unconstitutional:

- Section 403.708(9) (enacted in 1974³) provides that “[t]he packaging of products manufactured or sold in the state may not be controlled by governmental rule, regulation, or ordinance”
- Section 403.7033 (enacted in 2008) prohibits local governments from enacting “any rule regulation, or ordinance regarding use, disposition, sale, prohibition, restriction, or tax of . . . auxiliary containers, wrappings, or disposable plastic bags.”
- Section 500.90 (effective July 1, 2016) preempts the “regulation of the use or sale of polystyrene products” by local ordinances enacted after January 1, 2016.

The City enacted Ordinance 2016-08 on February 9, 2016.⁴ The Ordinance generally prohibits “[f]ood service providers and stores” from selling, using, offering for sale, or “provid[ing] food or beverages in expanded polystyrene

³ Originally 403.708(2), Florida Statutes (1975).

⁴ Aware of the impending passage of section 500.90, which explicitly preempts local ordinances regulating polystyrene enacted after January 1, 2016, the City enacted an emergency ordinance giving its Polystyrene Ordinance a retroactive effective date of December 8, 2015.

containers.” City of Coral Gables, Fla., Code of Ordinances § 34-264(a) (2019).⁵ On April 26, 2016, the City passed Ordinance 2016-28, “exercise[ing] its Home Rule powers under article VIII, section 6 of the Florida Constitution of 1968 to conflict with, modify, and nullify the polystyrene pre-emption and grandfathering provisions of Chapter 2016-61, Laws of Florida (F.S. § 500.90)” Id. at § 34-267.

In July 2016, FRF filed a complaint seeking a declaration that sections 403.708(9), 403.7033, and 500.90, Florida Statutes,⁶ preempt the City’s Polystyrene Ordinance. The complaint also sought an injunction against enforcement of the Ordinance. The City, in turn, filed a counterclaim seeking a declaration that the same three statutes are unconstitutional. Both sides filed competing motions for summary judgment. Following a hearing, the trial court granted the City’s motion. The trial court entered final judgment in favor of the City, finding all three statutes unconstitutional and the City’s ordinance valid and enforceable. FRF and the State appeal.

III. JURISDICTION

⁵ Before recodification in July 2017, Ordinance 2016-08 was codified in §§ 34-187 to -190.

⁶ The trial court granted the State of Florida’s motion to intervene “for the limited purpose of advocating the proper interpretation and defending the constitutionality of any statutes challenged” in the action.

We have jurisdiction to review the trial court's entry of final summary judgment in favor of the City pursuant to Florida Rule of Appellate Procedure 9.030(b)(1)(A).

IV. STANDARDS OF REVIEW

We review questions of statutory interpretation and the trial court's grant of summary judgment de novo. See, e.g., Save Calusa Tr. v. St. Andrews Holdings, Ltd., 193 So. 3d 910, 914 (Fla. 3d DCA 2016). We also "review questions of preemption and the validity of an ordinance de novo." D'Agastino v. City of Miami, 220 So. 3d 410, 421 (Fla. 2017) (citing City of Hollywood v. Mulligan, 934 So. 2d 1238, 1241 (Fla. 2006)). Likewise, the "constitutionality of a statute is a pure question of law that is subject to de novo review." Searcy, Denney, Scarola, Barnhart & Shipley, etc. v. State, 209 So. 3d 1181, 1188 (Fla. 2017) (citing City of Miami v. McGrath, 824 So. 2d 143, 146 (Fla. 2002)).

V. ANALYSIS

Because this case concerns the validity of state statutes and local ordinances, we are bound by certain presumptions. The trial court, in finding three state statutes unconstitutional, relied exclusively on the presumption that ordinances are valid, but failed to consider the strong, competing presumption that "statutes come clothed with a presumption of constitutionality and must be construed whenever possible to effect a constitutional outcome." Crist v. Fla. Ass'n of Criminal Def. Lawyers, Inc.,

978 So. 2d 134, 139 (Fla. 2008); see also Lowe v. Broward Cty., 766 So. 2d 1199, 1203 (Fla. 4th DCA 2000) (“A regularly enacted ordinance will be presumed to be valid until the contrary is shown, and a party who seeks to overthrow such an ordinance has the burden of establishing its invalidity.” (quoting State ex rel. Office Realty Co. v. Ehinger, 46 So. 2d 601, 602 (Fla. 1950))). Moreover, although Florida municipalities are given broad authority to enact ordinances, “municipal ordinances must yield to state statutes.” Masone v. City of Aventura, 147 So. 3d 492, 495 (Fla. 2014).

With these principles in mind, we first consider whether the trial court erred in finding sections 403.708(9), 403.7033, and 500.90 unconstitutional. Because we conclude all three statutes are constitutional, we next evaluate whether the City’s Polystyrene Ordinance is preempted. For the reasons that follow, we hold that it is.

A. Sections 403.708(9), 403.7033, and 500.90 Are Constitutional

The trial court’s analysis focused almost entirely on the most recent of the three statutes, section 500.90. The court concluded that section 500.90 was unconstitutional because (1) it violates the Miami-Dade County Home Rule Amendment; (2) it is unconstitutionally vague in violation of the nondelegation doctrine; and (3) the statute’s classification schemes make it impermissibly arbitrary and capricious. As to sections 403.708(9) and 403.7033, the trial court found that

both statutes were also unconstitutionally vague in violation of the nondelegation doctrine.

The trial court first determined that section 500.90 violated the Home Rule Amendment, which prohibits the Legislature from adopting any act directed solely at Miami-Dade County or its municipalities. See Art. VIII, § 6(e), Fla. Const. Section 500.90 explicitly preempts local ordinances regulating polystyrene enacted after January 1, 2016. The court reasoned that because the City was the only municipality that enacted a Polystyrene Ordinance after January 1, 2016, but before section 500.90's July 1, 2016 effective date, section 500.90 was an impermissible special law aimed only at the City.

We disagree with such an expansive interpretation of the Home Rule Amendment. It is well-established that the Home Rule Amendment must be strictly construed to maintain the supremacy of general laws. Metro. Dade Cty. v. Chase Fed. Hous. Corp., 737 So. 2d 494, 504 (Fla. 1999). Section 500.90 plainly preempts *all* municipalities statewide⁷ from enacting local polystyrene regulations after January 1, 2016.⁸ Although the City may have been the first municipality to regulate

⁷ Indeed, we note that the City of West Palm Beach, Monroe County, and Islamorada jointly filed an amici curiae brief in which they recognize that section 500.90 would apply to them if the statute were not an “unconstitutional delegation of authority.”

⁸ Preemption statutes ordinarily apply to previously enacted ordinances. See Chase Fed. Hous. Corp., 737 So. 2d at 504 (“Whenever the legislature acts to supersede a local government’s authority to enforce its ordinances, the effect is immediate and

polystyrene after January 1, 2016, section 500.90 does not impermissibly single out the City or Miami-Dade County. See City of Miami Beach v. Frankel, 363 So. 2d 555, 558 (Fla. 1978) (“A general law of local application is a law that uses a classification scheme based on population or some other criterion so that its application is restricted to particular localities. It is clear on the face of this statute that it is a general law applicable statewide.”).⁹

Next, we consider the trial court’s conclusion that section 500.90 violates the nondelegation doctrine.¹⁰ More specifically, the court held that the statute “is

applies to both future and pending proceedings and present and past offenses.”). Moreover, the Legislature is empowered to set the start date for legislation so long as it acts within constitutionally accepted parameters. Id. at 503.

⁹ The trial court relied on several cases where the “Florida Legislature has run afoul of the prohibition in enacting laws directed to Miami-Dade County or its municipalities” But unlike here, the statutes in those cases all contained a classification scheme that made them impermissibly applicable to Miami-Dade County. See State ex rel. Worthington v. Cannon, 181 So. 2d 346, 347 (Fla. 1965) (finding two statutes unconstitutional because they applied to counties having a population of 750,000 or more); S & J Transp., Inc. v. Gordon, 176 So. 2d 69, 70 (Fla. 1965) (invalidating a statute that applied to counties operating an airport and having more than 900,000 residents); Homestead Hosp., Inc. v. Miami-Dade Cty., 829 So. 2d 259, 262 (Fla. 3d DCA 2002) (invalidating a statute that “as written, is applicable only to Miami-Dade County”).

¹⁰ The Florida Supreme Court has explained the nondelegation doctrine as follows:

[U]nder article II, section 3 of the constitution the Legislature “may not delegate the power to enact a law or the right to exercise unrestricted discretion in applying the law.” Sims v. State, 754 So.2d 657, 668 (Fla.2000). This prohibition, known as the nondelegation doctrine, requires that “fundamental and primary policy decisions ... be made by members of the legislature who are elected to perform

unconstitutionally vague because the Legislature delegated preemption authority to the Department of Agriculture . . . without defining guidelines or standards for the exercise of the Department’s discretion in implementing the statute.”

However, section 500.90 does not, on its face, delegate legislative authority to the Department of Agriculture. The plain text of the statute simply provides that “[t]he regulation of the use or sale of polystyrene products by entities regulated under this chapter is preempted to the department.” The statute is silent as to delegation of any authority because the Department’s rulemaking authority stems from the separate “Rulemaking” section found in the same Chapter (Chapter 500, the Florida Food and Safety Act). See § 500.09, Fla. Stat. (2018) (“Rulemaking; analytical work.—” not to be confused with § 500.90, the statute at issue here). In contrast to the language in Chapter 500’s preemption provision, the rulemaking provision provides, in part, that “[t]he department may adopt rules necessary for the

those tasks, and [that the] administration of legislative programs must be pursuant to some minimal standards and guidelines ascertainable by reference to the enactment establishing the program.” Askew v. Cross Key Waterways, 372 So.2d 913, 925 (Fla.1978); see also Avatar Dev. Corp. v. State, 723 So.2d 199, 202 (Fla.1998) (citing Askew with approval). In other words, statutes granting power to the executive branch “must clearly announce adequate standards to guide ... in the execution of the powers delegated.[”]

Bush v. Schiavo, 885 So. 2d 321, 332 (Fla. 2004).

efficient enforcement of this chapter.” § 500.09(4), Fla. Stat. The City does not challenge the delegation of authority in the separate “Rulemaking” section of Chapter 500.

The trial court also concluded that sections 403.708(9) and 403.7033 violate the nondelegation doctrine because they “lack the necessary standards and guidelines for implementation, rendering them unconstitutionally vague” This conclusion forms the sole basis for the trial court’s determination that sections 403.708(9) and 403.7033—statutes enacted in 1974 and 2008, respectively—are unconstitutional. Here again, neither statute delegates any legislative authority. The statutes simply prohibit local governments from regulating “[t]he packaging of products manufactured or sold in the state[,]” section 403.708(9), and “auxiliary containers, wrappings, or disposable plastic bags[,]” section 403.7033. Because the statutes delegate no authority, they cannot be unconstitutional pursuant to the nondelegation doctrine.

Finally, we consider the trial court’s conclusion that section 500.90 “creates at least two classification schemes that are not reasonably related to the purpose of legislation, rendering the statute arbitrary and capricious.” Article III, section 11(b) of the Florida Constitution provides that “[i]n the enactment of general laws on other subjects, political subdivisions or other governmental entities may be classified only on a basis reasonably related to the subject of the law.” The trial court reasoned that

the legislature, in enacting section 500.90, violated the Florida Constitution by “choosing an exemption date of January 1, 2016” and by intending to “liberalize the purportedly strict prohibitions on local polystyrene regulation . . . for certain ‘beach towns’ that sought to regulate polystyrene use.”

As an initial matter, we find no mention of beach towns in the text of section 500.90. Consequently, there was no basis for concluding that a non-existent beach town classification was arbitrary and capricious. More importantly, we do not read anything in section 500.90 to be a classification of “political subdivisions or other government entities” as set forth in article III, section 11(b) of the Florida Constitution. An “exemption date” of January 1, 2016, simply sets the date after which local ordinances regulating polystyrene will be preempted. In other words, the only classification scheme found in section 500.90 applies to ordinances—those enacted before and those enacted after January 1, 2016—there is no classification of any governmental entities.

Having determined that sections 403.708(9), 403.7033, and 500.90 are constitutional, we now turn to the issue of whether the statutes preempt the City’s Polystyrene Ordinance.

B. State Law Expressly Preempts the City’s Polystyrene Ordinance

The preemption analysis is a matter of statutory interpretation. “Statutory interpretation in any case ‘begin[s] with the actual language used in the statute

because legislative intent is determined first and foremost from the statute's text.” Williams v. State, 186 So. 3d 989, 991 (Fla. 2016) (quoting Raymond James Fin. Servs., Inc. v. Phillips, 126 So. 3d 186, 190 (Fla. 2013)). Moreover, “[w]hen the language of the statute is clear and unambiguous and conveys a clear and definite meaning, there is no occasion for resorting to the rules of statutory interpretation and construction; the statute must be given its plain and obvious meaning.” Id. (quoting Bennett v. St. Vincent's Med. Ctr., Inc., 71 So. 3d 828, 837–38 (Fla. 2011)).

The trial court concluded that sections 403.708(9) and 403.7033 do not preempt the local regulation of polystyrene.¹¹ In so doing, the court's reliance on “principles of legislative interpretation” was in error. According to the trial court, the enactment of section 500.90 “evidences the legislature's understanding that sections 403.708(9) and 403.7033 did not already [preempt the regulation of polystyrene.]” In other words, the court relied on a recent statute to determine the legislative intent behind two older statutes.

There is no need to resort to rules of statutory construction because the statutory text is clear. See State Farm Mut. Auto. Ins. Co. v. Laforet, 658 So. 2d 55, 62 (Fla. 1995) (“It would be absurd, however, to consider legislation enacted more than ten years after the original act as a clarification of original intent”); Fla.

¹¹ The trial court did not address preemption in the context of section 500.90 because it concluded the statute was unconstitutional.

Dept. of Revenue v. Fla. Mun. Power Agency, 789 So. 2d 320, 323 (Fla. 2001)

(“Legislative intent must be derived primarily from the words expressed in the statute. If the language of the statute is clear and unambiguous, courts enforce the law according to its terms and there is no need to resort to rules of statutory construction.”).

Here, the statutes at issue are unambiguous; they expressly preempt¹² the City’s Polystyrene Ordinance. Section 403.708(9) preempts regulatory control over “[t]he packaging of products manufactured or sold in the state” The plain text encompasses all types of packaging, including polystyrene. Similarly, section 403.7033 prohibits local governments from regulating “auxiliary containers.” Again, the “polystyrene containers” regulated by the City’s Ordinance are a type of “auxiliary container.” Finally, section 500.90 specifically preempts the regulation of “polystyrene products.” In all three instances, we find the language clear and unambiguous.

VI. CONCLUSION

Because sections 403.708(9), 403.7033, and 500.90 are constitutional and by their plain language preempt the City’s Ordinance regulating “polystyrene

¹² “Preemption of local ordinances by state law may, of course, be accomplished by express preemption—that is, by a statutory provision stating that a particular subject is preempted by state law or that local ordinances on a particular subject are precluded.” Masone, 147 So. 3d at 495.

containers,” we reverse the trial court’s final judgment in favor of the City and remand for entry of final judgment in favor of FRF.

Reversed and remanded.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: October 25, 2019

SUBJECT: **UPDATE FROM THE ECONOMIC DEVELOPMENT DEPARTMENT
REGARDING STEPS TAKEN TO STREAMLINE THE BUSINESS
PERMITTING PROCESS, IMPROVE BUSINESS RETENTION AND
ATTRACT NEW BUSINESSES**

HISTORY:

This mid-year report provides an update on the City of Miami Beach economic development departments efforts in partnership with other city departments, Miami Beach Chamber of Commerce (MBCC), Washington Avenue Business Improvement District (WAVE), Lincoln Road Business Improvement District (LRBID), Ocean Drive Association and the Florida Small Business Development Center at FIU (SBDC). A summary of the mid-year 2019 highlights and activities of the City of Miami Beach and its partners is attached to this memo.

Applicable Area

Citywide

**Is this a Resident Right to
Know item?**

No

**Does this item utilize G.O.
Bond Funds?**

No

Strategic Connection

Prosperity - Revitalize targeted areas and increase investment.

ATTACHMENTS:

Description	Type
 Economic Development Update	Memo

UPDATE FROM THE ECONOMIC DEVELOPMENT DEPARTMENT REGARDING STEPS TAKEN TO STREAMLINE THE BUSINESS PERMITTING PROCESS, IMPROVE BUSINESS RETENTION AND ATTRACT NEW BUSINESS

BACKGROUND

The economic development department mission statement is to establish, maintain and grow the city's business community by promoting the city's image, supporting businesses, real estate development, and creating a diverse economy for this dynamic and resilient global community.

This mid-year report provides an update on the City of Miami Beach efforts in partnership with other city departments, Miami Beach Chamber of Commerce (MBCC), Washington Avenue Business Improvement District (WAVE), Lincoln Road Business Improvement District (LRBID), Ocean Drive Association and the Florida Small Business Development Center at FIU (SBDC). A summary of the mid-year 2019 highlights and activities of the City of Miami Beach and its partners is provided below.

The department developed the TWENTY25 to align with the 2019 City of Miami Beach Strategic Plan Through the Lens of Resilience vision, goals, objectives and actions. This includes the following:

- **Prosperity:** Objective Build on Our Arts and Culture Strengths, Balance Tourism with Quality of Life, Revitalize Areas and Support Excellence in Our Schools
- **Commission Goals:** North Beach Town Center (2020), A True City Center (2050) with MBCC Hotel (2020) and 17th St Garage, 41st Street (2020)
- **Management Objectives:** Revitalize Targeted Areas and Increase Investment (03): Areas include North Beach, Ocean Drive, 41st Street, Lincoln Road and Washington Avenue
- **Department Priorities:** Develop a plan to reposition the department to be a stronger resource in Miami Beach by creating a forward-thinking economic development strategic plan that encompasses existing conditions and competitive advantages; considers Miami Beach's unique and competitive position in the greater Miami region, nationally and internationally, and anticipates future market shifts in demographics and lifestyles. The proposed plan will be strategic and comprehensive will include:
 - Engage elected officials, city staff, business and civic leaders and other community stakeholders in a participatory process to develop the economic vitality strategic plan;
 - Develop recommendations to guide economic vitality in Miami Beach and enhance its value proposition for all community stakeholders;
 - Develop a plan and approach that encompasses business retention, recruitment, small business opportunity, neighborhood marketplace development and workforce development;
 - Make Miami Beach economically resilient to our shock and stresses.

The department submitted a budget enhancement in the FY 2019/20 budget of \$200,000 to retain a consultant to develop the strategic plan. Next step is to issue an RFP this fall and select a consultant to start the work in the first quarter of 2019.

The workplan also includes seven focus areas outlining the objectives, outcomes, highlights and activities below:

1. Real Estate Assets and Joint Development (P3)

Objective: Manage and lease city-owned real estate portfolio consisting of office, retail, special purpose projects, concessions, land leases, easements and development projects. Performs financial analysis; investigates and identifies financing mechanisms for potential developments. Negotiate investment, incentives, partnership agreements in concert with development plans and initiatives. The department currently manages the following:

- 82 contracts consisting of 47 lease agreements (City as landlord), 12 lease agreements (City as tenant), five management agreements, 13 concession agreements and five use agreements
- Miami Beach Marina (land lease consisting of 400 wet slips with adjacent restaurants/retail, a State of Florida submerged land lease, four parking lease agreements for 700 structured parking spaces and multiple bay walk agreements and easements.
- Lincoln Place (P3 with 110,000 SF class A office, 30,000 SF retail and 500 space parking garage) ground lease.
- The Lincoln (P3 with 125,000 SF class A office, 40,000 SF retail and 700 space parking garage) ground lease
- Council Towers North and South (2) 125-unit, elderly housing projects.
- Fillmore Theatre, Byron Carlyle Theatre and Colony Theatre (totaling over 75,000 SF).

Year-to-date highlights and activities include the following:

- **Real Estate Transactions:** Executed nine lease agreements and ten professional services agreements.
- **Economic Development Consultant Services:** On April 10, the City Commission approved a resolution authorizing the administration to enter into simultaneous negotiations with five firms to establish a pool of pre-qualified consultants. This pool has been completed and staff is working on several economic development projects.

2. Revitalize Targeted Areas and Increase Investment

Objective: Create a holistic approach to advance economic vitality in targeted areas, execute strategic projects and initiatives to maximize the positive economic impact on the City of Miami Beach.

Year-to-date highlights and activities include the following:

- **Vacant Storefront Program:** The program was created and implemented with the first two storefront covers being installed at 7344 and Collins Avenue and 439 41st Street. On Thursday, September 12, the city held a ribbon cutting at 439 41st Street to unveil the new designs for the program.
- **Pilot Parklet Program:** The department submitted a budget enhancement for \$50,000 in the FY 2019/20 budget to implement the program. Next step is to develop program criteria and identify key projects to fund in partnership with businesses.

North Beach:

Objective: Organize stakeholders to collectively focus on this area for a continuous five-year period and explore various tools and financing methods that could be used to develop this area and implement plans. Outcomes includes creating a Community Redevelopment Area (CRA), execute P3 projects. and implement GO bond projects.

Year-to-date highlights and activities include the following:

- **Rue Vendome:** construction will commence in March 2020.
- **North Beach Town Center:** On April 10, 2019 the Administration has been engaged in ongoing discussions with North Beach Town Center, LLC regarding its proposed parking garage and retail development. The development proposal included the city-owned parking lots (83 surface parking lot spaces) in North Beach, since June 2017. The proposed project between Abbott and Harding along 71st Avenue would consist of office, residential, retail and parking garage structures. The developer submitted an unsolicited proposal to the city to purchase surface parking lot P80 for \$4.2 million, the city hasn't responded to the offer pending the outcome of the Byron Carlyle RFP that contained an

option for the proposer to include lot P80 as part of a development proposal (see below, both proposer included P80 as part of their development concepts).

- **Hydroponic Farming:** On June 5, 2019 the City Commission approved a resolution accepting the recommendation of the City Manager to enter into negotiations with Freight Farms, Inc. and Energy Cost Solution Group, LLC to include site selection, site development, selection of plant materials, community involvement and financial considerations for the project. On July 9 & 10, 2019 staff conducted the first series of negotiation meetings with ECSG and Freight Farms, Inc. However, on July 12, 2019 Freight Farms, Inc. notified the City of its intent to withdraw from further consideration stating it is unable to invest the upfront capital required for the project.

Staff has continued to negotiate with the remaining proposer, ECSG. ECSG has further developed its proposal that may include 2 hydroponic container farms and one support pod situated on the open space area adjacent to the City parking lot. The farm program may include community education programming and public events, volunteer training classes for hydroponic growing, composting and/or landscape/ garden related topics and farm tours. Fifty percent of the produce grown will be prioritized to local schools, elderly and volunteers. A farm store will sell branded reusable bags, water bottles, cups, garden supplies, light prepared foods (popsicles, juice, salad mixes). The farm concept plans to pursue “nonprofit” status for future fundraising efforts.

ECSG will be responsible for expenses, which include but are not limited to, the cost of the containers, property taxes, utilities, applicable licensing and permit fees, operating costs and expenses (e.g. waste collection), insurance costs, and maintenance of the site. The City would be responsible for providing power and water to the site.

The Administration expects to present the final material terms, pursuant to the negotiation with ECSG, for the City Commission's consideration in December, pending negotiation. The precise location is yet to be determined.

Byron Carlyle RFP: On June 28, 2019 the City received two proposals from Pacific Star Capital, LLC and the Menin Hospitality and KGTC, LLC to redevelop the Byron Carlyle the 31,500 square feet (SF) site and P85 properties located on the southeast corner of 71st Street and Carlyle Avenue with the option to include the 12,625 SF P80 surface parking lot. Pacific Star Capital has proposed ground floor retail, two story cultural component, eight story-hotel with 160 rooms, and a roof top deck on the Byron Carlyle site; and retail on the P80 site. The building will be 11 stories plus a roof top deck. They have proposed approximately \$8 million as two lump sum payments for a 99-year lease and requesting full conveyance of title for the P80 site. The Menin Hospitality & KGTC, LLC proposal includes ground floor retail, ground floor cultural center, and 6 floors of 120 workforce housing units on the Byron Carlyle site; and a five-story office building on the P80 lot. It appears they are requesting ownership of the workforce housing and office building and conveying ownership to the City for the cultural amenity. The Administration will be submitting its recommendation at the October 16 City Commission meeting.

- **Community Redevelopment Area (CRA):** On July 17, 2019 the Commission approved the Finding of Necessity (FoN) and transmit to County to initiate the process to create a CRA in North Beach. Staff has met with county staff to review the FoN to discuss next steps and timing for the proposed CRA.
- **Ocean Terrace:** On July 31, 2019 the City Commission approved a development agreement to vacate the right-of-way for a park project and a mixed-use development project located between 73rd to 75th Street along Ocean Terrace. The project will include hotel, residential and retail.
- **Abbott Avenue Partners:** On July 31, 2019 the City Commission approved right-of-way vacation and rooftop lease for city radio equipment for a mixed development that will include retail and residential.
- On September 10, 2019 the Normandy Isle business district announced the newly formed Normandy Fountain Business Association. The new website is www.NormandyFountain.com

41st Street Corridor

Objective: Continue to partner with the Mayor's Ad-hoc 41st Street Blue Ribbon Committee (41st Street Committee) and the community to identify corridor improvements and activation, mixed-use development including office, residential and retail development and implement a district wide study focusing on 40th to 42nd Streets.

Year-to-date highlights and activities include the following:

41st Street Committee Quick Wins Update:

- April 10, 2019: Approval of \$25,000 for temporary parklet. The design, cost and construction date are pending.
- April 10, 2019: Approval of \$40,000 for non-sworn officer to direct traffic during the school year has commenced.
- On May 8, 2019, the vacant storefront cover program organized a soft-launch. One vacant storefront cover was installed at 439 41st street which came from the Mid-Beach Quality of Life funds (\$35K available for covers). The official program launch was held September 12 with Mayor, City Commission, Miami-Dade Superintendent, DASH students and staff. This program was the idea of the 41st Committee that transformed into a citywide program.
- On August 12, 2019, year around pilot tree lighting was installed along several streets along 41st Corridor.
- Staff is exploring a farmer's market to be activated on one of the city-owned in the 41st street district area.

GOB \$15 Million Neighborhood and Infrastructure

- Tranche 1 & 2 (\$3 M) – (2019 – 2022) for shade structures, lighting & bike lanes
- Tranche 3 & 4 (\$12M) – (2022-2025) widening of sidewalks (pending FDOT approval) and replacement parking.

Next Steps

At the August 8, 41st Street Committee meeting, city staff presented information and an update on the 41st Street Implementation Plan in relationship to the proposed Miami-Dade County Bus Express Rapid Transit (BERT) plan and the conflict with the 41st Street Vision Plan which calls for widening sidewalks. A discussion followed among the committee members who voiced their opinion against the plan and created the following motion:

MOTION: The 41st Street Blue Ribbon Committee rejects the Miami Dade County Smart Plan implementation within the 41st street corridor, furthermore any future implementation of the Miami Dade County Smart Plan should be done in conjunction with a 41st district wide masterplan so they may be synergistic with each other. The committee request that the Miami Dade County Smart Plan be discussed on a more transparent level.

On August 15, 2019 city staff from transportation, public works, economic development, planning and the city manager's office held a meeting to discuss committee's motion, the Bus Express Rapid Transit (BERT) plan and 41st Street Vision Plan to determine the next steps towards implementing a plan that includes enhanced streetscapes, complete streets, land use and development for the 41st Street area.

September 11, 2019: A referral to Neighborhood Community Affairs Committee (NCAC) to proceed with a master project action schedule based on the vision plan created in the Alta/Gehl study. The City Commission directed the administration to move forward in selecting a consultant firm from the city's pool of consultants to meet with the city departments to translate the vision plan into a master project action schedule that prioritizes projects, cost, start and end dates in a cohesive and logical manner. The project

area is primarily 41 street from Alton to Collins with consideration of 40th and 42nd street to complement the vision and other project options.

The consultant will meet with the following stakeholders: the committee, Florida Department of Transportation (FDOT), Miami-Dade County (county), city staff from the city manager's office, planning, transportation, parking, economic development, public works, capital improvements, and GO bond. Existing city commission approved plans will inform the process; as well as existing FDOT and county plans and associated project funding. This action plan will set the basis for the following:

- Land use;
- Transportation, mobility, and enhanced streetscape improvements;
- Redevelopment of city-owned parking lots.

Washington Avenue Corridor:

Objective: Influence placemaking, high design standards, vibrant public spaces, and mixed-use development to spur further development along Washington Avenue.

Year-to-date highlights and activities include the following:

- **Washington Avenue Commission Workshop:** On April 16, the City Commission held a workshop to discuss current and active initiatives, accomplishments and overview Zyscovich, Inc. scope of work and next steps. Directives from the workshop were as follows: engaging a consultant for a district-wide urban design study, pursue referendum for (Class A) office space zoning incentives in the corridor, streamline processes for opening a business and pursue other non-referendum incentives that may include waive or reduce concurrency fees for sidewalk cafes, increase permitted heights to 75 feet and off-street parking requirements for properties that incorporate new office space.
- **Land-Use, Mobility and Economic Development Study:** On May 8, the City Commission approved a request to issue a request for qualifications (RFQ) for the entertainment district. Two proposals were submitted by Zyscovich, Inc. and BusinessFlare. On July 31, the City Commission adopted a resolution authorizing the City Manager to enter into negotiations with Zyscovich, Inc. as the top rank proposer.
- **Washington Avenue Business Improvement District (WAVE BID)** held a lighting ceremony on July 19, 2019 with 300 locals, tourist, business and property owners who attended the lighting of each palm and poinsettia trees along the median of Washington Avenue from 5th to 17th streets. Since the lighting of the median, there has been a dramatic increase in pedestrian traffic and zero police involved incidents. Launched the Miami Beach Live Music and Art series at 12 locations on Washington. 500 attendees gathered the 3rd Thursday of each month for entertainment that included Rock, Latin, Jazz, Reggae, Soul, and Blues as well as Spoken word and Comedy. In collaboration, the WAVE BID also launched the Miami Beach Wine & Beer Taste for a diversity of local, domestic and international flavors at 15 hotels, restaurants & bars. Other proactive WAVE events included "How to set up a Pop-Up on Washington Avenue" workshops. The workshops attracted 76 entrepreneurs. The WAVE BID is also planning "Hallowave", a family fun-filled event for children ages 3-14 that will include 24 superheroes (Superman, Batman, Wonder Women, Elsa...) stationed along both sides of the 1-mile stretch, trick or treat at over 200 locations and a dog costume contest.
- **The Miami Beach Chamber of Commerce:** The Chamber raised donations to help fund a mental health professional (\$40,000) at Miami Beach Senior High School through the Chamber's Miami Beach Education Foundation. On February 22, the Chamber's Pillar Trustee Board hosted their inaugural Goals conference where business leaders, city officials, residents and stakeholders discussed challenges and opportunities facing Miami Beach. More than 150 guests attended the event and heard remarks from Mayor Dan Gelber, Leading Urbanist Richard Florida and Marketing Strategist Bruce Turkel.

- The Chamber held six ribbon cutting, provided three workshops to help businesses thrive, and twelve business council meetings to network and gain educational knowledge from subject matter experts.

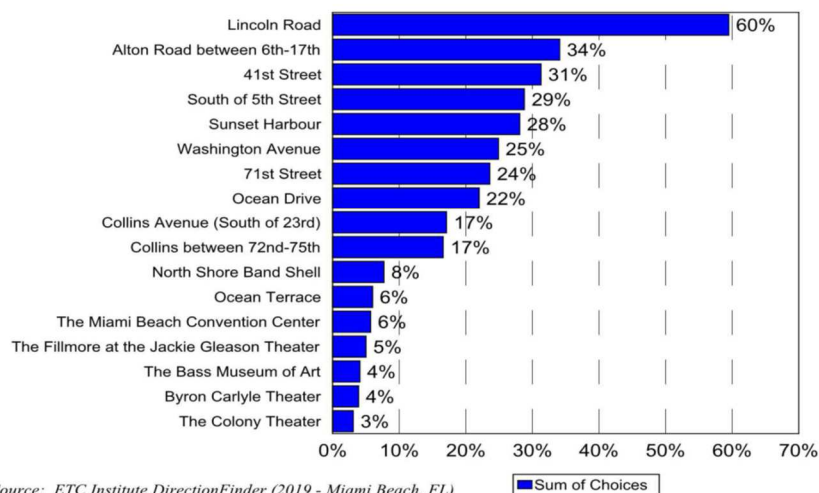
Lincoln Road Corridor:

Objective: Effectively address issue and challenges of high rents, vacancies, streetscape improvements and programming.

- Assisting in the development regulations for hotels on Lincoln Road ordinance.
- **Lincoln Road Improvement District (LRBID):** During FY 2018/19, the LRBID focused programming and communications on the Miami Beach residential audience. An indication of the BID's success, is demonstrated in the recent City of Miami Beach's resident survey, Lincoln Road ranked highest among all of the City's districts, with 60% of respondents identifying it as one of their top four destinations (the next highest attracted only 34%), and 85% of respondents indicated that they visited Lincoln Road at least once a month. Combined with the statistics demonstrating that one out of every two visitors to Greater Miami visit Lincoln Road, this survey demonstrates the essential role Lincoln Road plays in the lives of both Miami Beach residents and our visitors, and its importance as an economic engine for the entire south Florida community.

Q6. Places or Facilities That Residents Visit Most

by percentage of respondents who selected the item as one of their top four choices



- The LRBID changed media relations agencies and implemented a more robust media relations campaign. The LRBID developed an enhanced website, metrics allowing for better messaging; utilized targeted social media pushes; used outdoor advertising; and engaged with other agencies and organizations, targeting desirable markets for inclusion in the LRBID's message. The marketing efforts resulted in:
 - 208 million views in its transit campaign; 11.3 million impressions with 30,400 clicks on online Google ads; 47,710 website visits, with a #2 Google ranking; Social media growth to 23,607 connections, translating into 147% growth, and a number 2 ranking on TripAdvisor for Miami Beach, with 17,021 reviews and an 89% excellent rating.
- Additionally, in the past year, the LRBID hosted:
 - Sixty Saturday and Sunday afternoon and evening concerts and performances;
 - Ten New World Symphony events, ranging from Post- WALLCAST traditional orchestral to a Beatle's Tribute Pop-Up on the 50th anniversary of the Fab Four's last live concert;

- Seven Saturday afternoon children's programs from February through May, including puppets and mimes, a musical petting zoo and Drag Queen story telling;
- Seven chamber music concerts featuring the South Beach Chamber Ensemble;
- Eight Tango Milongas, where the general public was given instructions and the opportunity to dance and watch Tango;
- Hosted, sponsored and coordinated numerous pop up events, including Cars, Bars & Cigars: Father's Day Car Show, 3rd Annual Make Music Day, a July 3rd pre-Independence Day Pop-Up Concert featuring 65 musicians and six opera singers;
- Continued sponsorship and support of the South Beach Jazz Festival, Miami Beach Gay Pride, Light the Night and the Colony Theatre; and
- Continued hosting free twice weekly free yoga, Tony Thomas's boot camp, Walking Club, Zumba, Pilates Yappy Hour for Lincoln Road's four legged visitors and their human companions.
- Part of our mission is to ensure Lincoln Road is clean, safe and welcoming. The LRBID managed the Block by Block contract that provides 264 hours of Ambassador services weekly on Lincoln Road, which include cleaning, maintenance and customer service. Over the past twelve months The Ambassadors have logged over 66,213 contacts with Lincoln Road's visitors.
- On July 3, the LRBID Board of Directors passed Resolution 18-19-11, expressing its support for the City to implement the full James Corner Field Operations Lincoln Road District Master Plan. To protect the City's significant investment in the Lincoln Road District and solidify Lincoln Road's reputation as a significant arts, culture, and performance district, the BID Board of Directors expressed its desire to:
 - expand the term of the LRBID for an additional five years;
 - increase the area covered by the LRBID to include, at a minimum, Lincoln Road from Collins Ave. to West Ave. and to include additional side streets; and
 - increase the assessments to current LRBID members by approximately twenty-five percent (25%) and consider alternative methods of assessment.
 - These modifications to the BID would generate approximately \$16,500,000 of additional revenue over the next ten (10) years, allowing the BID to place even more focus on arts, culture, and performances on Lincoln Road.

Ocean Drive:

Objective: Provide support, identify and structure collaborative partnerships so that Ocean Drive has year-round utilization and economic impact to the city.

- Assisting in the creation of a business improvement district.
- On September 21, 2019, the sidewalk café code of conduct agreement became effective along Ocean Drive. Please see the October 15 LTC Sidewalk Café Code of Conduct Status Update.

3. Business Retention and Expansion

Objective 1: Retain and strengthen Miami Beach based- businesses through one-on- one visits and business walks to enhance relationships and improve the local business climate.

- Work with business groups and city departments on outreach campaigns in key areas of the city;
- Request sit-down meetings with economic development director/Mayor/city manager and top corporate-level executives to discuss ways in which the City can become a better partner.

Objective 2: Focus outreach to industry trade groups to become better partners to the business community. The outreach campaign will include the following:

- Identify and partner with key industry trade groups in each major industry cluster in Miami region/Miami Beach: Greater Miami Conventions and Visitors Bureau (GMCVB), Greater Miami Hotel Associations;

- Active leadership participation by economic development staff in relevant industry trade groups and organizations;
- Convene a roundtable of industry trade group leadership to discuss: (i) ways to collaborate between the trade groups; and (ii) how the city can be a better partners.

Objective 3: Establish strategic relationship with property owners/landlords, commercial brokers and real estate professionals. The outreach campaign will include the following:

- Identify and meet major landlords, real estate professionals and developers to foster a stronger partnerships going forward.

Year-to-date highlights and activities include the following:

- Staff met with 30 businesses in the North Beach and throughout the city. The top takeaways were communication between the city and businesses, code violations, permitting process, and loss of business due to Deauville Hotel closure. Staff will continue to meet with the city's largest employers and other businesses going forward.
- Staff has met with and attended meetings with the Greater Miami Conventions and Visitors Bureau (GMCVB), Greater Miami Hotel Associations, The Beacon Council, Miami Beach Chamber of Commerce, Enterprise Florida, and Business Improvement Districts to enhance strategic partnerships.
- Staff continues to meet with property owners, commercial brokers and developers to develop strategic relationships for Miami Beach

4. Business Attraction

Develop strategies to increase the number, types and quality of companies and businesses to relocate to Miami Beach.

Objective 1: Develop a Business Attraction Strategy

- Identify key industry sectors to recruit companies and businesses to the city;
- Develop an analysis of recruitment strategies, programs and efforts from peer communities;
- Incorporate best practices into Miami Beach business recruitment program;
- Identify and analyze factors that influence companies to locate to the Miami region.

Year-to-date the department has performed the following:

- The department is currently working on establishing this focus area and will continue to address it through the economic development strategic plan process.
- EDD hosted staff from the Beacon Council to discuss business retention, expansion and attraction and future partnership opportunities. The Miami-Dade Beacon Council's mission is to support new job generating investments through assisting local business expansion and marketing Miami as an opportunity for growth to recruit new business to our community.
- Miami-Dade Beacon Council's targeted business visitations to eight Miami Beach companies to discuss their local business needs and our support for Starwood Capital's expansion in the City of Miami Beach. This support included securing the County Targeted Jobs Incentive Fund (TJIF) and the State Qualified Targeted Industry (QTI) tax rebates for new jobs creation that included retaining 240 existing employees and creating 53 new jobs and investing over \$31MM in new a Miami Beach facility.

Objective 2: Develop a Retail Strategy

- Collaborate with retail professionals, economic development organizations, development community and other community stakeholders to develop a retail strategy that may include retail market demand, sales trends, niches, concepts and offerings, and future growth potential;
- Develop and implement a proactive marketing and outreach campaign to targeted retailers both locally and nationally we want to see in Miami Beach.

Year-to-date the department has performed the following:

- The strategy will be developed in the economic development strategic plan.
- Staff continues to meet with several retail prospects regarding opportunities in Miami Beach.

Objective 3: Develop an Incentive Policy

- Evaluate current local and state incentives to leverage their use to attract companies and expand business in Miami Beach;
- Collaborate with a leading site selection consultants to identify best-in-class and creative incentive policies that are being used by other regions in the U.S.;
- Design incentive tools around key industry clusters.

Year-to-date the department has performed the following:

- The department will work on this policy when we commence the economic development strategic plan process.

5. Small Business Advocacy

Create an ecosystem to help entrepreneurs and small business thrive by collaborating, leveraging and connecting public, private and non-profit sector resources and programs.

Objective 1: Develop strategic partnerships, programs and initiatives to assist entrepreneurs and small businesses in Miami Beach. Partner with FIU-Small Business Development Center (SBDC) and WeWork to hold a series of small business workshops around the greatest challenges facing small business.

Year-to-date highlights and activities include the following:

- The economic development department partnered with WeWork and the Florida SBDC at FIU to host three capacity building workshops that included Navigating City Services, Storytelling and Branding and Small Business Disaster Preparedness with over 80 businesses and organizations attending.
- The SBDC also provided 34 Miami Beach business owners with a total of 286 consulting hours from January 1st to September 4, 2019. In total for 2018/2019, Miami Beach businesses reported to SBDC at FIU that the center assisted with three business launches; 100 jobs created/retained; \$5.4 million in capital accessed; \$2 million in increased revenue and \$20.4 million in government contracts accessed.
- Miami Beach business owner and SBDC at FIU client Cheeseburger Baby was recognized by the U.S. Small Business Administration (SBA) as the winner of 2019 Phoenix Award for Small Business Disaster Recovery. The award, presented in May in Washington, D.C., was given to owner Stephanie Vitori for the company's successful recovery efforts from Hurricane Irma. The Miami Beach Commission recognized Cheeseburger Baby at its May 22, 2019 meeting.
- On May 6, the Mayor and Commission held a small business town hall meeting at the city hall that was moderated by Commissioner Ricky Arriola with more than 50 business members in attendance. The purpose of this meeting was to gather feedback and foster a mutual understanding on how can develop stronger working relationships with the business community going forward.

- The top issues from the meeting were business tax receipt (BTR) process, permitting and licensing predictability and timing and navigating city processes.
- From this meeting, the city has updated BTR process, created a business start- up guide and established a development review committee to ensure a more in- depth review of the development application during the planning process.
- The next small business town meeting will be scheduled in October in North Beach.

Objective 2: Increase the city’s entrepreneurial activity by enhancing the availability of capital and better informing business owners on where and how to access capital resources. Outcome goals include the following:

- Identify capital resources and create a capital matrix, publish and distribute to small business owners and entrepreneurs.

Year-to-date the department has performed the following:

- The department will work on developing this matrix when we start the economic development strategic plan process.

6. Business Assistance, Data Resources, and Market Research

Objective: Redefine department performance measurements, update economic data, and provide concierge services to business.

Year-to-date highlights and activities include the following:

Business Tax Receipt and Certificate of Use Update

- On July 31, 2018 the City Manager issued a memo to Department Directors related to customer complaints regarding the complexity of the City’s Business Tax Receipt (BTR) process and the impact it’s had on businesses. In order to provide customers with clear steps, expectations and a thorough explanation of their requirements for operating with the city, the point of application is being bifurcated. By separating the review of the BTR, which will be reviewed by the Finance staff in the Customer Service Center, and Certificate of Use (CU), to be reviewed by the Planning Department; businesses can navigate the process with greater ease.

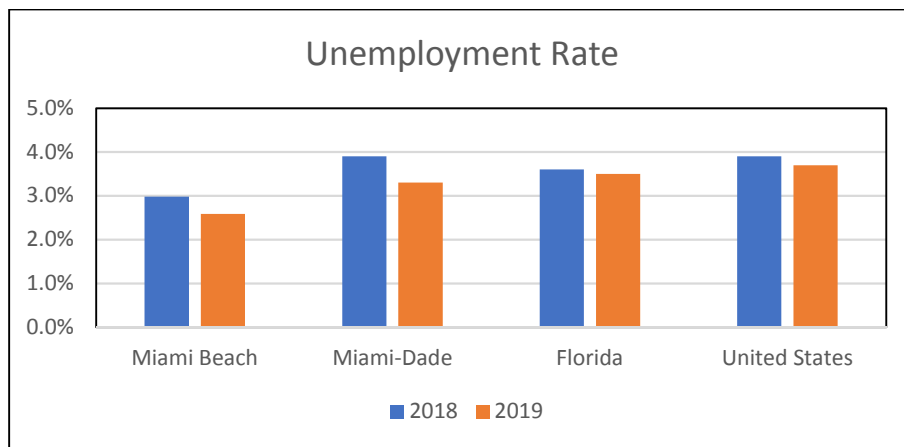
Through community outreach and coordination with the Communications Department, applicants will be provided with clear direction and information on how to first obtain a CU (not a BTR) prior to applying for a BTR. Upon the issuance of a CU, the customer must register their business by obtaining a BTR. A BTR for a commercial establishment cannot be obtained until a CU is issued. Customers will pay for and supply all necessary documents to obtain a BTR through the Customer Service Department; where it can be issued promptly. Staff is finalizing the bifurcation process and creating the ability to apply online for both the CU and BTR, minimizing customers having to physically navigate between two departments. This new streamlined process will be launched by the end of 2019.

Customer Service Center Enhancements

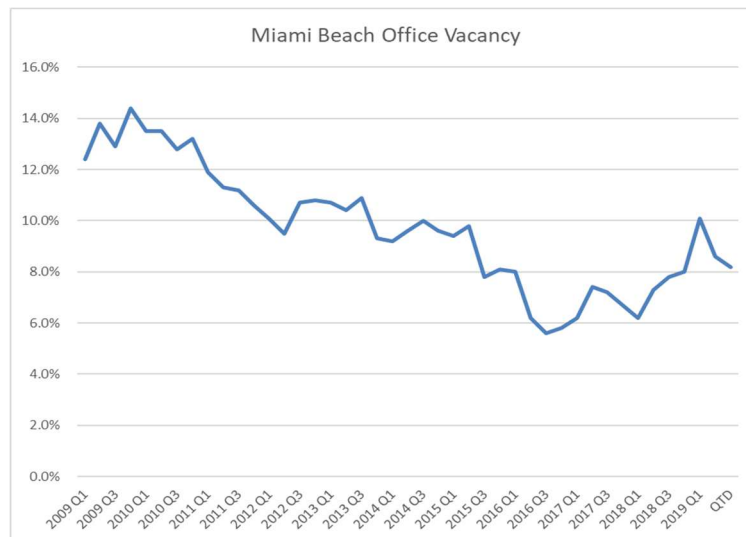
- On September 17, 2019 an LTC was sent to the City Commission with update on several customer service center (CSC) enhancements. The CSC is a “one stop shop” for a myriad of citywide customer service-related services including utility accounts, business tax receipts, resort tax, parking permits, passports, various permits, and cashiering. The enhancements include a new utility bill, average wait times and express lanes to facilitate faster turnaround times for simple transactions, a new initiative that allows customers to schedule appointments via the city’s website, greeter stations, call-in and mobile app (pending), and other enhancements to make it easier to navigate city processes.

Economic Update

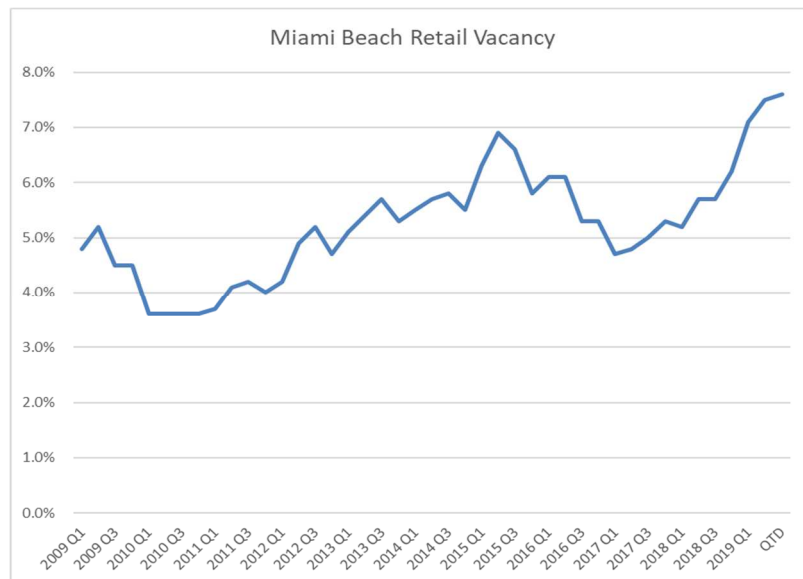
- Updating economic data with city consultant. Next step is to post data and information on website by November 30, 2019 and create an annual economic update by March 1, 2020.
- **Miami Beach by the Numbers:**
 - Population: 92,136
 - Median Income: \$53,754
 - Median Age: 42.6
 - Local Jobs: 65,629
 - Resident Workers: 58,300
- **The unemployment rate** is 2.6 percent through the second quarter of 2019 was 0.4 percentage points lower than the previous year's level and 1.1 percentage points lower than the national average, 0.9 lower than the State of Florida and 0.7 lower than Miami-Dade County.



- **The Miami Beach office market** has approximately 3.8 million square feet (SF) of space. The office vacancy rate is 7.7 percent compared to 9 percent for the Miami-Dade County. Rent per SF is \$43.61 and sales per SF is \$360. In the fourth quarter 2018, Starwood Capital announced plans to build a new 135,000 SF Class A headquarters office building at 2340 Collins Avenue. Starwood is currently located at 1601 Washington Avenue. Staff is working with the Newmark Knight Frank and the Beacon Council to start marketing this 110,946 SF office space nationally and take advantage of the strength of Greater Miami as a strong office location. Coworking provider Spaces has signed an office lease on Lincoln Road, the company's fifth location in South Florida. Spaces is expected to take occupancy this fall of 51,064 square feet at 1111 Lincoln, a 146,287-square-foot building known for an architecturally unique parking garage designed by Herzog & de Meuron.



- **The Miami Beach retail market** has approximately 7.2 million SF of space, representing 2.8 percent of retail space in Miami-Dade County. The retail market vacancy rate was 7.4 percent during the second quarter of 2019, compared to 5.7 percent a year earlier. Vacancy rates can fluctuate, and 7.4 percent is still a healthy rate and recent vacancies are expected to be absorbed in the near future. Rent is \$83.56 per SF and sale per SF is \$803. The Miami Beach vacancy rate was 2.3 percentage points lower than the Miami-Dade vacancy rate during the period. Miami Beach welcomed several new retailers including Trader Joe's, Target, Timeout Market, Papi Steak, Brandy Melville, Casper (clicks to bricks), The Dog Bar, Paul Gruner, Bob's Your Uncle, La Sandwicherie, and Pele Soccer (Pop Up) to the community.



- **The Miami Beach industrial market** has approximately 84,500 SF of space. The industrial vacancy rate is 0.0 percent compared to 9 percent for the Miami-Dade County. Rent per SF is \$34.77.
- **The Miami Beach multi-family rental market** has 16,334 units with 734 under construction. The vacancy rate of 4.0 percent through the second quarter of 2019, which was 0.3 percentage points below the second quarter of 2018 level (4.3 percent). The Miami Dade vacancy rate fell 0.6 percentage points between the second quarter of 2018 to 5.8 percent.

Market rents average \$1,454 citywide, \$1,603 in South Beach, \$1,146 in Mid-Beach and \$1,181 in North Beach. Average sales price per unit is \$200,000.

- According to the Greater Miami Beach Convention and Visitors Bureau, Miami Beach recorded an average occupancy rate of 81.6 percent through June 2019. This rate was 1.4 percentage points higher than the prior year's occupancy rate. The average daily room rate for Miami Beach was \$295.81 per night, a 0.2 percent increase from the previous year. The average occupancy rate in Miami-Dade County was 79.8 percent, and the average daily room rate of \$218.26. Miami Beach has 179 hotel properties with 19,766 rooms and Miami-Dade has 458 hotel properties and 57,974 rooms. The historic Cardozo Hotel reopened in May after \$15M renovation with 41 guest room and a new restaurant BiCE Cucina. The Lennox Hotel Miami Beach (formerly Peter Miller Hotel) opened after a \$71M renovation containing 119 guest rooms with a signature restaurant. Fashion designer Tommy Hilfiger and a Turkish conglomerate sold the historic Raleigh Hotel on Miami Beach for \$103 million.
- Through July of 2019, the total resort tax collections for FY 2018/19 were \$76,753,500 an increase of 3.3 percent or \$2,466,013 from 2018. Additionally, through July 2019 48.1 percent of all Convention Development Tax collections in Miami-Dade County were generated in Miami Beach.
- According to ESRI, a market research firm, retail sales in Miami Beach in 2018 were \$1.4 billion, 3.5 percent of Miami-Dade retail sales (\$40.2 billion)

7. Promote the City of Miami Beach

Develop a robust communication and marketing campaign to communicate with existing businesses and recruit new business and industry to Miami Beach. Over the next six months, staff will focus on the following:

- Develop a powerful pitch deck presentation that identifies key statistical and demographic information, industry clusters, tax analysis, incentives and strategic advantages of Miami Beach
- Become an active partner with the following economic development organizations:
 - **Site Selection Guild** – an association of the world's foremost professional site selection consultants. Guild members provide location strategy to corporations across the globe and for every industry, sector, and function.
 - **International Economic Development Council (IEDC)** – a non-profit membership organization serving economic developers. IEDC is the largest organization of its kind. Economic developers promote economic well-being and quality of life for their communities, by creating, retaining and expanding jobs that facilitate growth, enhance wealth and provide a stable tax base.
 - **The International Downtown Association (IDA)** – is a world leader and champion for vital and livable urban centers that connects diverse practitioners who transform cities into healthy and vibrant urban places. become an active partner with local and national economic development and real estate industry events.
 - **International Council of Shopping Center (ICSC)** – the mission of ICSC is to ensure the retail real estate industry is broadly recognized for the integral role it plays in the social, civic and economic vibrancy of communities across the globe.
 - **Shopping Center Business Entertainment, Experience and Evolution Conference (EEE)** - Developers, restaurateurs, entertainment venues and mixed-use properties are creating a new environment for today's consumer. EEE gives you knowledge from futurists, developers, retail, dining and entertainment executives who are leading the way to change for the industry.

- **Urban Land Institute (ULI):** A multidisciplinary real estate forum, ULI facilitates an open exchange of ideas, information, and experience among industry leaders and policy makers dedicated to creating better places.
- Identify and develop an outreach strategy to grow and bring key industries to Miami Beach that may include hospitality, arts and culture, finance, health and wellness, real estate, professional and business services, IT-software, and bioscience sectors, etc.
- Continue to update and improve the economic development website.

Year-to-date the department has performed the following:

- The department will work continue to work on this focus area and build on it through forthcoming economic development strategic plan process.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: October 25, 2019

SUBJECT: **DISCUSSION REGARDING SPONSORSHIP OF THE AMERICAN BLACK FILM FESTIVAL**

Is this a Resident Right to Know item?

No

Does this item utilize G.O. Bond Funds?

No

ATTACHMENTS:

Description

□ Commission Referral C4 E

Type

Memo

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Vice-Mayor Ricky Arriola
DATE: September 11, 2019
SUBJECT: REFERRAL TO THE FINANCE AND CITYWIDE PROJECTS COMMITTEE
TO DISCUSS SPONSORSHIP OF THE AMERICAN BLACK FILM
FESTIVAL.

ANALYSIS

The American Black Film Festival (ABFF) is an annual five-day event dedicated to empowering black artists and showcasing quality film and television content by and about people of African descent. Committed to the belief that diverse artists deserve the same opportunities as their mainstream counterparts, ABFF founder Jeff Friday conceived the festival in 1997 as a vehicle to strengthen the black filmmaking community by encouraging resource sharing, education and artistic collaboration. ABFF has called Miami Beach home for over two decades.

ABFF has grown in popularity, and as a result, its costs have too. ABFF is asking the City of Miami Beach to support it by becoming an official sponsor. ABFF will produce and market the festival for 2020-2022, promote partner hotels, and offer community Wallcasts in Soundscape Park for a \$250,000 annual cash sponsorship from 2020-2022. Additional details of the proposal can be found in the attachments.

I ask the Finance and Citywide Projects Committee to consider ABFF's proposal.

Applicable Area

Citywide

Is this a Resident Right to Know item?

Yes

Does this item utilize G.O. Bond Funds?

No

Legislative Tracking

Vice-Mayor Ricky Arriola

ATTACHMENTS:

Description

- ▢ ABFF Overview
- ▢ ABFF Marketing Report
- ▢ ABFF Sponsorship Proposal



ABFF OVERVIEW

TABLE OF CONTENTS

3	The Spirit of ABFF
4	About ABFF
5	Programming Initiatives
6	ABFF TalentWorks®
7	A Proven Talent Platform
8	Our Audience
9	Marketing
10	Press & Media
11	Top Tier Partnerships
12	2019 Festival Snapshot
13-14	Festival Venues
15	Festival Activities
16	Broadcast Events
17	Sponsored Screenings
18	Independent Film Screenings
19	Talk Events
20	Hospitality Events
21-22	Partner Activations & Attractions
23	Our Team

THE SPIRIT OF ABFF

"At the heart of the American Black Film Festival (ABFF) organization is our commitment to community – a community of artists, industry executives and film and TV lovers, we gather to elevate one another and be inspired."

- Jeff Friday, ABFF Founder & CEO



ABOUT ABFF

The American Black Film Festival (ABFF) is an annual five-day event dedicated to empowering black artists and showcasing quality film and television content by and about people of African descent. Committed to the belief that diverse artists deserve the same opportunities as their mainstream counterparts, ABFF founder Jeff Friday conceived the festival in 1997 as a vehicle to strengthen the black filmmaking community by encouraging resource sharing, education and artistic collaboration. He ultimately envisioned it as a cornerstone of diversity in Hollywood.

For more than two decades the festival has been a platform for emerging black artists — premiering the early work and showcased the talent of many of today's most successful actors, producers, writers, directors and stand-up comedians — including Halle Berry (*Monsters Ball*), Ryan Coogler (*Black Panther*), Anthony Anderson (*Black-ish*), Will Packer (*Girls Trip*), Issa Rae (*Insecure*), Kevin Hart (*Night School*), Kerry Washington (*Scandal*), Omari Hardwick (*Power*) and Steven Caple Jr. (*Creed II*). ABFF is the pre-eminent pipeline for black artists in front of and behind the camera, and has significantly expanded the range of talent working in Hollywood.

As “the nation's largest gathering of black film and television enthusiasts” the festival attracts a broad audience of A-list talent, emerging artists, upscale consumers and industry stakeholders. Approximately 9,000 people travel to Miami Beach for the June event. The festival opens with the premiere of an upcoming Hollywood release followed by independent film screenings, master classes, panels, celebrity talks, live entertainment, and a variety of networking and hospitality events.

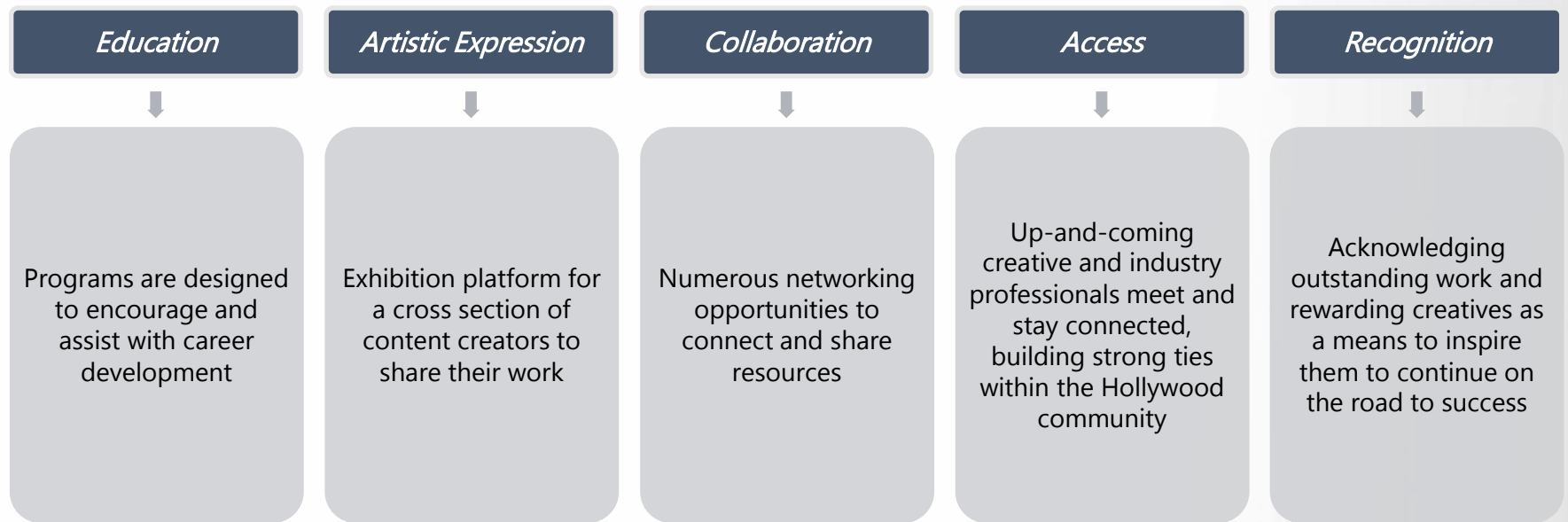
The ABFF's dynamic programming continues to evolve. In recent years, it has extended beyond the inclusion of television-related content to launch the Business of Entertainment seminar series co-programmed with leading media and technology companies.

In 2017, the ABFF launched its Greenlighters Academy, an annual pipeline program for students attending Historically Black Colleges and Universities with an interest in pursuing corporate careers in film, television and entertainment media. The 2019 festival will introduce *About Women*, a global initiative focused on empowering and inspiring women of color in the film and television industry. ABFF will also unveil a new section showcasing films based on cause-related topics impacting communities of color.

The American Black Film Festival is a property of ABFF Ventures LLC (ABFFV), a multifaceted entertainment company specializing in the production of live events, television and film focused on African American culture. Headquartered in Los Angeles, the company is a joint venture of Film Life Inc. and Black Enterprise, two prominent media and event companies, each with legacies of showcasing the best of African American culture and achievement.

The 23rd annual American Black Film Festival will be held in Miami Beach June 12–16, 2019.

PROGRAMMING INITIATIVES



ABFF Talentworks® is a unit within the American Black Film that produces talent pipeline programs to introduce diverse artists to the industry at large and provides marketing outreach services to organizations with existing talent inclusion initiatives.

These partners recognize the value of ABFF's unparalleled access to emerging black talent. They engage us to produce pipeline programs (contests, competitions, showcases, labs, etc.) and promote their initiatives, steering diverse talent to their organizations. Through these efforts, many of the industry's most successful producers, writers, directors, actors and stand-up comedians have been discovered. The festival's partner roster includes HBO, Comcast NBCUniversal, truTV, Kevin Hart's LOL Network, Amazon Video Direct, Lightbox, TVONE, BET and Xfinity's Streampix.

Our collection of recent talent pipeline programs include:

1. *ABFF Comedy Wings Competition: Identifies emerging stand-up comics; presented in association with HBO*
2. *ABFF Turner TV Writing Contest: Discovers quality diverse writers for television*
3. *ABFF Lightbox Documentary Features Initiative: Identifies non-fiction storytellers with compelling projects which be produced in partnership with academy award-winning production company, Lightbox.*
4. *ABFF Laugh Out Loud Filmmaker Fellowship: Seeks creative script ideas for content development on Kevin Hart's Laugh Out Loud (LOL) Network*
5. *ABFF truTV Comedy Writers Competition: Designed to find comedy writers with a distinct POV*
6. *TV One Narrative Screenplay Competition: Feature-length screenplays are submitted for an opportunity to be produced for network television*
7. *BET ColorCreative Script to Screen Contest: Talented episodic television writers compete to have their idea developed into a pilot ready script.*
8. *NBCUniversal Hosting Workshop: A competitive workshop to cultivate on-camera host talent for news- and entertainment-formatted shows*
9. *ABFF Star Project: A search for undiscovered talented actors on the verge of stardom*

A PROVEN TALENT PLATFORM

The ABFF began as the Acapulco Black Film Festival. John Singleton, Morgan Freeman, Robert Townsend in attendance; Halle Berry Received the Rising Star Award



1999

Kerry Washington attends the festival to promote her first leading role in the feature film *LIFT*; Anthony Anderson (*Black-ish*) receives the Rising Star Award



2006

Ryan Coogler wins the short film competition. He goes on to write and direct highly-acclaimed films, *Fruitvale Station* and *Creed* as well as the blockbuster hit *Black Panther*



2016

1997



Will Packer screens his first feature film, *TROIS*, and wins the Audience Award

2001



Kevin Hart performs in the ABFF Comedy Showcase

2011



ABFF Honors has its inaugural television broadcast. The festival celebrates its 20th anniversary in Miami Beach with 10,000 attendees and a premier screening of *Insecure*, Issa's Rae debut series

OUR AUDIENCE



Gender	Age	Income	Ethnicity	Top Markets	Education
Female – 61%	18-25 – 8%	Under \$25K – 9%	81% Black / AA	NY/NJ – 26%	Post-Graduate Degree – 34%
Male – 39%	26-34 – 36%	\$26K-\$49.9K – 23%	5% Hispanic	MD/DC – 16%	Bachelor Degree – 43%
	35-44 – 32%	\$50K-\$74.9K – 19%	6% White / Caucasian	GA – 16%	Associate Degree – 5%
	45-54 – 17%	\$75K-\$99.9K – 22%	3% Native American	CA – 11%	Some College – 10%
	55+ – 7%	\$100K-\$199.9K – 18%	1% Asian	IL – 8%	High School – 7%
		\$200K + – 9%	4% Other	TX – 8%	
				NC – 4%	
				Other States – 8%	
				Outside US – 3%	

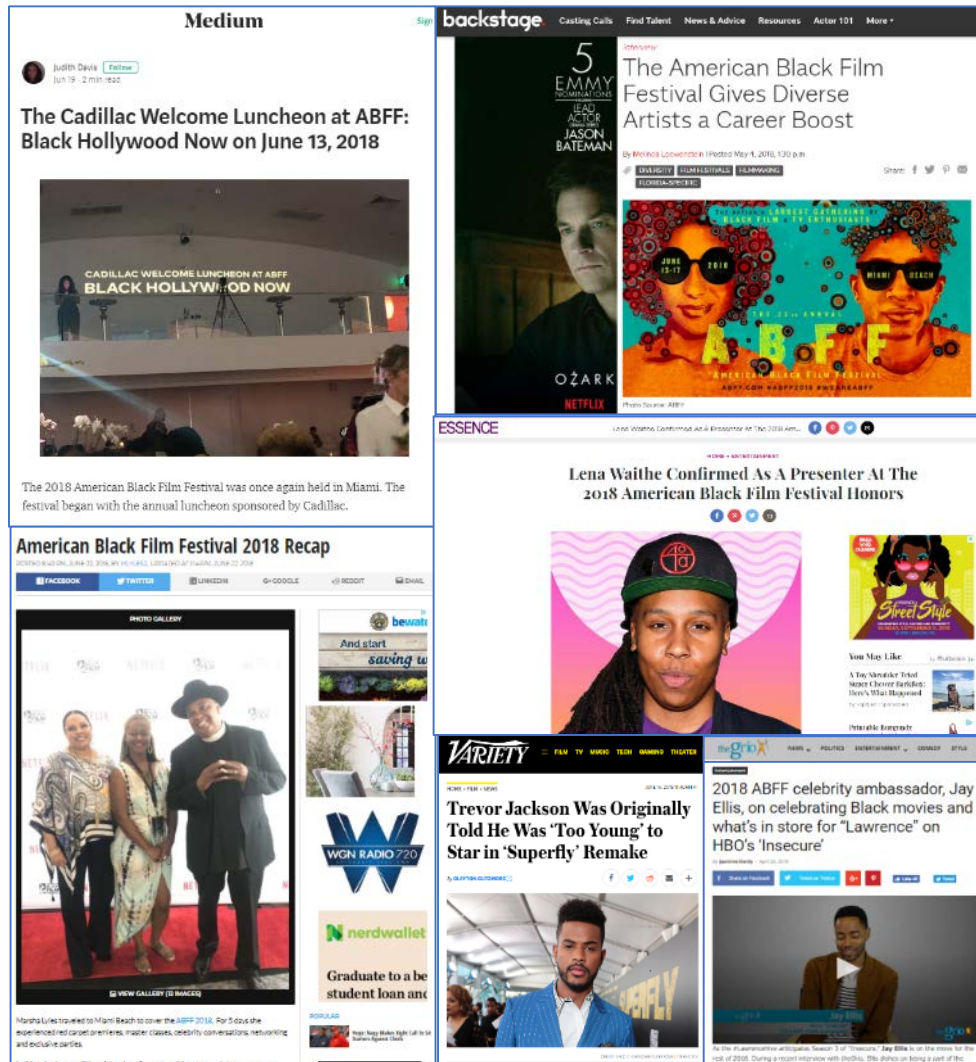
MARKETING

Each year the ABFF executes a 10-month marketing campaign comprised of national and local advertising. Its inclusive of television commercials, digital and radio advertising and promotions, social media, print ads and email marketing. Through strategic partnerships with networks, magazines, internet outlets, professional and industry organizations, our marketing efforts are amplified throughout the year.

In 2018 ABFF reached an estimate of 43 million impressions.



PRESS & MEDIA



Each year the festival has a six-month press campaign targeted to African American consumer and entertainment trade media.

The 2018 ABFF garnered an access of 6 billion media impressions through print, electronic, broadcast, and digital press coverage.

Among the outlets that have prominently covered the event are: *The New York Times*, *Los Angeles Times*, *Deadline*, *Billboard*, *Inc.*, *CNN*, *People*, *Essence*, *Variety*, *Black Enterprise*, *theGrio.com*, *The Hollywood Reporter*, *Huffington Post*, *Tom Joyner Morning Show*, and *USA Today*, to name a few.

More than **80 media outlets** covered the 2018 ABFF, highlighted by NBC Nightly News with Lester Holt:

<https://www.nbcnews.com/nightly-news/video/film-festival-supports-black-storytellers-as-they-try-to-transform-Hollywood>.

TOP TIER PARTNERSHIPS

Partners are essential to the continued success of the American Black Film Festival, standing side-by-side with us in support of diversity and inclusion in Hollywood. HBO, now in its 22nd consecutive year as a partner, is the ABFF's Founding Sponsor.

Leading consumer brands, entertainment and technology companies have leveraged the partnership to promote their products, services and multicultural initiatives to our coveted upscale, hyper-connected African American audience.

ABFF delivers:

- *Access to a captive audience of influential culture drivers*
- *Potential to stimulate sales and build brand affinity*
- *Opportunity to entertain valuable clients*
- *Relationship-building with the entertainment industry and creative community*
- *Ability to showcase "good corporate citizenship" through our well-known mission and values*



2019 FESTIVAL SNAPSHOT

Dates: June 12 – 16, 2019

Location: Miami Beach, FL

Key Venues: Loews Miami Beach Hotel, New World Center and Regal Cinemas

Host Hotels: Loews Miami Beach Hotel and W South Beach Hotel

Committed Partners to Date: HBO, Greater Miami Convention & Visitors Bureau, and Turner

2019 Marketing Launch: September 10, 2018



2019 Creative Artwork – Print Announcement

FESTIVAL VENUES

NEW WORLD CENTER

Hosts ABFF Broadcast Events, Spotlight Screenings, and select hospitality and custom events.



FESTIVAL VENUES (cont.)

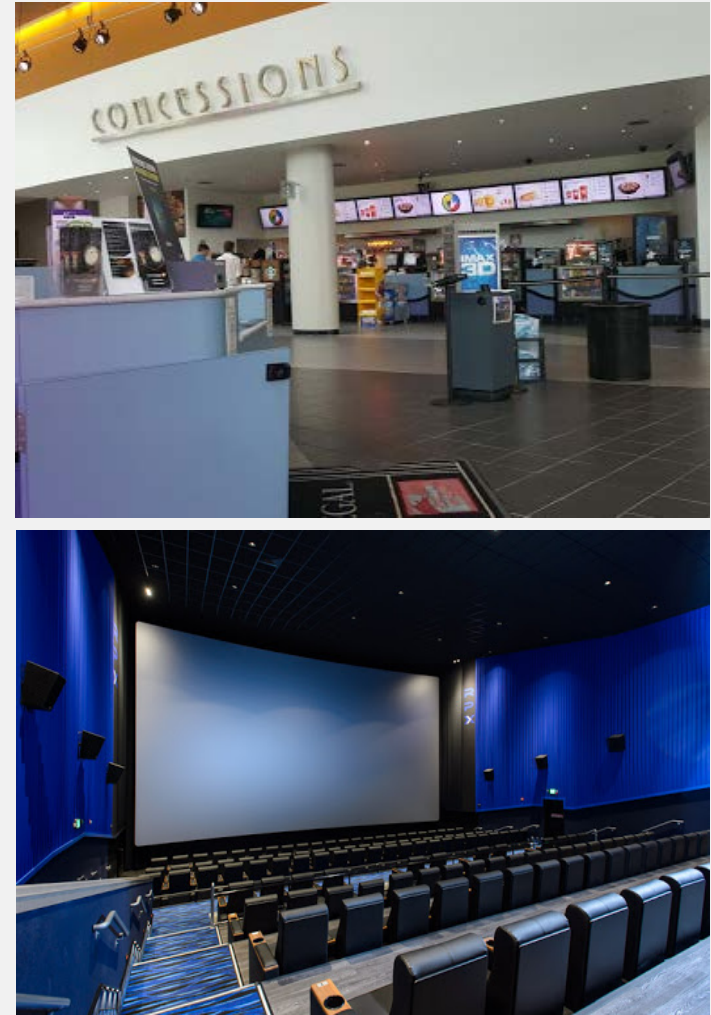
LOEWS MIAMI BEACH HOTEL

Hosts Registration Center, Talk Events, Lounges, Industry Expo, and Media Room



REGAL SOUTH BEACH STADIUM 18

Hosts Independent and Partner Screenings



FESTIVAL ACTIVITIES

The ABFF offers a wide range of industry-focused programs and consumer-facing events including:

1. *Broadcast Events*
2. *Sponsored Screenings*
3. *Independent Film Screenings*
4. *Talk Events*
5. *Hospitality Events*
6. *Partner Activations & Attractions*



BROADCAST EVENTS

The 2019 ABFF will broadcast select consumer events, with the goal expanding to a global audience. The following events will be recorded and broadcast post-festival on ABFF's social platform.

1. **Best of the ABFF Awards** - The festival culminates with the "Best of the ABFF" awards presentation, where awards are presented to winners of the film competitions.
2. **ABFF Comedy Wings Finals** – A culmination event for a national comedy competition where five finalists compete for the title of "ABFF Comedy Wings Winner."
3. **ABOUT WOMEN Panel** – A new global initiative focused on empowering and inspiring women of color in the film and television industry. The mission is to ensure that the voices of multicultural women in Hollywood are heard and their perspectives considered. It will also offer insight and define clear pathways to success for aspiring female artists and executives. ABOUT WOMEN will launch with a panel discussion at the 2019 ABFF and expand into a conference scheduled for 2020 in Los Angeles, CA.



SPONSORED SCREENINGS

The festival showcases a variety of content throughout the week, as well as partner with film studios, television networks and production companies to promote upcoming releases.

1. **Opening Night Film** – A premiere of an upcoming release, courtesy of a major motion picture studio in association with the MPAA.
2. **Spotlight Screenings** – Film studios and television networks present advance screenings of their show and films. Includes talent appearances, branded photos and onstage speaking opportunities.
3. **Partner Screenings** – Special screenings of film and television content, courtesy of independent production companies and digital studios.



INDEPENDENT FILM SCREENINGS

Competitive Screenings

1. **Narrative Features Competition:** A competitive section for feature-length films directed by or written and produced by persons of African descent. Participants compete for several jury and audience awards.
2. **Documentary Features Competition:** A competitive section for nonfiction feature films directed by persons of African descent. Participants compete for the Jury Award for Best Documentary Film.
3. **HBO® Short Film Competition:** A competitive section for narrative shorts directed by or produced and written by persons of African descent. Now in its 22nd year, the HBO Short Film Competition is regarded as one of the most prestigious short film showcases in the country. Five filmmakers are selected as finalists and receive an all-expenses-paid trip to the festival and the opportunity to compete for the coveted HBO Short Film Award.
4. **Web Series:** A competitive section for short form episodic television series. Participants compete for the Jury Award for Best Web Series.

Showcase Sections

1. **Narratives Showcase:** A non-competitive section for narrative feature films made by persons of African descent or depicting a multicultural experience.
2. **World Showcase:** A non-competitive section that showcases short films, documentaries, music videos and other content of talented directors of African descent.
3. **Social Impact Screenings:** A non-competitive section showcasing films based on cause-related topics impacting communities of color. These films provide perspectives that are different from mainstream media portrayals, thereby positively affecting society's view of the subject. The 2019 Social Impact Screenings topic will be *Fatherhood: The Foundation of the Black Family*.

TALK EVENTS

1. **Panels & Conversations** – On-stage discussions with industry experts and influencers covering a wide range of topics related to entertainment, media and technology.
2. **Business of Entertainment Seminars** – Industry-focused sessions co-programmed with leading media, entertainment and technology companies curated to provide information to build career development strategies.
3. **Master Classes** – Intensive two-hour workshops focused on various disciplines related to the film and television industry.
4. **Table Read** – An onstage presentation of a scene from a selected script is acted out before the festival audience.



HOSPITALITY EVENTS

1. **Opening Night Welcome Reception** – A reception following the Opening Night Film event, the first festival-wide social event kicking off the week.
2. **ABFF Closing Night Celebration, Game Night Themed** - A fun-filled night where festival attendees can connect and socialize, while enjoying some friendly competition. With a combination of board, casino, and card games, as well as interactive games, dancing and an engaging host, there will be something for everyone to enjoy.
3. **Filmmaker Reception** – An opportunity to host the official filmmakers of the festival.
4. **The Legendary White Party** – A highly anticipated annual themed party that attracts both the celebrity and general attendees.
5. **29 Below Mixer** – A happy hour networking event for participants in the festival's "29 Below" program, an incentive program offering millennials early in their careers the opportunity to experience the festival.
6. **Private Events** – Sanctioned hospitality events offering companies the opportunities to connect with specific audience within the festival.



PARTNER ACTIVATIONS & ATTRACTIONS

ABFF offers companies the opportunity to customize their onsite experience, including auto displays, interactive murals, and other dedicated events to showcase their brands.

New to the 2019 festival is a branded “ABFF House.” The **“ABFF House”** is a multi-day experience for companies to customize a variety of engaging activities throughout the festival to connect with the audience and showcase its brand.

Other activations and attractions include:

Ride With Cadillac – A complementary shuttle service offering rides to ABFF passholders to/from key festival venues.

Cocktails & Conversations – Company-hosted events offering cocktail hours paired with curated talks and meet & greets.



THE BETSY: ABFF House



PARTNER ACTIVATIONS & ATTRACTIONS (cont.)

ABFF Industry Expo – Exhibit area where ABFF partners share information about their companies' products, services and recruitment initiatives. Participating companies host a dedicated 3-hour time slot to create engaging experiences for the festival audience.

Passholder Lounge – A networking lounge where festival passholders have a chance to connect with fellow attendees. The lounge also features daily meet and greets with the official filmmakers of the festival as well as happy hours.

Custom Lounges – Dedicated lounges offer the opportunity to customize an engaging experience for the audience. Past lounges have hosted a variety of activities such as featured celebrity meet & greets, technology suites, and cocktail hours.



ABFF VENTURES TEAM

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Call 323-371-2055
Visit www.abff.com

2019 Marketing Recap

— 23RD ANNUAL —



**AMERICAN
BLACK MIAMI
FILM BEACH
FESTIVAL®** JUNE 12-16, 2019

THE NATION'S LARGEST GATHERING OF BLACK FILM & TV ENTHUSIASTS

Table of Contents

Outdoor	3
Social Media	4-8
a) Performance	
b) Social Media Ambassadors	
c) Instagram Takeover	
d) Live Streaming	
E-blasts	9
Radio Advertising	10
Theatrical Advertising	11
Print Advertising	12-13
Direct Mail	14
Digital Advertising	15-16
Grassroots Marketing	17-18
a) Street Team	
b) Concierge Cards	
Summary	19
Thank You	20

Outdoor



Page 131 of 170

Estimated impressions:

1,817,044

Market:

Los Angeles

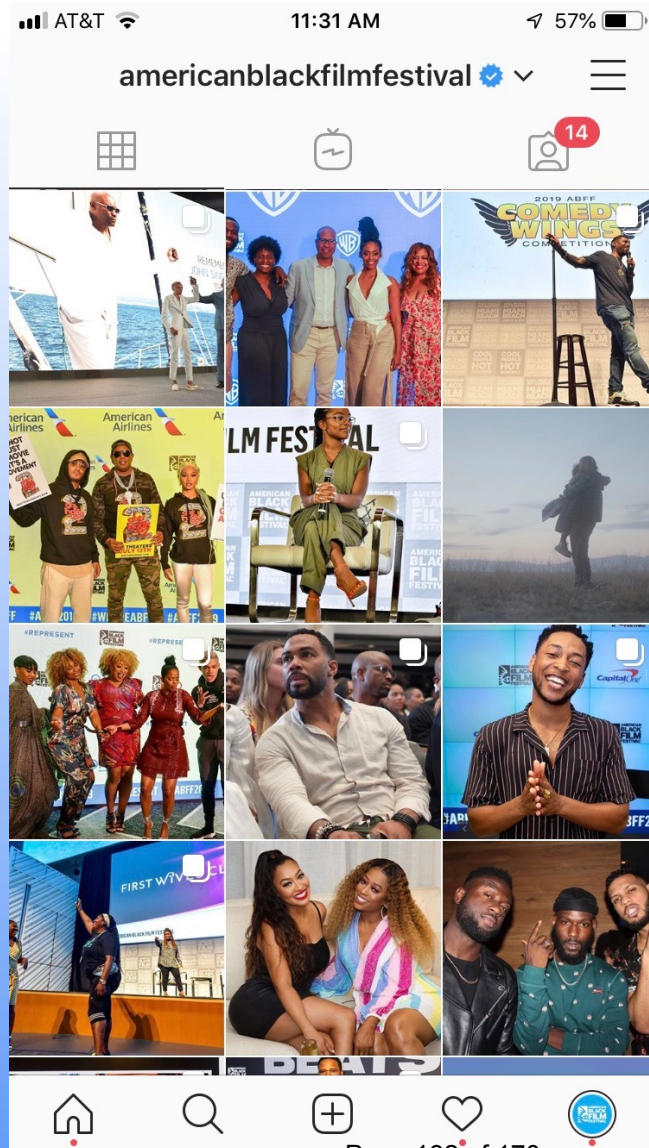
Timing:

Jan- Feb

Campaign Overview:

Ads were placed in seven key locations in Los Angeles county targeting affluent African Americans (Ladera Heights), Industry insiders (Study City), and trendsetters in the millennial + gen X generations (Hollywood; Beverly Hills).

Social Media



Number of followers: 284,300
(Instagram, Twitter, & Facebook)

Estimated Monthly Impressions: 3.5 million
(Instagram, Twitter, & Facebook)

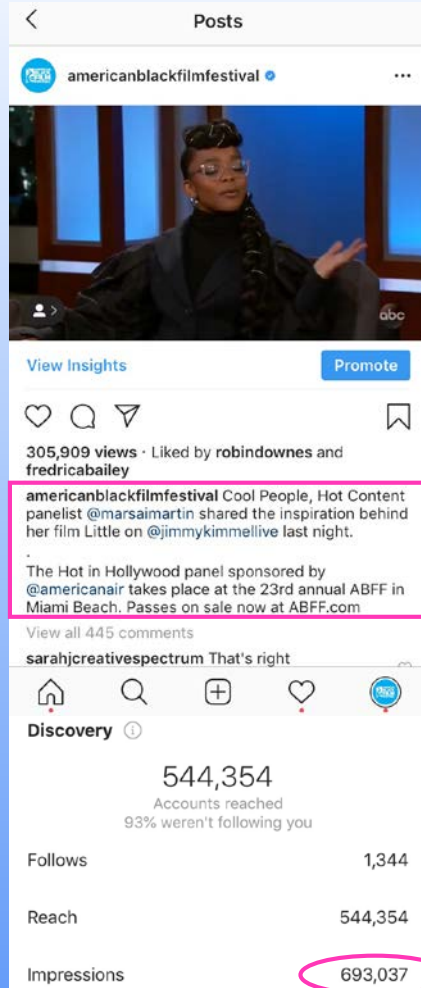
Markets: US, UK, Nigeria

Timing: Nov- July

Campaign Overview:
ABFF regularly posts content across its social media platforms and integrate our sponsors where possible.

Performance

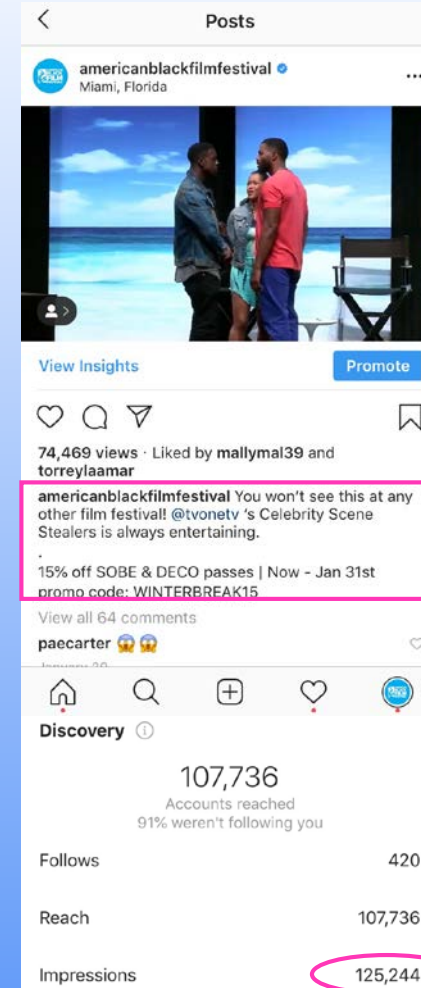
Sharing talent appearances to promote panels.



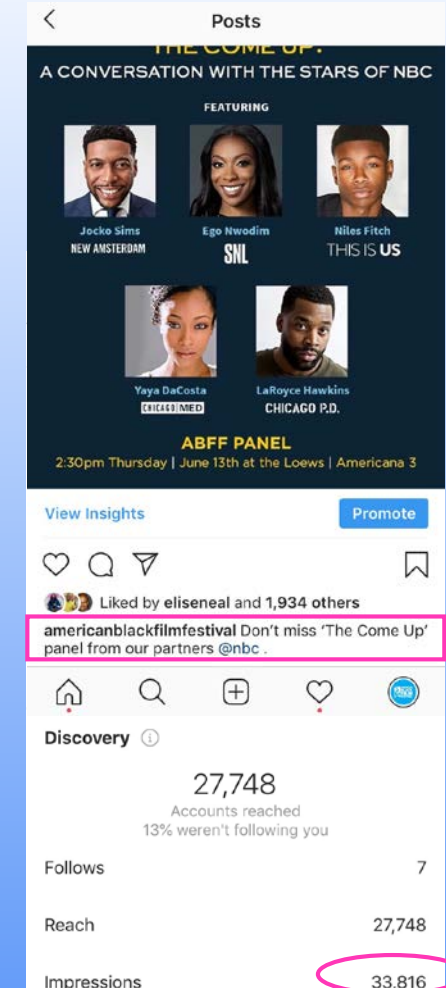
Leveraging current events to reach new audiences.



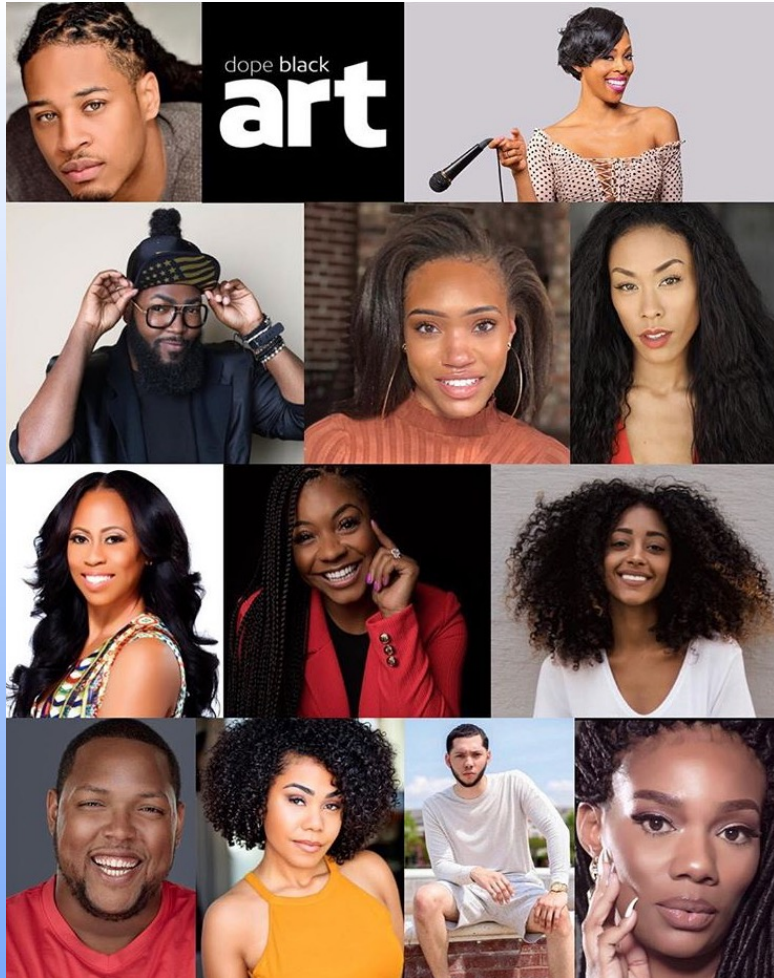
Utilizing past panels to promote upcoming panels.



Socializing sponsor-provided memes.



Social Media Ambassadors



Combined Instagram Followers: 2,211,400

Market: Worldwide

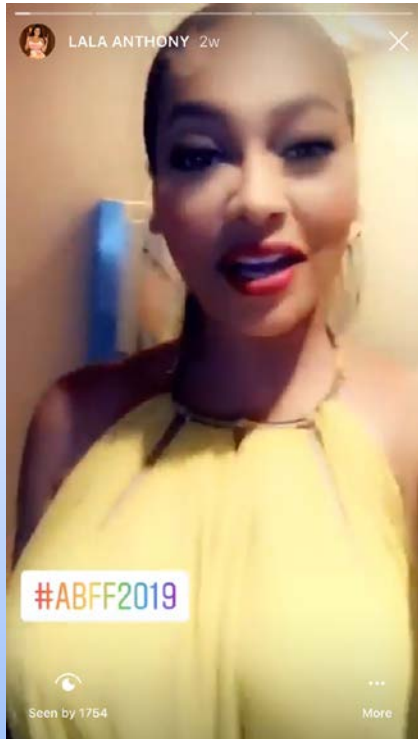
Timing: Jan- Mar

Campaign Overview:

Thirteen social media influencers whose platforms cover various niches including film, entertainment, lifestyle, comedy, and travel were enlisted to serve as our 2019 Social Media Ambassadors. The goal of the campaign was to organically engage new audiences throughout the US and in UK.

Instagram Takeover

LaLa Anthony



Meagan Good



Jacob Latimore



Combined Instagram audience:

14.5 million

Total posts:

36

Markets:

Worldwide

Timing:

June 12-14

Campaign Overview:

Three celebrity influencers hosted an Instagram Takeover on Wednesday, Thursday, and Friday of the festival. Each celebrity posted first on their own platforms to urge their audience to follow their ABFF experience by viewing the Instagram stories @americanblackfilmfestival. They then made several posts on ABFF's platform in their own voice to create an authentic experience for viewers.

Live Streaming

V. Bozeman at the Dream In Black 29 Below Mixer



Potential audience:

182,000

Market:

Miami Beach, Florida


Timing:

June 12-15

Campaign Overview:

Select moments including live performances and red carpets were streamed on Instagram Live. Note: in previous years Facebook Live was used to live stream events; however, we discovered that views and engagement on Instagram Live are at least 50 times greater than that of Facebook Live and therefore converted our live streaming to Instagram delivering more eyeballs per event.

E-Blasts




AMERICAN BLACK FILM FESTIVAL

MIAMI BEACH, JUNE 12-16, 2019

Experience Miami With the ABFF


Already claimed your passes for the 2019 ABFF?
Book your air and hotel accommodations through [ABFF](#) to receive discounts from our partners.



Loews Miami Beach Hotel

Stay at the ABFF host hotel, a luxury oceanfront property, newly redesigned. Discounted room rates for ABFF attendees start at \$279 using promo code: **ABFF612**.

[Book Now](#)








American Airlines

The official airline of the ABFF offers attendees a 5% discount on American and American Eagle air travel anytime between June 8, 2019 - June 20, 2019 using promo code: **1169EA**.


[Book Now](#)

ABFF.com


Follow us     @abff




FOUNDING




NETWORKS





PRESENTING








SPARK BUSINESS

















PREMIER

OFFICIAL

SUPPORTING

Estimated impressions:

2,560,000

Market:

Nationwide

Timing:

Nov- July

Campaign Overview:

E-blasts regarding festival programming and promotions are regularly sent to our email database on an ongoing basis.

Radio Advertising



Total impressions:

1,571,300

Markets:

Atlanta, DMV, Houston,
New York

Timing:

Jan 28 – Feb 17

Campaign Overview:

A total of 233 thirty-second spots ran across five stations in four target markets. Each radio spot identified Miami Beach as the location of ABFF and highlighted festival programming relevant to its audience and promotional giveaways. The goal of the campaign was to target listeners in African-American dense communities who express interest in Black content via their choice of radio station.



Theatrical Advertising



Estimated Impressions: 6,124,449

Market: Nationwide
(*Except NY, LA, & STL*)

Timing: Feb 14-28

Campaign Overview:

As part of the festival's partnership with AMC Theaters, 30-second spots were shown prior to film trailers at AMC theaters nationwide, with the exception of 3 markets (NY, LA, St. Louis). The image shown is taken from the 30-second spot that played in AMC theaters nationwide.

Print Advertising



Estimated impressions:

2,133,000

Market:

Nationwide

Timing:

Sept - Feb

Campaign Overview:

Ads were placed in Variety Magazine and Black Enterprise Magazine.

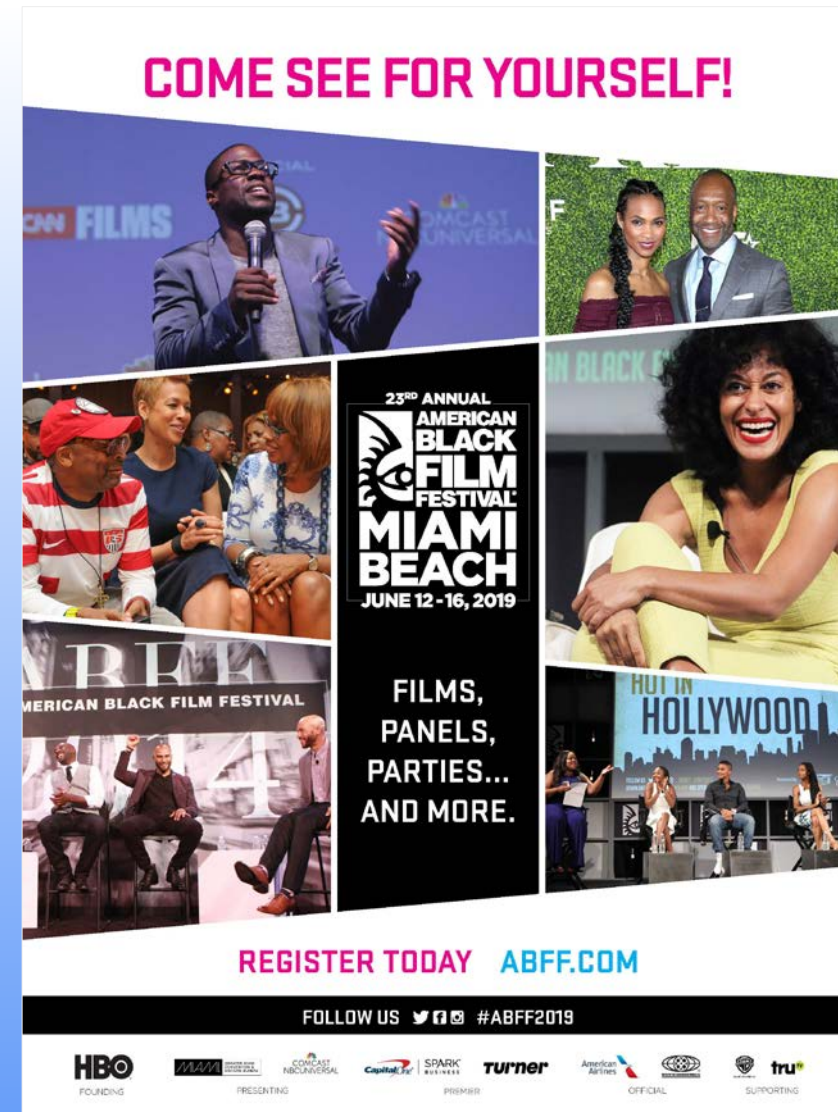
Sept 2018

Page 140 of 170

Print Advertising Artwork



Page 141 of 170
Dec 2018



Feb 2019

13

Direct Mail



Estimated impressions: 10,000

Market: Nationwide

Timing: Sept - Jan

Campaign Overview:
Postcards were mailed out to ABFF's mailing list and are distributed at partner events.

Digital Advertising



Estimated impressions: 1,866,665

Market: Nationwide

Timing: Jan - Feb

Campaign Overview:

Paid advertisement across digital networks, including Google Display Network, Facebook, and Instagram, ran mid-January through February targeting individuals who are interested in entertainment, media, TV, film, black culture, and travel.

Digital Advertising Sample Images



Street Team



Estimated impressions:

130,000

Market:

Miami Beach, Florida

Timing:

Jan 11-14

Campaign Overview:

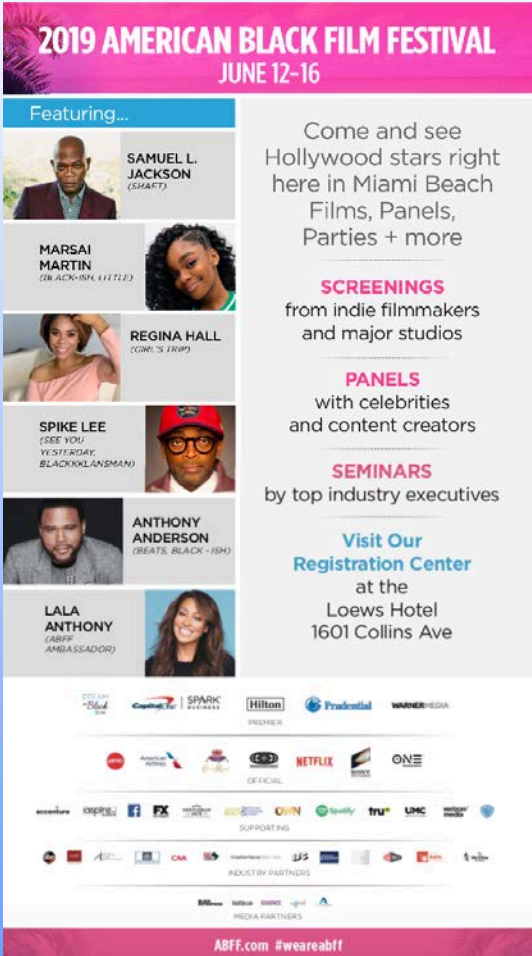
A street team of four brand ambassadors spent four days engaging with tourists and Miami locals to bring awareness to the American Black Film Festival and encourage people to attend ABFF events.

Concierge Cards

Front



Back



Estimated reach: 7,500

Market: Miami Beach, Florida

Timing: June 11-15

Campaign Overview:
The concierge service at dozens of South Beach hotels agreed to recommend that visitors attend the American Black Film Festival as a way to experience Miami and distributed “concierge cards” for guests to be able to carry the information with them. The cards highlighted festival programming, top stars appearing at ABFF, and sponsor logos.

Summary

MEDIUM	MARKET	RUN DATE(S)	CIRCULATION/IMPRESSIONS
Outdoor	Los Angeles, CA	Jan-Feb	1,817,044
Social Media	Global (US, UK, Nigeria)	Nov-July	31,500,000
Email	National	Nov-June	2,560,000
Radio	NY, DMV, Houston, ATL	Jan 28 – Feb 17	1,571,300
Theatrical	National	Feb 14-28	6,124,449
Print	National	Sept-Feb	2,133,000
Direct Mail	National	Sept-Jan	10,000
Digital	National	Jan-Feb	1,866,665
Grassroots Marketing	Miami Beach, FL	June 10-15	137,500

Total

47,719,958

THANK YOU AGAIN FOR YOUR SUPPORT!



PRESENTING



PREMIER



OFFICIAL



SUPPORTING



INDUSTRY PARTNERS



MEDIA PARTNERS



ABFF Ventures, LLC
6600 Sunset Boulevard
Suite 316
Los Angeles, CA 90028
Phone 323.513.6298

AMERICAN BLACK FILM FESTIVAL HOST CITY PROPOSAL Prepared for the City of Miami Beach

1. ABOUT THE ABFF

The American Black Film Festival (ABFF) is an annual event dedicated to recognizing black talent and showcasing quality film and television content by and about people of African descent. Committed to the belief that diverse artists deserve the same opportunities as their mainstream counterparts, ABFF founder Jeff Friday conceived the festival in 1997 as a vehicle to strengthen the black entertainment community by encouraging resource sharing, education, and artistic collaboration.

After 23 years, the festival has become a cornerstone of diversity in Hollywood, providing a platform for emerging black artists—many of who have become today’s most successful actors, producers, writers, directors, and stand-up comedians including Ryan Coogler (*Black Panther*), Will Packer (*Girls Trip*), Issa Rae (*Insecure*), Kevin Hart (*Night School*), Omari Hardwick (*Power*) and Steven Caple Jr. (*Creed II*). ABFF is the preeminent pipeline for black artists in front of and behind the camera, and has significantly expanded the range of black talent working in the entertainment industry.

As “the nation’s largest gathering of black film and television enthusiasts” the ABFF attracts a broad audience of celebrity talent, emerging artists, upscale consumers and industry stakeholders. Approximately 7,000 people travel to Miami Beach each year for the five-day event. The festival opens with the premiere of an upcoming Hollywood release, followed by a robust schedule of independent film screenings, master classes, panels, celebrity talks, live entertainment, and a variety of networking and hospitality events. With support of the world’s leading entertainment, media and consumer product companies, the Festival continues to lead the way, fostering diversity in the motion picture and television industry.

The American Black Film Festival is a property of ABFF Ventures LLC (ABFFV), a multifaceted entertainment company specializing in the production of live events, television and film focused on African American culture. Headquartered in Los Angeles, the company is a joint venture of Jeff Friday Media and Black Enterprise, two prominent media and event companies, each with legacies of showcasing the best of African American culture and achievement.

The 24th annual ABFF will be held from June 17–21, 2020 and will mark the event’s 14th year hosted in the City of Miami Beach.

2. PARTNERSHIP PROPOSAL

The following sets forth proposed terms of a three-year agreement between ABFF Ventures (“ABFFV”) and the City of Miami Beach (“CMB”) regarding hosting of the American Black Film Festival. The 24th annual festival will take place from June 17-21, 2020. The 25th and 26th annual festivals will take place in June 2021 and June 2022 respectively. ABFFV agrees with the City of Miami Beach to hold festivals in Miami Beach under the following terms and conditions.

ABFFV agrees to do the following:

- a) ABFFV will produce and market the 2020, 2021, 2022 ABFF, a five-day event attracting upscale African American leisure and business travelers, while encouraging diversity in the film and television industry. As is customary, festival activities will be centered in the City of Miami Beach.
- b) ABFFV will promote 2-4 partner hotels each year and allow the properties to offer incentives to its attendees.
- c) ABFFV will also host a free community WALLCAST® screening in Soundscape Park during the festival (weather permitting) and subject to the CMB's use of its waiver to cover the venue rental cost. The day and time of the event will be at the discretion of the ABFF.
- d) In connection with the City of Miami Beach support of the 2020 and 2021 ABFF, it will also receive additional marketing benefits and rights as outlined in Exhibit A

In consideration of the above, ABFFV agrees to do the following:

- a) In exchange for ABFFV agreeing to hold the film festivals in Miami Beach and providing additional marketing benefits as described above, CMB agrees to pay ABFFV an annual fee of \$250,000 to help subsidize the costs of the event. Payments to be made in January 2020 and January 2021 and 2022.
- b) CMB will also serve as an advocate for and assist ABFFV in securing permits, venues and services controlled/managed by the City.

EXHIBIT A
SPONSORSHIP BENEFITS AND RIGHTS

- 1) **Marketing (Pre-Festival):** In connection with the pre-Festival Marketing, Sponsor will receive:
 - a) Outdoor: Logo inclusion in outdoor advertisements promoting the festival.
 - b) Email: Inclusion in all e-mail advertisements promoting the festival
 - c) Magazine: Logo inclusion in print ads national magazine advertisements. Sponsor's logo shall be displayed in the "Host Sponsors" category of Sponsors. The parties acknowledge that such inclusion shall be subject to the terms and conditions of the third party barter media agreements between ABFFV and the applicable third party media party. For the avoidance of doubt, Sponsor's failure to receive such media impressions related to such magazine advertising shall not be deemed a breach of this Agreement and shall not entitle Sponsor to any reduction of the Sponsorship Fee and/or other remedies.
 - d) Television: Logo inclusion in television commercials promoting the festival. The parties acknowledge that such inclusion shall be subject to the terms and conditions of the third party barter media agreements between ABFFV and the applicable third party media party. For the avoidance of doubt, Sponsor's failure to receive such media impressions related to such magazine advertising shall not be deemed a breach of this Agreement and shall not entitle Sponsor to any reduction of the Sponsorship Fee and/or other remedies.
 - e) Website:
 - i. Right to place a 728 x 90 static banner on the festival Website. The banner will rotate on with other sponsors on designated pages within the website.
 - ii. Sponsor logo and company boilerplate on Sponsor page of festival Website.
 - c) Direct Mail: Sponsor logo placement on promotional postcards to be distributed at ABFF Partner events and via targeted mailings (distribution 30,000+).
- 2) **On-Site Branding:** During the Festival, Sponsor shall be entitled to receive the following on-site branding and presence:
 - a) Venue Branding: Sponsor logo will be prominently displayed on pop up banners (Welcome banners) placed in high trafficked areas of the key festival venues – host hotels and official screening venues.
 - b) Film Screening Pre-Roll Commercial: Right to play a thirty-second (30) video prior to all film screenings.
 - c) Festival Signage: Sponsor logo will be included on festival event screensavers, in such location as designated by ABFFV.
 - d) Program Guide: One (1) full-page color ad in the Festival's Program guide.
- 3) **Festival Credentials & Hospitality:** Sponsor will be entitled to receive access to Festival activities as follows:
 - a) Ten (10) Sponsor badges allowing VIP entry to official festival events
 - b) Reserved seating for Opening Night Film.
 - c) Invitation for up to two (2) guests to attend the Founder's Brunch (or similar VIP event).
- 4) **Public Relations:**
 - a) Prominent mention on all press releases.
 - b) Opportunity for a City Official to make Welcome remarks during the Opening Night ceremony and the Founder's Brunch attended by corporate partners.



COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: October 25, 2019

SUBJECT: NEW LEASE AGREEMENT BETWEEN THE MIAMI BEACH REDEVELOPMENT AGENCY (RDA) AND MARIE BLACHERE, LLC (TENANT) FOR APPROXIMATELY 2,697 SQUARE FEET OF GROUND FLOOR RETAIL SPACE AT THE ANCHOR SHOPS GARAGE, LOCATED AT 1560 COLLINS AVENUE, SUITE 2, MIAMI BEACH, FLORIDA (PREMISES), FOR A PERIOD OF NINE (9) YEARS.

HISTORY:

The Miami Beach Redevelopment Agency and 1560 Collins Ave, Inc. were parties to a lease agreement for 1560 Collins Avenue, Suite 2, dated October 17, 2007. The lease was for a period of approximately ten years and expired in 2018. Pursuant to a professional services agreement with the City, CBRE, Inc. provides real estate brokerage services for the Anchor Shops retail component and serves as the listing agent for the property. CBRE has identified Marie Blachere, LLC as a prospective tenant for the premises.

Marie Blachere, LLC is a subsidiary of Blachere USA Corp. which is the United States subsidiary of Holding Bernard Blachere (Marie Blachere) which was founded in France in 2004. Marie Blachere is an authentic French bakery, pastry and sandwich market offering artisanal breads, croissants, pastries, sweets and baguette sandwiches, as well as salads, pizzas, muffins and more. A sample menu and photos are attached as Exhibit A. Marie Blachere currently operates approximately 500 locations in France and is one of the largest bakeries throughout France. Blachere USA Corp currently operates two locations in Long Island and Manhattan, New York. Blachere USA Corp's consolidate financial statements and a summary of Holding Bernard Blachere's financial statements are attached as Exhibit B.

Subsequent to negotiations, tenant executed a letter of intent, containing the basic terms and conditions outlined below.

Landlord: Miami Beach Redevelopment Agency (RDA)

Tenant: Marie Blachere, LLC

Premises: 1560 Collins Avenue, Suite 2, Miami Beach, Florida 33139

Size: Approximately 2,697 rentable square feet

Term: Nine years

Renewal Options: None

Lease Commencement: The lease commencement date will be the earlier of 1) one hundred and eighty days following possession or 2) the date any portion of the premises opens for business.

Rent Commencement: The rent commencement date will be one hundred and eighty days following the lease commencement date.

Base Rental Rate: \$75.00 per rentable square foot, plus applicable sales tax

Annual Rent Increases: The base rental rate shall be increased by three percent annually.

Lease Basis: Triple Net – In addition to the base rental rate, tenant shall pay its proportionate share of the costs of real estate taxes, insurance, and maintenance expenses (currently estimated at \$10.00 PSF).

Prepaid Rent: First month's rent, including sales tax, in the amount of \$20,383.70.

Security Deposit: Six month's rent, including sales tax, in the amount of \$122,302.20. If tenant has not been in default of the lease and is current on all rental payments after year two of opening for business, then landlord shall reimburse three month's rent to tenant. Landlord shall retain a total of three month's rent, in the amount of \$61,151.10, for the remaining lease term.

Guarantor: Corporate guaranties from Blachere USA Corp. and Holding Bernard Blachere.

Financial Statements: This proposal is subject to landlord's review and approval of tenant's financial statements.

Utilities: Tenant shall be responsible for the cost of its utilities and trash removal

Construction Allowance: Tenant shall accept the premises in "as-is" condition and shall perform any necessary work at its sole cost and expense.

Signage: Tenant shall have the ability to install exterior signage above its space, subject to the approval of landlord in its proprietary and regulatory capacities.

Use: Marie Blachere Café and Bakery

Agency Disclosure: CBRE, Inc. represents the landlord in this transaction and New Wave Realty represents the tenant. CBRE shall be paid a commission by the landlord, in accordance with a separate professional services agreement, in the event a lease is mutually executed and delivered.

Conditions: The terms and conditions of the letter of intent are subject to approval by the Miami Beach Redevelopment Agency. The letter of intent is non-binding upon either party, and may be modified or withdrawn by the landlord, without notice, at any time. Only a fully executed and delivered lease agreement, which shall be negotiated in good faith by both parties, shall serve as a binding agreement in this regard.

ANALYSIS:

Under the previous lease for this space, the tenant was paying a total rental rate of \$74.75 per square foot, including operating expenses, during the final lease year. The lease was subject to three percent annual increases during its 60 month term. The proposed lease provides for a base rental rate of \$75.00 per square foot, plus estimated operating expenses of \$10.00 per square foot. The base rent will be increased by three percent annually. The proposed rent structure over the nine year term is contained in the chart below.

Square Feet:	2,697						
Base Rent:	\$75						
Increases:	3%						
				PSF	Monthly	Annual	Total
	PSF	Monthly	Annual	Operating	Operating	Operating	Base Rent
Year	Base Rent	Base Rent	Base Rent	Expenses	Expenses	Expenses	& OEX
1 (6 mos.)	\$75.00	\$16,856	\$101,138	\$10.00	\$1,124	\$13,485	\$114,623
2	\$77.25	\$17,362	\$208,343	\$10.00	\$2,248	\$26,970	\$235,313
3	\$79.57	\$17,883	\$214,594	\$10.00	\$2,248	\$26,970	\$241,564
4	\$81.95	\$18,419	\$221,031	\$10.00	\$2,248	\$26,970	\$248,001
5	\$84.41	\$18,972	\$227,662	\$10.00	\$2,248	\$26,970	\$254,632
6	\$86.95	\$19,541	\$234,492	\$10.00	\$2,248	\$26,970	\$261,462
7	\$89.55	\$20,127	\$241,527	\$10.00	\$2,248	\$26,970	\$268,497
8	\$92.24	\$20,731	\$248,773	\$10.00	\$2,248	\$26,970	\$275,743
9	\$95.01	\$21,353	\$256,236	\$10.00	\$2,248	\$26,970	\$283,206
			\$1,953,796			\$229,245	\$2,183,041

Additionally, tenant anticipates investing approximately \$178,000 in renovations to the space and approximately \$250,000 in furniture, fixtures and equipment. Conceptual renderings and an initial floor plan are attached as Exhibit C.

For comparison purposes, a current rent detail for the existing six retail/restaurant tenants at the Anchor Shops is contained in the chart below.

ANCHOR SHOPS RETAIL SPACE					
Tenant	Suite	Sq. Ft.	Rent	OEX	Total
Liquor Lounge	1	2,250			
Monthly			\$ 10,908.54	\$ 1,496.25	\$ 12,404.79
Annually			\$ 130,902.48	\$ 17,955.00	\$ 148,857.48
PSF			\$ 58.18	\$ 7.98	\$ 66.16
Vacant - Marie Blachere	2	2,697			
Monthly			\$ 16,856.25	\$ 2,247.50	\$ 19,103.75
Annually			\$ 202,275.00	\$ 26,970.00	\$ 229,245.00
PSF			\$ 75.00	\$ 10.00	\$ 85.00
US Vintage	3	4,236			
Monthly			\$ 27,397.53	\$ 3,109.93	\$ 30,507.46
Annually			\$ 328,770.36	\$ 37,319.16	\$ 366,089.52
PSF			\$ 77.61	\$ 8.81	\$ 86.42
Mr. R Sports	4	2,884			
Monthly			\$ 8,636.91	\$ 1,917.86	\$ 10,554.77
Annually			\$ 103,642.92	\$ 23,014.32	\$ 126,657.24
PSF			\$ 35.94	\$ 7.98	\$ 43.92
Admiral Cruise & Transportation	5	721			
Monthly			\$ 4,506.25	\$ 600.83	\$ 5,107.08
Annually			\$ 54,075.00	\$ 7,210.00	\$ 61,285.00
PSF			\$ 75.00	\$ 10.00	\$ 85.00
Art Connection	6	721			
Monthly			\$ 4,192.72	\$ 529.34	\$ 4,722.06
Annually			\$ 50,312.64	\$ 6,352.08	\$ 56,664.72
PSF			\$ 69.78	\$ 8.81	\$ 78.59
Cubiche	7	7,130			
Monthly			\$ 36,358.67	\$ 5,234.51	\$ 41,593.18
Annually			\$ 436,304.04	\$ 62,814.12	\$ 499,118.16
PSF			\$ 61.19	\$ 8.81	\$ 70.00

Leasing Brokerage Commission

CBRE shall be paid a leasing commission pursuant to the Professional Services Agreement dated October 24, 2017 between the City and CBRE, Inc. for real estate brokerage services, as authorized by City Commission Resolution No. 20417-29988. Per the professional services agreement, the City will be obligated to pay a leasing commission equal to six percent of the gross aggregate base rent over the initial five years of the lease, as contained in the chart below. The leasing commission will be split evenly between CBRE and the tenant's broker, New Wave Realty.

Commission Calculation		
Aggregate Base Rent		
(Initial Five Years)	Rate	Commission
\$1,090,014	6%	\$65,401

CONCLUSION:

This project aligns with the 2019 strategic plan prosperity vision area to revitalize targeted areas and increase investment. The administration recommends approving the lease agreement with

Marie Blachere, LLC due to: 1) competitive rental rate and favorable lease terms, 2) tenant's acceptance of the premises in "as-is" condition and 3) tenant's significant investment into the space.

Applicable Area

South Beach

Is this a Resident Right to Know item?

No

Does this item utilize G.O. Bond Funds?

No

Strategic Connection

Prosperity - Revitalize targeted areas and increase investment.

ATTACHMENTS:

Description		Type
<input type="checkbox"/>	Exhibit A - Sample Menu and Photos	Memo
<input type="checkbox"/>	Exhibit B - Financial Statements	Memo
<input type="checkbox"/>	Exhibit C - Renderings and Floor Plan	Memo



FRENCH BAKERY & CAFE

@marieblachereus • marie-blachere.com

PASTRY

CROISSANT	\$2.20
PAIN AU CHOCOLAT	\$2.50
BEIGNET	\$1.50
BRIOCHE	\$2.50
MUFFIN	\$3.30
ROLL	\$3.30
COOKIE	\$2.80
TURNOVER	\$3.30
BROWNIE	\$4.00
SMALL TARTS	\$4.90



BREAD

ROLL	\$1.50
BAGUETTE	\$2.20
ANCIENT CEREALS	\$5.50
SOURDOUGH	\$5.50
CORN	\$5.50
OLIVE	\$5.50
MULTIGRAIN	\$5.50
ENERGETIC	\$5.50
WHOLE WHEAT	\$5.50
VIKING	\$5.50



*Our pastries and breads are all buy three, get one free!**

Marie Blachère was founded in Provence in 2004 by Bernard Blachère, a French entrepreneur with a passion for traditional bread. Known for its high quality food, with bread prepared, kneaded and baked on-site daily, Marie Blachère is an authentic French bakery, pastry and sandwich market.

LARGE TARTS

STRAWBERRY	\$16.00	PEAR CHOCOLATE	\$16.00
APRICOT	\$16.00	APPLE	\$16.00
PEACH	\$16.00	RASPBERRY	\$20.00

SANDWICHES & SALADS

CROISSANT	\$5.00	SALAD	\$9.00
VIENNOIS	\$6.90	CROQUE MARIE	\$5.00
BAGUETTE	\$6.90	QUICHE	\$5.00

COMBO DEALS

beverage included



SANDWICH	\$8.40	CROQUE	\$6.50
SALAD	\$11.00		

✂ ADD A DESSERT FOR \$3.00 ✂

HOT BEVERAGES

HOUSE	\$2.50	\$3.25
AMERICANO	\$3.25	\$3.75
ESPRESSO	\$2.50	\$3.25
CAPPUCCINO	\$3.75	\$4.25
LATTE	\$3.75	\$4.25
CORTADO	\$3.25	\$3.75
MACCHIATO	\$3.25	\$3.75
MOCHA	\$4.75	\$5.25
HOT CHOCOLATE	\$3.75	\$4.25
MATCHA	\$4.95	\$5.95
HOT TEA		\$2.75

COLD BEVERAGES

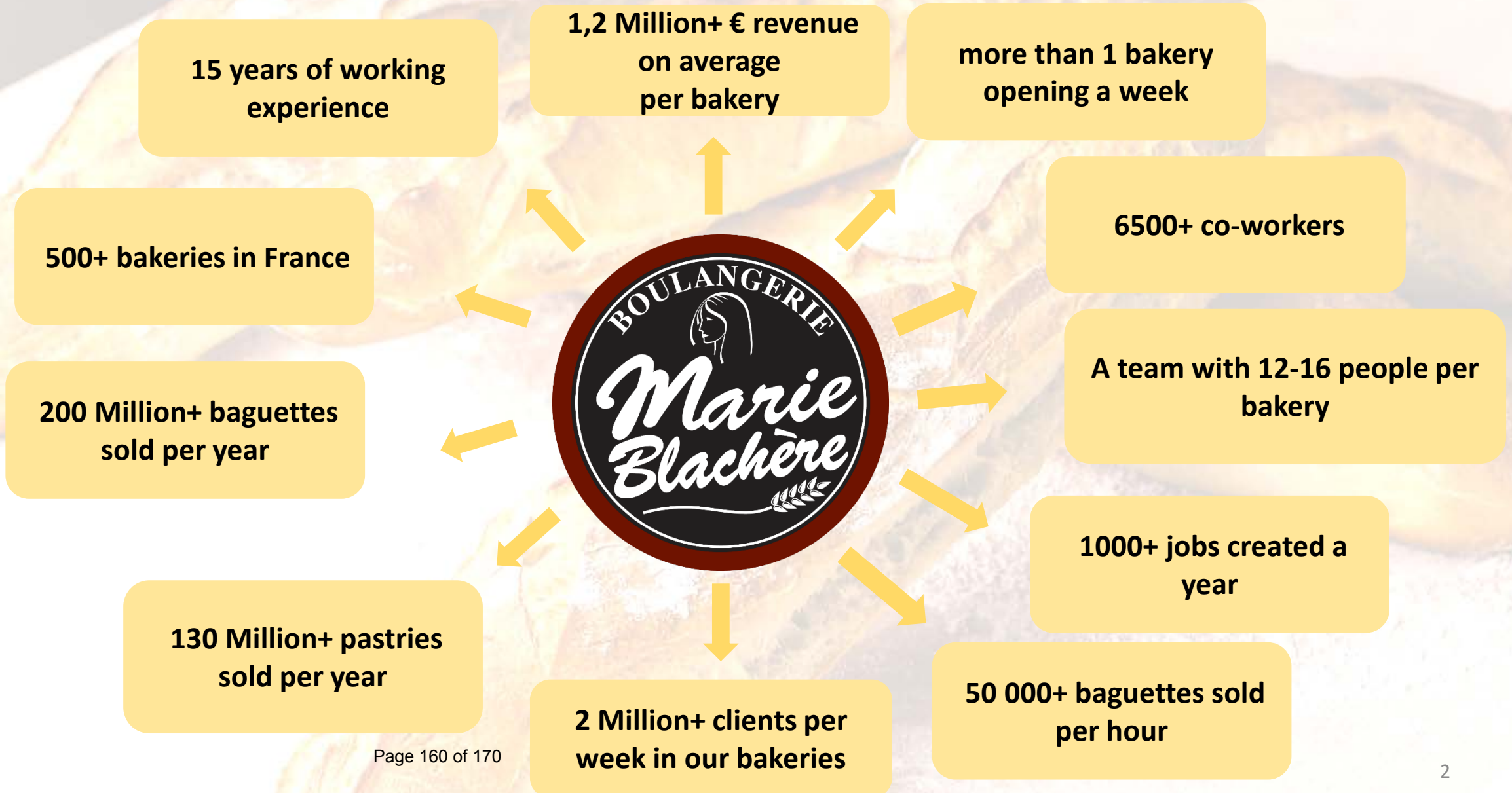
COLD BREW	\$4.25	\$5.25
ICED CAPPUCCINO	\$4.25	\$5.25
ICED LATTE	\$4.25	\$5.25
ICED MOCHA	\$5.25	\$6.25
ICED CHOCOLATE	\$4.25	\$5.25
ICED MATCHA	\$4.95	\$5.95
ICED TEA	\$3.25	\$4.25
JUICE		\$3.00
LEMONADE		\$3.50
SODA		\$2.50
WATER		\$3.00



Marie Blachère is the #1 baker in France

Boulangerie Marie Blachère :

#1 baker in France



Boulangerie Marie Blachère : #1 baker in France



Blachere USA Corp.

Consolidated Income Statement

As of June 30, 2019

	Total
Income	
707100 Restaurant revenue	\$ 479,392
707650 Postmates revenue	\$ 116
707500 Bakeries revenue	\$ 853,718
Total Income	\$ 1,333,225
Income	
607100 Cost of sales - food	\$ 597,710
607200 Cost of sales - beverage	\$ 4,510
607300 Cost of Sales - Packaging	\$ 30,326
Stock Inventory Variation	\$ 5,423
Total Cost of Goods Sold	\$ 637,968
Gross Profit	\$ 695,257
Expenses	
606110 Utilities	\$ 49,593
606300 Small equipment	\$ 5,144
606310 Cleaning products	\$ 4,923
606400 Office supplies	\$ 16,293
606500 Restaurant supplies	\$ 6,887
606600 Hardware supplies	
611100 Money transportation services	\$ 2,707
611300 Surveillance services	\$ 1,345
613200 Rent expense	\$ 237,290
614000 Common Area Maintenance	\$ 8,585
615600 Maintenance	\$ 24,935
616100 Insurance policies	\$ 29,961
622610 Accounting fees	\$ 26,173
622620 Legal fees	\$ 5,742
622621 Other professional fees	\$ 10,062
622625 Recruiting fees	\$ 2,454
623000 Advertising & Marketing	\$ 77,439
625100 Transportation expenses	\$ 240
625600 Meals and entertainment	\$ 30
626100 Mail expenses	\$ 545
626200 Telephone expenses	\$ 5,245
623900 Dues & subscriptions	\$ 4,462
625700 Travel & lodging	\$ 5,799
627800 Bank charges	\$ 2,821
627810 Bank charges:Merchant Account Fee	\$ 19,979
627200 Third party commissions / expenses	\$ 33
641110 Payroll fees	\$ 12,226
645000 Payroll Expenses	\$ 273,301
645100 Payroll tax FICA	\$ 31,060
645400 Workers Compensation	\$ 12,962

651000 Software	\$	3,205
697000 Taxes & Licenses	\$	2,945
695100 Penalties	\$	585
Storage fee	\$	437
658100 Miscelleaneous	\$	491
Total Expenses	\$	885,900
Net Operating Income	-\$	190,643
Other Expenses		
658000 Other expenses	\$	19,026
695300 Other tax paid	\$	448
666000 Exchange losses	-\$	3,467
681110 Depreciation expense - intangible assets	\$	69
681120 Depreciation expense - tangible assets	\$	166,425
690000 Net Book Value of Assets Disposals	\$	1,000
Total Other Expenses	\$	183,501
Net Other Income	-\$	183,501
Net Income	-\$	374,144

Blachere USA Corp.

Consolidated Balance Sheet

As of June 30, 2019

	Total
ASSETS	
Current Assets	
Bank Accounts	
512000 Bank	\$ 406,425
531000 Petty Cash	\$ 39,868
Total Bank Accounts	\$ 446,293
Accounts Receivable	
411100 Accounts Receivable (A/R) CASH	-\$ 10,030
411200 Accounts Receivable (A/R) CC	\$ 18,178
Total Accounts Receivable	\$ 8,148
Other Current Assets	
311000 Inventories - Food	\$ 18,315
312000 Inventories - Beverage	\$ 4,597
313000 Inventories - Packaging	\$ 1,970
314000 Inventories - supplies	\$ 2,144
261000 Investments	\$ 300
455300 Current account Jean Le Gourmand Corp	\$ 217,138
471000 Suspense account	\$ 6,872
486000 Prepaid expenses	\$ 37,575
Total Other Current Assets	\$ 288,912
Total Current Assets	\$ 743,353
Fixed Assets	
201200 Capitalized costs	\$ 6,410
205000 Intangible assets	\$ 494
213500 Leasehold improvements	\$ 3,106,916
215400 Industrial equipment	\$ 786,499
218300 Furniture and fixture	\$ 122,539
218400 Computer equipment	\$ 70,968
218500 Software FA	\$ 810
280500 Amortization intangible assets	-\$ 563
281350 Accumulated depreciation - leasehold improvements	-\$ 174,128
281540 Accumulated depreciation - industrial equipment	-\$ 79,109
281830 Accumulated depreciation - furniture and fixture	-\$ 18,862
281840 Accumulated depreciation - computer equipment	-\$ 15,285
281850 Accumulated depreciation - software	-\$ 67
Total Fixed Assets	\$ 3,806,623
Other Assets	
275000 Security deposits	\$ 335,043
Total Other Assets	\$ 335,043
TOTAL ASSETS	\$ 4,885,020

	<u>Total</u>
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
401000 Accounts payable	\$ 413,009
Total Accounts Payable	\$ 413,009
Other Current Liabilities	
168100 Loan payable - IPFS	\$ 2,328
421000 Personnel Payable	-\$ 2,939
431000 Payroll tax payable	-\$ 986
444700 Sales Tax Payable	\$ 9,206
455100 Advance from Shareholder	\$ 6,625,735
455150 Accrued invoices - Holding Bernard Blachere	\$ 64,987
455160 Interest on Current Account	\$ 38,292
468600 Accrued expenses	\$ 33,405
Suspense account	-\$ 9,886
Total Other Current Liabilities	\$ 6,760,142
Total Current Liabilities	\$ 7,173,151
Total Liabilities	\$ 7,173,151
Equity	
101000 Common Stock	\$ 300
110000 Retained Earnings	-\$ 1,914,287
Net income	-\$ 374,144
Total Equity	-\$ 2,288,130
TOTAL LIABILITIES AND EQUITY	\$ 4,885,020

SAS Holding Bernard Blachere - IS translated

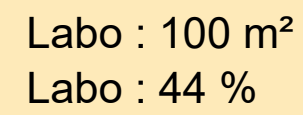
	in EUR	in EUR
	2018	2017
Income		
Income	19,399,833	17,498,398
Other income	406,543	251,902
Total Income	19,806,377	17,750,300
Operating Expenses		
Purchase of merchandises	3,336,002	3,425,473
Inventory variation	72,688	353,926
Other purchases and operating	5,564,277	5,078,914
Payroll and payroll taxes	10,003,835	7,516,500
Other taxes	400,391	327,370
Depreciation	544,041	509,915
Total Operating Expenses	19,921,233	17,212,098
Net Operating Income	(114,857)	538,202
Other Income		
Other income	219,295,214	41,902,966
Other expenses	219,074,907	17,645,255
Net Other Income	220,307	24,257,711
Income Tax	(318,803)	1,582,362
Net Income	424,253	23,213,550

SAS Holding Bernard Blachere - BS translated

ASSETS	in EUR	in EUR
Fixed Assets	2018	2017
Intangible assets	226,866	298,772
Tangible assets	937,630	885,793
Total Fixed Assets	1,164,496	1,184,565
Other Assets		
Investments	41,547,869	41,198,551
Loans	33,693,712	46,009,231
Other loans related to investments		181,684,541
Total Other Assets	75,241,581	268,892,323
Current Assets		
Inventory	816,102	888,790
A/R	17,540,332	1,517,685
Other current assets	119,623,463	12,058,755
Cash and liquidity	130,695,551	15,695,761
Total Current Assets	268,675,448	30,160,991
TOTAL ASSETS	345,081,524	300,237,880
LIABILITIES AND EQUITY		
Equity		
Common stocks	100,190,460	100,190,460
Other equity	1,399,234	1,399,234
Reserves	63,892,316	46,660,286
Net income	424,253	23,213,550
Total Equity	165,906,262	171,463,529
Liabilities		
Debt	172,128,532	124,070,622
A/P	1,231,763	1,083,220
Other current liabilities	5,814,966	3,620,510
Total Liabilities	179,175,261	128,774,352
TOTAL LIABILITIES AND EQUITY	345,081,524	300,237,880







Page 170 of 170

Indice L : -