



City of Miami Beach

COMMERCIAL LEASE SUBSIDY PROGRAM

Welcoming new businesses to
the Art Deco Cultural District

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Commercial Lease Subsidy Program

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PROGRAM OVERVIEW

The City of Miami Beach's Art Deco / MiMo Commercial Character Overlay District ("ADCD Overlay") encompasses a geographic area within South Beach containing unique cultural, commercial, and entertainment amenities that are vital to the Miami Beach economy and its tourism industry. The Commercial Lease Subsidy Program (the "Program") is a performance-based reimbursement grant incentive created by the Miami Beach City Commission, via Resolution 2022-32207, that reimburses a portion of expenses associated with expenses related to rent, leasing, mortgage, or real estate taxes, for eligible commercial properties within the ADCD Overlay that are leased by a business that promotes the Program's purpose.

Program Purpose.

The City of Miami Beach (the "City") is committed to promoting and attracting diverse commercial activities, with a focus on businesses and family-friendly activities that contribute to the City's cultural arts legacy. The Program mission is to attract wholesome and community-focused spaces that enhance both the visitor experience and resident quality of life. To accomplish this, the Program offers a financial incentive to activate commercial properties with arts and culture uses, or, in the case where properties are vacant or occupied by a legally established business operation that is no longer permitted under the City Code, the incentive encourages property owners to transition their properties to permitted businesses.

Incentive Award.

Program participants are eligible to receive the following:

- Reimbursement of Qualified Expenses. Reimbursement of eligible, paid expenses related to rent, mortgage payments, and/or real estate taxes, in an amount not to exceed \$2,500.00 per month or fifty percent (50%) of total monthly expenses, *whichever is less*. Program participants are eligible to receive an award of up to \$20,000 annually or \$60,000 throughout the three (3) year Program term
- Waiver of Business Tax Receipt Fees. Waiver of the annual fee associated with a City of Miami Beach business tax receipt (BTR) for both the tenant business and/or the property owner throughout the three-year Program term

PROGRAM GUIDELINES

Eligibility Requirements.

The Program is intended to strengthen and transform commercial corridors within the ADCD Overlay, with objectives of (1) encouraging property owners to transition private properties from nonconforming uses to permitted uses and (2) attracting businesses that promote arts and culture. The City Commission, at its discretion, may consider or waive any eligibility criteria at the request and recommendation of the City Manager.

Geographic Requirement. The Program is **only** available to properties with a physical location in the ADCD Overlay. Please refer to the ADCD Overlay Map herein or consult with City staff to confirm that the subject property is eligible to participate.

Business Type Requirement. The Program prioritizes two (2) business types; however, the City Commission, at its discretion, may waive any of the eligibility criteria at the request and recommendation of the City Manager.

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❖ **Business Type 1: Replace Existing “Prohibited Use” Tenant with “Permitted Use” Business**

The Subject Property must be occupied by a **legal nonconforming use**, i.e., **the business is not a permitted use** but is grandfathered and currently operating with a **valid BTR**, prior to undergoing a transition to a permitted use. For purposes of eligibility, status as a legal nonconforming use, prohibited use, and/or a permitted use is at the sole discretion of the City Manager. The permitted and prohibited land uses within each zoning district are listed in [Chapter 142, Article II of the City's Land Development Regulations](#).

Definition of ‘Nonconforming Use’. A business that existed lawfully prior to the effective date of Land Development Regulations and the use no longer conforms to the restrictions provided in the Land Development Regulations. (See [Article IX of the City's Land Development Regulations](#)) Business activities that would be prohibited if established after

Examples of businesses that potentially operate lawfully today but were prohibited with the enactment of Ordinance 2017-4137 (Art Deco/MiMo Commercial Character and Formula Commercial Overlay District) include:

- check cashing stores
- pawn shops
- pharmacies
- grocery stores
- package stores
- convenience stores
- souvenir and t-shirt shops
- tobacco/vape dealers
- tattoo studios
- occult science establishments

Operation of these business activities are considered lawful only if the business operation was established prior to enactment of Ordinance 2017-4137, as evidenced by a valid and active BTR.

Requirement for Business Transition. The commercial activity must undergo a transition whereby the current tenant, at the time of application submittal, is a legal nonconforming business and is replaced with a legally permitted use, with valid and active permitting and licensing for the new tenant.

❖ **Business Type 2: New-to-Market Art & Culture Tenants**

Following submission of an Application, Property Owner enters into a lease agreement for the Subject Property with a New Business which promotes arts and culture and creates an immersive and shareable experience that prioritizes customer engagement and leverages onsite activities and events, such as

- *Experiential and artisanal retailers*

For example, technology, design, art and/ or culture-driven retail and incubator-inspired artisan experiences, such as offering an opportunity for patrons to learn how to make, design, or craft their own artistic, decorative, musical, beauty, wellness, gastronomic, culinary, or sensory product, and low-scale performing arts and cultural spaces.

- *Interactive and activity-based spaces*

For example, social media museums and artistic installations and activity-based and curated destinations of art, culture, design, recreation, leisure, wellness, and/or amusement.

New-to-Market Tenant Requirement. The New Business must be an entity without an existing physical location in the ADCD Overlay, and whose presence furthers the goal of attracting high-quality arts and culture uses into the ADCD Overlay. Properties are eligible if the New Business already operates in Miami Beach at a physical address outside of the ADCD Overlay.

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The City Commission, at its discretion, may waive any of the eligibility criteria at the request and recommendation of the City Manager.

Before You Apply.

1. Carefully review Program guidelines, application, and related materials.
2. Contact the City's Economic Development Department to discuss your application, business needs, and how the Program can be tailored to maximize your business growth in Miami Beach. A Pre-Submittal Conference is a required prerequisite to submitting your application form.

City of Miami Beach
Economic Development Department
Subject: Commercial Lease Subsidy Program
Email: mbbiz@miamibeachfl.gov Phone: 305-673-7572

3. Schedule a Pre-Submittal Conference to review your Application Form prior to officially applying.

Application Process.

1. An applicant wishing to participate in the Program will request and complete a Pre-Submittal Conference, followed by submission of a complete application to the City of Miami Beach.
2. Consideration for participation in the Program will not commence until an applicant submits a complete Application to the City's Economic Development Department. Any prior communication with the City related to the submission of an Application does not constitute an official submittal.
3. The Application must be signed by an executive officer or owner of the named entity. At the time of submittal, the Application Form must be executed by the owner of record of the Subject Property. Prior to becoming effective, the prospective Tenant Business must also sign the Application form to confirm acceptance of Program requirements.
4. The City will verify receipt of Applications upon submittal. Applications must be evaluated by the City Administration for adherence to Program guidelines and approved by the City Commission.
5. Within thirty (30) days of application receipt and initial review, staff will inform the City Commission and schedule an application presentation at the following City Commission meeting (applicable public notice and agenda deadlines apply). Staff will notify the Applicant when the application is scheduled for consideration at a public meeting. Executive leadership representing the Applicant (both Property Owner and Tenant Business) is required to participate-in-person or virtually at the City Commission meeting.
6. The City Commission-approved Application shall serve as the written Participation Agreement between the City of Miami Beach and the Applicant and shall, at a minimum, specify:
 - a. The maximum amount of Reimbursement Payments the Applicant is eligible to receive throughout the Program term and during each fiscal year;
 - b. Acknowledgement that the City may have access to and review the financial and business records of the Applicant (both Property Owner and Tenant Business) and/or perform onsite visits to verify business activities contained in the Application, Agreement, and Reimbursement Requests;
 - c. Acknowledgement that compliance with the terms and conditions of the approved Application/Agreement is a requirement for the receipt of any Reimbursement Payment and that the Applicant's failure to comply with the terms and conditions of the approved Application/Agreement may be deemed forfeiture of eligibility for receipt of Reimbursement Payments and constitute disqualification of the Applicant's eligibility for the Program;
 - d. Acknowledgement that payment of Reimbursement Payment is conditioned on and subject to specific annual appropriations by the City sufficient to satisfy the amount of Reimbursement Payments under the approved Application/Agreement; and

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- e. Acknowledgement that the amount of the Reimbursement payments received will be based on the reimbursement requests qualifying as eligible expenses, as determined by the City in its sole discretion.

Evaluation and Approval.

1. The evaluation and recommendation of an Application will include, but not limited to, whether the Applicant's business activities accomplish the following:
 - a. Transition to compatible uses that are permitted within the underlying zoning district.
 - b. Enhance the City's reputation as a family-friendly destination for world-class cultural arts, recreation and leisure, and wellness; or
 - c. Provide a unique opportunity for experiential and immersive activities consistent with the Miami Beach brand; and/or
 - d. Appeal to residents, tourists, and visitors alike; increase and diversify new employment opportunities; attract economic investment; and enhance property values.
2. At the request and recommendation of the City Manager, the City Commission, in its discretion, may consider or waive any conditions or criteria of eligibility.
3. Discussions with the City about the Program, and the City's review and/or consideration of an Application Form, are not to be construed as an entitlement or right conferred upon an Applicant, business, or property owner.

Compliance Requirements.

1. Program Compliance. To remain eligible for the Lease Subsidy program, participants must maintain continued compliance with Program Requirements and obligations outlined in the Participation Agreement.
2. Subject to Executed Lease Agreement. While an executed Lease Agreement with the Tenant Business is not a requirement at the time of Application submittal, Participants shall only be deemed eligible to receive reimbursement of Eligible Expenses incurred pursuant to an executed and effective Lease Agreement between the Property Owner and Tenant. Tenant's Lease Agreement may become effective within 180 days after submission of Application to the Program and expenses are eligible for reimbursement only if incurred following the effective date of a valid Lease Agreement. Subtenants are not eligible to request reimbursement.
3. Requirement for Good Standing.

- **Business Type 1 - Properties Transitioning from Nonconforming to Permitted Use:**

Commencing at the time of application:

Existing Tenant (Legal Nonconforming Use) must possess a valid BTR for operation at the Subject Property. Businesses that are not permitted under the City Code and/or operating without a valid BTR are not in lawful existence and therefore, the property is not eligible to participate in the Program.

Property Owner, Subject Property, and Existing Tenant must be in good standing with the City of Miami Beach and Miami-Dade County, i.e., no outstanding fees or fines, no current or pending litigation with the City of Miami Beach, and properly licensed and approved by the City, State, and County, as applicable. The same requirement shall apply for the Proposed Tenant, once known.

Prior to Request for Disbursement of Reimbursement Payment and thereafter:

Proposed Tenant must be in good standing, possess a valid BTR and a valid Certificate of Use (CU) for the Subject Property.

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- **Business Type 2 - New-to-Market Arts & Culture Businesses:**

Commencing at the time of application:

Property Owner, Subject Property, and Proposed Tenant must be in good standing with the City of Miami Beach and Miami-Dade County, i.e., no outstanding fees or fines, no current or pending litigation with the City of Miami Beach, and properly licensed and approved by the City, State, and County, as applicable.

Prior to Request for Disbursement of Reimbursement Payment and thereafter:

Proposed Tenant must be in good standing, possess a valid BTR and a valid Certificate of Use (CU) for the Subject Property.

4. Lease Occupancy and Open-for-Business Timeframe. Approval of the Application Form and Participation Agreement by the City Commission must occur before the Proposed Tenant opens for business. If a Subject Property participating in the Program does not require substantial tenant improvements, the Proposed Tenant must open for business and commence operations within an agreed-upon timeframe following the Effective Date of the Participation Agreement. The Business and the City of Miami Beach will negotiate a specified and mutually agreeable Timeframe.
5. Requirement for Daytime Operation. Businesses may seek reimbursement of expenses only if their principal business activities:
 - a. are conducted at the Subject Property;
 - b. are open to the public; and
 - c. include daytime operational hours no less than five (5) days a week (include operational hours commencing no later than 12:00 p.m. on days where the business is operating).
6. Taxes, Fines, or other Fees. Where a business is delinquent in paying its taxes, fines, or any other fees due to the City of Miami Beach, the City may withhold Lease Subsidy funds until the business is current and in good standing. In such cases where a business is more than one (1) year delinquent, the Participation Agreement may be terminated, and the business may be disqualified from participating in the Program.
7. Media Announcement. If requested by the City, the Participant must agree to issue a press release announcing the new commercial location with reference to the "City of Miami Beach" by name. No less than forty-eight (48) hours prior to issuance of the press release, the business must provide a copy of the press release to the City of Miami Beach and indicate the precise date and time for publishing of the press release. In support of the announcement, the City's Marketing and Communications Department will also issue a press release and media coverage.
8. Media Appearances. Where applicable, Participants may be asked to provide an employee representative, of at a minimum a senior level executive position, to participate in engagements each year, to assist with recruitment efforts by the City of Miami Beach to attract additional participants to the Program, for example, a media interview, quote for a media story, or comparable engagement.

Reimbursement Payments.

Reimbursement Payments are contingent upon prior satisfaction of each of the following:

- a. City Commission approval of the Application;
- b. Annual appropriation of Program funding by the City Commission; and
- c. Applicant's continuous compliance with the requirements and obligations of an executed Participation Agreement.

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Participants may only request, and will only be considered for, the reimbursement of Eligible Expenses.

“Eligible Expenses” are defined as documented payments for expenses related to rent or mortgage costs, leasing expenses, and/or real estate taxes, which were incurred on or after the Effective Date of the Lease for the Subject Property.

Notwithstanding the foregoing, expenses may be deemed ineligible if any of the following apply:

1. Property Owner and Tenant Business have not executed a Lease Agreement;
2. Lease Agreement is not valid and/or effective;
3. Subject Property has not received a Certificate of Use (CU); or
4. Either the Property Owner or the Tenant Business has not obtained a valid and active BTR.

Verification of eligibility of expenses is subject to the sole and absolute discretion of the City.

Frequency of Reimbursement. Participants may submit to the City a request for reimbursement of Eligible Expenses no more frequently than once monthly.

Maximum Award. The City Commission, at its discretion, may waive limitation on maximum award amount, upon the request and recommendation of the City Manager.

1. *Program Term:* \$60,000 over three (3) years
2. *Annually:* \$20,000.00 over 12 months
3. *Monthly:* The lesser of:
 - a. \$2,500.00 per month or
 - b. 50% of monthly expenses (related to Eligible Expenses)

Installment Payment Amount. The amount of the Installment Reimbursement Payment will vary among Participants as it will be computed based on the amount of rent, mortgage, leasing expense, and/or real estate taxes, that is due for the Subject Property. However, the cumulative total amount of Installment Payments within a 12-month period shall not exceed \$20,000 in the aggregate.

Participants will be monitored periodically during the Program year to ensure compliance with the Participation Agreement. Reimbursements of Eligible Expenses will only be issued after the Applicant/Participant has satisfied all commitments as set forth in the Application/Agreement.

Disbursement amounts are set forth and limited in each fiscal year of the disbursement schedule approved in the Agreement and Resolution.

The City shall designate staff, or a third party, to administer the Program and determine Applicant/Participant compliance. Any awards determined to be due to an Applicant/Participant and processed by said designated staff shall require written approval and authorization of the City.

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A. SUBJECT PROPERTY

1. Subject Property Address: _____
2. Miami-Dade County Tax Folio: _____
3. Property Title Owner Name/Entity: _____

B. PROPERTY OWNER INFORMATION

1. Business Registered Name: _____
2. Business D/B/A (if applicable): _____
3. Authorized Representative Name and Title: _____
4. Email: _____ Phone: _____
5. Website: _____
6. Mailing Address: _____
7. Has the company or any of its officers ever been subjected to criminal or civil fines and penalties?
Yes: _____ No: _____
If yes, briefly explain: _____
8. Federal Employer Identification (FEIN): _____
9. Business Tax Receipt (BTR) : _____ Annual BTR Fee: _____
10. Florida Sales Tax Registration Number (if applicable): _____
11. NAICS Code(s): _____ SIC Code(s): _____
Not sure? Look up both codes here: <https://www.naics.com/search/>

C. SUBJECT PROPERTY - CURRENT TENANT / BUSINESS (if applicable)

1. Subject Property contains an active business operation? Yes: _____ No: _____
If Yes, please answer the following. If No, proceed to Section E.
2. Business Registered Name: _____
3. Business D/B/A (if applicable): _____
4. Primary Business Activities: _____

5. Authorized Representative Name and Title: _____
6. Email: _____ Phone: _____
7. Website: _____
8. Mailing Address: _____
9. Has the company or any of its officers ever been subjected to criminal or civil fines and penalties? Yes: _____ No: _____
10. If yes, briefly explain: _____
11. Federal Employer Identification (FEIN): _____
12. Business Tax Receipt (BTR): _____ Annual BTR Fee: _____

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13. Florida Sales Tax Registration Number (if applicable): _____

14. NAICS Code(s): _____ SIC Code(s): _____
Not sure? Look up both codes here: <https://www.naics.com/search/>

15. Date of Lease Expiration: _____

D. SUBJECT PROPERTY - PROSPECTIVE TENANT / BUSINESS (if applicable)

1. Prospective tenant has been identified for Subject Property? Yes: ____ No: ____ If Yes, please answer:

2. Business Registered Name: _____

3. Business D/B/A: _____

4. Business Primary Business Activities: _____

5. Authorized Representative Name and Title: _____

6. Email: _____ Phone: _____

7. Website: _____

8. Mailing Address: _____

9. Has the company or any of its officers ever been subjected to criminal or civil fines and penalties? Yes: ____ No: ____

If yes, briefly explain: _____

10. Federal Employer Identification (FEIN): _____

11. Business Tax Receipt (BTR): _____ Annual BTR Fee: _____

12. Florida Sales Tax Registration Number (if applicable): _____

13. NAICS Code(s): _____ SIC Code(s): _____

14. Please note that potential reimbursement awards must be discussed with the Economic Development Department prior to application submittal. Maximum reimbursement is up to \$20,000 annually per business, or a total of up to \$60,000 per business over a maximum of three years.

Estimated amount of annual reimbursement to be requested: \$ _____

E. SUBJECT PROPERTY – PROPOSED LEASE TERMS (WITH PROSPECTIVE TENANT)

Please provide the following information as it relates to the Lease Agreement with the Prospective Tenant:

Tenant Business Type: Transition from Nonconforming to Permitted Use ☐ Arts & Culture Business ☐

1. Landlord Name: _____

2. Tenant Name: _____

3. Are Landlord and Tenant related to each other? "Related" means a relationship that might call into question the arms-length nature of a customary transaction because the parties are not independent or on equal footing, including, but not limited to, relatives and business partners. Yes: ____ No: ____

If yes, briefly explain: _____

4. Lease Execution Date: _____ Term Commencement Date: _____

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5. Lease Term Expiration Date: _____ Rent Commencement Date: _____
6. Initial Term (months): _____ Renewal Terms (months): _____
7. Size of Leased Premises (sq. ft.): _____ Rent (annual & monthly): _____
8. Mortgage (annual & monthly): _____ Lease-related Expenses: _____
9. Briefly explain the type of expenses for which reimbursement will be sought: _____

10. Required Annual Reporting of Business Activity.

Participants will be required to submit annually information regarding the business, for use by the City in tracking the program's impact on commercial activity. The data requested includes, but is not limited to, the amount of capital investment in real and personal property associated with the property (e.g., costs related to construction, renovation, buildout improvements, and/or fixtures, furniture, and equipment (FF&E)) and employment and wage data (e.g., number of full- and part-time jobs at the property and associated wages). The information submitted will only be used internally by the City from program tracking and will have no bearing on the Participant's program eligibility; provided however, that failure to comply with the City's request for information may result in the denial of reimbursement funds.

F. ACKNOWLEDGEMENT AND APPLICATION AUTHORIZATION

The Applicant acknowledges that adherence to the Application and Program Guidelines is a requirement for receipt of the Lease Subsidy. Failure to comply with Program Guidelines may result in the loss of eligibility for receipt of the Lease Subsidy. Please initial below in acknowledgement of each of the following:

_____ I acknowledge that receipt of any Lease Subsidy funds is conditioned upon compliance with the terms and conditions of the Application Form and Participation Agreement, as authorized by Resolution of the City Commission.

_____ I acknowledge that failure to comply with the terms and conditions of the approved Application Form and Participation Agreement may result in my disqualification from the Program, the forfeiture of any unissued award funds, and the requirement for repayment of funds I have already received.

_____ I agree to refrain from executing a Lease Agreement, or extension thereof, for my property that is the subject of this Application Form, prior to final approval of my participation in the Program, as confirmed in writing by the City of Miami Beach.

_____ I agree that Program participation requires that any Lease Agreement for the Subject Property will contain a statement in standard font size that the property will be subject to these Program requirements, rents payable will be reduced by an amount commensurate with the Subsidy, and the Subsidy may be revoked if, during the Program term, any lienable charges are unpaid for more than one year.

_____ I acknowledge that the Subject Property cannot be approved for the Program if encumbered by any delinquent ad valorem taxes, municipal and county liens, judgments, and encumbrances of any kind.

_____ I agree to maintain business and financial records related to my business, the Subject Property, and the tenant, and submit summary reports of such records, as requested by the City of Miami Beach as part of reimbursement claim submissions.

_____ I agree to comply with efforts to monitor and verify my compliance with the Program, including the City of Miami Beach's requests to review financial and business records and/or perform onsite visits.

A signature is required for the submission of an Application Form. The Applicant(s) must have legal signing authority to bind the company to a contract, i.e., executive officers and owners. By signing this Application Form, the Applicant(s) avers that it is duly authorized to execute on behalf of the company and its legal owner, as applicable. The Applicant confirms that it is duly authorized to enter into contracts related to the Subject Property. Through application to the Program, the Applicant(s) provides consent to the City of Miami Beach to verify the company's business licensure, ownership of property, and business records related to the company and the Subject Property.

The Applicant(s) acknowledges that adherence to the Application Form and Program Guidelines is a requirement for receipt of Reimbursement Payments. Failure to comply with Program Guidelines may result in the loss of eligibility for receipt of funds.

Property Owner

Name: _____

Company: _____

Title: _____

Signature: _____

Date: _____

Tenant Business

Name: _____

Company: _____

Title: _____

Signature: _____

Date: _____

Internal City Use Only – Economic Development Department

Date Received: _____

Approval Signature: _____

Printed Name: _____

Target Commission Meeting Date: _____