

MIAMI BEACH

OFFICE OF THE CITY MANAGER

NO. LTC# 387-2018

LETTER TO COMMISSION

TO: Mayor Dan Gelber and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: July 10, 2018

SUBJECT: Revenues Generated & Costs for Services in the Mixed Entertainment District

This Letter to Commission is provided as an update and summary of the calculated costs of a variety of core City services dedicated to the Mixed Entertainment District (MXE) throughout the year, as well as estimates for property tax and resort tax revenues generated. The departments that participated in this calculation include: Police, Tourism, Culture and Economic Development, Parking Services, Parks and Recreation, Sanitation, Code Compliance, Fire and Emergency Services, Office of Budget and Performance Improvement (OBPI) and Transportation. With the exception of OBPI, each of these Departments provides staffing and resources directly to the MXE and incurs expenses as a result of their service delivery. A separate calculus for each discipline is summarized in this document. All estimates are based on annual cost projections.

Property tax revenues are based on the City's current total combined millage rate of 5.8888 mills and assessed taxable property values within the MXE as of August 7, 2017. Resort taxes generated within the MXE are based on actual Fiscal Year (FY) 2016/17 collections.

The estimates of revenues generated in the MXE by category are outlined below.

Property Tax Revenues - MXE	11,847,604
Resort Tax Collections - MXE	11,490,364
GRAND TOTAL	23,337,968

By contrast, the expenses incurred by the City for a variety key services previously noted, are outlined by department in the remainder of this document. Because the Miami Beach Police Department provides both proactive, dedicated services to the MXE area and indirect services, a brief clarification is provided. Direct services include staff specifically deployed to the MXE district: for example, 12 officers funded by resort taxes, the Lummus Park patrol detail, and the new Tourist Oriented Policing Services (TOPS) initiative. Indirect services include police functions that consistently support the Department's on-going overall service delivery to the MXE. Accordingly, an estimated percentage of this staff time is included in the calculus and identifies the assistance of various units; for example, investigations, traffic operations, Neighborhood Resource Officers, and public information dissemination.

Police Department:

Estimated Cost of Policing the MXE District

Area 4 Patrol Personnel	13,958,779.17
12 Resort Tax Funded police officer positions	1,896,000.00
30 percent of the cost of the Traffic Operations Unit, including Motors and AIU	1,352,927.83
50% of the cost of the Investigations Division	8,296,000.00
Cost of NRO Services	107,375.22
40% of the cost of the Internal Affairs Unit	693,066.67
40% of the cost of the Intelligence Unit	180,800.00
50% of the cost of the Information Resources Unit	699,072.46
Cost of PIO Services	75,333.33
Overtime - Lummus Park High visibility detail	77,449.87
TOPS Program	151,000.00
Spring Break overtime & related expenses	997,518.26
Memorial Day Weekend overtime and related expenses	1,308,940.25
All Other Special Events	<u>303,434.50</u>

TOTAL Expense Incurred: \$30,097,697.57

Fire and Emergency Services:

- 5 Special Events during high impact periods \$ 274,646.39
- 18% pf the cost of Fire Rescue \$11,428,380.00
- 22% of the cost of Ocean Rescue, 8 towers \$ 2,618,660.00
- 13% of the cost of PSCD 911 Total Calls for Service \$ 1,042,600.00

TOTAL Expense Incurred: \$15, 364.286.39

Parking Services:

- 7 Special Event dates ranging from 1-5 days each
- Spring Break dates impacting services ranging from 24-32 days
- 8 "other" impact dates of 3 days total

TOTAL Lost Revenue: \$141,975.00

Sanitation:

- 21 employees assigned to the district
- Total # of hours per year = 43,680
- 43,680 X \$67.61 (current productive hourly rate)

TOTAL Expense Incurred: \$2,953,204.80

Parks and Recreation:

- Personnel: \$381,668.30 (Not including Park Rangers)
- Park Rangers: \$509,000 (This is the enhancement that was funded to place Park Rangers in Lummus Park)
- Grounds Maintenance Services: \$129,206.88
- Janitorial Services: \$159,956.00

TOTAL Expense Incurred: \$1,179,831.10

Tourism, Culture and Economic Development:

- TCED MXE Revenues: \$1,220,859
- TCED MEX Expenditures: \$1,501,155

TOTAL Expense Incurred: \$280,296.00**Code Compliance:**

- General Fund Projection for MXE Year-end FY 17/18: \$865,191.92
- Resort Tax Projection for MXE Year-end FY 17/18: \$21,544.94
- RDA Projection for MXE Year-end 17/18: \$163,148.37

TOTAL Expense Incurred: \$1,049,885.23**Transportation:**

- Cost of South Beach Trolley: \$5,001,450
- Cost within the MXE Specifically: \$715,000

Note the trolley costs are estimated hourly, therefore, the estimate below is based on the distance covered within the MXE.

TOTAL Expense Incurred: \$715,000**Summary:**

Police	\$30,097,697.57
Fire	\$15,364,286.39
Parking	\$ 141,975.00
Sanitation	\$ 2,953,204.80
Parks and Rec	\$ 1,179,831.10
TCED	\$ 280,296.00
Code	\$1,049,885.23
Transportation	\$ 715,000.00

GRAND TOTAL: \$51,782,176.09

JLM/DJO/wrg