

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: City Attorney Ricardo J. Dopico

DATE: April 23, 2025 1:55 p.m. First Reading Public Hearing

TITLE: AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AMENDING CHAPTER 2 OF THE CITY CODE, ENTITLED "ADMINISTRATION," ARTICLE V, ENTITLED "FINANCE," BY CREATING SECTION 2-280 THEREOF, ENTITLED "USE OF RENT PAYMENTS RECEIVED BY THE CITY FROM CONVENTION CENTER HOTEL LEASE," TO DEDICATE, PURSUANT TO THE BALLOT MEASURE APPROVED BY THE CITY'S VOTERS ON NOVEMBER 6, 2018, THE GUARANTEED RENT PAYMENTS RECEIVED BY THE CITY FROM THE CONVENTION CENTER HOTEL LEASE TO ENHANCE FUNDING FOR STORMWATER PROJECTS (IN LIEU OF RATE INCREASES), TRAFFIC REDUCTION MEASURES, AND EDUCATION; AND REQUIRE A 5/7TH VOTE OF THE CITY COMMISSION TO ADOPT ANY FUTURE AMENDMENT TO THIS ORDINANCE; AND PROVIDING FOR REPEALER, CODIFICATION, SEVERABILITY, AND AN EFFECTIVE DATE.

RECOMMENDATION

BACKGROUND/HISTORY

On November 6, 2018, the City's voters approved a development and ground lease agreement for the 2.6-acre property at the northeast corner of 17th Street and Convention Center Drive for 99 years, requiring, pursuant to Resolution 2018-30425, the construction and operation of an 800-room convention hotel to be connected to the Miami Beach Convention Center (the "Hotel Ground Lease"); delineating conditions for the design, construction, equipping, and operation of the hotel on the leased property with no City funding; prohibiting gambling establishments on the leased property; and, commencing after the hotel begins operation, providing for annual base rent to the City in the amount of the greater of the minimum fixed rent or a percentage of the revenues of the hotel, among other rent payments.

On November 16, 2018, the City's voters also approved a separate ballot measure related to the uses to which minimum fixed rent payments to be received by the City pursuant to the Hotel Ground Lease would be dedicated (the "Hotel Rent Dedication Ballot Question").

The Hotel Rent Dedication Ballot Question required the City Commission to adopt an ordinance dedicating the minimum fixed rent payments to be received by the City pursuant to the Hotel Ground Lease to enhance funding (not replace or substitute existing City funding) for stormwater projects, traffic reduction measures, and education with any amendment of such ordinance subject to supermajority (5/7ths) approval by the City Commission.

ANALYSIS

The developer and lessee under the Hotel Ground Lease, MB Mixed Use Investment, LLC, has successfully reached financial close for the Grand Hyatt Miami Beach Convention Center Hotel, officially taking possession of the site, representing a significant milestone toward the delivery of this long-awaited transformative project.

The attached ordinance codifies the directive of the City's voters pursuant to the Hotel Rent Dedication Ballot Question.

FISCAL IMPACT STATEMENT

N/A

Does this Ordinance require a Business Impact Estimate? Yes
(FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on:
See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notice/>

FINANCIAL INFORMATION

CONCLUSION

Applicable Area

Citywide

Is this a "Residents Right to Know" item, pursuant to City Code Section 2-17?

Yes

Is this item related to a G.O. Bond Project?

No

Was this 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 the name of lobbyist(s) and principal(s):

Department

City Attorney

Sponsor(s)

Mayor Steven Meiner

Co-sponsor(s)

Commissioner David Suarez

Condensed Title

1:55 p.m. 1st Rdg PH, Dedicate MBCC Hotel Rent Payments. (Meiner/Suarez) CA

Previous Action (For City Clerk Use Only)