



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

REDEVELOPMENT AGENCY MEMORANDUM

TO: Chairperson and Members of the Miami Beach Redevelopment Agency

FROM: Rickelle Williams, Interim Executive Director

DATE: June 26, 2024

SUBJECT:

A RESOLUTION OF THE CHAIRPERSON AND MEMBERS OF THE BOARD OF THE MIAMI BEACH REDEVELOPMENT AGENCY, APPROVING, IN SUBSTANTIAL FORM, A SIXTH AMENDMENT, BY AND AMONG THE CITY OF MIAMI BEACH (CITY), MIAMI-DADE COUNTY (COUNTY), AND THE MIAMI BEACH REDEVELOPMENT AGENCY (RDA) TO THE NOVEMBER 16, 1993 INTERLOCAL COOPERATION AGREEMENT, AS AMENDED (THE "INTERLOCAL AGREEMENT"), RELATED TO THE CITY CENTER / HISTORIC CONVENTION CENTER VILLAGE REDEVELOPMENT AND REVITALIZATION AREA (CITY CENTER RDA); WITH SAID SIXTH AMENDMENT ATTACHED AS EXHIBIT "A" TO THE MEMORANDUM ACCOMPANYING THIS RESOLUTION; AND FURTHER AUTHORIZING THE EXECUTIVE DIRECTOR AND SECRETARY TO EXECUTE THE FINAL FIFTH AMENDMENT, IN THE FORM APPROVED BY THE GENERAL COUNSEL.

Background

On January 26, 1993, Miami-Dade County (the "County") adopted Resolution No. R-14-93, which, (i) found the City Center RDA to be a "blighted area" within the meaning of Part III of Chapter 163, Florida Statutes, and (ii) delegated to the City of Miami Beach, pursuant to Section 163.410, Florida Statutes, certain powers conferred upon the County Commission as the governing body of Miami-Dade County by Part III of Chapter 163, Florida Statutes, with regard to the Redevelopment Area, so that the City Commission, either directly or through its duly designated community redevelopment agency, could exercise such powers.

On February 3, 1993, the City adopted Resolution No. 93-20709, which established a community redevelopment agency (the "Miami Beach Redevelopment Agency" or the "Agency") and declared the members of the City Commission as the members of the Agency.

On February 12, 1993, the City adopted Resolution No. 93-20721, which adopted the Agency's City Center/Historic Convention Village Redevelopment and Revitalization Area Plan (the "Redevelopment Plan") for the redevelopment and revitalization of the Redevelopment Area.

The County and the City then approved and entered into the Interlocal Cooperation Agreement (the "Interlocal Agreement"), executed on November 16, 1993 by which the County delegated to the City certain redevelopment powers granted by the Act, including but not limited to the creation of the Redevelopment Area and implementation of the Plan.

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

First Amendment

The Board of Miami-Dade County Commissioners (the "Board") through Resolution No. R-889-03, and the City Commission, through Resolution No. 2003-25241, also approved an amendment to the Interlocal Agreement to delegate to the City the power to implement the community policing initiatives.

Second Amendment

The Board, through Resolution No. R-958-04, and the City Commission, through Resolution No. 2004-25560, also approved a second amendment to the Interlocal Agreement whereby (i) the County, City, and Agency agreed that the Agency would remit one and one-half percent (1.5%) of the Tax Increment Revenue paid to the Agency for said fiscal year to the County to defray administrative costs for oversight and processing Agency related items and 1.5% as a contribution to the City. After debt service and all other obligations related to the bonds or future indebtedness issued by the Agency and approved by the County was satisfied for the fiscal year, and (ii) the County approved the Agency's issuance of refunding bonds in an amount not to exceed a principal amount of \$101,090,000 to refinance all or a portion of the outstanding principal amount of bonds issued with respect to the Redevelopment Area.

Third Amendment

The Board, through Resolution No. R-512-14, and the City Commission, through Resolution No. 2014-28835, also approved an amendment to the Redevelopment Plan and Interlocal Agreement to provide a share of funding for the Miami Beach Convention Center ("Convention Center") Renovation and Expansion Project.

Amended the Plan to include the Convention Center Renovation and Expansion Project and further amended the Interlocal Agreement as follows:

- Extended the life of the Redevelopment Area from 2023 to 2044;
- Authorized the issuance of tax increment revenue bonds in one or more series by the RDA in an amount not to exceed \$430,000,000 for purposes of refunding current outstanding debt, funding eligible community redevelopment project costs, including up to \$275 million for the Convention Center Renovation and Expansion Project, and any reserves and costs of issuance;
- Provided for an ongoing adequate operating and maintenance subsidy for the Miami Beach Convention Center, in addition to the existing \$4.5 million per year and annual year-end revenue sharing that the City currently receives from Convention Development Taxes (CDT) through 2048 – as of 2026 if there are sufficient CDT funds, these are repaid to the RDA with CDT funds;
- Provided for ongoing funding of City operations in the RDA with a cap in growth of 3% or CPI whichever is less;
- Limited capital projects to previously appropriated projects and the following capital projects: Bass Museum Space Interior Expansion, Convention Center Lincoln Road Connectors, 17th St Improvement Penn to Wash, and Lincoln Road from Washington Avenue to Lennox Avenue

- Established that from FY 2023 until FY 2044, the County will receive a refund of City Center Agency operating expenses based on its proportion of revenues contributed to the Trust Fund; and
- Established that from FY 2015 through FY 2022, any funding not used for debt service and operating expenses will go into a fund to be used for shortfalls and eventually prepayment of debt and from FY 2023 any remaining funding will be used to extinguish debt early.

Fourth Amendment

- Provided the \$6,914,221 million in funding for the Convention Center project to address the impacts from Hurricane Irma and the August 2017 rain bomb. These events impacted the facility and created delays which severely challenged the City's ability to deliver the facility at the level required by Art Basel Miami Beach and have created costs impacts.

Due to these delays, Hurricane Irma had a direct impact of at least three (3) weeks on the Convention Center construction including one (1) week of storm preparation and demobilization, one (1) week of storm clean-up, loss of power and additional delays due to a widely displaced workforce returning to work two to three weeks after the storm. Also significant was the impact of Hurricane Irma on the work being performed by Florida Power & Light ("FPL") on the electrical upgrades needed for the renovated Convention Center.

- Provided that the refund of City Center Agency operating expenses to the County begin in FY 2018 instead of FY 2023 and for the City to receive a similar pro-rata share between FY 2018 and FY 2022. This is approximately \$5-6 million per year initially for the County and \$6-7 million per year for the City.
- Provided for the City and County to each contribute, from the pro rata distribution of excess Trust Fund revenues, \$1.5 million a year of year to the County for beach re-nourishment between FY 2018 and 2023.

Under the amendment, the City funding for beach re-nourishment was limited to projects in Miami Beach, while the County share may be used within Miami Beach and adjacent jurisdictions.

- Provided discretion to the City to fund, from excess Trust Fund revenues, up to an additional \$20 million for the Lincoln Road capital project. Any such amounts would serve to supplement the \$20 million previously appropriated for the Lincoln Road Project from excess RDA tax increment revenues.

Fifth Amendment

- The Fifth Amendment to the RDA Interlocal Cooperation Agreement was approved by Miami-Dade County on March 15, 2022 via Resolution No. 256-22 and was executed April 5, 2022 via Resolution No. 2022-32014. The Fifth Amendment allows for \$27.1 million in excess RDA Trust Fund revenues to be accessed by the City to fund the City's financial obligation related to the Final Settlement Agreement for the Miami Beach Convention Center (MBCC) expansion and renovation project. Additionally, the Fifth Amendment clarified that the County's portion of the beach renourishment funds (\$1.5 million), outlined in the Fourth Amendment, can be used for beach renourishment activities at any beaches in the County (not just within Miami Beach).

Analysis

In connection with the proposed issuance of refunding bonds (the "Refunding Bonds") by the RDA to refund a portion of the RDA's Tax Increment Revenue and Revenue Refunding Bonds, Series 2015A (City Center/Historic Convention Village), which refunding will generate debt service savings, it is necessary to further amend the Interlocal Agreement through a Sixth Amendment to Interlocal Agreement (the "Sixth Amendment"), which will need to be executed among the County, the City, and the RDA. The Sixth Amendment will amend the Interlocal Agreement, as previously amended, to provide for the issuance of the Refunding Bonds and to amend certain of the provisions with respect to the Distribution of Trust Fund Revenues in order to delete the requirements thereunder that commencing in Fiscal Year 2023-24, excess revenues must be used to extinguish early, or if not subject to prepayment or redemption at that time, establish an escrow for, any "Agency Indebtedness" (which includes bonds issued by the RDA) or, if not subject to prepayment, redemption or escrow as described in the Interlocal Agreement, as previously amended, to distribute the excess revenues to the taxing authorities and provide in lieu of those provisions, that the excess revenues may be used by the RDA for any lawful purpose as agreed to by the County and the RDA and, if and to the extent required by law, the City. These changes are necessary to provide for the issuance of the Refunding Bonds.

Conclusion

The RDA Administration recommends that the RDA Board approve the Sixth Amendment to the Interlocal Agreement.

LOBBYIST DISCLOSURE

In accordance with Resolution No. 2023-32857, adopted by the City Commission on December 13, 2023, the following information has been provided by the Administration as it relates to the subject resolution:

Was agenda item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? (No)

If so, specify name of lobbyist(s) and principal(s): (N/A)

JDG/lr